



compa
beyond expectations

INDIVIDUAL ANUAL RAPORT
2021

INDIVIDUAL ANNUAL REPORT



compa
beyond expectations

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A) BOARD OF DIRECTORS REPORT

1. INTRODUCTION

PURPOSE OF THE REPORT

This ANNUAL REPORT for 2021 of the Board of Directors of COMPA S.A. Sibiu was prepared in accordance with the provisions of ASF Regulation no. 5/2018, Annex 15, addressed to companies listed on BVB whose financial statements are prepared based on IFRS standards.

The main objective of the annual report is to inform investors, business partners and our own employees, regarding the changes in the economic-financial and social activity of the company. This document highlights the results obtained by COMPA S.A. in 2021, despite the challenges and enormous difficulties faced by the company, due to the evolution of the Coronavirus pandemic.

MESSAGE FROM THE PRESIDENT - GENERAL MANAGER



The year 2021 started as a year of hopes for COMPA. These hopes were linked to the development of our firm in the last quarter of 2020, when we managed to correct the results of 2020 to a certain extent, as well as thanks to a very promising start of 2021 in terms of increasing orders requested by most of our customers.

Thus we had a very good first half of the year in terms of turnover achieved as well as in terms of profitability of the company. This development has given us hope that we will have a year 2021, in terms of results, at least at the level of 2019.

At the same time, projects started before the pandemic and not completed in 2020 because of it, projects designed to replace the volume reductions in the diesel and petrol car sector, have reached maturity and the conditions are in place for the expected results for this year to be achieved.

Unfortunately in the second part of 2021 the company's situation began to deteriorate both in terms of production volumes achieved and profitability. Most of our customers came with substantial volume reductions due to the lack of electronic components on the market, which led to a major decrease in turnover. Also the increase in utility prices dramatically affected the company's profitability in the second part of 2021 and of course affected the full year 2021 results.

COMPA's management's basic concern in the second half of the year was to find solutions to cover the utility price increases, both with support from our customers and through measures to reduce existing costs of all cost elements.

We were largely successful in covering these cost increases, but the price increases did not stop there, they continued, both in utilities and all other raw materials, materials and services.

Of course we will continue to look for solutions that will ultimately help us keep profitability under control with all the big problems in the global market.

We will continue to invest in new projects that will reduce the company's dependence on diesel and gasoline car production and get more involved in areas other than cars.

We will also invest in the production of green energy, in projects to reduce the cost of energy consumption, all with the aim of reducing the company's carbon footprint as much as possible and diversifying the energy resources that COMPA uses.

In order to meet our customers' demands for quality, competitiveness and logistical performance, we will reorganise the company's activities to meet these requirements.

Environmental protection and occupational health and safety will remain strategically important objectives in our business.

In the difficult conditions of the beginning of this year, we assure COMPA's shareholders and employees that our basic concern is to achieve results that will enable us to meet their needs, both in the short term and in the medium and long term.

Ioan DEAC

President & General Manager,
COMPA

SA

Sibiu

2. COMPA - OVER 130 EXISTENCE AND PERFORMANCE

COMPAS S.A. - prestigious brand of the Romanian automotive industry has gained its reputation over time due to the diversity and competitiveness of its products, especially in the field of cars and springs, qualities acquired in over 130 years of existence and high-performance activity.

SHORT HISTORY

1886 - The first official documentary attestation of the blacksmith's workshop Iózséf Datky (1844-1928), recognized as "Datky Iosif & Sons' Body Shop", which produced lamellar springs for carriages, forged parts, bards, axes, hammers, teslas, etc. . The workshop becomes a supplier of carriages for the Royal House of Vienna, and the recognition of the merits and quality of the products made was also proven by the participation in international exhibitions: Budapest (1896) and Paris (1898).



1920 - The beginning of the manufacture of springs for cars and wagons and the transformation of the blacksmith workshop into Elastic A Datky "being the first Romanian factory of springs and special smithy workshop.



1932 - The company "ELASTIC A.DATKY & Co" - the first spring and file factory - moves to the manufacture of files and spiral springs. The technology of manufacturing lamellar springs for trucks and cars has also been developed.

1948 - Nationalization of the factory and continuation of the activity under the name of the STATE ELASTIC ENTERPRISE which until 1960 produced files, springs and forged parts.

1961 - The Elastic Factory Sibiu specializes in the manufacture of: sheet springs; hot-rolled helical springs and cold-rolled helical springs.

1969 - **ESTABLISHMENT OF AUTO PARTS COMPANY Sibiu (IPAS)** by merging two important companies from Sibiu, which, over time, had an independent individual course:

- Sibiu Automecanica Factory, with an impressive history during its development, from an Arsenal of Sibiu Artillery that ensures the repair and manufacture of weapons for the defense of the Sibiu Citadel (before

merger) and the production of car equipment, combining the experience of forerunners with new progress of the technology and management of those times;

- Elastic Factory, with deep roots in the craft tradition of the fortress, being established in the nineteenth century as a blacksmith's workshop, which later developed into a body shop and finally, before the merger in 1969, in the spring and forged parts factory.



Automecanica Plant



Elastic Plant



The unification of the two representative factories of Sibiu and the establishment of the SIBIU AUTO PARTS ENTERPRISE (IPAS) represents a crucial moment, laying the foundations, in Sibiu of a strong company in the automotive field, of an enterprise that would become one of the main suppliers of components for the manufacture of trucks and buses based on the license taken over by the Romanian State from the German company MAN. The Auto Parts Enterprise has entered into a national development program, with major investments in the construction of halls and the acquisition of state-of-the-art machinery and equipment for that period. Within the company, there were assimilated in manufacturing and produced, as a result of the purchase of licenses from various companies in the European car industry:

- Equipment for the braking system of vehicles;
- Cardan transmissions;
- Steering systems;
- Telescopic shock absorbers;
- Vehicle suspension systems.

1991 - Transformation of the AUTO PARTS COMPANY SIBIU, as a result of the change of the regime from December 1989, into a joint stock company, a company with full state capital, with the name of S.C.COMPA S.A.Sibiu.



1996 - Establishment by Compa, together with a company within the German concern KRUPP, of a joint venture - Krupp Bilstein Compa, for the manufacture of telescopic shock absorbers for car production

1997 -The company's shares are traded on the Bucharest Stock Exchange starting with June 12, 1997, under the symbol CMP. The securities issued by the company are traded in the Standard category of BVB.

1998 Establishment of the second joint venture - Krupp Compa Arcuri, for the manufacture of lamellar springs for trucks, vans and off-road vehicles.

1999 -The complete PRIVATISATION of COMPA, by taking over the main package of shares owned by the COMPA Employees Association (PAS). Privatization was the most radical form of restructuring. The change of ownership meant a complex and profound change in the performance of all the company's functions taken separately and as a whole.As such, the premises for the most profitable use of human, material and financial resources have been created.

2000 - The first affiliated company is established - Compa IT SRL, in the IT field, with full capital from COMPA.

2001 - The affiliated company TRANS CAS SRL is established, with predominant capital from COMPA, by transforming the existing Transport Base within the company, into a separate domestic and international transport company.

2004 - The affiliated company RECASERV SRL is established, with a profile of public alimentation, realized by outsourcing the specific activities (canteen and microcantines from COMPA). Subsequently, it expanded its activity through catering and cleaning services.

2004-2018 - Establishing collaborative partnerships with some of the most important companies in the automotive field in the world, as well as with non-auto companies, in order to make components intended mainly for the automotive industry worldwide.

During this period, rehabilitation works were carried out, especially of the halls and warehouses, requiring their modernization and bringing them to a level of operation under the conditions imposed by our business partners. In order to ensure the production spaces at the level of the requirements and standards of these periods, important investment were made. The overwhelming share of investment expenditures made from own sources but also from bank loans was mainly focused on financing the acquisition of new, state-of-the-art machines and equipment, in order to achieve automotive components at the level of complexity, technicality and quality requested by the company's partners:



2018-present - Compa continues to develop in a sustained rhythm, using high-performance technology and equipment.





3. EVENTS OF 2021 AND MANAGEMENT'S VISION FOR THE FUTURE DEVELOPMENT OF THE BUSINESS

3.1. EVENTS RECORDED IN 2021

During 2021 the Board of Directors of the Company held 14 meetings, following the call of the Chairman.

29.01.2021 - The Board of Directors approved the transfer to the affiliated company Arini Hospitality SRL of the Hotel Consultancy Services Contract dated 17.01.2020 and the addendum dated 18.11.2020 concluded between Compa S.A. as Owner and AccorHotel Services Magyarorszag Kft Budapest as Hotel Consultant.

The results of the annual inventory (2020) of the company's assets were also approved, that is, the recording of adjustments for the impairment of receivables and inventories, the write-off / pass on costs of fully depreciated fixed assets that can no longer be used, fully depreciated inventories, receivables, other irrecoverable debts, as well as the taking into income of some debts that are time-barred and/or not recognised by the partners.

08.03.2021 - The Board of Directors approved the convening of the General Meetings of Shareholders of Compa S.A. (OGMS and EGMS) for 22.04.2021, the reference date was set and the agenda of the two meetings (OGMS and EGMS) was approved.

22.04.2021 - The Ordinary General Meeting (OGMS) and the Extraordinary General Meeting of Shareholders (EGMS) were held in accordance with the legal regulations in force.

The OGMS approved the individual and consolidated financial statements for the financial year 2020, based on the Annual Report for 2020 presented by the Board of Directors, accompanied by the Report of the financial auditor AUDITCONT S.R.L. and the distribution of the net profit for the financial year 2020, as follows:

- for own development sources – the amount of 10.712.555,28 lei
- for covering losses from previous periods – the amount of 403.355 lei
- for granting dividends to shareholders - the amount of de 2.803.856,15 lei with a gross dividend / share of 0,0132 lei, corresponding to one share at nominal value of 0,1 lei;

The payment of dividends for the financial year 2020 was made from 9 June 2021 through the Central Depository in accordance with the provisions of article 86 para. 5 of Law 24/2017 and art. 177 of ASF Regulation no. 5/2018, in the accounts of Participants, Shareholders or BRD account, as the case may be.

Shareholders entitled to receive dividends distributed from the net profit made in the financial year 2020 are those registered in the consolidated register of shareholders on 18.05.2021 - the record date (approved by the OGMS on 22.04.2021). "Ex date" has been set for 17.05.2021.

A new Board of Directors was re-elected for a 4-year period starting 26.04.2021, consisting of:

- Ioan DEAC – administrator
- Ioan MICLEA – administrator
- Mircea Florin MAXIM – administrator
- Nicolae BALTES – administrator
- Vlad Nicolae NEACSU – independent administrator

The EGMS approved the contracting of investment loans, credit lines, leasing, letters of bank guarantee, and other financial banking products, with a total cumulative limit of EUR 40 million for 2021 and the establishment of the related movable and immovable guarantees with assets of the company, as well as the empowerment of the General Manager and the Economic Director to represent the Company in the negotiation and signing of the credit and guarantee agreements and any other necessary documents.

At the same time, the appointment of the representative of Compa S.A. in relation to the Managing Authority / Financing Authorities was approved, as well as the appointment of the person/persons to sign on behalf of the Company the financing contracts that will be carried out from 2021 and until the next EGMS in April 2022.

Under another item on the agenda it was approved to amend the articles of association of Compa S.A. by removing item. VIII General Meeting of Shareholders the powers of the Ordinary General Meeting set out in **item 1 lit. g, h, i, j.**

By open vote, it was approved to establish a secondary office - working point at the address in Sibiu, Bd. Victoriei nr. 42-44, Jud. Sibiu for the affiliated company ARINI HOSPITALITY S.R.L., a company having its headquarters in Sibiu, str. Henri Coanda nr. 8, Jud. Sibiu, registered at the Registry Office near the Sibiu Court under no. J32/77/19.01.2021, with unique registration code no. 43581594.

28.04.2021 - The Board of Directors (newly elected) meeting at its first meeting elected its Chairman, Vice-Chairman and Audit Committee as follows:

- Ioan DEAC – administrator, Chairman CA
- Ioan MICLEA – administrator, Vice-Chairman CA
- Mircea Florin MAXIM – administrator
- Nicolae BALTES – administrator, Audit Committee Chairman
- Vlad Nicolae NEACSU – independent administrator, Audit Committee Member

Also, under Article 143 of the Companies Law no. 31/1990, the Board of Directors delegates the management of the Company to Mr. Ioan Deac, who is appointed General Manager, and to Mr. Ioan Miclea, who is appointed Economic Director, both for a 4-year mandate.

The Secretary of the Board of Directors was also appointed.

14.05.2021 - The Board of Directors reviewed and approved the financial statements for Q1 of 2021 (individual and consolidated).

11.06.2021 - The updated constitutive act of the affiliated company TRANS-CAS SRL is registered at the Commercial Register, recording the decrease of its share capital from 1,500,000 lei to 750,000 lei, in accordance with the Decisions of the Extraordinary Shareholders' Meeting of Compa SA from 12.11.2020 and the Decision of the Extraordinary Shareholders' Meeting of Trans-Cas SRL from 12.01.2021.

21.07.2021 - The Board of Directors takes note of the information by workshops/departments on the Company's situation for the period April-June 2021 and also takes note of the Information on the payment of dividends, payment approved by the OGMS resolution from 22.04.2021.

At the same time, the Board of Directors takes note of the information on obtaining state aid by the affiliated company ARINI HOSPITALITY SRL in the amount of 14,859,269 lei, according to the decision of the EGMS from 12.11.2020, state aid necessary for the development of the investment project Arini Hospitality Complex Development.

On the same date, the Board of Directors takes note of the state of implementation of the Innovation Norway - Solar Panels project.

Next, the Board of Directors takes note of the status of the construction works for the first two apartment buildings on Bd. Victoriei 42 - 44 and approves the start of the works to obtain building permits for the next two apartment buildings.

In addition, during the meeting from 21.07.2021 the Board of Directors convened the **OGMS** for 09.09.2021, for the approval of the Remuneration Policy of the management structure members and the **EGMS** on the same date, on the agenda of which are essentially:

- Approval for the implementation of a stock option plan for the shares subject to the repurchase program approved by the resolutions of the EGMS No. 18 and 19 from 27.04.2020, with the objective of granting option rights to employees and members of the Company's management to acquire the repurchased

shares free of charge in order to maintain and motivate them as well as to reward them for their work within the Company.

- Approval of the empowerment of the Board of Directors to take all necessary measures and carry out all formalities required for the implementation of the plan referred to in point 2 and to establish the criteria for granting option rights.
- Approval of the contracting by the affiliated company Arini Hospitality SRL (of which Compa S.A. is the sole shareholder) of a bank loan necessary to finance the state aid obtained through financing agreement no. 584140 dated 14.06.2021 issued by the Ministry of Finance in the amount of 14,895,269 lei.
- Approval for the delegation of the Board of Directors of Compa S.A. to establish the necessary strategy for the development of the Mercure - Ibis hotel project by the affiliated company Arini Hospitality SRL.
- Approval of the guarantee by Compa S.A., either as guarantor or as co-debtor, of the bank loans requested by Arini Hospitality SRL under point 4 from above and under the resolution of the EGMS Compa no. 7/12.11.2020, in case the financing banks request it.

12.08.2021 - The Board of Directors takes note of the notification of Mr. Ioan Miclea - Economic Director regarding the resignation from the mandate of Economic Director for reasons not attributable to the parties, following which the termination of the mandate contract shall take effect from 01.09.2021. Mr. Ioan Miclea will continue to hold the position of Vice-Chairman of the Board of Directors of Compa S.A.

The Board of Directors reviewed and approved the individual and consolidated financial statements for the 1st semester of 2021.

19.08.2021 - The Board of Directors met to approve that the legal representative of the company - Mr. Ioan Deac to sign in the name and on behalf of Compa S.A. the notarial deed and any documents necessary in this regard, issued/issued in order to carry out the works of electricity supply by Societatea Distribuție Energie Electrică Romania S.A. Cluj-Napoca - Sibiu Branch.

By decision no.70/31.08.2021, Mr.Ioan DEAC - General Director approves the appointment of Mrs. Dumitrescu Mihaela as Economic Director, starting from 01.09.2021.

09.09.2021 - The Board of Directors approves the extension of the validity of the credit facility in the amount of EUR 12,000,000 concluded with BRD Groupe Societe Generale S.A. with the maintenance of the existing guarantees.

Also on 09.09.2021, the OGMS meeting was held which approved the Remuneration Policy and the EGMS which approved the contracting by the affiliated company Arini Hospitality (in which Compa is the sole shareholder) of a loan necessary to finance the state aid obtained through the financing agreement dated 14.06.2021 issued by the Ministry of Finance, as well as the guarantee by Compa (either as guarantor or co-debtor) of the bank loans requested by ARINI HOSPITALITY (in case the financing banks request it).

It is approved that the Board of Directors of Compa S.A. be delegated to establish the strategy necessary for the development of the Mercure - Ibis hotel project by the affiliated company Arini Hospitality SRL.

It is also approved to implement a stock option plan with respect to the shares subject to the repurchase program approved by the resolutions of the EGMS No. 18 and 19 from 27.04.2020, the objective of which is to grant option rights to employees and members of the Company's management to acquire the repurchased shares free of charge in order to maintain and motivate them and to reward them for their work within the Company.

It is approved to empower the Board of Directors to adopt all necessary measures and carry out all formalities required for the implementation of the plan mentioned in the decision of the EGMS in art. 2 and to establish the criteria for granting option rights.

04.10.2021 - The Board of Directors approved the stock option plan registered under no.83/30.09.2021 in the register of decisions of the company, taking into account the EGMS resolutions no. 18/27.04.2020; no.19/27.04.2020 and no. 78 art. 2 and 3/09.09.2021.

05.10.2021 - The Board of Directors approved the list of beneficiaries of the stock option plan and the number of shares to be allotted to each of them, which is registered in COMPA's register of decisions, approved on the basis of resolution 83/04.10.2021 of the Board of Directors.

20.10.2021 - At its meeting held on 20.10.2021, the Board of Directors of Compa SA approved the contracting of a loan between Compa SA as borrower/creditor and the affiliated company Arini Hospitality SRL as borrower/debtor, whereby the borrower/debtor is granted the amount of EUR 1,000,000 (one million) with a repayment period of maximum 10 years. The loan agreement is concluded on 26.10.2021.

09.11.2021 - At its meeting of 09.11.2021, the Board of Directors approved :

- individual and consolidated financial statements on 30.09.2021
- the start of the construction works of two buildings (20 apartments), on the site in Sibiu - 42-44 Bulevardul Victoriei Street on the basis of the building permit and the signature by the authorized people of the contracts and other documents related to the two constructions. It also approves the closing of the sale and purchase agreements and subsequently the sale and purchase contracts for the new apartments.

It also approves the start of construction works by the affiliated company Arini Hospitality SRL of the Mercure Ibis Hotel Project according to the building permit issued by the Sibiu City Hall. The administrator of the affiliated company is empowered to negotiate and sign in the name and on behalf of Arini Hospitality SRL the contact with the general contractor and any other contracts necessary for the construction.

In addition at the same meeting the Board of Directors by decision 115/12.11.2021 decided:

- approves the increase of the credit limit in the amount of 8.000.000 euro approved according to the EGMS resolution no. 7/12.11.2020 for the development by the affiliated company Arini Hospitality SRL of the Hotel Project Mercure Sibiu Park Arini & Ibis Styles Sibiu Park Arini, with the amount of 1.500.000 euro of which the amount of 3.800.000 lei will be a short-term revolving credit for VAT financing related to the investment and the amount of 700.000 euro will supplement the investment credit in the amount of 8.000.000 euro.
- approves the granting of the additional loan of EUR 1,500,000 to be contracted by Arini Hospitality SRL with movable and immovable assets belonging to the affiliated company Arini Hospitality SRL, including the immovable property registered in Sibiu land register no. 131805.
- approves the guarantee by Compa S.A. of the additional loan in the amount of EUR 1,500,000 to be contracted by Arini Hospitality SRL, either as guarantor or as co-debtor, should the financing banks request it.
- approves the guarantee of the loan to be contracted by Arini Hospitality SRL for the financing of state aid, for which there is approval according to the EGMS resolution no. 80 art. 4/09.09.2021, with movable and immovable assets from the patrimony of the affiliated company Arini Hospitality SRL, including the immovable asset registered in the land register Sibiu no. 131805.
- approves the contracting, taking into account the resolutions of EGMS Compa S.A. no. 7 and 8 of 12.11.2020, the resolution of EGMS Compa S.A. no. 80 art. 4 and 5 from 09.09.2021, as well as the resolutions of the Board of Directors from art. 10, 11, 12 and 13 of the decision no. 115/12.11.2021 , by the Affiliated Company Arini Hospitality SRL of bank loans in order to finance and develop the Hotel Project Mercure Sibiu Park Arini & Ibis Styles Sibiu Park Arini as follows:
 - o Bank loan of 8.700.000 euro for investments
 - o Revolving bank loan with a maximum amount of 7.450.000 lei for financing state aid
 - o Revolving bank loan in the amount of 3,800,000 lei to finance the VAT for the investmentas well as guaranteeing these bank loans with movable and immovable assets from the company's patrimony, including the real estate registered in CF 131805 Sibiu
- approves the mandate of the administrator of Arini Hospitality SRL, to sign with the financing bank, in the name and on behalf of the company, the loan and guarantee contracts
- approve the mandate of the General Manager of Compa S.A. and the Economic Director of Compa S.A. to sign in the name and on behalf of Compa S.A. as Co-debtor, according to the EGMS decision no. 80 art. 6/09.09.2021, the financing contracts concluded with Arini Hospitality SRL.

19.11.2021 - Following the decisions of the Board of Directors on 09.11.2021, on 19.11.2021 3 credit agreements are concluded between BRD Groupe Societe Generale S.A. and Arini Hospitality SRL, as follows:

- credit limit agreement in the amount of 8,700,000 euro, secured by assets of Arini Hospitality SRL. Compa is co-debtor for this loan.
- bridge loan contract in the amount of 7.450.000 lei for financing/refinancing the costs of building the Hotel Project, secured by assets of Arini Hospitality.
- contract limit credit in the amount of 3.800.000 lei for VAT financing, secured with assets of Arini Hospitality.

3.2. EVENTS AFTER THE REPORTING PERIOD

01.02.2022 - At the meeting of the Board of Directors held on 01.02.2022, it was submitted for approval and it was approved the registration in the accounting records for the year 2021 of the results of the inventory of assets for the year 2021, consisting of :

- the scrapping of certain fixed assets, most of which are fully depreciated
- write-off, recording of inventory losses, recording of depreciation adjustments on receivables and other uncollected debits
- taking over prescribed debts as revenue

23.02.2022 - At the meeting of the Board of Directors on 23.02.2022, the preliminary individual and consolidated financial statements as at 31.12.2021 are presented and approved.

3.3. COMPA MANAGEMENT'S VISION FOR THE FUTURE DEVELOPMENT OF THE BUSINESS

3.3.1 COMPA's place in the automotive industry

COMPA has been active in the automotive industry for more than 100 years and from 1969 until its privatisation in 1999, its production was exclusively dedicated to the automotive sector.

As a result of the collapse of the Romanian production of trucks, buses, vans and off-road vehicles, the volume of orders fell dramatically and COMPA was forced to turn to other partners, mainly in the West, in order to establish cooperation relations with various customers.

In this context, prestigious partners from the automotive industry have been approached, with whom long-term collaboration partnerships have been established, such as Honeywell -Garret, Koyo (now JTEKT), BOSCH, DELPHI, THYSSENKRUPP etc., partners to whom COMPA still delivers the overwhelming share of the production carried out.

Following Romania's accession to the European Union, this sector of the Romanian economy had a 14% share of Romania's Gross Domestic Product in 2019 (before the spread of the Covid-19 pandemic).

Most of the component manufacturing companies currently operating in Romania are subsidiaries of large Western multinationals that have transferred their manufacturing to Romania, taking advantage of low labour costs.

COMPA produces components for which it has no competition in Romania, the type of products that are manufactured at Compa are made only by competitors mainly from the West.

At EU level, diesel engines constitute around 42% of the total car fleet, with countries in Europe accounting for more than 60% of the car fleet.

In line with European and global concerns to reduce the production of diesel engine vehicles, Compa's share of production of diesel engine components for passenger cars (excluding commercial vehicles) has also decreased from 28.43% in 2020 to 20.07% in 2021.

We consider it necessary to point out that Compa manufactures automotive components for diesel engines, both for the engines fitted to passenger cars and for commercial vehicle engines.

The largest share is accounted for by the components manufactured by Compa for commercial vehicles, for which, according to all the forecasts made worldwide, there is still a future, and it will be many years before a feasible solution for the electric motorisation of commercial vehicles, especially heavy-duty vehicles, is found.

As a result of the European Commission's targets for gradually reducing CO2 emissions, car manufacturers are being forced to restructure their production, namely to switch to hybrid or electric-only vehicles. Under these conditions, COMPAs production of internal combustion car components is also at risk. Therefore, the reorientation of COMPAs manufacturing towards non-auto or non-engine automotive components, which equip vehicles regardless of the type of engine (windscreen wipers, components for steering systems, transmissions, etc.) is an urgent, imminent priority for our company.

3.3.2. COMPAs management's concerns about changing the current production structure

The European and worldwide trends regarding the reduction of carbon dioxide emissions into the atmosphere and the restructuring of affected industries, including the automotive industry, have been closely followed by Compa's management since 2016-2017.

The decisions taken by the management about 5 years ago on this particular issue are:

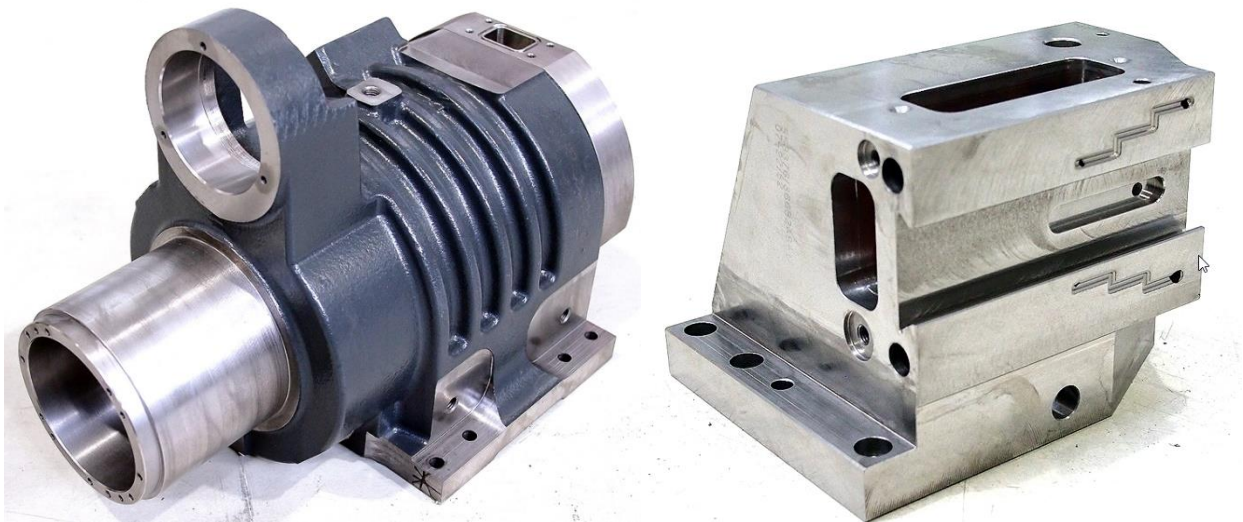
- the suspension of investments for the purchase of new machinery and equipment for the production of diesel engine components.
- all manufacturing transfers from partners will only be made if the partner provides Compa, free of charge, with the necessary machinery and equipment.
- reorienting manufacturing to non-auto areas, especially non-diesel, in order to mitigate the impact that may also be created at Compa by stopping the manufacture of diesel cars.

3.3.3. New areas of non-automotive activity addressed by Compa

One of the areas of non-automotive activity with a positive impact on the conversion of manufacturing at Compa is the production of components for DMG MORI machine tools.

For this field of activity, various components machined by chipping on high-precision, state-of-the-art machines have been assimilated and are produced.

Some references can be seen in the picture below:





Also for companies within the DMG MORI Group, Compa produces sub-assemblies of high constructive and technological complexity, respectively machine tool bodies of different sizes and constructive shapes depending on the machine tool model.



For the production of these machine tool bodies, Compa has invested significant sums in the purchase of specific machinery and equipment; worth mentioning is the investment made in the purchase of a state-of-the-art complex painting line, which will be commissioned in the first part of 2022.

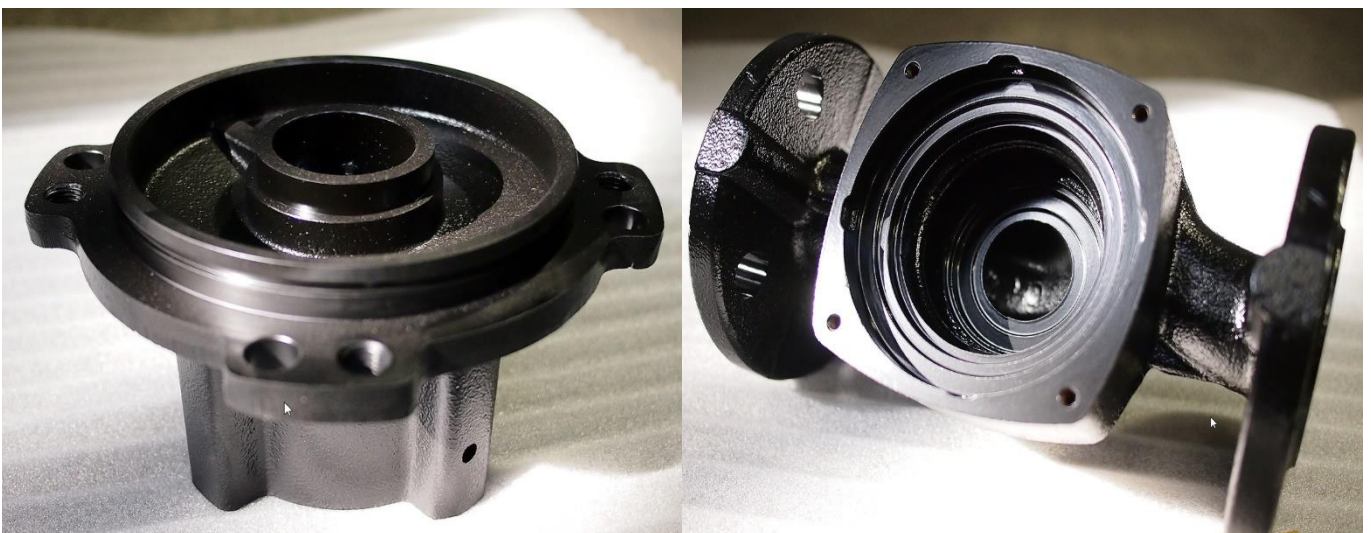
You will find pictures of these machines and equipment below:



The transfer of the manufacturing of components for certain types of WILO fluid pumps, made in a diversified range of sizes, are non-automotive subassemblies with a wide range of use in almost all fields of activity, exclusively for the German partner WILO.

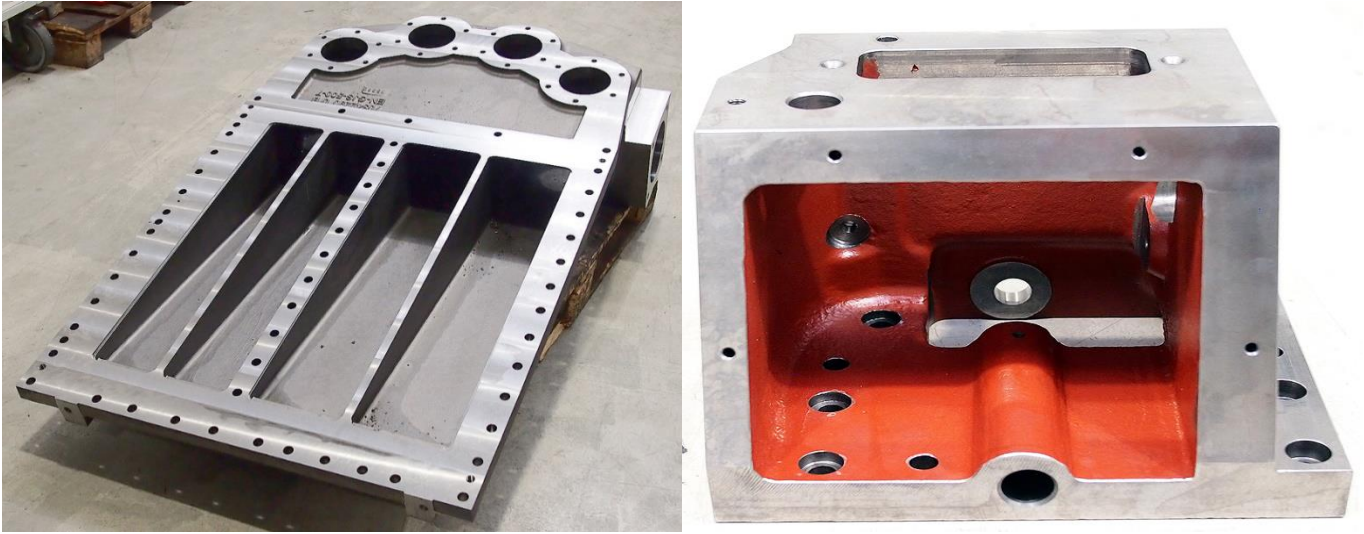
These products are assimilated in manufacturing, at Compa homologated and are delivered to the current WILO partner.

These products are made with a technology and a process, agreed with the German business partner.



Another area of COMPA's strategy is the manufacture of welded and machined components for the coolers that equip marine vessels.

These are products of high complexity and precision.



In line with the global policy of reducing carbon dioxide emissions and obtaining electricity by clean means, is also the initiative of our company Compa materialized by the project launched by Compa to produce electricity through photovoltaic panels.

The project is financed by 50% from Compa funds and 50% from Norwegian Government funds. The installed capacity is 1MW and the electricity produced is exclusively for Compa consumption. The project is currently under construction, with a commissioning deadline of June 2022.



A completely different area to which Compa's management has turned its attention is the construction of office buildings, commercial space and residential apartments on available, vacant land resulting from the demolition of buildings and warehouses in residential areas of the city.

COMPA owns important areas of land in very attractive areas both in Sibiu, on Bulevardul Victoriei (in the central area of the city) as well as on Alba Iulia road and in the Gușterița district, but also in the city of Cisnădie - the central area of this city. Therefore, the construction of the first blocks of flats in Sibiu, on Bulevardul Victoriei, with apartments of a modern architectural level, which are in great demand, has started.

Below are pictures of the first buildings under construction:



4. MAIN ECONOMIC AND FINANCIAL INDICATORS

In terms of the evolution of the economic-financial activity, namely on the results obtained during 2021, we could say that 2021 was a difficult year, influenced by the action of external factors that could not be controlled or counteracted, despite the best efforts made by the responsible people within the company.

The action of these factors had an unfavourable impact both on the achievement of the manufacturing programme, and the level of turnover, but especially on the level of profitability of the company, particularly in the second part of 2021.

The main events that significantly influenced the financial results for the second half of 2021 are:

- **The evolution of the COVID-19 pandemic** with effect on the normal course of business of the company namely:
 - Temporary staff shortages due to the infection of certain key people in manufacturing workflows, thereby reducing scheduled daily volumes, with major implications for the delivery of products to customers.
 - As a result of the pandemic in Europe, where almost all Compa suppliers are active, there was at times a shortage of materials in the quantities and structure ordered, especially of steels of various sizes and qualities. These shortages led to interruptions in the manufacturing flows, which resulted in a significant decrease in the planned volumes and profitability of those activities.

Aware of the effects of the COVID-19 pandemic worldwide, Compa's top management had to take urgent measures in order not to jeopardize the manufacturing of the company's partners by adapting the working hours to long shifts, including days off (Saturday, Sunday), but these measures had a significant impact on manufacturing costs and thus on expected profits.

- **Explosive rise in utility prices**

Since the end of Q2 2021, but especially since July 2021, electricity and natural gas prices, traded on the free market, have seen dramatic increases in a very short period of time. Although the company's Top Management reacted quickly, taking the decision to recalculate delivery prices by including these influences in the price, unfortunately, most customers did not agree with this.

Under these circumstances, most of the influences from the increase in electricity and methane gas prices were reflected in Compa's results, and due to the exaggerated jump in these prices, the impact on the cost of production manufactured by the company in the second half of the year was disastrous.

- **Excessive steel price increases**

In line with the dramatic increase in electricity and methane gas prices, the prices of raw and basic materials have also risen, especially steels which have a significant impact on Compa's production.

Influences from the increase in material prices were calculated and immediately requested from customers, but as in the case of utilities, they deliberately procrastinated in applying price increases, so that a large part of the impact of these influences was borne by Compa with clear, unfavourable effects on the company's efficiency indicators.

- **Acute shortage of qualified staff**

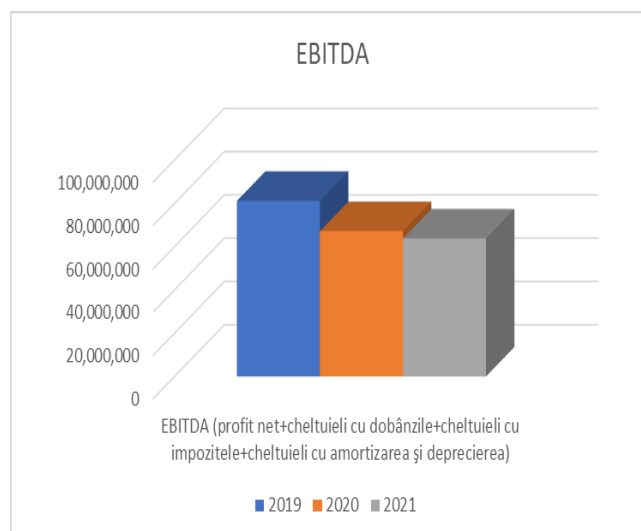
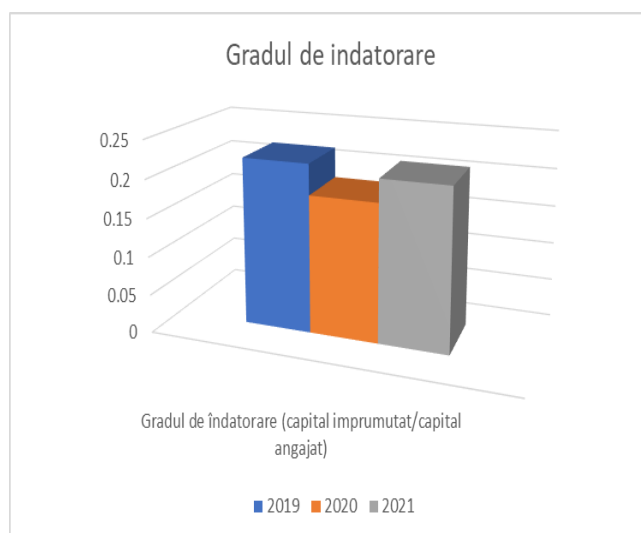
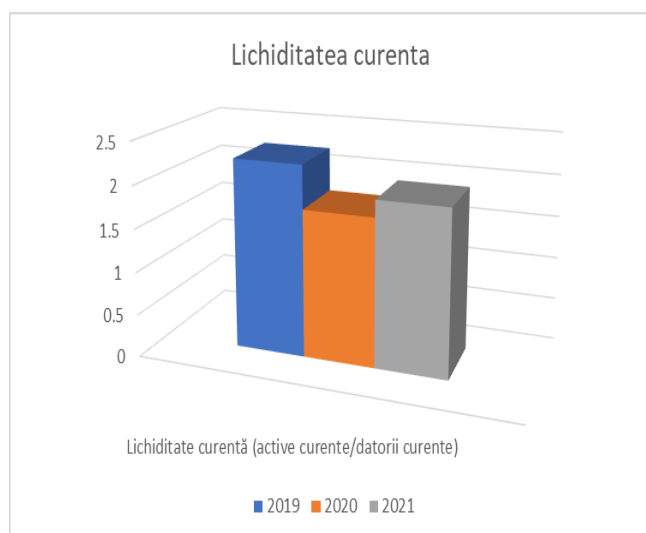
Against the backdrop of the COVID-19 pandemic, with major effects on the entire European and world economy, starting in March 2020, and the sudden reduction in orders, Compa had to temporarily suspend the employment contracts of most of its employees and put them on technical unemployment in April and May 2020.

As a result, some staff left for other companies or even abroad, so that at the end of 2020 the average number of staff was reduced by more than 10% compared to the end of the previous year 2019. Most of those who left were skilled workers, operators on CNC machines, the most sought-after category of staff needed by Compa.

With the steep return of customer orders in early 2021 to 2019 levels, the firm was left without some staff, requiring the use of existing staff on extended shifts or days off paid at double the hourly wage rate, with a major impact on manufacturing costs.

Considering the above, the economic results, in particular the gross and net profit obtained in 2021 was, compared to the level of the provisions of the Budget of Income and Expenses, below the expectations of the company's management.

Indicator	lei		
	2019	2020	2021
Turnover	746,729,484	547,121,134	705,725,717
Net profit	32,708,709	13,919,766	15,058,967
Investment volume	91,818,008	89,322,334	42,405,742
Average number of staff	2,190	1,495	1,879
Current liquidity (current assets/current liabilities)	2.24	1.73	1.93
Debt ratio (capital borrowed/capital employed)	0.22	0.18	0.21
EBITDA (net profit + interest expense + tax expense + depreciation and amortization expense)	81,082,526	67,101,401	63,716,237



5. PRODUCTS, PROCESSES

5.1. PROFIT CENTRE - decentralised organisational structure for managing COMPA

Compa is an economic entity in the automotive industry with a very diversified activity profile in terms of products manufactured and complexity of processes adopted.

In this context, the decision of Compa's Top Management to organize the company's activity on PROFIT CENTERS was a necessary, timely and wise decision, taken since 2014 as a way of organizing and managing the company, effectively supported by the SAP information system implemented within the company.

The management and coordination of the activity of each Profit Centre is assigned to an operations manager, who is entrusted with full responsibility and competence for the management and coordination of the activity as well as full decision-making power, necessary to take the most effective measures for the profitable management of this organisational structure.

This way of organisation has proven over time to be a good solution that ensures:

- decentralisation of the main activities carried out in the profit centre's production workshops, which ensures greater flexibility in areas such as:
 - the possibility to make quick and targeted decisions related to the realisation of products and processes within the Profit Centre created.
 - focus only on the products and processes carried out in the Profit Centre, in terms of scheduled volumes and the level of quality required.
- The distribution of responsibility for specific Profit Centre activities and material and human resources have been assigned in areas such as:
 - production activity related to the specific production of the profit centre
 - maintenance activity
 - the technical activity of constructive and technological design of products specific to the profile of the Profit Centre
 - logistics activity (production scheduling, supply, sales) related to the Profit Centre
 - the activity of technical quality control and monitoring of the quality of the processes provided for within this organisational structure
- The possibility of quantifying the level of income and expenditure related to the Profit Centre's activity.

With this organisational structure, the Profit and Loss Account for each Profit Centre is calculated monthly for this organisational structure.

For each product, the planned cost and the realised cost are known exactly each month.

This ensures much greater accuracy in the management of the resources allocated to that Profit Centre.

Profit centres within COMPA are generally organised as follows:

- **Profit centres set up for the realisation of all products related to a specific customer**

This way of organisation, "per client" has the following advantages:

- enables direct, exclusive communication between Profit Centre staff and staff in similar specialist areas of the client
- it also ensures a customer requirement to have the products delivered to that customer concentrated in one place only
- the profitability of products delivered to a single customer is known

Within COMPA the main Profit Centres, which also have the largest share of Compa's turnover, are organised in this way, all products related to that customer are manufactured in the same workshop.

- **Profit centres set up for the production of products which are similar in construction and technology regardless of the customer to whom the products are supplied**

This group includes those profit centres organised by types of products that are similar in terms of construction and technology and that are generally produced using the same process:

- stamping, embossing activity
- hot forging activity (forging on vertical forging line and horizontal forging line)
- galvanic coating activity on galvanizing line and ZN NI type coating line
- production of springs of various types
- heat treatments

Organising profit centres by process types provides the following **advantages**:

- allows the specialisation of staff, both operational and technical staff as well as maintenance staff within the Profit Centre, and the orientation of their activity towards the production of products similar in process, but intended for more customers.
- the types of machinery and equipment involved in the processes used are much smaller, ensuring a more efficient, more applied maintenance activity, with not many types of machinery requiring a wide variety of spare parts.
- the number of manufacturing processes carried out in these Profit Centres are much smaller, allowing the number of specialists on these processes to be reduced.

This way of organising has the **disadvantage** that you have to keep in touch with more customers, making it more difficult to organise logistics and sales and to communicate with more customers. There is also a large or even very large number of references to be manufactured, which has an impact on production scheduling, machine and equipment set-up, packaging and dispatch to customers.



5.2. Evolution of turnover

As shown in the tables below, the turnover achieved in 2021 is more than 28% higher than in 2020, but still below the level achieved in 2019.

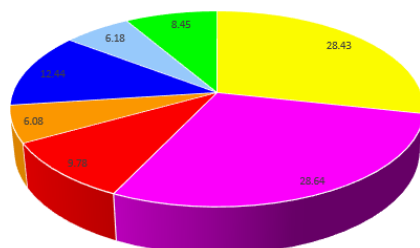
The evolution of the turnover achieved in the period 2019 - 2021 by product groups is:

Crt. No.	Group of products	Mil. RON		
		2019	2020	2021
1	Components for commercial vehicle engine injection systems	213,9	139,0	224,2
2	Components for car engine injection systems	212,3	159,0	141,8
3	Components for windscreen wiper systems	73,0	54,1	50,6
4	Steering sprockets	45,4	33,2	31,8
5	Subassemblies for turbochargers	92,9	63,1	82,9
6	Mechano-welded subassembly	46,1	25,1	42,8
7	Non-automotive products	63,1	75,8	131,6
COMPAs TOTAL		746,7	549,3	705,7

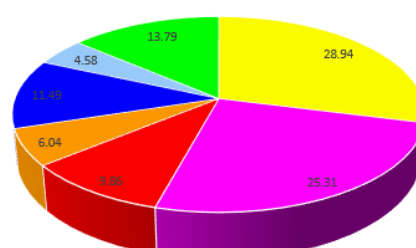
Evolution of the share of turnover by product groups in 2019-2021

PRODUCT CATEGORY	2019	2020	2021
Components for car engine injection systems	28,43	28,94	20,07
Components for commercial vehicle engine injection systems	28,64	25,31	31,73
Components for windscreen wiper systems	9,78	9,86	7,22
Steering sprockets	6,08	6,04	4,53
Turbo blower subassembly	12,44	11,49	11,78
Welded mechanical subassemblies	6,18	4,58	6,06
Non-automotive products	8,45	13,79	18,62
COMPAs TOTAL	100,00	100,00	100,00

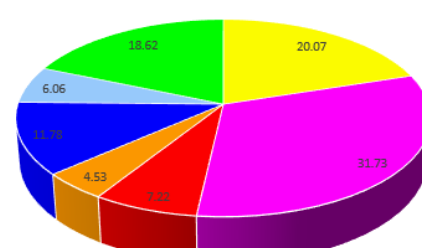
2019



2020



2021

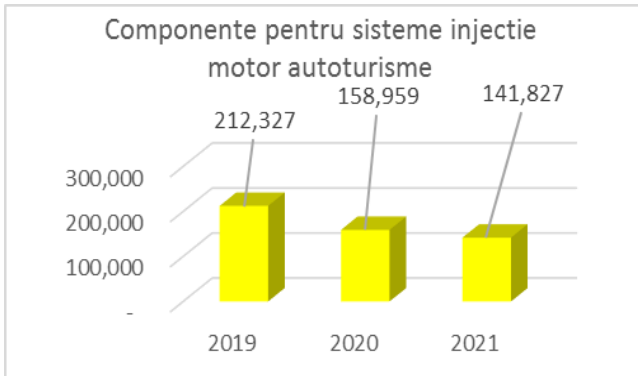


- Componente pentru sisteme injectie motor autoturisme
- Componente pentru sisteme injectie motor vehicule comerciale
- Componente pentru sisteme stergator parbriz
- Pinioane casete directie
- Subansamble turbo suflante
- Subansamble mecano sudate
- Produse non auto

- **Turnover development of components for automotive engine injection systems, 2019-2021**

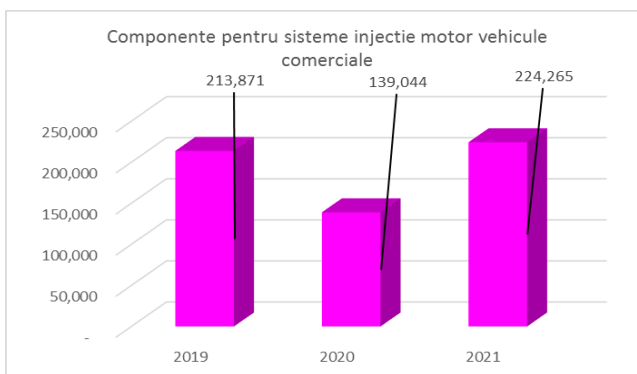
It can be seen that, as a result of the policies adopted by Compa's top management, the share of this reference in total deliveries is decreasing.

Please note that this product group is intensively monitored in order to reduce its share in Compa's total business. In 2021 the share of this group is two 20.1% of total turnover compared to 28.4% in 2019.



- **Evolution of the turnover of components for commercial vehicles engine injection systems, in the period 2019-2021**

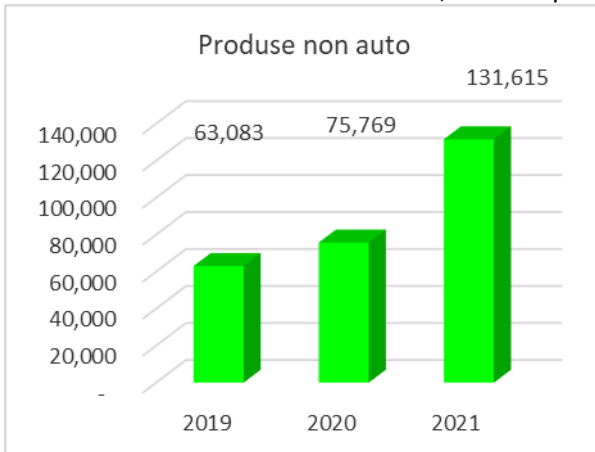
The graph below shows the evolution of turnover in this group over the last three years:



- **Evolution of turnover of some non-automotive products, 2019-2021**

In the non-auto product group, which is also mainly monitored by Compa's Top Management, their share of total turnover increased from 8.45% in 2019 to 18.62% in 2021.

This trend will continue in the future, the company's management is particularly focused on achieving this goal.



5.3. NEW PRODUCTS, PROCESSES APPROVED IN 2021

In line with Compa's policies and strategy adopted in recent years, the manufacturing assimilation and homologation of new products is mainly oriented towards:

- manufacture of products and components for the non-auto industry.
- the manufacture of components and accessories in the field of the automotive industry, but intended for other systems generally fitted to passenger cars, other than components intended for the manufacture of internal combustion, diesel or even petrol engines.

These systems that exist on any vehicle regardless of the type of engine (internal combustion or electric) are steering systems, transmission systems, windshield wiper systems, body systems, etc. that equip any type of vehicle, including electric ones.

- the manufacture of components for large engines to be mounted on commercial vehicles (trucks) for which there are still prospects for future production.

The main new products assimilated in manufacturing in 2021 and the processes adopted for their manufacture

- **Injector body for engines equipping Dong Feng type commercial vehicles**

It is a highly technical and complex product, for which Compa has expertise, a product that ensures a superior degree of integration with complex processes such as:

- forging on a state-of-the-art vertical forging line
- chipping both before heat treatment and after technical treatment
- electrodeposition deburring (ECM) and abrasive paste deburring operations
- carbonitriding heat treatment (GCM)
- assembly



- **Machine tool bodies type: DMU-50**

- These are large and highly complex products for which Compa has allocated special spaces dedicated exclusively to their production in the new hall that will be put into operation, where the most important operations are carried out: painting and assembly. These complex products have several assemblies, sub-assemblies, single parts (more than 1000 items) made by the following processes:

- cutting on high precision laser machines
- bending on ABKANT machines
- welding on a large number of assemblies and sub-assemblies
- blasting before painting
- powder coating on new (state-of-the-art) electrostatic painting plant
- special packaging for delivery



- **Intermediate and output shaft for ZF type steering systems**

These axles assimilated in manufacturing in 2021 are intended for steering systems for electrically driven machines, with a high chance of manufacturing them in the long term, have the following processes:

- turning on CNC machines
- grinding
- heat treatment
- painting
- Assembly



- **New types of components for WILO fluid pumps**

As the collaboration with our partner WILO, the world's leading fluid pump manufacturer, develops, the range of new components requested from Compa for assimilation into manufacturing and approval in 2021 is expanding. These products are similar in construction and technology to those currently manufactured for this partner, but are of different sizes and complexity ranges for which assimilation in manufacturing and approval is required as for any new product. For these new assimilated products, the technological processes adopted are similar to those already approved and currently manufactured, i.e. multiple and complex machining and painting operations.



- **New sprockets for certain types of steering boxes**

Steering gearboxes, as part of the steering systems of motor vehicles, are products for the automotive industry that are not dependent on the type of vehicle engine (internal combustion or electric) because they are needed in every type of vehicle.

Compa's pinions, which are part of these steering gearboxes, are manufactured in the same way, so their production is future-proof and ensures that existing capacities in this sector are covered.

In 2021, Compa was nominated as a supplier for new types of sprockets to be manufactured in the future, ensuring the continuation of Compa's production of these products in the long term.

The new types of pinions approved in 2021 have a similar technological process to those manufactured in series at Compa today, namely: machining by chipping before heat treatment (cutting operations, turning, gear cutting), heat treatment, gear cutting after heat treatment, grinding.



- **New types of mechanically welded subassemblies (nacelles) approved in 2021 for Haulotte type lifting and working at height machines**

Compa has been producing various mechanically welded subassemblies for Haulotte for 20 years, during which time the number of approved subassemblies has been constantly increasing in complexity from one year to the next. Today almost all types of welded sub-assemblies are produced on these Haulotte machines, including the chassis which is the largest and most complex sub-assembly welded on these machines.

The diversity of these machines increases from one year to the next, so there are requests for new welded mechanical components to Compa every year. In this context and in the year 2021 or approved new types of important components with medium and long term manufacturing prospects.

The technological processes used are:

- Cutting operations on different types of laser cutting machines for thin, thick sheets and pipes.
- bending on ABKANT type machines
- welding assembly operations
- chipping machining operations
- painting of various types



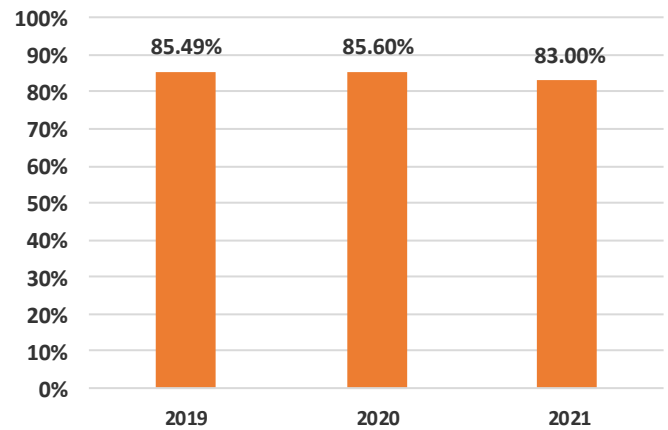
6. PURCHASING

6.1. Purchasing activity evaluation:

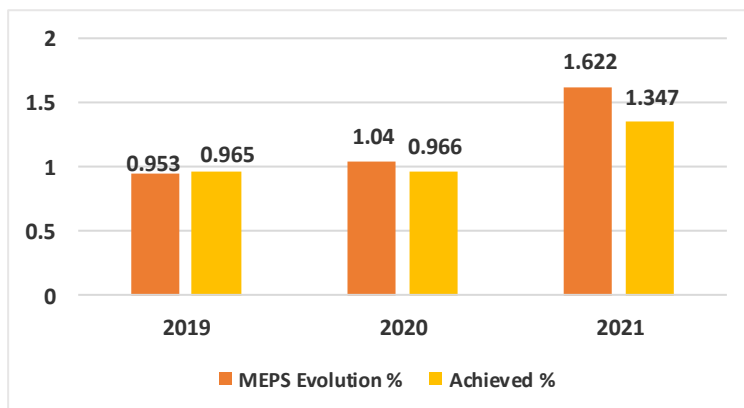
The purchasing activity has developed continuously in recent years, along with the development of the company. The company's focus on large customers in the automotive industry but also on those in the non-automotive industry, has led to a considerable expansion of the suppliers database as well as an increase in the share of import suppliers, in total purchases. This is due to the high level of specialization required from suppliers.

Also, in the next period it is estimated that the value of semi-finished products in total purchases will decrease in favor of basic materials, largely due to the development of new processes in Compa for both the automotive and non-automotive sectors with a high degree of integration, for which most operations are executed internally.

Percentage value of import purchases in total purchases 2019-2021



6.2 The main objectives of the department are:

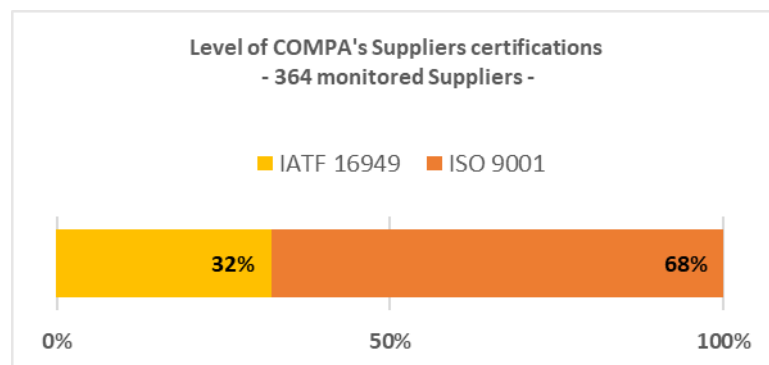


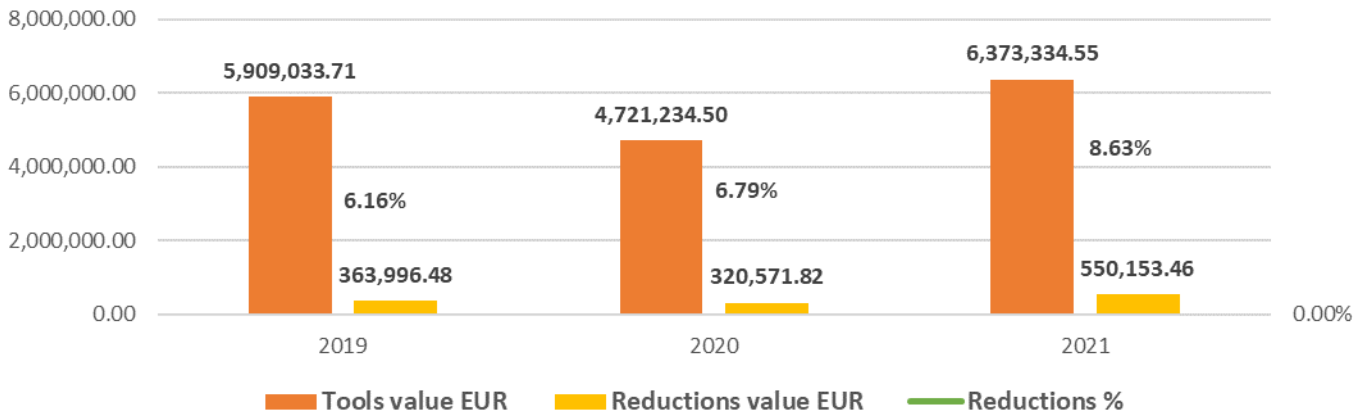
In the context of market globalization - the need to align the prices with stock market prices for most products by obtaining a price index with 100% compliance with MEPS. (Management Engineering and Production Services - price indicator on the metallurgical market, which provides price estimates). Finding sources of supply to ensure the highest possible competitiveness of the prices of raw materials and supplied materials, stability and sustainability of the supply chain. Prospecting the market and finding new

supply solutions as well as developing suppliers with whom there are collaborations in order to obtain the best price and quality level in the supplied products by working only with certified suppliers. Compa monitors and evaluates on a monthly basis all suppliers whose products are incorporated or influence Compa products

This category includes a number of over 360 suppliers that are evaluated according to criterias related to the quality of the delivered products and logistics.

Improving the performance of cutting tools (eg drills, reamers, cutters, inserts, etc.) is achieved by testing and implementing new and innovative solutions that reduce the cost per piece.

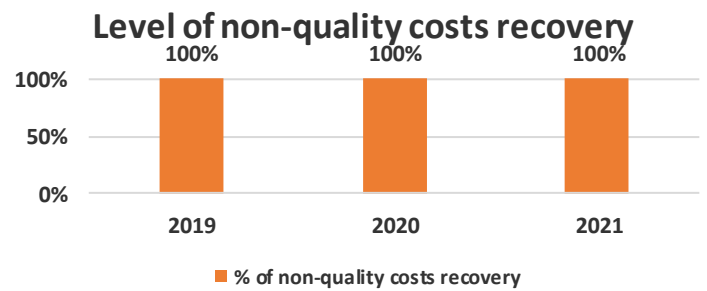




Recovery of costs generated by the non-quality of the supplied products. The costs generated by non-compliant products delivered by suppliers are monitored and recovered every year.

Establish a responsible supply chain by working with suppliers that respect the principles and vision of COMP A in the field of quality, environment and occupational health and safety by adhering to and implementing policies and regulations addressing these issues, by adhering, certifying and submitting to regulations / standards addressing these issues.

COMP A maintains and calls on its suppliers to take a proactive approach in managing environmental impact, social responsibility and adopting progressive labor, health and safety policies. COMP A encourages and supports the local business environment through existing trade relations, existing contracts and new / future projects in which its partners are / will be involved. It prioritizes where possible business development with local partners and encourages its suppliers to do the same.



7. SALES

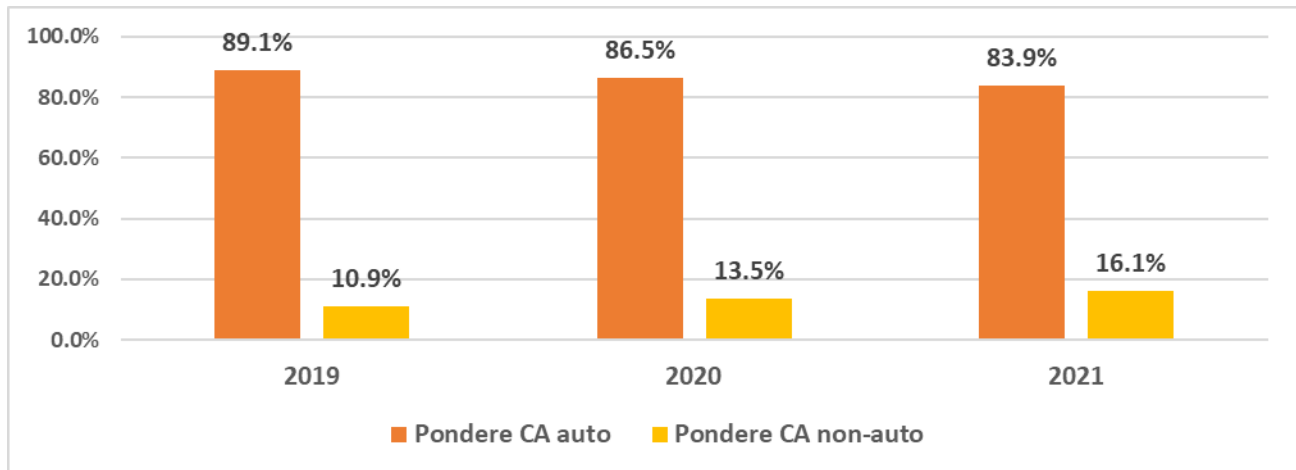
SALES ACTIVITY COMPA

During the period under review the marketing-sales activity was focused on several main activities, namely on expanding and strengthening the collaboration with existing partners by assimilating new projects and attracting new customers from other non-auto industries. It was also aimed at assimilating new projects in COMPA's workshops where there is still free production capacity: hot forged parts, springs, mechanically welded parts, stamped parts, tooling parts, gimbal service, surface coatings and metrological services. The focus has been on replacing the production of diesel engine parts, with a focus on components for electric cars, which will be the future of the automotive industry.

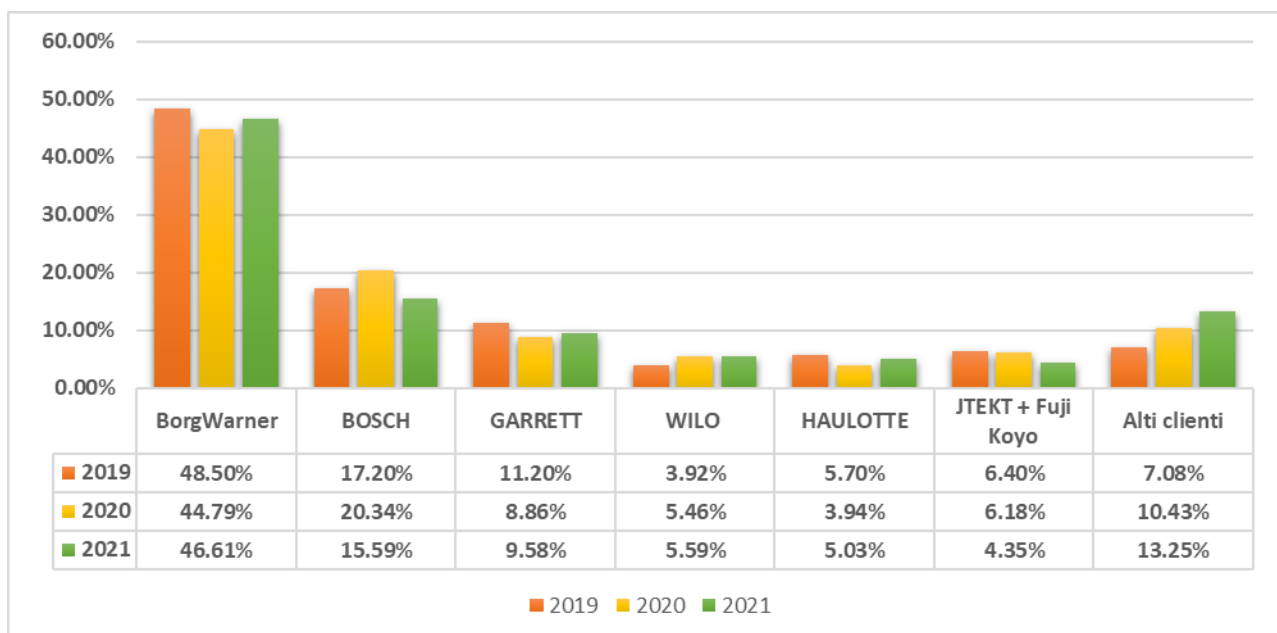
In the third and fifth quarters of the year, efforts were made to update product sales prices in line with market increases in raw materials, utilities, etc.

During 2021, series production started for several new products (automotive and non-auto) for major customers such as ZF, BOSCH, VESTAS Aircoil, Mont Blanc.

Evolution of COMPA turnover in the automotive sector compared to the evolution of turnover in the non-auto sector:

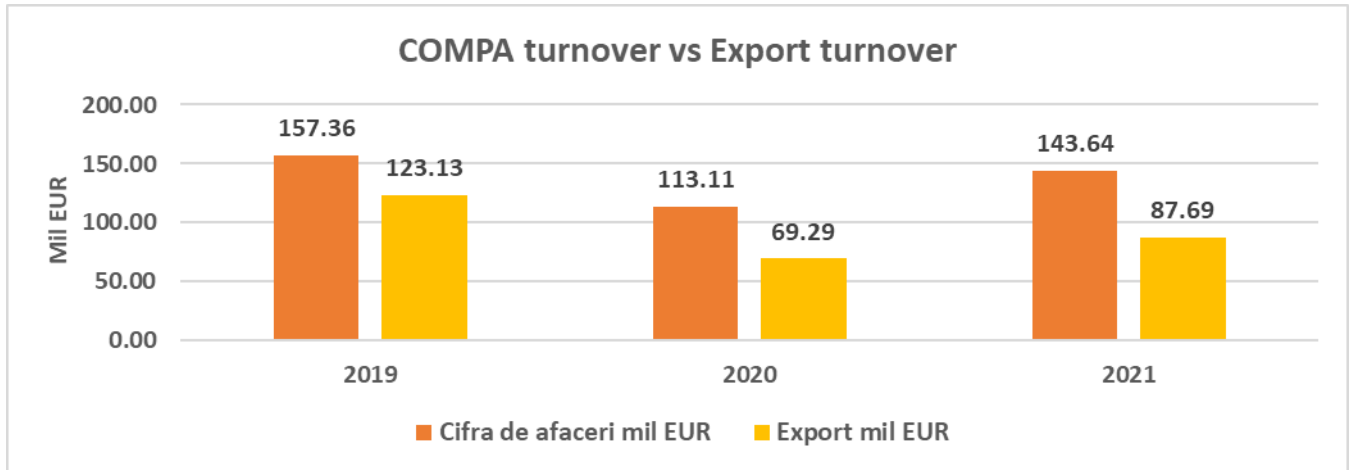


The share of COMPA's main customers in turnover is reflected in the following table:



The products made in COMPA are mainly for export. In the last 3 years export has represented on average 67% of COMPA's turnover.

Evolution of exports in relation to turnover:



During 2021 several new projects were won, both for existing customers (BOSCH, WILO, DMG, VESTAS Aircoil) and for new customers (SIMON ELECTRIC, etc). The annual turnover, generated by these projects at maturity, is >2.6 mil euro.

Objectives, trends and strategies for the medium-long term:

- Development of new projects for non-auto customers;
- strengthening commercial relationships with existing customers;
- promotion of hot forging manufacturing processes and ZnNi coatings, where Compa has free production capacity;
- assimilation of high added value products;
- developing COMPA as an integrated supplier by using as many existing processes as possible in its portfolio;

8. OUR EMPLOYEES

8.1. Its staff, values and beliefs

COMPAs takes a strategic and coherent approach to how the organisation's most important resource - people - is managed. Thus, human resource management aims at the process of achieving organisational objectives by attracting, retaining, developing and effectively using the human resources in the organisation.

COMPAs believes that the human factor has a major influence on the company's achievements. The values and beliefs of human resources need to be known and promoted in order to form and develop an organisational culture conducive to performance.

The following aspects of human resource management are important and constitute benchmarks for development:

- Contributing to the organisation's goals through people;
- Creating an optimal organisational structure;
- Ensuring competent human resources through recruitment and selection;
- Adapting human resources to requirements - development and training;
- Creating and reinforcing motivation (material and non-material rewards), performance management;
- Creating and maintaining good employer-employee relations.

As far as human capital management is concerned, the premise is that the achievement of strategic objectives depends primarily on the human factor. Firm development involves elements that create long-term value and can ensure the future performance of the organisation.

COMPAs's human resources policy aims to be in line with the company's general objectives, in line with the values existing in the organisational culture, adapted to the current social-economic context, focusing mainly on:

- Ensuring the availability and continuity of the workforce by preserving the values in the organisation;
- Early recruitment of graduates;
- Increasing multi-skilling by broadening the range of skills;
- Shortening the integration period for new employees, graduates of technical vocational education, through internships;
- Focusing training on the individual to increase staff skills and efficiency;
- Strengthening the pay-for-performance system;
- Leveraging the expertise of experienced employees through mentoring programmes;
- Raising staff awareness of job responsibilities;
- Involvement in the implementation of the Social Responsibility management system;

8.2. Strategic objectives

The main strategic axes pursued in the coming years:

- Involvement in the development of university, high school and vocational technical education by supporting the integration of theoretical and practical knowledge through internships in a potential workplace;
- Providing human resources through involvement in supporting dual education, apprenticeship programmes, qualification, including through European-funded programmes;
- Working conditions and climate to ensure a high level of satisfaction;
- Creating a coaching and mentoring culture;
- Development of soft and specific skills;
- Developing the framework for communication with employees to support performance and trust and in special crisis situations;
- Encouraging telework as an employee-employer advantage;
- Partially transfer training activity to the online environment;
- Reassessing motivation strategies including for staff involved in on-the-job training;
- Digitisation and streamlining of HR processes;
- Reskilling and skills transformation, including for digitisation;
 - Human resources development projects financed by European funds;
 - Career development programmes.

COMPAs human resources policy also aims to transform the company into a "Continuous Learning" organisation. The company's management is aware of the advantages offered by highly qualified human resources, familiar with the requirements of the industrial environment, capable of meeting the quality demands of customers. This is why the continuous training of its employees is a priority for the company's management.

COMPAs, as a "Learning Organization", provides continuous development opportunities for all employees, uses learning to achieve the company's objectives, ensures the permanent combination of individual performance with the organization's performance, supports career development, makes people identify with the organization. The training activity target for 2021, achieved, was 27.83 training hours/employee/year.

8.3. Recruitment and selection policy

În anul 2021 au fost depuse 1830 oferte de angajare (CV-uri, cereri, scrisori de intenție). Au participat la interviuri (interviuri, probe de lucru, teste psihologice) în vederea ocupării posturilor vacante, 1200 persoane.

Dintre aceștia, 516 au fost angajați, 35 au fost respinși din motive profesionale la interviu/probele de lucru, 30 au fost respinși din alte motive (analfabetism, probleme de sănătate incompatibile cu condițiile de lucru, etc) și un număr de 619 de persoane au renunțat la postul oferit din diferite motive (mediul de lucru, programul de lucru, salariu).

8.4. Wage and social policy

Following negotiations between COMPAs management and trade unions, during the period from November 2021 to October 2022, an indexation of the tariff salary was granted with the fixed amount resulting from the application of 6.30% (inflation) to class 14 (average salary class), i.e. 200 lei gross.

With the indexation of the pay scale, the benefits deriving from it (Christmas and Easter bonus, holiday bonus, travel allowance, etc.) were also indexed by the same percentage.

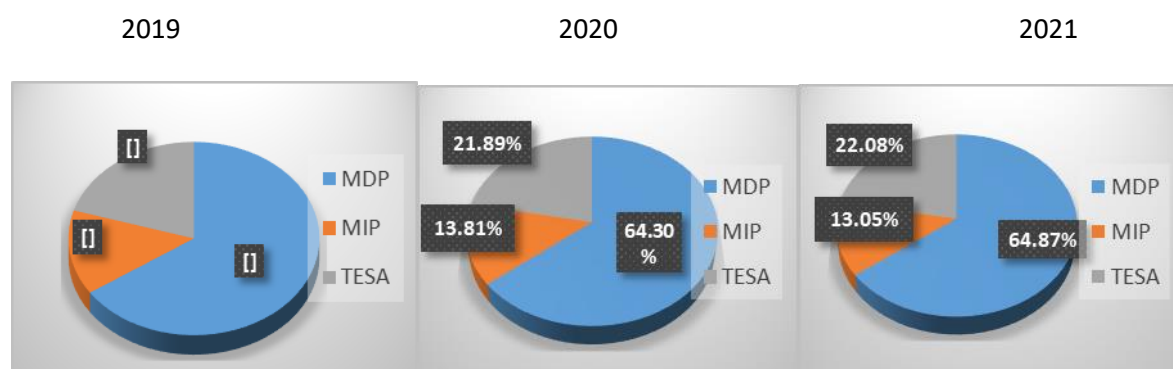
Throughout the year, all employees were granted meal vouchers of 20 lei/day and occasional gift vouchers.

There is an employment relationship between the company management and the employees within the limits of the Labour Code and the Collective Labour Agreement.

Weekly briefings and consultations take place between management and employee representatives. Compared to previous years, relations have improved, the degree of understanding and communication has increased, and the two parties participate in joint meetings. As a result, there were no periods of stagnation in the production process due to the outbreak of labour disputes.

In the context of the difficult labour market climate generated by the Covid-19 pandemic, COMPAs has pursued a policy of increasing the adaptability of staff to the changes the company is undergoing. During this period, the company has relied on the willingness of employees to develop new skills as well as to take on additional responsibilities in the event of the restructuring of certain activities.

	2019		2020		2021	
MDP	1435	65,53%	1225	64,30%	1213	64,87%
MIP,D	310	14,16%	263	13,81%	244	13,05%
TESA	445	20,31%	417	21,89%	413	22,08%
TP	2190	100,00%	1905	100,00%	1870	100,00%



Between 2019 and 2021, the number of staff decreased steadily, thus in 2021 compared to 2020 by 1.84% and compared to 2019 by 14.6%, due both to a decrease in orders and an increase in labour productivity. The reduction in staff was mainly among staff on fixed-term contracts, but also due to natural wastage (resignations, retirements).

The evolution of labour productivity during 2021 compared to previous years is shown in the table below.

(thousand lei/pers./year)

ACTIVITIES	2019	2020	2021
COMP A TOTAL, of which:	340,97	381.59	397.08
Steering sprockets	510,16	407.34	388.76
Windscreen wiper components	486,85	427.28	485.86
Mechano-sudate assemblies	262,06	202.81	232.56
Turbocharger components	743,16	715.82	757.25
Air conditioning components	361,27	325.05	367.02
Valves	2.098,61	2076.31	2594.46
Injection system components	881,41	1004.76	739.05
Injector body	388,43	432.55	384.12

8.5. Social responsibility

COMP A consistently applies principles and rules of social responsibility that reflect the requirements of the SR ISO 26000:2011 standard, but also those of its customers, by:

- Taking responsibility for our impacts on society, the economy and the environment;
- Transparency of our decisions and activities that may affect society and the environment;
- Respecting and promoting ethical behaviour: honesty, fairness and integrity, as values that we care about, in relation to people and the environment;
- Respect for the interests of stakeholders in our decisions and activities;
- Ensuring compliance with all applicable laws and regulations;
- Compliance with international standards of business conduct;
- Respecting and promoting human rights, which we consider inalienable and universal.

8.6. The guidelines as main themes for action are:

- Ensuring organisational management as a way of conducting and carrying out activities in an ethical and responsible manner;
- Respecting and promoting human rights in the sense of recognising the rights of all human beings, civil, political, economic, social and cultural rights;
- Application of appropriate work practices to ensure working conditions and social protection in accordance with applicable legal standards and regulations;
- Protecting the environment as a way of responding to current environmental challenges and as a commitment to apply and promote environmentally responsible practices, including by encouraging the development of environmentally sound technologies;
- Applying fair practices as a way of ethical conduct in dealing with other organisations and individuals, respecting applicable national and international laws and regulations;
- Accountability to customers and consumers for ensuring their right to security of use, information, choice, expression, correction, education, in relation to products and services provided by our organization;
- Involvement in community development as a way of recognizing that we are part of the community, of the rights due to its members, as well as elements of culture, religion, tradition and history or partnership with it.

9. QUALITY-ENVIRONMENT

INTEGRATED POLICY ON QUALITY, ENVIRONMENT AND HEALTH AND SAFETY AT WORK

- Quality, environmental protection, health and safety at work are among the values we hold dear and are part of our organisation's long-term development strategy, and are some of the aspects that represent us
- We are aware that the quality of our products and services, care for the environment, continuous improvement of working conditions and prevention of occupational hazards, as well as involvement in the life of the community to which we belong, in full compliance with the requirements of the legislation in force, are essential to our success.
- To this end we are committed to continuously understanding the needs of all our stakeholders so as to ensure the long-term sustainability of our activities throughout the value chain: **procurement -> production and related services -> customers, government authorities and society/local community.**

In implementing this integrated quality, environment, health and occupational safety policy, we are guided by the following **principles and values** which we are firmly committed to upholding:

Orientation towards risk identification, assessment and treatment thinking.

Customer orientation to demonstrate that customer requirements and expectations are met.

Orientation towards our employees and partners by providing a friendly working environment and respecting an atmosphere of high professional ethics.

Orientation towards continuous improvement of the effectiveness and efficiency of the integrated quality, environment, health and safety management system.

Orientation towards compliance with the legislation in force as well as with the regulations and requirements of the stakeholders to which we subscribe.

Orientation towards society and the local community through voluntary involvement in providing the necessary support to improve living conditions.

9.1. Environmental aspects

Within the company, environmental aspects determined by the technologies used, the products made and the services offered are identified and evaluated. Thus, the environmental aspects associated with these technologies, products and services take into account, as appropriate, emissions to air, discharges to water, soil contamination, waste management, resource consumption, noise, vibrations, etc. They are important from a financial point of view because they imply a significant allocation of resources to manage them.

Environmental aspects are assessed annually and whenever necessary, due to changes in manufacturing technologies, introduction of new raw materials/materials/equipment, changes in legal, regulatory and customer or other stakeholder requirements, specific conditions at workplaces, etc. Based on these analyses, the ways of keeping the environmental aspects associated with the company's activities under control are updated.

The main environmental aspects identified in 2021 relate to waste, accidental spills of substances/mixtures, energy consumption and emissions to air and noise, with the remaining environmental aspects being in a smaller proportion (Figure 1).

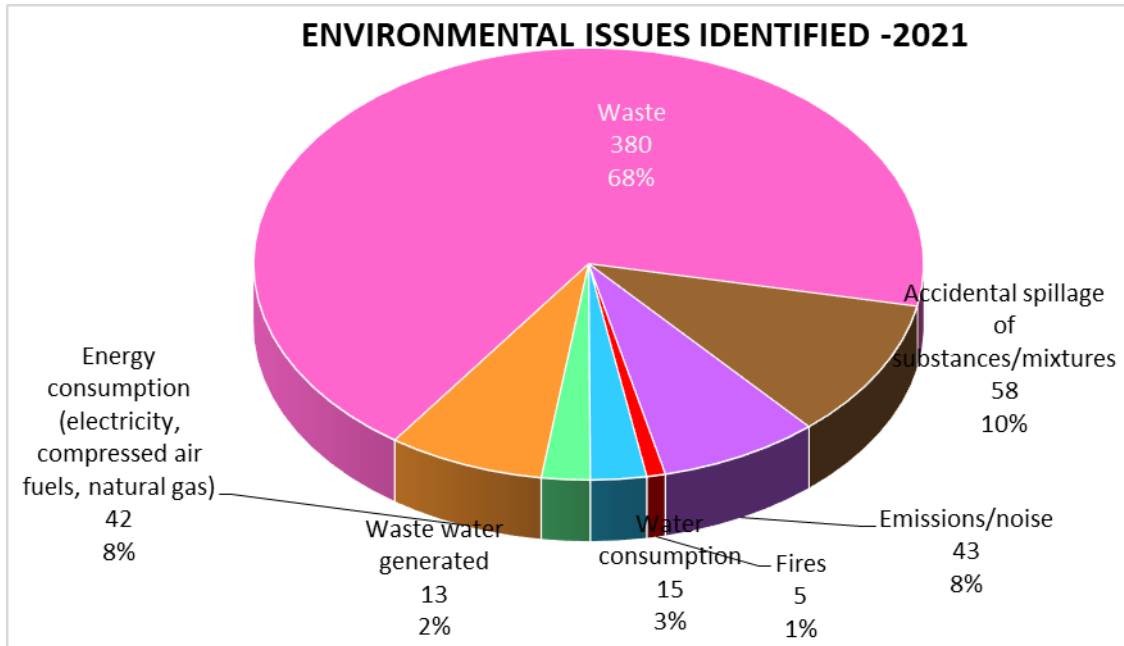


Figure 1

Of these, only 1% were identified as significant in relation to legal requirements and internal risk analyses. These are those issues that have or are likely to have a significant impact on the environment and are prioritised in the risk analysis as main sources of risk generation (Figure 2).

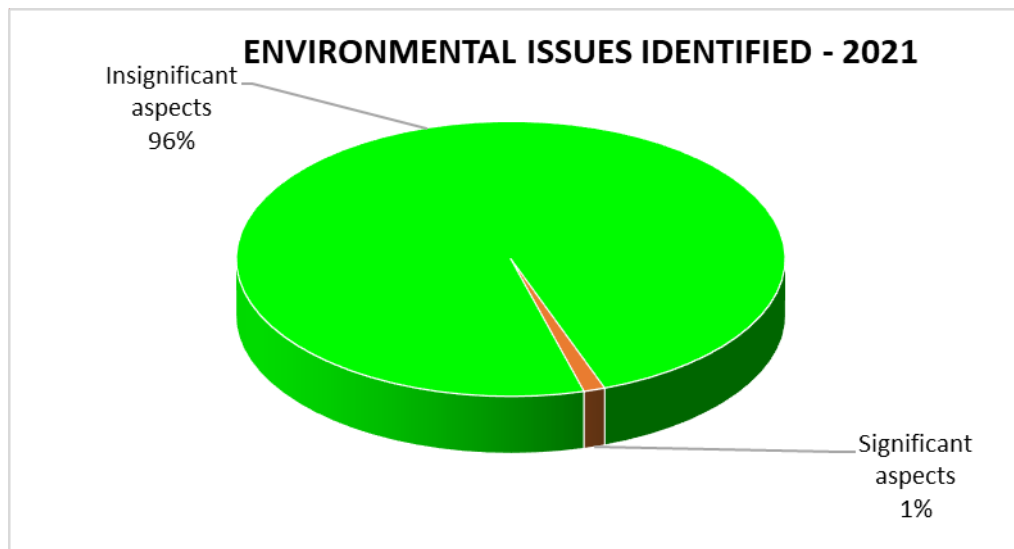


Figure Nr.2

9.2. Objectives and targets. Environmental management programmes

Environmental targets are set annually at the level of each department that take into account significant environmental issues, compliance obligations and identified risks and opportunities.

Environmental objectives and targets are taken into account when setting targets:

- the company's activities and services;
- compliance obligations;
- significant environmental aspects;
- technological options;
- material, financial and human resources;
- views

of

stakeholders

The main points of the **Annual Environmental Management Programme** for 2021 are as follows:

<i>Objective</i>	<i>Actions</i>
Reducing the amount of hazardous waste generated	Replacement of existing Durr Hydrocarbon washer filters with more efficient filters so that <ul style="list-style-type: none"> - the number of parts washed increased - Annual replacement of filters has decreased
Systematic prevention and action to prevent environmental accidents	<ul style="list-style-type: none"> - Purchase and fit collection trays for trolleys used in the workshop. - Purchase of retention tanks. - Purchase and installation of protection around machinery. - Purchase of Spill-Kit and provision of a cupboard to store the necessary equipment.
Reduction of VOC emissions into the atmosphere	Replacing solvent-based paint for some landmarks with powder paint.
Improving the storage of hazardous substances	Properly fitting out the space for storing hazardous chemicals: installing holding tanks, labelling, displaying safety data sheets.

9.3. Results of the Environmental Management Programme

a. Water monitoring results

The following categories of waters are monitored in COMPA:

- Wastewater in the sewerage network;
- Hydrocarbon separator effluent;
- Groundwater in the observation well

The table below lists the waters to be monitored, the number of indicators and the monitoring frequency:

Water category	What is monitored	Monitoring frequency
Waste water in the sewerage network	7 channels 15 indicators	Monthly with in-house laboratory Quarterly with accredited laboratory
Hydrocarbon separator effluent	4 channels 3 indicators	Semi-annual (2 samples/year) with accredited laboratory
Groundwater from observation well	1 observation drilling 13 indicators	Semi-annual (2 samples/year) with accredited laboratory The results of chemical analyses at the end of each semester, carried out by an accredited laboratory, are sent to the S.G.A. Sibiu

b. Results of air emission monitoring

In the year 2021, a total of 80 air emission stacks were monitored.

The pollutants monitored were:

- Volatile organic compounds (VOCs);
- Powders;
- Nitrogen oxides (NOx);
- Carbon monoxide (CO);
- Hydrochloric acid (HCl);
- Hydrofluoric acid (HF);
- Sulphuric acid (H₂SO₄);
- Phosphoric acid(H₃PO₄);
- Chlorine (Cl₂);
- Trivalent chromium (Cr₃₊)

c. Noise monitoring results

The main sources of noise are fans, cooling systems, industrial transport machines, machinery, compressors, etc. Noise sources are generally located inside halls or enclosed modules. Those that are outside are provided with sound-absorbing panels so as to comply with the maximum permissible Continuous Equivalent Sound Level (CESL) of 65 dB(A) at the boundary of the company's functional space.

d. Results of monitoring of substances and mixtures

In COMPA the management of hazardous substances and mixtures is regulated by the Environmental Procedure "Management of hazardous substances and mixtures in COMPA" which sets out how to purchase, transport, handle, store, use and manage hazardous substances and mixtures in COMPA SA in order to ensure environmental protection, employee safety and to control and minimise the risk of accidents involving hazardous substances and mixtures.

The purchase of hazardous substances/mixtures shall be carried out in accordance with the procedure "Market prospecting, evaluation and selection of suppliers - Conclusion of order/contract with suppliers". Prior to the purchase of any substance or mixture, a Safety Data Sheet (SDS) shall be requested from the supplier in the Order/Contract in accordance with REACH Regulation (EC) No 1907/2006 and Regulation 830/2015 amending Regulation No 1907/2006 (REACH).

On entry, check that substances and mixtures are labelled in accordance with Regulation (EC) No 1272/2008 (CLP).

The company holds and updates annually the List of substances and mixtures used.

e. Waste monitoring results

In COMPA waste management is carried out according to a specific procedure that regulates the collection, storage, disposal, recording, reporting and transport of waste generated in COMPA S.A., in order to prevent environmental pollution.

This procedure is applied in all factories and departments of the company.

Each waste is identified and coded with a 6-digit code according to the activity from which it originates, in accordance with HG 856-2002 on waste management records. The company keeps a list of all identified waste.

Each waste generated is recorded in the Waste Management Record Sheet and is monitored on a monthly basis: quantity generated, quantity remaining in stock, quantity recovered and quantity disposed of.

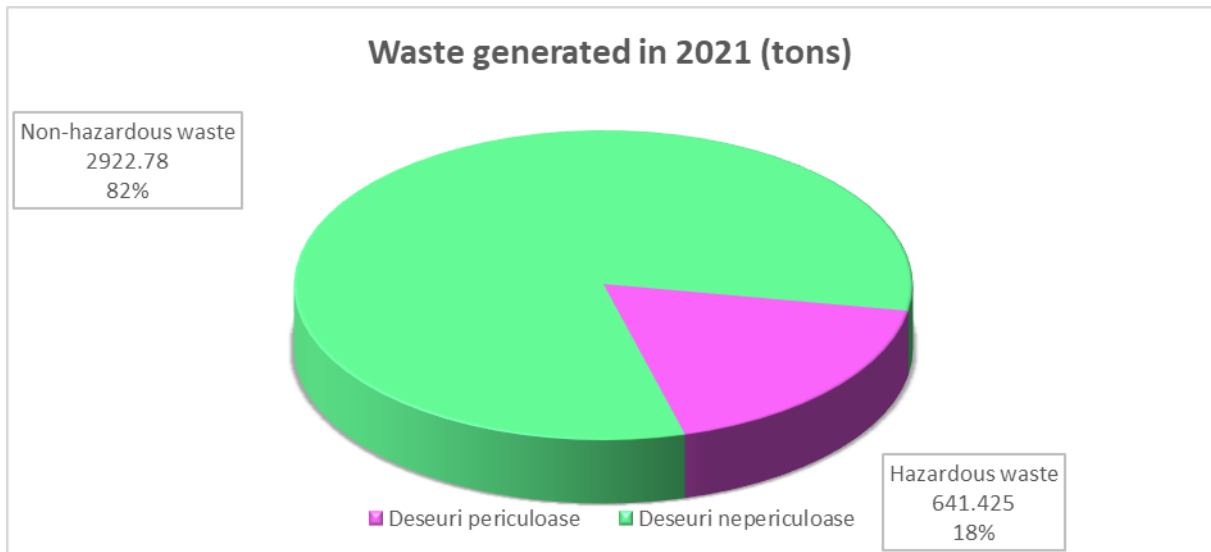
The waste identified in our company is non-hazardous waste or hazardous waste. Each waste is treated according to the waste management procedure.

In 2021 a total of 81 wastes were monitored.

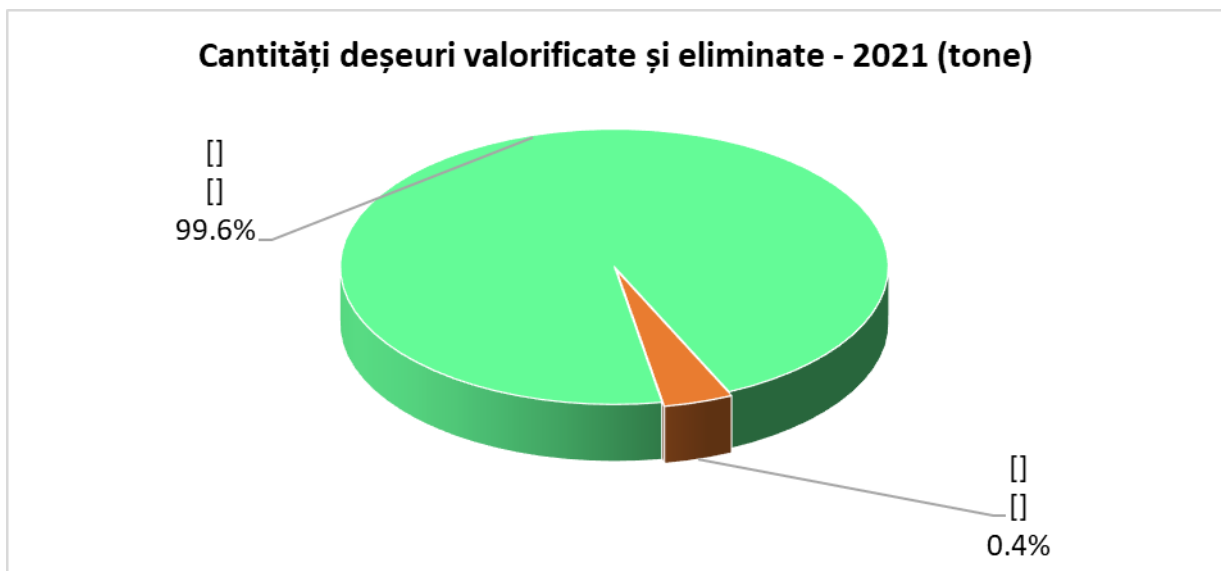
Of the total amount of waste generated 57% is hazardous waste:



Of the total amount of waste recovered, 18% is hazardous waste and 82% non-hazardous waste, in the same proportions as the waste generated.



Of the total amount of waste generated, 99.6% is recovered and only a very small percentage of 0.4% is disposed of by controlled storage at authorised economic operators.



9.4. Environmental projects. Improvement

The main improvement projects were:

- Reducing the quantities of oils used as coolant by recovery and reintroduction into the processing circuit.
- Reduction of the quantities of filter material waste generated.

9.5. External environmental management system audit

The environmental management system implemented according to ISO 14001:2015 is certified and supervised by the certification body TUV Rheinland.

The external surveillance audit of the environmental management system takes place annually and the recertification audit every 3 years.

In 2022 the surveillance audit of the environmental management system according to ISO 14001/2015 follows.

10. MANAGEMENTUL RISCURILOR

10.1. General aspects of risk management in the EU

Risk management is one of the key concepts in Compa's management system for achieving the medium and long-term strategy and objectives of the company's activities in all areas.

Within Compa there is a permanent concern for a pragmatic, proactive approach to risk management in order to identify all the categories of risks that may affect the achievement of the company's objectives. An important step in managing risks throughout the company is to identify the types of risks that we know exist at all levels of the company, as well as the consequences that may arise in achieving the objectives set at each level.

At the same time, responsibilities have been established at all levels in order to take specific measures to solve problems arising from the action of these risks.

In order to achieve the objectives set at all levels in the process of risk management, the Top Management of Compa, has taken into account the following specific aspects of 2021:

- **The exceptional context for carrying out activities under the quasi-permanent maintenance of the state of alert established in Romania in 2021**

The risk of transmission and spread of the SARS virus COV- 2, among Compa staff, was one of the concerns of management at all levels in 2021. Concrete measures have been established, within the framework of Compa's programme for the protection of employees against Covid-19, so that the spread of the virus is reduced in 2021. It is worth noting that Compa has not reported any cases of outbreaks of infection, as the infection of employees comes from contacts with people outside the company.

- **Risk assessment is an ongoing activity at all levels of management within the company, with a focus on :**
 - Identification of all categories of risks operating at each level, including new risks that have not previously been identified.
 - Focusing the activity on the action of risks that persist and act on objectives of major importance in the company's activity
 - Quantify the impact of risk action and target actions to counteract or mitigate their effects
- **Delegation of responsibility from Compa's Top Management to all levels of management within Compa's organisational structure:**
 - Responsibilities established by decentralisation at the level of profit centres organised within the company and consisting of the management of related risks, strictly for the production sectors for which they are responsible. In this context, the operations managers of these profit centres are responsible for managing risks in the areas of production, quality, technical, maintenance and logistics of the sector for which they are responsible.
 - Responsibilities at the level of the central departments of the company, with a company-wide area of responsibility in areas such as : Research & Development ; Marketing - Sales ; Purchasing ; Human Resources ; Quality - Environment ; Finance - Accounting and Controlling.
- **Permanent monitoring of the impact of the action of each risk category on the economic and financial activity of the company**
- **Half-yearly analyses by Compa's Top Management**, with the responsible stakeholders within the company, in which the different categories of risks are also analysed, in order to establish the causes and the impact of the risks on the financial activity, as well as the measures to be taken to avoid or limit the economic effects generated by those risks.

10.2. Categories of risks with potential impact on Compa

The categories of risks with an impact on Compa's activity, according to the responsibilities assigned to management according to Compa's organisational structure, are:

10.2.1. Risks in operational activity at profit centre level

- **Risks arising from failure to meet resource requirements at certain times of the year**

- failure to ensure that the production capacities required to meet the volumes required in excess of the initial forecasts, ordered in certain periods, are available on order. These are rare, occasional situations, and the risk of non-delivery of additional quantities ordered by certain customers in certain limited periods of time is resolved by scheduling the production of these additional volumes on days off (Saturdays or Sundays).
- temporary shortage of materials or tools is a risk to be taken into account, especially in a year with major disruptions in the supply chain due to the Covid-19 pandemic. The risk of production stoppages at the customer's premises has been eliminated by supply measures, rapid transport (special air transport or non-stop transport vehicles) and other operational measures.
- The biggest problem faced by Compa in 2021 was the provision of the necessary personnel, especially direct production workers, operators on CNC machines. The lack of personnel, especially skilled workers, is acutely felt in the Sibiu area, as well as in other regions of Romania. In order to counteract the risk of non-delivery of products ordered by customers, the production of products urgently needed by customers was organized in certain periods of 2021, during the days of weekly rest (Saturdays or Sundays), with a major impact on wage costs, due to the payment of overtime at double rate on weekends.
- the risk of interruptions in production due to power cuts from suppliers is another risk in operational activity, which occurs fairly rarely, but due to the sensitivity of the latest generation machine tools in Compa's equipment, major damage is caused: product rejects, tool breakages, interruptions for adjustment, etc. Unfortunately, the risk of such situations cannot be prevented, the impact on costs is borne by Compa, without any possibility of recovering the damage from the electricity supplier.
- The risk of not achieving planned production ratios with potential impact on deliveries to customers is a risk that can have an impact on the timely delivery of production to customers and can be mitigated or eliminated by urgent operational actions such as :
 - readjustment of manufacturing programmes on manufacturing lines
 - recovering delays through measures to reduce packaging and transport times

of finished products.

All of these risk categories are the responsibility of the operations managers of each profit centre, supported by the support functions assigned to each profit centre.

We appreciate that those punctual situations have been managed in real time to avoid major risks that may arise in the non-delivery of products to customers on time.

During the year 2021 in Compa, there were no situations recorded that some customers were stopped due to such causes.

In the automotive industry, any delay of this kind can generate a chain bottleneck, with major effects on car manufacturers with unpredictable repercussions.

Efforts by the company to avoid such situations to avoid blocking the production of final customers are carried out with costs

higher than those provided for in the price quotations, i.e. by exceeding the planned costs of: wages direct and indirect production staff, transport of raw materials and finished products, technological losses above the level allowed in the price quotations and other expenses with an impact on the level of profitability of the company.

10.2.2. Risks with a general impact on the whole business

The management of these categories of risks falls under the responsibility of the organisational structures at the higher management levels of the company, having a scope and influence on the activity of the whole company. The categories of risks with an impact on the activity of most firms are :

- **Price risk**

It was the risk with a major adverse impact , recorded in the economic - financial activities of Compa in the second part of 2021.

The unprecedented increase in utility prices , starting from June 2021 , in particular in the price of electricity and methane gas , had a dramatic effect on the cost of utilities included in the delivery prices of manufactured products and implicitly on the degree of profitability of the realized production , as well as on the financial statements for the second half of 2021 and the whole year 2021.

The increase in the price of utilities at material suppliers generated chain increases in the price of basic materials : steels, chemicals , maintenance spare parts , etc. , which inevitably led to an increase in the cost of raw materials and materials purchased from suppliers . Unfortunately, Compa's efforts to thwart this explosive increase in prices from energy suppliers as well as from suppliers of basic materials (steels in particular) have been to no avail.

Despite the fact that Compa immediately went to its customers to ask for an increase in the prices of the manufactured products, with the influences coming from the increase in the price of electricity, methane gas and basic materials, unfortunately the negotiation process was long delayed by Compa's customers, who were forced to bear most of these unfavourable influences. The explosive increase in the price of utilities , at a level difficult to predict by the contracts concluded with customers , without legal possibilities to recover these influences , was the main cause of the worsening of the financial situation of Compa in the second half of the year and impacting the level of profit achieved in 2021.

- **Riscul de credit**

Credit risk had no impact on Compa's economic and financial activity in 2021.

During 2021, the amount of 2.6 million euro was repaid in accordance with the agreed repayment schedule with the financing banks (ING Bank and BRD), and the contractual obligations with these banks were honoured without any problems, and there was no risk of repayment on time.

Compa held the necessary financial resources and cash throughout 2021, and in this respect did not incur any payment obligations. At the end of 2021 , the balance of the investment loan decreased , as , during this period no new investment loans were committed by Compa , the reduction of the balance will have a positive impact on the cost of financing the activity in future periods.

- **Liquidity risk**

At no time during 2021 was there any risk of the company's financial liquidity not being assured in order to ensure the smooth running of the company's business.

Compa's business partners, the overwhelming majority of which are prestigious multinational companies with well-known financial strength and which have not had any problems during the years of collaboration with them, related to the impossibility of paying invoices on time.

In order to ensure liquidity also in 2021 , the management of Compa , continued the process of monitoring and collection of receivables from customers , constantly controlling the persons in charge appointed at the level of each profit centre in order to solve and remove the causes for which some customers have not paid certain overdue invoices on time. Timely collection of invoices is a permanent objective of Compa Top Management.

- **Currency risk**

In recent years, as a result of the permanent monitoring carried out in this area by the NBR, there has not been a very high volatility in the evolution of the RON/EUR exchange rate, which is of particular interest to us.

In order to eliminate this currency risk, Compa decided more than 15 years ago to negotiate sales prices with customers in euro. As a result, the exchange rate risk is eliminated to an overwhelming extent, since raw materials and materials from suppliers are also purchased in euros, and most of these materials and tools are imported and paid for in euros.

- **Investment risk**

In 2021, Compa's investment program, was at a more moderate level, compared to 2019 and 2020 respectively, when the company's investment expenditure was at a very high level. Therefore the sources of investments were mainly directed to the consolidation of existing production capacity, to the replacement of out-of-service machinery or to the elimination of existing narrow places on certain manufacturing lines.

Investment sources have been allocated in 2021 for the modernisation of some warehouses and office buildings within the company.

- **Risks of pandemic development in 2021**

The evolution of the pandemic in Romania since the first half of 2020 has had unpredictable effects on the company's activity.

The cessation of deliveries by the majority of customers in March, April and May 2020, which resulted in the suspension of the employment contract and the technical unemployment of most employees, had a major impact on the average number of employees in the second half of 2020 and in 2021,

In this context, due to the increase in orders from customers since the first months of 2021, surprised the company without employees and in particular without the necessary workers, numerical control operators.

Recruiting new employees with skills in the areas of machining on CNC machines, against the background of the return of orders in early 2021 to the pre-pandemic level, was the most difficult problem facing the company in 2021.

The risk of not delivering on time to the customer was eliminated as a result of urgent operational measures, by paying overtime on rest days, (Saturday, Sunday) with double rates, but with impact in the cost of manufactured production.

- **Risks related to changes in tax legislation**

The lack of predictability in tax legislation has a major impact on the whole economy, affecting both private and state-owned companies equally.

Any legislative change in the economic field with immediate application generates changes in all areas of company activity (budgets, business plans, forecasts, etc.).

Fortunately, in the last period, the legislative initiatives to amend the legislation in the economic field have been more moderate compared to previous years, so that we can assess that in 2021, legislative changes did not constitute major risks in the conduct of the company's activity.

The change in the minimum wage in 2021 was, however, a legislative change with a major impact on private companies, but we can assess that Compa was prepared to face such changes, so the effect of this risk was urgently countered.

The economic impact was easier to bear because there were very few people employed in the company with a gross salary at the level of the minimum wage.

On the other hand, Compa's management intervened constantly both at the level of the Employers' Organisation and at the level of the County and Municipal Organisations, openly expressing its opinion on certain ongoing legislative actions or even for changes to current legislation affecting the activity of companies.

11. INVESTMENTS, NEW PRODUCTS AND RESEARCH AND DEVELOPMENT ACTIVITY

11.1. INVESTMENTS

Compa's development strategy, i.e. the preparation of the production plants to the standards required by the cooperation partners, as well as the equipping of the company with state-of-the-art machinery and equipment, was taken after the full privatisation of the company in 1999.

As a result, from 2004 to 2019, the net profit was fully allocated to the company's development fund.

During this period, year by year the value of investments were very high, culminating in 2019 and 2020 when the value of investment expenditure averaged about 90 million RON / year (over 20 thousand euro / year).

To support these expenses in 2019, an investment loan for a total of EUR 15 million was committed (EUR 7.5 million each from the two banks BRD and ING).

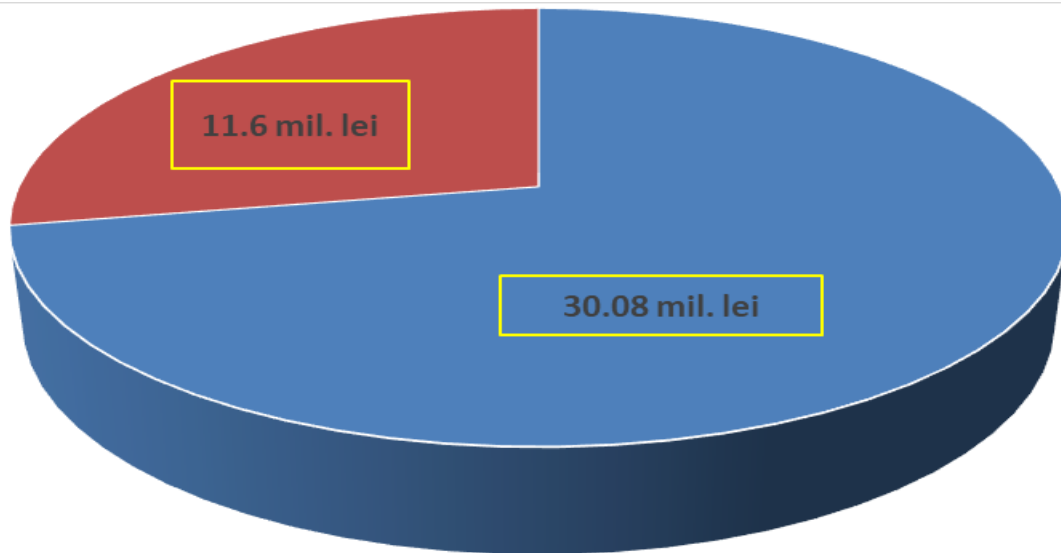
In 2021, apart from the expenses incurred by the completion of the construction works of the new production hall as well as the high value investment made for the realization of a new production capacity related to the manufacturing of Injection Pump Body, gasoline engines, there was not much investment in new machinery and equipment.



In this context, the amount of investment expenditure made in 2021 was lower, namely RON 42.4 million (approximately 8.6 million Euro).

This expenditure was allocated as follows:

- RON 30.8 million for the purchase of machinery and equipment and the modernisation of existing machinery
- RON 11.6 million for the continuation of construction works at the new hall and other rehabilitation and modernisation of existing buildings

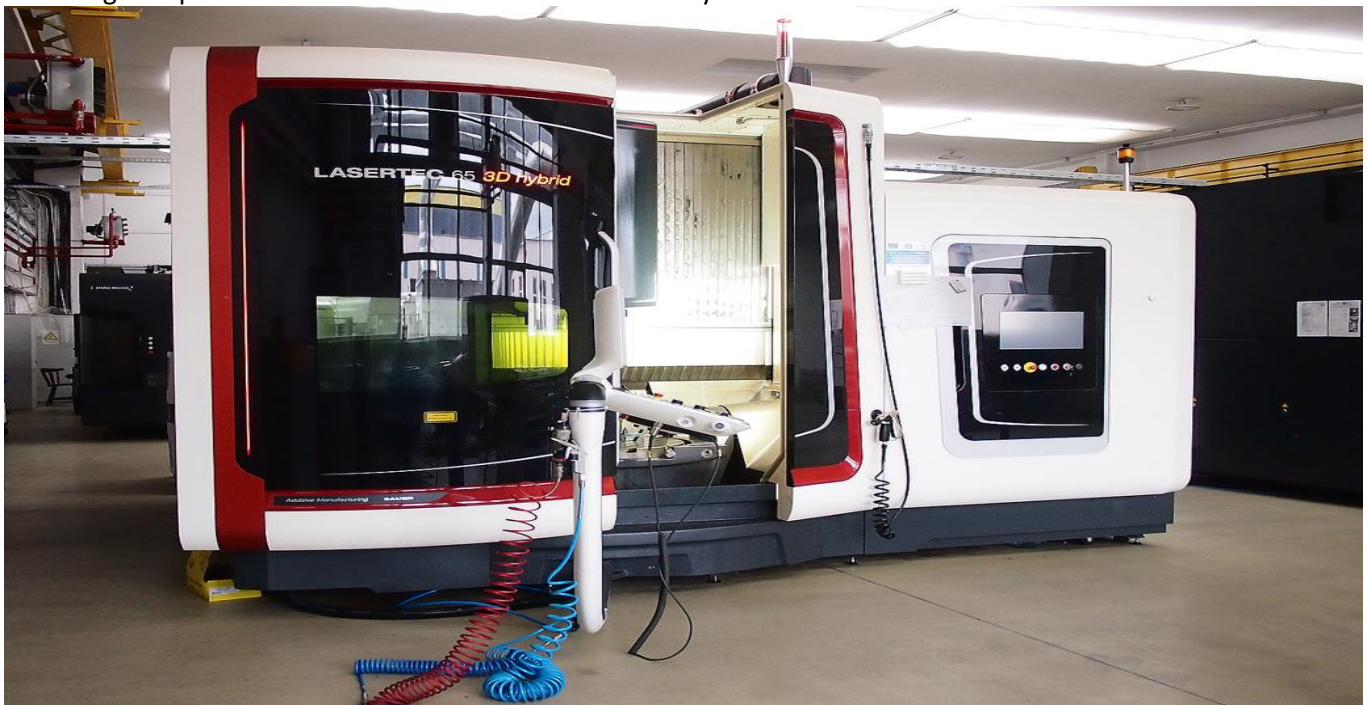


- Achiziții de mașini și echipamente, modernizarea unor mașini existente
- Lucrări de construcție la Hala nouă și alte lucrări de reabilitare și modernizare a unor clădiri existente

From the own sources of financing of Compa's development activity, an amount of 2.5 million Euro was allocated in 2021, in total 12.4 million RON for the payment of the due repayments of the investment loans foreseen for 2021 to the two financing banks (BRD and ING).

11.2. RESEARCH AND DEVELOPMENT ACTIVITY

This activity has been greatly developed in recent years and as a result of the opportunity Compa created by accessing European funds allocated to this sector of activity.



The Research and Development areas in Compa structured in two components:

- **fundamental research** which is mainly oriented by the development of new products and processes with applicability within Compa, and depending on the opportunities and requirements that arise, it can be extended with projects for other companies besides Compa. This field of fundamental research has important opportunities for application in Compa, knowing that the company has built a Research Centre equipped with state-of-the-art machinery and equipment for the production of samples and prototypes for new products, offered to Compa's business partners.
- **applied research**, which is decentralised at company level, to the profit centres organised within the company, with technical specialists assigned to these entities, with specific tasks for the implementation of the necessary processes and work, for the approval and validation of products and processes with customers.

The evolution of research and development expenses for the period 2019 - 2021 both in absolute terms and as a proportion of turnover is shown below:

Indicators	2019	2020	2021
Research and development expenditure	14	14.9	16.1
Turnover	746.7	549.3	705.7
Weight (row 1/row 2) x 100	1.88	2.71	2.28



12. TANGIBLE ASSETS

COMPA owns tangible fixed assets in the form of land, buildings, special constructions, machinery and means of transport, other fixed assets and assets in progress. Their development over the last 3 years is shown below (net value):

INDICATOR NAME	2019	2020	2021	%	
				2021/2020	2021/2019
Land, buildings and investment property	191,034,996	188,370,728	181,022,576	96.10	94.76
Plant and machinery	214,111,191	212,928,875	233,750,477	109.78	109.17
Other plant, machinery, furniture	590,752	516,779	731,794	141.61	123.87
Tangible fixed assets and investment property in course of construction	43,065,858	83,683,618	35,329,784	42.22	82.04
TOTAL	448,802,797	485,500,000	450,834,631	92.86	100.45

The degree of wear and tear of tangible fixed assets at COMPA shows the following evolution:

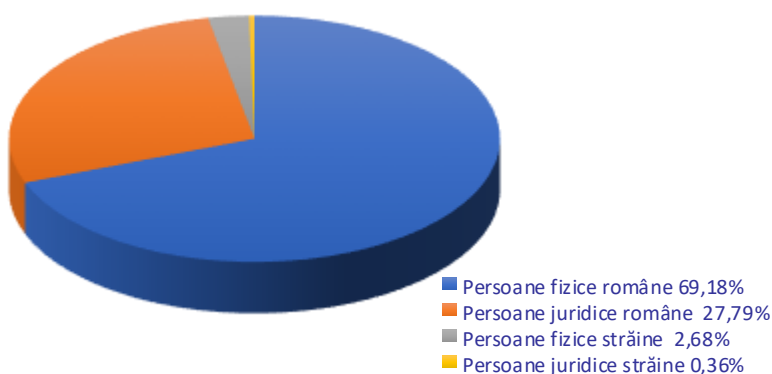
INDICATOR NAME	YEAR		
	2019	2020	2021
Construction and investment property of a building nature			
- inventory value	92,048,100	150,717,738	149,491,468
- remaining value	92,048,100	144,522,028	137,173,876
- wear and tear	0	6,195,710	12,317,592
- degree of wear	0.00	4.11	8.24
Equipment and vehicles			
- inventory value	581,720,028	622,111,886	660,076,885
- remaining value	214,111,191	212,928,875	233,750,477
- wear and tear	367,608,837	409,183,011	426,326,408
- degree of wear	63.19	65.77	64.59
Other tangible fixed assets			
- inventory value	1,686,776	1,670,075	1,920,092
- remaining value	590,752	516,779	1,188,298
- wear and tear	1,096,024	1,153,296	1,153,296
- degree of wear and tear	64.98	69.06	60.06

13. CAPITAL MARKET

The company's shares have been traded since June 1997 on the regulated market administered by the Bucharest Stock Exchange. The nominal value of one share is 0.10 lei.

Main characteristics of the issued securities: 218,821,038 registered, ordinary, fully paid shares of equal value, issued in dematerialized form and evidenced by registration in the Register of Shareholders managed by the Central Depository S.A. Bucharest. COMPA is registered under ISIN code ROCMP5ACNOR9, stock exchange symbol CMP, in the Standard category.

OWNERSHIP STRUCTURE 31.12.2021



On 31.12.2021 the company had 7,413 shareholders, individuals and legal entities, Romanian and foreign, according to the Consolidated Register received from the Central Depository S.A. Bucharest.

Romanian individuals - 151,370,047 shares

Romanian legal entities - 60,802,353 shares

Foreign individuals - 5,862,967 shares

Legal person. foreign legal entities - 785,671 shares

Change in average selling price and number of shares traded in 2021

Published on TradingView.com, March 03, 2022 22:37:58 EET
BVB: CMP, D O: 0,6000 H: 0,6140 L: 0,5840 C: 0,6140



13.1. On the distribution of dividends to COMPA shareholders for the financial year 2021

The privatisation of COMPA has opened up important prospects and opportunities for the company's development.

After 1990, the company's main objective was to establish partnerships with prestigious companies in the automotive industry, where it had the necessary expertise.

In this context, cooperation relationships were started and established with Krupp, Piroux, Honeywell -Garrett, Bosch, Delphi, Koyo (today Jtekt) Fuji Kiko, Douglas, etc., for which COMPA became a supplier of components.

The company was equipped with machines and equipment with a high degree of physical and moral wear. A long-term development programme was needed to rehabilitate the existing halls and, in particular, to purchase state-of-the-art machinery and equipment.

COMPA has therefore made significant investment expenditure each year, both from its own sources and from loans to finance this development programme.

This was the only reason why COMPA did not distribute dividends, as the net profit was exclusively allocated to the development of the company.

The AGOA resolution of 22.04.2021 approved the granting of dividends from the annual net profit for the financial year 2020. The amount of dividends distributed was RON 2,803,856.15 with a gross dividend/share of RON 0.0132. The date of payment of dividends in the amount of RON 2,803,856.15 was set for 9 June 2021. The distribution of dividends to shareholders has become a necessity, after 15 years in which the net profit was distributed exclusively for the development of the company. The distribution of dividends has also been a requirement of the company's shareholders (manifested for several years) and an obligation of the Company towards its shareholders, who have supported the company's development policy for many years.

The decision to grant dividends led to an increase in CMP's share price, which reached a maximum value of 0.7467 lei during the financial year 2021.

There was also an increase in trading volume after the publication of the AGM notice proposing the distribution of dividends.

13.2. Buying your own shares

By the resolutions of the EGMS no. 18 and 19 of 27.04.2020 on the proposal of the Board of Directors, the share buyback program was approved, in the amount of 3.89 million lei.

As of 13.08.2020, the Company has started the share buyback programme in accordance with the Resolution. AGEA 18 and 19 dated 27.04.2020

Size of the program: repurchase from the market of a maximum number of 15,000,000 own shares. The proposed acquisition price is:

- Minimum price per share: 0.1 lei
- Maximum price per share: 1 lei

Maximum monetary value allocated to the programme: RON 3,890,000, excluding brokerage commissions and other acquisition costs. Payment for the repurchased shares will be made, in accordance with the provisions of Article 1031 of Law 31/1990, from the distributable profit of the company, entered in the financial statement for 2019.

Duration of the programme: 18 months from the date of publication of the decision in the Official Gazette of Romania, part IV - a, (the decisions were published in the Official Gazette no.1712/15.05.2020).

The AGEA resolution of 09.09.2021 approves the implementation with respect to the shares subject to the buyback program approved by EGMS resolutions no. 18 and 19 of 27.04.2020 of a stock option plan program with the objective of granting option rights for the acquisition free of charge by employees and members of the Company's management of the repurchased shares in order to maintain and motivate them as well as to reward them for the work carried out within the Company. At the same time, it is approved to empower the Board of Directors to adopt all necessary measures and carry out all formalities required for the implementation of the share buyback plan and to establish the criteria for granting option rights.

By decision of the Board of Directors no. 92/13.08.2021 it was decided to start the buyback programme. It was carried out from 17.08.2020 to 15.11.2021, and investors were informed about its completion by the current report dated 16.11.2021. Thus, 6,504,153 shares, representing 2.9723% of COMPA's share capital, were repurchased in 2020 and 2021, as follows:

- Total value of share buyback: 3,878,223.52 lei

- Average price/share: 0.5962 lei/share

In accordance with the decision of the Board of Directors no. 83/04.10.2021, the stock option plan was approved, registered under no. 81/30.09.2021 in the Register of Decisions of the Company. According to the plan, based on allocation criteria, options are granted under the plan for 6,500,000 shares to executive directors and key employees of the Company. The option exercise deadline is 08.11.2022.

13.3. Relations with shareholders and investors

Shareholders/investors can obtain information about COMP A and the main events on the website www.compa.ro COMP A has also in 2021 aimed to ensure the rights of shareholders to participate in General Meetings directly or by proxy by providing them with special/general proxies, postal ballot papers, other useful information, to be treated fairly, regardless of their shareholdings.

In relation to the capital market, the company has fulfilled in 2021 all the reporting obligations arising from the legal provisions by publishing mandatory continuous and periodic reports in the electronic system of the Financial Supervisory Authority and the Stock Exchange as well as on the company's website.

In accordance with the provisions of the Corporate Governance Code, continuous and periodic information was disseminated simultaneously in both Romanian and English.

13.4. Capital and management issues

By the OGMS resolution of 22.04.2021 a new Board of Directors consisting of 5 members was elected.

In 2021 there were no changes affecting the company's capital or management. At the same time, COMP A was not unable to meet its financial obligations.

There were no major transactions entered into by the company with persons with whom it acts in concert or in which such persons were involved during the relevant time period.

13.5. Relationship between parent company and affiliated companies

The parent company COMP A prepares and publishes consolidated financial statements in accordance with applicable accounting regulations for the financial year ended 31.12.2020.

In this context, COMP A - Parent Company has control, namely the share of its equity interest in the share capital of affiliated companies is more than 50% in the following affiliated entities:

COMP A I.T. S.R.L. 100.00% OF THE SHARE CAPITAL

TRANS C.A.S. S.R.L. 99.00%

RECASERV S.R.L. 70.00%

ARINI	HOSPITALITY	S.R.L.	100.00%
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14. MANAGEMENT OF THE COMPANY

14.1. Board of Directors

Given that on 26.04.2021 the term of office of the members of the Board of Directors elected in 2017 expired, by the OGMS of 22.04.2021, a new Board of Directors was elected whose term of office began on 26.04.2021, with a duration of 4 years.

14.1.1. Board of Directors for the period 01.01.2021 - 26.04.2021

On 24.04.2017, following the expiry of the term of office of the members of the Board of Directors, the Ordinary General Meeting of Shareholders approved the election of a new Board of Directors for a four-year term consisting of the following members:

DEAC Ioan - Executive Director / Chairman of the Board

MICLEA Ioan - Executive Administrator

MAXIM Mircea-Florin - Non-Executive Administrator

BALTEȘ Nicolae - Independent non-executive administrator

VELȚAN Ilie-Marius - Non-Executive Administrator

By Decision no. 1 of 24.04.2017, the Board of Directors approves the election of Mr. Ioan Deac as Chairman of the Board of Directors of Compa S.A., for a 4-year term of office, starting on 24.04.2017.

Comitetul de Audit

In accordance with the provisions of Law no. 31/1990, the Board of Directors has an Audit Committee. The Audit Committee consists of two members - non-executive directors, one of whom is independent.

By Decision No. 2 of 24.04.2017, the Board of Directors approved the election of the members of the Audit Committee for the new term of office. Thus, the Committee consists of the following members:

BALȚES Nicolae - Președinte al Comitetului de Audit

VELȚAN Ilie-Marius -Member of the Audit Committee

Executive management

In accordance with the provisions of Law no. 31/1990, the Board of Directors delegated the management of the company to:

DEAC Ioan - General Director

MICLEA Ioan - Economic Director

MEMBRII CONSILIULUI DE ADMINISTRAȚIE

Ioan DEAC
*Presedinte CA/
Director General*

Ioan MICLEA
*Administrator
Director Economic*

Mircea-Florin MAXIM
Administrator

Nicolae BALTEȘ
*Administrator
Presedinte
comitet audit*

Ilie-Marius VELȚAN
*Administrator
Membru
comitet audit*

Name and First name	Age	Qualification	Professional experience	Function	Length of service	Share capital holdings
DEAC Ioan	72	Engineer - Degree in Machine Building Technology - Polytechnic Institute of Cluj - Faculty of Mechanics	47	Chairman of the Board / CEO	31 years old	19,0045%
MICLEA Ioan	77	Economist - Degree in Economics - Babes Bolyai University Cluj Napoca	48	Board Member / Economic Director	31 years old	18,7562%
MAXIM Mircea-Florin	64	Engineer - Degree in Economic Engineering - University of Agronomic Sciences and Veterinary Medicine Bucharest, Romania	39	Non-executive member CA	16 years old	0,6383%
BALTEȘ Nicolae	63	Economist - Bachelor's Degree in Economic Sciences, specialization Finance-Accounting - Academy of Economic Studies Bucharest, Faculty of Finance-Accounting	38	Independent non-executive member of the Board / Chairman of the Audit Committee	5 years old	0%
VELȚAN Ilie-Marius	46	Economist - Bachelor's Degree in Economic Sciences, specialization Finance-Accounting - Academy of Economic Studies Bucharest, Faculty of Finance-Accounting	23	Board Member / Audit Committee Member	9 years old	0%

14.1.2. Board of Directors for the period 26.04.2021 - 31.12.2021

On 22.04.2021, following the expiry of the term of office of the members of the Board of Directors, the Ordinary General Meeting of Shareholders approved the election of a new Board of Directors for a term of four years consisting of the following members:

DEAC Ioan - Executive Director / Chairman of the Board

- MICLEA Ioan** - Executive Administrator
- MAXIM Mircea-Florin** - Non-Executive Administrator
- BALTEȘ Nicolae** - Independent non-executive director
- NEACȘU Vlad-Nicolae** - Independent non-executive director

By Decision no. 1A / 28.04.2021, the Board of Directors approves the election of Mr. Ioan Deac as Chairman of the Board of Directors of Compa S.A., for a 4-year term of office, starting from 26.04.2021.

By Decision no. 1B/ 28.04.2021, the Board of Directors approves the election of Mr. Ioan Miclea as Vice-Chairman of the Board of Directors of Compa S.A., for a 4-year term of office, starting on 26.04.2021.

Audit Committee

By Decision No. 4 of 28.04.2021, the Board of Directors approved the election of the members of the Audit Committee for the new term of office. Thus, the Committee consists of the following members:

- BALȚES Nicolae** - Independent Non-Executive Director/ Chairman of the Audit Committee
- NEACȘU Vlad-Nicolae** - Independent Non-Executive Director/ Member of the Audit Committee

Executive management

In accordance with the provisions of Law no. 31/1990, by Decisions no. 2 and 3 dated 28.04.2021, the Board of Directors delegated the management of the company to:

- DEAC Ioan** - General Director
- MICLEA Ioan** - Economic Director - until 01.09.2021

On 01.09.2021, Mr. Ioan Miclea resigned as Economic Director for reasons beyond his control or the company's control, and the Board of Directors took note of this resignation.

MEMBRII CONSILIULUI DE ADMINISTRAȚIE



Ioan DEAC
Presedinte CA/
Director General



Ioan MICLEA
Administrator



Mircea-Florin MAXIM
Administrator



Nicolae BALTEȘ
Administrator
Presedinte
comitet audit



Vlad-Nicolae NEACȘU
Administrator
Membru
comitet audit

Name and First name	Age	Qualification	Professional experience	Function	Length of service	Share capital holdings
DEAC Ioan	72	Engineer - Degree in Machine Building Technology - Polytechnic Institute of	47	Chairman of the Board / CEO	31 ani	

Name and First name	Age	Qualification	Professional experience	Function	Length of service	Share capital holdings
Cluj - Faculty of Mechanics						19,0045%
MICLEA Ioan	77	Economist - Degree in Economics - Babes Bolyai University Cluj Napoca	48	Board Member / Economic Director	31 ani	18,7562%
MAXIM Mircea-Florin	64	Engineer - Degree in Economic Engineering - University of Agronomic Sciences and Veterinary Medicine Bucharest, Romania	39	Non-executive member CA	16 ani	0,6383%
BALTEȘ Nicolae	63	Economist - Bachelor's Degree in Economic Sciences, specialization Finance-Accounting - Academy of Economic Studies Bucharest, Faculty of Finance-Accounting	38	Independent non-executive member of the Board/ Chairman of the Audit Committee	5 ani	0%
NEACȘU VLAD-NICOLAE	41	Economist - Bachelor's Degree in Economic Sciences, specialization Finance-Accounting - Academy of Economic Studies Bucharest, Faculty of Finance-Accounting	15	Board Member/ Audit Committee Member	8 luni	0,002%

14.2. Directors by function

The Directors by function are responsible for taking all measures related to their respective areas of activity, in compliance with the powers granted.

The Directors shall regularly inform the Board of Directors of the operations undertaken to achieve the objectives and indicators entrusted to them by the Strategic Dashboard, of their compliance with them and of the fulfilment of other tasks assigned to them.

Period 01.01.2021 - 01.09.2021

- | | | |
|-----|------------------------|---|
| 1. | DEAC Ioan | Director General |
| 2. | MICLEA Ioan | Economic Director (until 01.09.2021) |
| 3. | FIRIZA Ioan | Director Organizational Management and HR |
| 4. | BAlAȘU Dan-Nicolae | Commercial Director |
| 5. | ACU Florin - Ștefan | Technical Director |
| 6. | MUNTENAȘ Bogdan-Vasile | Logistics Director |
| 7. | ȚUICU Liviu-Laurentiu | Quality - Environment Director |
| 8. | ȚUȚUREA Mihai | Production Director |
| 9. | FIRIZA Sorin Ioan | Deputy Production Director |
| 10. | HERBAN Dorin-Adrian | Director Management Systems and Improvement |
| 11. | DRAGOMIR Marius C-tin | Chief Engineer of Maintenance Department |
| 12. | Adrian Jurescu | Head of Utilities Department |





Perioada 01.09.2021 – 31.12.2021

- | | |
|------------------------------|---|
| 1. DEAC Ioan | General Director |
| 2. DUMITRESCU Mihaela | Economic Director |
| 3. FIRIZA Ioan | Director Organizational Management and HR |
| 4. BĂIAȘU Dan-Nicolae | Commercial Director |
| 5. ACU Florin - Ștefan | Technical Director |
| 6. MUNTENAȘ Bogdan-Vasile | Logistics Director |
| 7. DUMITRESCU Cosmin- Ștefan | Industrial Engineering Director |
| 8. ȚUCU Liviu-Laurențiu | Director Quality - Environment |
| 9. ȚUREA Mihai | Production Director |
| 10. FIRIZA Sorin Ioan | Production Deputy Director |
| 11. HERBAN Dorin-Adrian | Director Management Systems and Improvement |
| 12. DRAGOMIR Marius C-tin | Chief Engineer, Maintenance Department |
| 13. JURESCU Adrian | Head of Utilities Department |



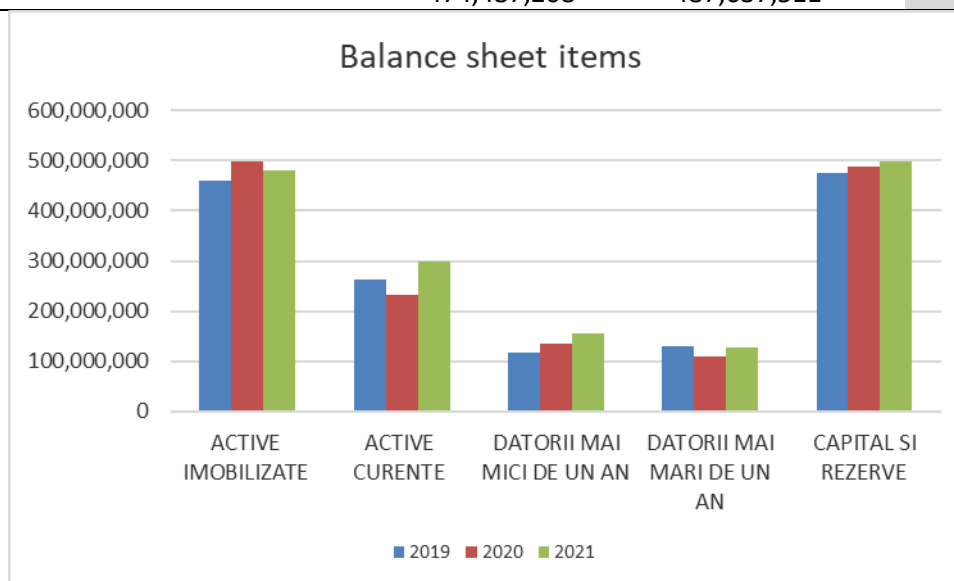


PRODUCTION		INDUSTRIAL ENGINEERING		MAINTENANCE	UTILITIES
					
Mihai TUTUREA Director	Sorin FIRIZA Deputy Director	Cosmin DUMITRESCU Director		Marius DRAGOMIR Chief Engineer	Adrian JURESCU Manager

15. FINANCIAL STATEMENT

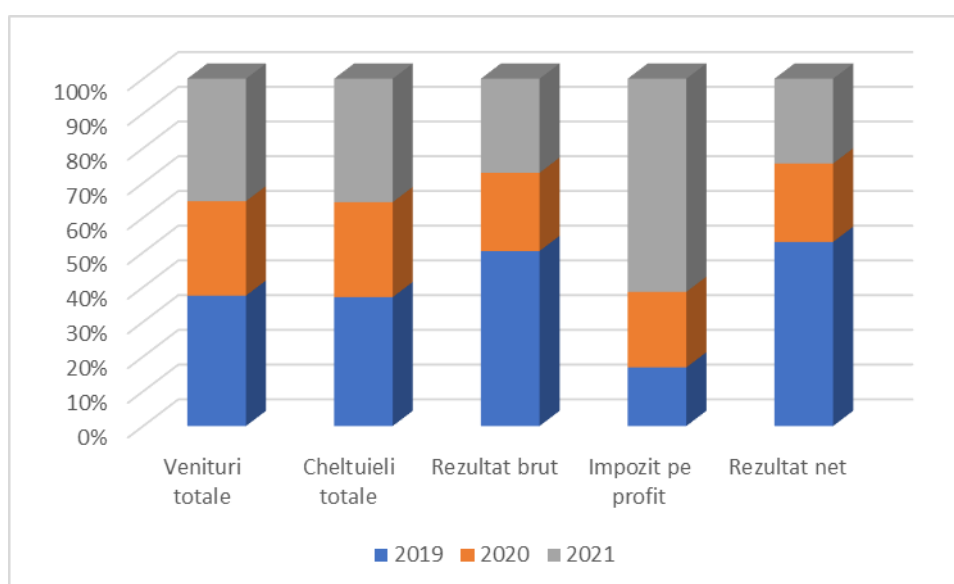
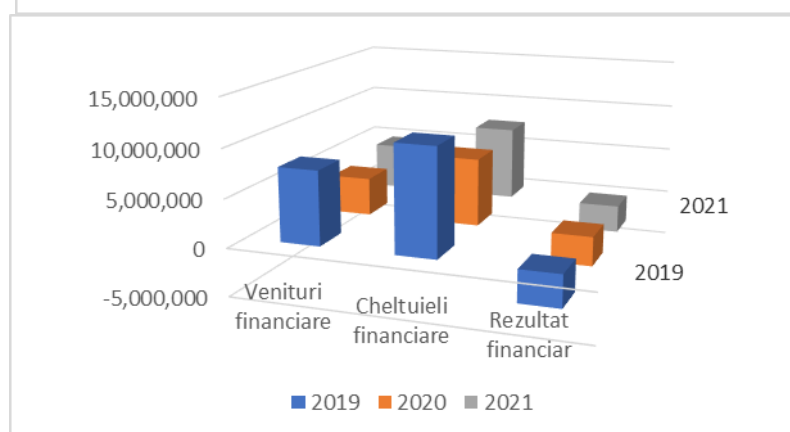
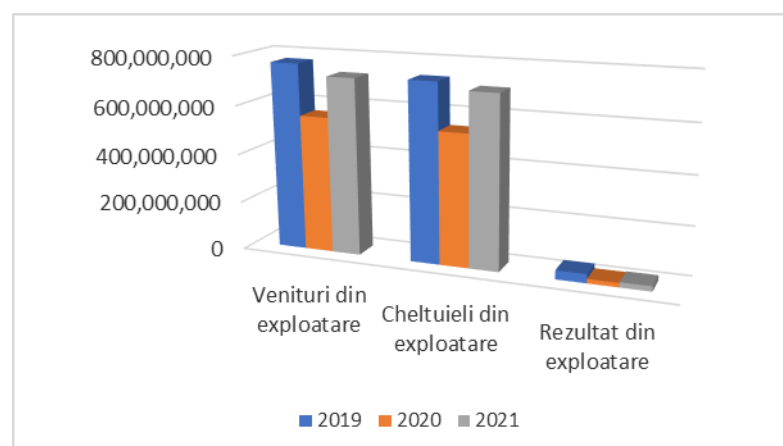
15.1. Main balance sheet items and their evolution over the last three years

Indicator name	2019	2020	2021
Fixed assets	459,369,318	499,027,837	481,668,764
Current assets	264,231,235	233,691,089	299,565,637
Liabilities less than one year	118,421,077	134,925,021	155,179,418
Liabilities over one year	130,692,268	110,156,394	128,710,606
Capital and reserves	474,487,208	487,637,511	497,344,378



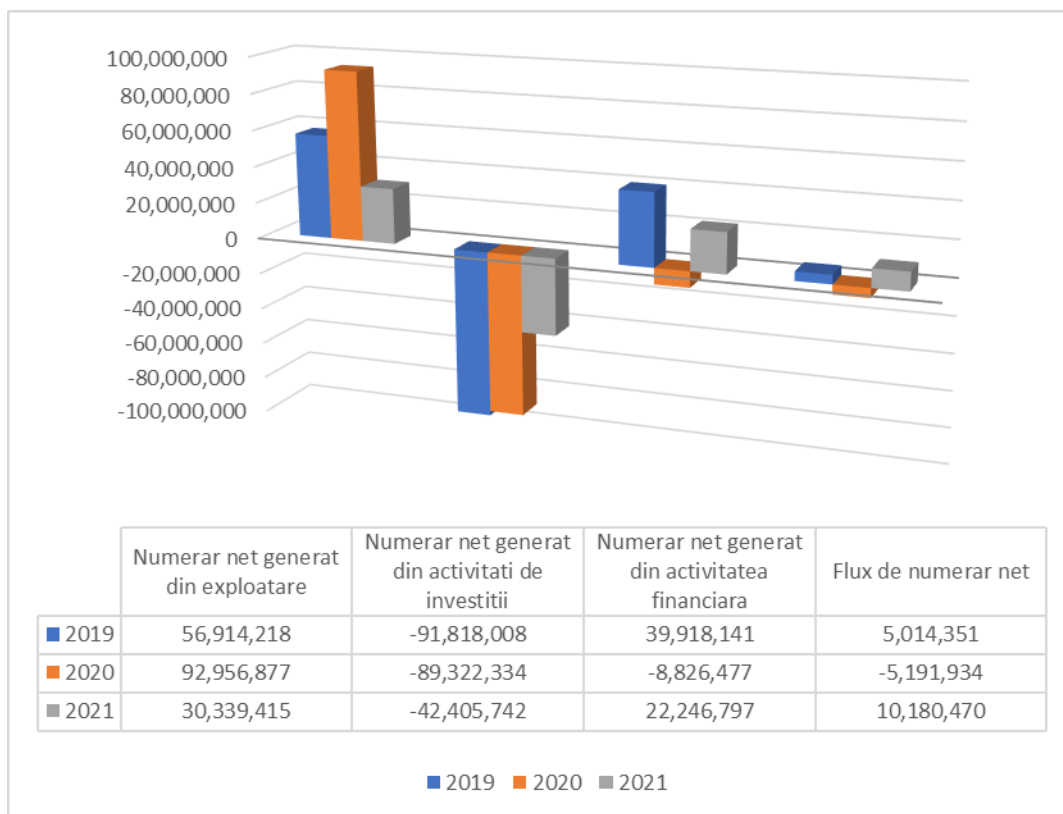
15.2. Statement of income and expenditure 2019-2021:

Indicator name	2019	2020	2021
Operating income	767,809,267	557,877,965	723,696,176
Operating expenses	730,916,697	539,805,505	702,764,806
Operating result	36,892,570	18,072,460	20,931,370
Financial expenses	7,666,743	3,918,926	4,809,591
Financial income	11,033,347	7,017,692	7,708,701
Financial result	-3,366,604	-3,098,766	-2,899,110
Total income	775,476,010	561,796,891	728,505,767
Total expenditure	741,950,044	546,823,197	710,473,507
Gross result	33,525,966	14,973,695	18,032,260
Income tax	817,257	1,053,929	2,973,293
Net result	32,708,709	13,919,766	15,058,967



6.3. Cash flow statement

Indicator	2019	2020	2021
Net cash generated from operations	56,914,218	92,956,877	30,339,415
Net cash generated from investing activities	-91,818,008	-89,322,334	-42,405,742
Net cash generated from financial activities	39,918,141	-8,826,477	22,246,797
Net cash flow	5,014,351	-5,191,934	10,180,470
Cash and cash equivalents at beginning of period	1,065,470	6,079,821	887,887
Cash and cash equivalents at end of period	6,079,821	887,887	11,068,357



16. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Section / Provisions of the Code	Compliance Yes/ No/ PARTIAL	Reason for non-compliance
A. RESPONSIBILITIES		
A1	YES	
A2	YES	
A3	YES	
A4	YES	
A5	YES	
A6	YES	
A7	YES	
A8	NO	
A9	YES	
A10	YES	
A11	Not the case	COMPA is rated Standard Category
B. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM		
B1	YES	
B2	YES	
B3	YES	
B4	YES	
B5	YES	
B6	YES	
B7	YES	
B8	YES	
B9	YES	
B10	YES	
B11	YES	
B12	YES	
C. JUST REWARD AND MOTIVATION		
C1	YES	
D. ADDING VALUE THROUGH INVESTOR RELATIONS		
D1	YES	
D2	NO	So far decisions on dividends have been taken by the General Meeting of Shareholders.
D3	PARTIAL	Forecasts are provided annually in the Income and Expenditure Budget and Business Plan.
D4	YES	
D5	YES	
D6	YES	
D7	YES	
D8	YES	
D9	YES	According to the Financial Calendar
D10	YES	

17. INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.12.2021

a. Individual position of the financial position for the year ending 31.12.2021

All amounts are in lei unless otherwise specified

	Grade	31.12.2021	31.12.2020
Assets			
Fixed assets:			
Property, plant and equipment	4.1	409,007,936	417,180,412
Investment property	4.2	41,826,695	68,319,588
Intangible fixed assets	5	9,106,443	8,672,020
Other receivables (grants and settlements from joint ventures)	6	270,000	1,224,822
Other fixed assets	7	619,346	117,439
Financial investments	21	20,715,500	1,768,450
Deferred tax assets	10	122,843	1,745,106
Fixed assets - total		481,668,764	499,027,837
Current assets:			
Inventories	8	142,270,307	91,495,293
Trade and other receivables	6	141,019,577	139,114,757
Other receivables (subsidiaries and settlements from joint ventures)	6	5,207,396	2,193,152
Cash and cash equivalents	9	11,068,357	887,887
Current assets - total		299,565,637	233,691,089
Total assets		781,234,401	732,718,926
Equity :			
Issued capital	11	21,882,104	21,882,104
Share capital adjustments	11	-650,415	-185,428
Reserves	11	372,044,705	374,127,963
Reserves adjustment	11	23,122,057	23,122,057
Retained earnings		65,886,960	65,483,604
Current result	11	15,058,967	13,919,766
Profit distribution	11	0	-10,712,555
Equity - total		497,344,378	487,637,511
Debts			
Long-term debt :			
Financial debts	12	102,292,751	80,817,900
Prepaid income (prepaid income, subsidies)	13	26,193,210	29,202,849
Provisions	14	224,645	135,645
Long-term liabilities - total		128,710,606	110,156,394
Current debts:			
Financial debts	12	14,284,425	12,118,166
Trade and similar payables;	13	112,731,018	98,789,732
Debts from contracts with customers	13	9,051,042	3,408,686
Other payables	13	12,997,582	13,047,416
Current tax liabilities	10,13	0	894,988
Prepaid income (prepaid income, subsidies)	13	6,115,351	6,666,033
Current liabilities - total		155,179,418	134,925,021
Total debts		283,890,023	245,081,415
Total equity and debt		781,234,401	732,718,926

b. Individual statement of profit or loss and other comprehensive income for the year ended 31.12.2021

All amounts are in lei unless otherwise specified

	Grade	31.12.2021	31.12.2020
Income	15	705,725,717	547,121,134
Other income	15	17,970,459	10,756,831
Total income		723,696,176	557,877,965
Change in stocks of finished goods and work in progress	16	15,728,966	-2,950,743
Raw materials and consumables used	16	-485,594,012	-337,763,049
Expenditure on employee benefits	18	-147,224,797	-115,832,537
Depreciation and amortisation expense	4,5,16	-44,289,663	-51,415,863
Services rendered by third parties	16	-35,200,703	-26,390,903
Other expenses	16	-6,184,596	-5,452,409
Total expenses		-702,764,806	-539,805,505
Operating result	17	20,931,371	18,072,460
Financial income	19	2,693	8,534
Financial expenses	19	-1,394,313	-742,138
Other financial gains/losses	19	-1,507,490	-2,365,161
Net financing costs	19	-2,899,110	-3,098,764
Profit before tax		18,032,260	14,973,695
(Expenses) / Deferred income tax revenue	10	-1,904,273	279,235
Current income tax expense	10	-1,069,020	-1,333,164
Total income tax expense		-2,973,293	-1,053,929
Net profit for the period		15,058,967	13,919,766
Other comprehensive income:			
Of which other comprehensive income not subsequently reclassified to profit or loss: Income tax relating to other comprehensive income	10	282,010	290,268
Other comprehensive income, net of tax		282,010	290,268
Total comprehensive income for the year		15,340,977	14,210,034
Unconsolidated result per basic/diluted share	20	0.07	0.06

c. Individual statement of changes in equity for the year ended 31.12.2021 - All amounts are in lei unless otherwise specified

Equity element	Share capital	Adjustments to share capital	Legal reserves	Adjustments to legal reserves	Revaluation reserve	Other reserves	Adjustments other reserves	Reported result	Total
Balance at 01.01.2020	21,882,104	0	4,376,421	22,679,066	83,891,130	271,841,113	442,991	69,374,383	474,487,208
Profit for the year								13,919,766	13,919,766
Other comprehensive income, of which:	0	0	0	0	0	-584,035	0	0	-584,035
Income tax relating to other comprehensive income						-874,303			-874,303
Transactions with shareholders, recognised directly in equity, of which:						290,268			290,268
Repurchase of own shares	0	-185,428	0	0	0	14,603,334	0	-14,603,334	-185,428
Losses related to repurchase of own shares		-185,428							-185,428
Profit distribution		0				14,603,334		-14,603,334	0
Balance at 31.12.2020	21,882,104	-185,428	4,376,421	22,679,066	83,891,130	285,860,412	442,991	68,690,815	487,637,511

Equity element	Share capital	Adjustments to share capital	Legal reserves	Adjustments to legal reserves	Revaluation reserve	Other reserves	Adjustments other reserves	Reported result	Total
Balance at 01.01.2021	21,882,104	-185,428	4,376,421	22,679,066	83,891,130	285,860,412	442,991	68,690,815	487,637,511
Profit for the year								15,058,967	15,058,967
Other comprehensive income, of which:	0	0	0	0	0	282,010	0	0	282,010
Income tax relating to other comprehensive income						282,010			282,010
Transactions with shareholders, recognised directly in equity, of which:	0	-464,987	0	0	0	-2,365,268	0	-2,803,855	-5,634,110
Repurchase of own shares		-464,987							-464,987
Losses related to repurchase of own shares						-2,365,268			-2,365,268
Profit distribution		0				0		-2,803,855	-2,803,855
Balance at 31.12.2021	21,882,104	-650,415	4,376,421	22,679,066	83,891,130	283,777,154	442,991	80,945,927	497,344,378

d. Individual cash flow statement for the year ended 31.12.2021

All amounts are in lei unless otherwise specified

EXPLANATIONS	2021	2020
Cash flows from operating activities		
Profit before tax	18,032,260	14.973.695
Depreciation and impairment of fixed assets	43,714,910	51.385.568
(Increase) / Decrease in inventories	-50,775,014	13.695.260
(Increase) / Decrease in receivables	-4,466,149	9.931.197
(Increase) / Decrease in accounts payable	18,638,819	8.008.927
Adjustment other non-monetary items	5,194,589	-5.037.770
Net cash generated from operations	30,339,415	92.956.877
Cash flows from investing activities		
Purchases of tangible fixed assets	-41,189,336	-87.396.090
Purchases of intangible assets	-1,216,406	-1.926.244
Net cash generated from investing activities	-42,405,742	-89.322.334
Cash flows from financial activity		
(Increases) / Decreases bank loans	23,641,110	-8.084.339
Interest payments	-1,394,313	-742.138
Net cash generated from financial activity	22,246,797	-8.826.477
Net cash generated from total activity	10,180,470	-5.191.934
Cash and cash equivalents at beginning of period	887,887	6.079.821
Cash and cash equivalents at end of period	11,068,357	887.887

e. NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2021
1. GENERAL INFORMATION

COMP A is a joint-stock company based in Sibiu. 8 Henri Coandă Street, CP 550234.

1.1. Scope of activity

The principal activity according to CAEN is 2932 - Manufacture of other parts and accessories for motor vehicles and their engines.

1.2. Form of ownership

COMP A S.A. has been 100% privatised since September 1999. The company is listed. The shares have been traded on the Bucharest Stock Exchange since June 1997. and are currently traded under the Standard category. symbol CMP.

1.3. Evolution of the company

By Government Decision No. 1296/13.12.1990, the company became Societatea Comercială COMP A S.A.. originating from the Sibiu Auto Parts Company (I.P.A.Sibiu). I.P.A.Sibiu was founded in 1969 by merging two units: Uzina Elastic and Uzina Automecanica Sibiu. Since 1991. COMP A was organized in factories / workshops. constituted by product families. as cost centres. which in time became profit centres. with the aim of decentralization and facilitating the establishment of joint ventures.

2. THE BASICS OF DRAFTING

Declaration of conformity

The individual financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the Order of the Minister of Public Finance No. 2844/2016. The Company has adopted IFRS reporting from the 2012 financial statements.

Going concern principle

The individual financial statements have been prepared on a going concern basis, which means that the Company will be able to carry on its business in normal conditions.

Basics of evaluation

The individual financial statements have been prepared on the historical cost basis, except for certain property, plant and equipment which are measured at revalued amount or fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given for the assets.

Reporting and functional currency

The individual financial statements are presented in Romanian lei (RON), rounded to the nearest amount, this is the Company's functional currency.

Use of estimates and judgements

The preparation of individual financial statements in conformity with IFRS as adopted by the European Union requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgements are generally based on historical information and any other sources considered representative of the situations encountered. Actual results may differ from these estimates.

Estimates and assumptions are reviewed periodically. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if they are affected.

Changes in estimates do not affect prior periods and are not a correction of an error.

Information about critical judgements in applying the Company's accounting policies, whose effect is significant on the amounts recognised in the financial statements is included in the notes to:

Tangible and intangible fixed assets - Useful life of tangible fixed assets

Tangible and intangible fixed assets are depreciated over their useful lives. The Company's management uses professional judgement in determining the useful life, and the evidence used in determining the useful life includes the technical specifications of the machinery, information from commercial contracts the Company has with customers, history of products sold, market information relating to the Company's products and the adaptability of the machinery.

Tangible and intangible fixed assets - Adjustments for impairment of tangible fixed assets

Intangible and tangible fixed assets are analysed to identify whether they are impaired at the date of the financial statements. If the net carrying amount of an asset is greater than its recoverable amount an impairment loss is recognised to reduce the net carrying amount of that asset to the recoverable amount. If the reasons for recognising the impairment loss disappear in subsequent periods, the net carrying amount of the asset is increased to the net book value, that would have been determined if no impairment loss had been recognised. Evidence of impairment may include a decline in usefulness to the company, excessive physical wear and tear, the emergence of new production technologies.

Taxes deferred

Deferred tax assets are recognised as assets to the extent that it is probable that taxable profits will be available against which losses can be utilised. The Company's management uses judgement in determining the amount of deferred tax assets that can be recognised as assets.

Management's decisions are based on information from the commercial contracts the Company has with customers, forecasts relating to the automotive and automotive components market.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, 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. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Recoverable value of assets

The assessment for impairment of receivables is made on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. The Company reviews its trade and other receivables at each statement of financial position date, to assess whether an impairment charge should be recorded in the income statement. In particular, management's professional judgement is required in estimating value and coordinating future cash flows when determining the impairment loss. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. These estimates are based on assumptions about several factors, and actual results may differ, leading to future changes in adjustments.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities reflected in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. Assumptions in these models are taken from available market information, but where this is not possible, judgements are required to determine fair value. The judgements include determining assumptions such as credit risk and volatility.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. New standards and interpretations effective in the current period and adopted by the Company on or after January 1, 2021, inclusive

Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9. The Company's separate financial statements are not impacted by the entry into force of the amendments.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of benchmark interest rates - Phase 2. The Company's separate financial statements are not impacted by the entry into force of the amendments.

Amendment to IFRS 16 Leases for Covid 19 pandemic concessions (Amendment is effective from 1 April 2021). The Company's separate financial statements are not impacted by the amendments becoming effective.

3.2. Standards and Interpretations issued by the IASB and adopted by the EU, but not yet effective and the Company does not apply them early

Currently, IFRS adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to existing standards and interpretations, which have not been endorsed for use:

IFRS 17 'Insurance Contracts' (effective under the IASB for annual periods beginning on or after 1 January 2023). The Company considers the implications of the standard, the impact of the standard on the financial statements and the timing of its adoption.

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements to IFRSs - 2018-2020 Cycle, all issued on 14 May 2020 (effective for annual periods beginning on or after 1 January 2022). The Company considers the implications of the standard, the impact of the standard on the financial statements and the timing of its adoption.

3.3. Standards and Interpretations issued by the IASB but not yet adopted by the EU

Currently, IFRS adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to existing standards and interpretations, which have not been endorsed for use:

Amendments to IAS 1 - "Classification of liabilities as current or non-current". The Company considers the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

Amendments to IAS 1 and IFRS Statement of Practice 2 - "Presentation of Accounting Policies". The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. An entity will be required to present its material accounting policy disclosures instead of its significant accounting policies. The amendments clarify what is a material accounting policy and provide examples of when accounting policy disclosures may be material. The Company considers the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

Amendments to IAS 8 - "Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The Company analyses the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

Amendments to IAS 12 - "Deferred tax assets and liabilities arising from a single transaction". The Company is analysing the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information". The Company analyses the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

Except as described above, the Company anticipates that the adoption of the new standards, revisions and interpretations will not have a material impact on the Company's individual financial statements.

Foreign currency translation

In preparing the Company's separate financial statements. transactions in currencies other than the Company's functional currency (currencies). are recognised at exchange rates current at the dates of the transactions. Monetary items denominated in a foreign currency. at the end of the reporting period. are translated at the exchange rates at that date. Non-monetary items carried at fair value. which are denominated in a foreign currency. are retranslated at the rates current at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the rate at the date of the transaction.

Exchange differences arising on the retranslation of monetary items at the end of the reporting period are recognised in profit or loss.

Financial instruments

Non-derivative financial assets

The Company recognises loans and receivables as they arise. All other financial instruments are recognised on trade date. which is the date on which the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified into: loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. other than those that the Company intends to sell immediately or in the near future. Loans and receivables (including trade and other receivables. bank balances and cash. etc.) are generally held for the purpose of collecting cash flows under contracts and are measured at amortised cost using the effective interest method. less any impairment.

Trade receivables are amounts to be collected from customers for products sold and services rendered in the course of the Company's business. They are generally collected in short periods and are therefore classified as current. Trade receivables are initially recognised at the amount of the unconditional consideration. except where they contain a significant financing component. when they are recognised at fair value.

Recognition and initial assessment

Trade receivables are initially recognised at trade date. All other financial assets and financial liabilities in its statement of financial position when. Company becomes a party to the contractual provisions of the instrument. Financial assets (except where they contain a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial receivables (other than financial assets and financial receivables at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial receivables. as appropriate. on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial receivables at fair value through profit or loss are recognised immediately in the individual profit or loss.

Classification and further evaluation

Financial assets

On initial recognition a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Financial assets are not reclassified subsequent to initial recognition unless. the company changes its business model for managing its financial assets. in which case all those financial assets affected are reclassified.

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated at fair value through profit or loss:

- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows; and
- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount due.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and it is not designated at fair value through profit or loss:

- the financial asset is held as part of a business model whose objective is to collect contractual cash flows and sell financial assets; and
- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are exclusively payments of principal and interest related to the principal amount due.

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

On initial recognition, the entity may irrevocably designate a financial asset as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring assets or liabilities or recognising their gains and losses on a different basis.

The entity's business model for managing financial assets

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, as it best reflects how the business is managed and information is provided to management. Information considered includes:

- the stated policies and objectives for the portfolio and the operation of these policies in practice. These include considering whether management's strategy focuses on earning contractual interest income, maintaining a specific interest rate profile, matching the duration of financial assets with the duration of any expected liabilities or cash outflows or realising cash flows through the sale of assets;
- how portfolio performance is evaluated and reported to the Company's management;
- **the risks affecting the performance of the business model (and the financial assets held within that business model) and how those risks are managed;**
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations for future sales activity.

Assessing whether contractual cash flows are only principal and interest payments

For the purpose of this assessment, "Principal" is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as the consideration for the time value of money and the credit risk associated with the amount of principal to be received over a period of time, as well as for other underlying credit risks and costs and a margin.

To assess whether contractual cash flows are only principal and interest payments, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contracted cash flows such that it does not meet this condition

A prepayment feature is consistent with the principal and interest only criterion, if the amount of the prepayment substantially represents the outstanding principal and interest amounts, which may include reasonable additional compensation for early termination of the contract.

Subsequent evaluation of financial assets

After initial recognition, the Company measures a financial asset in accordance with paragraphs at amortised cost; at fair value through other comprehensive income; or at fair value through profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and depreciation are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The Company recognizes adjustments for expected credit losses for:

- financial assets measured at amortised cost;
- assets relating to contracts.

The allowance for loss on trade receivables and contract assets is always measured at an amount equal to the expected lifetime credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience and including forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to repay in full his credit obligations to the Company; or
- the financial asset is 365 days past due.

Lifetime expected credit loss data are the expected credit losses resulting from all potential events that occur over the expected life of a financial instrument.

Expected 12-month credit losses, are the portion of expected credit losses resulting from default events that are possible within 12 months of the reporting date (or a shorter period if the life of the instrument is less than 12 months).

The maximum period considered in estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit loss amounts

Expected credit losses are a probable estimate of credit losses. Credit losses are measured as the present value of the cash shortfall (i.e. the difference between the cash flows due to the entity under the contract and the cash flows the Company expects to receive).

Financial assets impaired due to credit risk

On each reporting date, The Company assesses whether financial assets carried at amortised cost and financial assets at fair value through other comprehensive income are affected by credit risk. A financial asset is "impaired due to credit risk" when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract, such as default or 90 days past due; or
- the debtor is likely to enter bankruptcy or other financial reorganisation;

Presentation of the expected credit loss adjustment in the statement of financial position

Adjustments for financial assets, measured at amortised cost, are deducted from the gross carrying amount of the assets. For financial assets at fair value through other comprehensive income, adjustments for losses are recognised in the income statement and recognised in other comprehensive income.

Off-balance sheet items

The gross carrying amount of a financial asset is reduced when the Company has no reasonable expectation of recovering all or part of a financial asset. For individual customers, The Company has a policy of writing off the gross carrying amount when the financial asset is 3 years after maturity, based on historical experience of recoveries of similar assets. For corporate customers, The Company makes an individual assessment of the timing and amount of the write-down, based on whether there is a reasonable expectation of recovery.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when the Company transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which it has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the amount of consideration received is recognised in profit or loss.

Financial debts

The Company recognises a financial liability initially at its fair value plus, in the case of a financial liability that is not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

The Company classifies financial liabilities as subsequently measured at amortised cost or fair value through profit or loss. A financial liability is classified as at FVTPL if it is classified as held for trading, is a derivative instrument or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign currency gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in

profit or loss. The Company derecognises a financial liability when contractual obligations are terminated or when these obligations expire or are cancelled. On derecognition of a financial liability, the difference between the carrying amount of a financial liability and the consideration paid (including any unconsolidated assets transferred or liabilities assumed) is recognised in profit or loss. Other financial liabilities include loans and borrowings, commitments, lines of credit and trade and other payables.

Derivative financial instruments

A derivative is a financial instrument or other contract that is within the scope of IFRS 9, that meets the following three characteristics: its value changes in response to changes in certain interest rates, the price of a financial instrument, commodity prices, foreign exchange rates, price indices or rates, credit rating or credit index, or other variables, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (sometimes referred to as 'underlying'); requires no initial net investment or requires an initial net investment that is less than would be required for other types of contracts that are expected to have similar responses to changes in market factors; and is settled at a future date.

Capital instruments

An equity instrument is any contract that creates a residual interest in the assets of an entity after deducting all of its liabilities. When an equity instrument of the Company is redeemed, amount paid, which includes directly attributable costs, net of tax, is recognised as a deduction from equity. The Company does not recognise gain or loss in the income statement on the acquisition, sale, issue or cancellation of equity instruments.

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for land and buildings, which are stated at revalued amount. Revalued amount is the fair value of the asset at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluation is carried out for the whole class of fixed assets (land, buildings).

The cost of the asset includes expenditure directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, other costs attributable to bringing the asset to its place and condition and the initial estimate of the costs of dismantling and removing the asset and restoring the site and borrowing costs where there is an obligation for such expenditure.

When the Company depreciates separately parts of an item of property, plant and equipment, it also depreciates separately what remains of that item. What remains consists of those parts of the item that are not individually significant.

The Company carries out revaluations with sufficient regularity to ensure that the carrying amount is not materially different from what would have been determined using fair value at the end of the reporting period.

When an asset is reclassified as investment property, the property is revalued to fair value. Gains arising on revaluation are recognised in the income statement only to the extent of an impairment loss specific to that property and any remaining gains recognised as other comprehensive income and shown within revaluation reserves in equity. Any loss is recognised immediately in the income statement.

Subsequent costs are capitalised only when it is probable that the expenditure will generate future economic benefits to the Company. Maintenance and repairs are expenses of the period.

Land is not depreciated. Depreciation is recognised to write off costs less residual values over their useful lives, using the straight-line method. Estimated useful lives, residual values and the depreciation method are reviewed by the Company's management at the end of each reporting period, taking into account the effect of any changes in accounting estimates.

Assets subject to finance leases are depreciated over their useful lives on the same basis as owned assets or, where shorter, over the relevant lease period. The estimated useful lives for the current and comparative years of the significant groups of property, plant and equipment are:

- Buildings 12-50 years
- Technical installations and machinery 3-18 years
- Other plant, machinery and furniture 2-18 years

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment is recognised immediately in profit or loss, if the relevant asset is not carried at a revalued amount, in which case the impairment is treated as a revaluation reduction.

Property, plant and equipment are derecognised following disposal or when no future economic benefits are expected from the continued use of the asset. Any gain or loss resulting from the disposal or write-off of an item of property, plant and equipment is determined as the difference between the proceeds from sales and the

carrying amount of the asset and is recognised in the income statement in the period in which derecognition occurs.

Intangible assets

Recognition and evaluation

For an item to be recognised as an intangible asset, the company must demonstrate that the item meets the following:

- **definition of an intangible asset**
 - is separable, meaning it can be separated or divided from the entity and sold, transferred, licensed, leased or exchanged, either individually, or together with a corresponding contract, asset or liability; or
 - arises from contractual or other legal rights, whether those rights are transferable or separable from the Company or from other rights and obligations.
- **recognition criteria**
 - it is probable that the future economic benefits expected to flow to the Company from the asset; and
 - the cost of the asset can be measured reliably.

An intangible asset is initially measured at cost. The cost of a separately acquired intangible asset is made up of:

- the purchase price, including import duties and non-refundable purchase taxes, after deduction of trade discounts and rebates; and
- any costs directly attributable to preparing the asset for its intended use.

In some cases an intangible asset may be acquired free of charge, or for nominal consideration, through a government grant. The company initially recognises both the intangible asset and the grant at fair value.

The cost of an internally generated intangible asset is the amount of expenditure incurred since the date the intangible asset first met the recognition criteria. Expenditure previously recognised as a cost may not be recharged. The cost of an internally generated intangible asset is composed of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Examples of directly attributable costs are:

- costs of materials and services used or consumed in generating the intangible asset;
- the cost of employee benefits arising from the generation of intangible assets;
- fees for registration of a legal right; and
- amortisation of patents and licences that are used to generate the intangible asset.

To determine whether an internally generated intangible asset meets the recognition criteria, an entity divides the process of generating the asset into:

- a research phase; and
- a development phase.

If the Company cannot distinguish between the research and development phases of an internal project to create an intangible asset, the company treats project expenditure as expenditure incurred exclusively in the research phase.

No intangible asset arising from research (or from the research phase of an internal project) should be recognised. Expenditure on research (or that in the research phase of an internal project) shall be recognised as a cost when incurred.

An intangible asset arising from development is recognised if, and only if, expenditure attributable to the intangible asset during its development can be measured reliably, the technical feasibility of completing the intangible asset so that it is available for use or sale, management has the intention and ability to complete the intangible asset and use or sell it.

Recognition of expenses

Expenditure on an intangible item shall be recognised as an expense when incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria.

Assessment after recognition

The Company accounts for intangible assets using the cost model. After initial recognition, an intangible asset shall be carried at cost or less any accumulated amortisation and any accumulated impairment losses.

Amortisation

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Depreciation begins when the asset is available for use, meaning when it is in the condition and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date the asset is classified as held for sale and the date the asset is derecognised. Intangible assets are amortised using the straight-line method over a period of 1-5 years or over the period of contractual or legal rights where this is less than the estimated useful life. An intangible asset with an indefinite useful life is not amortised.

Depreciation

At the end of each reporting period the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets are impaired. If there is such an indication, the recoverable amount of the asset is estimated to determine the extent of impairment (if any). Recoverable amount is the higher of fair value less costs to sell and its value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

De-recognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Real estate investments

An investment property is real property (a piece of land or a building - or part of a building - or both) held by the Company for rental income or capital appreciation, or both, rather than for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business.

The cost of a purchased investment property includes its purchase price and any expenses directly attributable to the purchase. Directly attributable expenses include, for example, professional fees for legal services, fees for the transfer of ownership and other transaction costs.

The cost of a self-constructed investment property is the cost at the date of completion of the construction or development work. Until that date, the Company applies the provisions of IAS 16. At that date, the property becomes investment property.

After initial recognition, the company chooses the fair value model and measures all its investment property at fair value.

A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss in the period in which it arises.

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of a property shall reflect market conditions at the balance sheet date.

Assets for which fair value is determined in the financial statements are classified in the fair value hierarchy according to the basis used to determine fair value as follows:

- Level 1 - Unadjusted market prices
- Level 2 - Inputs other than unadjusted market prices, but fair value is observable directly or indirectly.
- Level 3 - Fair value measurement based on unobservable inputs

Gains or losses arising on the retirement or disposal of investment property should be determined as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised in profit or loss in the period of retirement or disposal

Financial investments

In accordance with IAS 27, stand-alone financial statements are statements presented by a company - parent, by an investor in an associate or by a venturer in a jointly controlled entity, in which investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees. When an entity prepares separate financial statements,

investments in subsidiaries, jointly controlled entities and associates must be accounted for either:

- the cost,
- in accordance with IFRS 9 or using the equity method, as described in IAS 28.

Investments in subsidiaries are presented in these separate financial statements at cost.

Stocks

Inventories are valued at the lower of cost and net realisable value. Inventory costs are determined on a first-in, first-out basis. first out. And includes the costs incurred in acquiring inventories. production. and other costs of bringing inventories to their existing form and location. In the case of finished goods and work in progress. Costs also include a share of overheads based on normal production capacity.

Net realisable value is the estimated selling price in the ordinary course of business for inventories less the estimated costs of completion and the costs necessary to make the sale.

Employee benefits

In the normal course of business. The company makes payments to the pension, health and unemployment funds of the Romanian State on behalf of its employees. Expenditure on these payments is recorded in the profit and loss account in the same period as the related salary expenses.

All employees of the Company are members of the Romanian State pension plan. No other pension scheme is in operation within the Company and there are no other pension obligations.

Termination benefits may be paid when the employment contract is terminated for reasons not attributable to the employee. The company recognises termination benefits when it undertakes to terminate the employment contracts of current employees.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event. 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When a provision is measured using estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows (where the time value of money effect is significant).

Guarantees

Provisions for the estimated costs of warranty obligations under local law and the contractual provisions of the sale of goods are recognised at the date of sale of the goods. The provision is based on the warranty history and the balancing of all possible outcomes.

Restructuring

A restructuring provision is recognised when the Company has approved a detailed and formal plan for restructuring and the restructuring plan has either been initiated or the main features of the restructuring plan have been announced to those affected by it.

Onerous contracts

If the Company has an onerous contract, the current contractual obligation under the contract shall be recognised and measured as a provision. An onerous contract is defined as a contract in which the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to flow from the contract. The unavoidable costs of a contract reflect the net cost of exiting the contract, i.e. the lower of the cost of fulfilling the contract and any compensation or penalties for non-performance.

Revenue recognition

The accounting policies for the Company's revenue from contracts with customers are disclosed in note 15.

Government subsidies

Government grants are assistance provided by the government in the form of transfers of resources to the Company in return for compliance. in the past or in the future. with certain conditions relating to the Company's operating activity. Grants exclude forms of government assistance that cannot reasonably be assigned a specific value. as well as transactions with the government that cannot be distinguished from the entity's normal business transactions.

Government grants are recognised as income in the periods corresponding to the related expenses that these grants are intended to compensate. on a systematic basis.

A government grant that is to be received as compensation for expenses or losses already incurred or for the purpose of providing immediate financial assistance to the entity. with no future related costs. is recognised as income in the period in which it becomes receivable.

Leasing

At the beginning of a contract. The company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Company uses the definition of a lease in IFRS 16.

This policy applies to contracts entered into, on or after 1 January 2019.

The Company recognises the right-of-use assets and a lease liability at the inception date of the lease.

The Company does not have at the effective date of IFRS 16 entered into any leases.

Debt costs

Borrowing costs, directly attributable to the acquisition, construction or completion of eligible assets, assets that require a significant period of time to be ready for use or sale, are added to the cost of those assets until the assets are substantially ready for the field of use or sale.

The proceeds from the temporary investment of specific indebtedness obtained for the acquisition or construction of eligible assets are deducted from the cost of borrowings that can be capitalized.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Foreign exchange gains or losses are reported on a net basis as gain or loss based on the result of movements in foreign exchange differences.

Corporation tax

Income tax expense is the amount of current taxes payable and deferred taxes.

Liabilities or receivables relating to income tax for the current and prior periods are measured at the amount expected to be paid or recovered from the tax authority using the statutory regulations and tax rate in force at the date of the financial statements. The corporate income tax rate for the period ended 31 December 2018 was 16%.

Current and deferred taxes are recognised in the income statement unless they relate to items that are recognised in other comprehensive income or directly in equity. In which case current and deferred tax are also recognised in other comprehensive income or directly in equity.

Current tax

Current tax payable is based on the taxable profit made during the year. Taxable profit differs from the profit reported on the unconsolidated general income tax return because of items of income or expense that are taxable or deductible in some years, as well as items that are never taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities and the tax bases of assets and liabilities in the financial statements. Deferred tax liabilities are generally recognised for all temporary taxable differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

The main differences arise from the depreciation of non-current assets and the measurement of assets at fair value.

Deferred tax assets and liabilities are determined on the basis of the taxes that are expected to apply in the period in which the deferred tax liability or receivable is realised or settled.

Segment reporting

A business segment is a component of the Company that engages in business activities from which it may derive revenues and incur expenses (including revenues and expenses related to transactions with other components of the same Company), whose business results are periodically reviewed by the Company's chief operating decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance and for which distinctive financial information is available.

The Company's management regularly evaluates the Company's business to identify business segments for which information needs to be reported separately. The Company has not identified components that qualify as business segments.



4. CORPORAL IMMOBILIZATION:

4.1. TANGIBLE FIXED ASSETS

The evolution of property, plant and equipment from 1 January 2021 to 31 December 2021 is as follows:



Explanations	Land	Construction	Equipment and vehicles	Other tangible fixed assets	Tangible fixed assets in progress	Total
Inventory value						
01.01.2020	43,848,700	88,757,000	581,720,028	1,686,776	33,923,759	749,936,263
Entries 2020	0	4,227,224	43,246,886	0	86,647,896	134,122,006
Outflows 2020	0	-695,782	-2,855,028	-16,701	-46,778,329	-50,345,840
31.12.2020	43,848,700	92,288,442	622,111,886	1,670,075	73,793,326	833,712,429
Intrari din achizitii 2021					27,530,676	27,530,676
Internally generated revenues 2021					8,221,271	8,221,271
Inputs from commissioning 2021		15,376,331	57,388,114	281,766		73,046,211
Inputs from transfers from classes 2021			765,874		0	765,874
Receipts from transfers within the same class 2021		602,155			2,071,609	2,673,764
Outflows from transfers within the same class 2021		-602,155			-2,071,609	-2,673,764
Outflows from transfers to other classes of fixed assets 2021		0	-765,874		-74,144,056	-74,909,930
Disposals 2021		0	-7,603,840			-7,603,840
disposals of fixed assets 2021			-11,819,275	-31,749	-71,433	-11,922,457
31.12.2021	43,848,700	107,664,773	660,076,885	1,920,092	35,329,784	848,840,234
Depreciation, amortisation						
01.01.2020	0	0	367,608,837	1,096,024	0	368,704,861
Expenses 2020	0	6,234,174	44,429,202	73,973	0	50,737,349
Depreciation, amortisation and write-offs 2020	0	-38,464	-2,855,028	-16,701	0	-2,910,193
31.12.2020	0	6,195,710	409,183,011	1,153,296	0	416,532,017
Expenditure 2021	0	6,121,882	36,566,380	66,751	0	42,755,013
Depreciation, amortisation and write-downs on transfer entries within the same class 2021	0	42,389			0	42,389
Depreciation, amortisation and write-offs on transfers within the same class 2021	0	-42,389			0	-42,389
Depreciation, amortisation and write-offs 2021	0		-11,819,143	-31,749	0	-11,850,892
Depreciation, write-downs on disposals 2021	0	0	-7,603,840	0	0	-7,603,840
31.12.2021	0	12,317,592	426,326,408	1,188,298	0	439,832,298
Valoare ramasa						
01.01.2020						381,231,402
31.12.2020						417,180,412
31.12.2021						409,007,936

Tangible assets representing "Tangible assets in progress" are valued at historical cost.

The Company has chosen the fair value revaluation model for the valuation of property, plant and equipment in the nature of land and buildings. Buildings and land were revalued as at 31.12.2019 by an independent chartered surveyor.

In the fair value hierarchy, the revaluation of the Company's buildings and land at fair value is classified as Level 2 data.

The valuation technique used in Level 2 fair value valuation is the price comparison method. Comparable prices of nearby buildings and structures are adjusted for specific characteristics, such as property size etc.

The most important input data for this valuation method is the price per square metre. There were no transfers between the level at which the fair value assessments are classified during 2021. Amortizarea tuturor imobilizarilor is determined by the linear method. Non-current assets were reduced in 2021 through sale, disposal and depreciation. The inventory value of fixed assets scrapped in 2021 was 11,819,275 lei and the undepreciated value of thousands of fixed assets scrapped was 132 lei.

The proceeds from the sale of fully depreciated fixed assets amounted to RON 3,476,664.

In 2021, the Company carried out projects financed from European funds. Implementation these projects will result in the purchase of equipment and photovoltaic panels worth approximately EUR 435,000.

As at 31.12.2021 the net book value of mortgaged fixed assets in favour of banks was 151,477,258 lei, of which 112,490,419 lei consisted of technological equipment and 38,986,839 lei of buildings and land.

4.2. REAL ESTATE INVESTMENT

The evolution of real estate investments from 1 January 2020 to 31 December 2021 is as follows:

5. INTANGIBLE FIXED ASSETS

The evolution of intangible assets was as follows:

Explanations	Cheltuieli de cercetare-dezvoltare	Programe informatice si liicente soft	Total
Cost			
01.01.2020	4,116,416	11,453,318	15,569,734
Inputs 2020	3,418,297	1,328,479	4,746,776
Exits 2020	-2,820,532		-2,820,532
31.12.2020	4,714,181	12,781,797	17,495,978
Acquisition receipts 2021		1,322,938	1,322,938
Receipts from transfers from other classes of fixed assets 2021		71,381	71,381
Transfer entries within the same class 2021	1,893,648	3,214,503	5,108,151
Outflows from transfers within the same class 2021	-1,893,648	-3,214,503	-5,108,151
31.12.2021	4,714,181	14,176,116	18,890,297
Depreciation, amortisation			
01.01.2020	0	8,137,277	8,137,277
Expenditure 2020	0	686,681	686,681
31.12.2020	0	8,823,958	8,823,958
Expenditure 2021	282,053	677,843	959,896
31.12.2021	282,053	9,501,801	9,783,854
Remaining value			
01.01.2020			7,432,457
31.12.2020			8,672,020
31.12.2021			9,106,443

their recognition as an intangible asset, namely:- the cost of the asset can be measured reliably.

6. TRADE AND OTHER RECEIVABLE

The trade receivables situation is as follows:

Explanations	2021	2020
Receivables from customers not past due	122,443,228	124,064,673
Receivables past due, but no impairment adjustments recorded	9,059,944	5,224,607
Receivables past due but impairment adjustments recorded	361,522	138,064
Impairment adjustments	-361,522	-138,064
Total trade receivables	131,503,172	129,289,280

As at 31 December 2021 and 2020, the ageing of overdue receivables for which there is no impairment adjustments have been recorded are as follows:

Explanations	2021	2020
Expiry between 7 and 90 days	7,677,498	5,032,407
Expiry date exceeded from 91 to 180 days	1,275,484	181,434
Expiry date over 181 to 1 year	56,084	10,766
Due date over 1 year	50,878	0
Total overdue receivables	9,059,944	5,224,607

The company has made adjustments for impairment of customer receivables as follows:

Sold on 01.01.2020	571,165
Accrued adjustments in 2020	96,242
Adjustments reversed in 2020	-529,343
Sold on 31.12.2020	138,064
Accrued adjustments in 2021	310,941
Adjustments reversed in 2021	-87,483
Sold on 31.12.2021	361,522

The Company's commercial policy requires the recording of impairment adjustments for receivables that exceeding 365 days, with the exception of those receivables registered with partners to which the Company is debtors, which are approximately the same age as the uncollected receivables

The situation of **other receivables** held by the Company is as follows:

Explanations	2021			2020		
	Total. which	Of	Long term Short term	Total. din care	Long term	Short term
Advances paid to suppliers	3,775,137		0 3,775,137	6,416,008	0	6,416,008
Claims relating to staff	3,611		0 3,611	42,388	0	42,388
Claims related to the consolidated state and local budget	4,206,772		0 4,206,772	1,967,499	0	1,967,499
Sundry debtors	1,010,388		0 1,010,388	1,338,651	0	1,338,651
Impairment adjustments of debtors	-839,069		0 -839,069	-647,331	0	-647,331
Expenditure in advance	1,359,566		0 1,359,566	708,262	0	708,262
Grants receivable (European	5,477,396	270,000	5,207,396	3,417,974	1,224,822	2,193,152

Explanations	2021			2020		
	Total. which	Of	Long term Short term	Total. din care	Long term	Short term
funds projects)						
Total other receivables	14,993,801	270,000	14,723,801	13,243,451	1,224,822	12,018,629

The Company has made allowances for impairment of other receivables as follows:

Sold on 01.01.2020	368,925
Accrued adjustments in 2020	278,406
Adjustments reversed in 2020	
Sold on 31.12.2020	647,331
Accrued adjustments in 2021	191,738
Adjustments reversed in 2021	
Sold on 31.12.2021	839,069

The Company's commercial policy requires the recording of impairment adjustments for other receivables exceeding 360 days and for those receivables for which there is an indication that they are doubtful. Foreign currency receivables are valued in lei at the official exchange rate of the NBR as at 31.12.2020.

7. OTHER NON-CURRENT RECEIVABLES

The situation of other non-current receivables held by the Company is as follows:

Explanations	2021			2020		
	Total. Of which	Long term	Short term	Total. Of which	Long term	Short term
Customs guarantee for customs clearance at home	103,000	103,000	0	103,000	103,000	0
Other guarantees	15,459	15,459	0	14,439	14,439	0
Amounts owed by subsidiaries	500,000	500,000	0	0	0	0
Interest on amounts due from subsidiaries	887	887	0	0	0	0
Total other assets	619,346	619,346	0	117,439	117,439	0

In 2021, the company's management approved in the Board of Directors meeting the granting of a long-term loan to the affiliated company ARINI HOSPITALITY SRL, in the amount of EUR 1,000,000. The loan will be committed in tranches, at the request of the borrower, until 31.12.2024 at the latest.

The interest rate is 1.75% per annum and the lending fee is 0.2% of the loan amount.

The loan will be used to pay suppliers of goods and services, salaries, interest and commissions due, obligations to the general consolidated budget of the State.

Repayment of the loan will be made in 14 instalments, starting from 30.06.2025 until 20.10.2031.

The loan was granted without any guarantees, due to the fact that the shares of the borrower are 100% owned by Compa, which is the sole shareholder.

8. STOCKS

The structure of the stocks held by the Company is shown in the table below:

Explanations	2021	2020
Raw materials	52,434,507	33,345,333
Adjustments for the depreciation of raw materials	-290,176	-294,548
Materials and packaging	25,566,756	25,233,883

Adjustments for depreciation of materials and packaging	-241,851	-77,922
Semi-finished goods and work in progress	42,857,109	23,703,476
Finished goods and merchandise	22,298,941	9,940,051
Adjustments for impairment of finished goods and merchandise	-354,979	-354,979
Total stocks	142,270,307	91,495,294

The increase in stocks in 2021 was due to the increase in turnover by approx.29% compared to the previous year, on the one hand, and on the other, the increase in material prices. Another cause of the increase in stocks represented by work in progress is the transfer of 15,890,884 lei to stocks in the real estate investment class, as a result of the start of construction of apartments intended for sale as part of a large project to develop the land owned by the company in a residential area of the city.

The Company has made adjustments for impairment of inventories as follows:

Sold on 01.01.2020	542,457
Accrued adjustments in 2020	185,527
Adjustments reversed in 2020	-535
Sold on 31.12.2020	727,449
Accrued adjustments in 2021	170,731
Adjustments reversed in 2021	-11,174
Sold on 31.12.2021	887,006

Impairment adjustments are recorded for non-moving and slow-moving inventories for which the Company has indications that they are unlikely to generate future economic benefits.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

Explanations	2021	2020
Bank accounts in lei	10,864,690	596,592
Bank accounts in foreign currency	112,120	281,573
Cash equivalents	79,909	171
Cash in lei	11,638	9,551
Total cash and cash equivalents	11,068,357	887,887

The company holds accounts in lei and foreign currency with the following banking institutions: BRD Group Societe Generale. BCR. RBS Bank. ING Bank. Treasury.

10. CORPORATE TAX

Non-deductible and non-taxable income at a rate of 16% for 2021 and 2020.

As at 31 December 2021 and 2020 the profit tax consists of:

Explanations	2021	2020
Deferred property tax (income)/(revenue)	1,904,273	-279,235
Current income tax liability	1,069,020	1,333,164
Total corporate income tax	2,973,293	1,053,929

The accounting with the tax percentage in force is shown below:

Explanations	2021	2020
Profit before tax	18,032,260	14,973,695
Income tax expense 16%	2,885,162	2,395,791
Sponsorship expense to be deducted from income tax	-206,386	-260,294
Income tax due	2,678,776	2,135,497
Effect of non-taxable income	-232,107	-84,780
Effect of non-deductible expenses for tax purposes and temporary differences	526,624	740,282
Effect of tax exemption on reinvested profits	0	-1714008
Bonus granted on payment of current income tax	0	-23062
Total income tax expense	2,973,293	1,053,929
Actual percentage of income tax	16.49	7.04

at 31.12.2021 and 31.12.2020 are as follows:

Explanations	2021	2020
Gross profit	18032260	14,973,695
Non-taxable income	-1450667	-529,878
Non-deductible expenses	43714910	53,202,189
Other tax deductions	-52325207	-46,830,198
Tax profit	7971296	20,815,808
Income tax	1275407	3,330,529
Sponsorship amounts	-206386	-260,295
Tax exemption on reinvested profit	0	-1,714,008
Bonus granted on payment of current income tax	0	-23,062
Total current income tax expense	1069020	1,333,164
Effective income tax rate	5.93	8.9

The evolution of the deferred tax to be recovered in the period 01.01.2020 - 31.12.2021 is shown in the table below:

Tax postponed to 01.01.2020	-1,175,603
Tax postponed through profit and loss account 2020	-279,235
Deferred tax recognised through other comprehensive income 2020, of which:	-290,268
Deferred tax from revaluation of fixed assets	-290,268
Tax postponed to 31.12.2021	-1,745,106
Tax postponed through profit and loss account 2021	1,904,273
Deferred tax recognised through other comprehensive income 2021, of which:	-282,010
Deferred tax from revaluation of fixed assets	-282,010

Tax postponed to 31.12.2021 -122,843

The significant components of the deferred profit tax recoverable included in the financial statements as of December 31, 2020 at a rate of 16%. are as follows:

Type temporary difference	Value of accumulated temporary differences	Accumulated deferred tax claim	Accumulated deferred tax debt	Impozit amânat cumulat net. din care:	Attributable to the profit and loss account 2020	Attributable to retained earnings from change in accounting policies 2020	Attributable to other comprehensive income 2020
Revaluation of fixed assets	31,792,258	0	5,086,761	5,086,761			-290,267
Legal reserves	4,376,421	0	700,227	700,227			
Differences in depreciation periods of tangible fixed assets	-45,427,096	-7,268,335	0	7,268,335	-285,469		
Other liabilities	-1,648,489	-263,759	0	-263,759	6,234	0	
Total	-10,906,906	-7,532,094	5,786,988	1,745,106	-279,235	0	-290,267

The significant components of the deferred profit tax recoverable included in the financial statements as of December 31, 2021 at a rate of 16%. are as follows:

Type temporary difference	Value of accumulated temporary differences	Accumulated deferred tax claim	Accumulated deferred tax debt	Impozit amânat cumulat net. din care:	Attributable to the profit and loss account 2020	Attributable to retained earnings from change in accounting policies 2020	Attributable to other comprehensive income 2020
Revaluation of fixed assets	30,029,697	0	4,804,752	4,804,752			-282,010
Legal reserves	4,376,421	0	700,227	700,227			
Differences in depreciation of tangible fixed assets	-32,861,636	-5,257,862	0	5,257,862	2,010,474		
Other liabilities	-2,312,243	-369,959	0	-369,959	-106,201	0	
Total	-767,761	5,627,821	5,504,979	-122,842	1,904,273	0	-282,010

The Company recognises deferred tax assets because it expects that there will probably be future taxable profits against which those assets can be utilised.

11. EQUITY CAPITAL

The shareholding structure on 31.12.2021 is as follows:

Explanations	No. Of Shares	% of total share capital
Romanian and foreign shareholders (legal entities)	61,588,024	28.15%
Shareholders (individuals) Romanian and foreign	157,233,014	71.85%
Total number of shares	218,821,038	100.00%

The Company's shares have a nominal value of 0.1 RON / share, the value of the share capital being 21,882,104 lei.

Since June 1997 the Company's shares are traded on the Bucharest Stock Exchange, and since July 2001 they are in category II.

Starting from 13.08.2020, the Company has started the share buyback program in accordance with the AGM Decisions 18 and 19 dated 27.04.2020.

Size of the programme: repurchase from the market of a maximum of 15,000,000 own shares

The proposed share buyback price is:

- minimum price per share: 0.1 lei
- maximum price per share: 1 lei

On 15.11.2021 this process was completed with the following results:

- number of shares repurchased: 6,504,153
- average purchase price : 0.5962 lei/share
- total value of shares bought back: 3,878,223.52 lei

The shares were repurchased for distribution free of charge to members of the company's management, in order to increase their loyalty and to reward them for their work within the company.

By the resolutions of the Board of Directors no. 83/04.10.2021 and 85/05.10.2021, the Plan for the Allocation to employees and members of the management of option rights for the acquisition, free of charge, of a number of 6,500,000 repurchased shares, Stock Option Plan was approved.

The Company's equity includes the following:

Explanations	2021	2020
Subscribed and paid-up capital	21,882,104	21,882,104
Own shares	-650,415	-185,428
Losses on redemption of own shares	-3,239,570	-874,303
Revaluation reserves	83,891,130	83,891,130
Legal reserves	4,376,421	4,376,421
Adjustment of legal reserves	22,679,066	22,679,066
Other non-distributable reserves - repurchase of own shares	3,890,000	3,890,000
Other reserves	288,631,704	288,631,704
Adjustment other reserves	442,991	442,991
Current and deferred income tax recognised in equity	-5,504,979	-5,786,989
Retained earnings representing realised surplus from revaluation reserves	57,804,936	57,804,936
Retained earnings from first-time adoption of IAS, less IAS 29	29,144	29,144

Retained earnings from transition to IFRS, less IAS 29	8,611,538	8,611,538
Retained earnings from changes in accounting policies	89,693	89,693
Retained earnings from correction of accounting errors	0	-403,355
Retained earnings from first-time adoption of IAS 29	-648,352	-648,352
Current year profit	15,058,967	13,919,766
Profit distribution		-10,712,555
Total equity	497,344,378	487,637,511

Capital management

The Company's objectives related to capital management relate to maintaining the Company's ability to continue as a going concern in order to provide compensation to shareholders and benefits to other stakeholders and to maintain an optimal capital structure so as to reduce the cost of capital and support the further development of the Company. There are no externally imposed capital requirements. The company monitors capital on a leverage basis. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and long-term borrowings as shown in the balance sheet) less cash and cash equivalents. Total capital under management is calculated as "equity" as shown in the statement of financial position.

The Board of Directors will propose to the OGMS that the net profit be distributed as follows: 20% for dividends, in the amount of 3,026,849.33 lei, representing 0.0143 lei/share with voting rights and dividend and 80% for own sources of development, in the amount of 12,032,117.85 lei.

The evolution of the Company's indebtedness is as follows:

Explanations	2021	2020
Total debts	283,890,023	245,081,415
Cash and cash equivalents	11,068,357	887,887
Net liabilities	272,821,666	244,193,528
Equity	497,344,378	487,637,511
Debt ratio	0.55	0.50

The company has set a target not to exceed 0.99.

12. FINANCIAL DEBTS

Long and short-term financial liabilities in EUR currency are as follows:

Currency - EUR		2021			2020		
Credit institution	Type of loan	Total, of which	Long term (< 5 years)	Short term	Total, of which	Long term (< 5 years)	Termen scurt
BRD Group Soci�tate Generale Rom�nia	Credit line for production	6,173,527	6,173,527	0	1,745,991	1,745,991	0
BRD Group Soci�tate Generale Rom�nia	Credit for investments	6,407,947	4,900,194	1,507,752	7,500,000	6,375,000	1,125,000
ING BANK-SIBIU	Credit line for production	4,772,571	4,772,571	0	2,339,742	2,339,742	0
ING BANK-SIBIU	Credit for investments	6,205,943	4,826,845	1,379,098	7,500,000	6,136,364	1,363,636
Total financial liabilities - EUR		23,559,988	20,673,137	2,886,851	19,085,733	16,597,096	2,488,636

Long and short-term financial liabilities in LEI currency are as follows:

Currency - LEI	2021	2020
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Credit institution	Type of loan	Total, of which	Long term (< 5 years)	Short term	Total, of which	Long term (<5 years)	Termen scurt
BRD Group Société Générale România	Credit line for production	30,547,230	30,547,230	0	8,501,926	8,501,926	0
BRD Group Société Générale România	Credit for investments	31,707,160	24,246,652	7,460,508	36,520,500	31,042,425	5,478,075
ING BANK-SIBIU	Credit line for production	23,615,158	23,615,158	0	11,393,139	11,393,139	0
ING BANK-SIBIU	Credit for investments	30,707,627	23,883,711	6,823,917	36,520,500	29,880,409	6,640,091
Total financial liabilities - EUR		116,577,176	102,292,751	14,284,425	92,936,066	80,817,900	12,118,166

As at 31.12.2021 the net book value of fixed assets mortgaged in favour of banks was 151,477,258 lei, of which 112,490,419 lei consisted of technological equipment and 38,986,839 lei in buildings and land.

In addition, "securities on claims" were also established to guarantee the loans taken, in proportion to the value of the exposure to the financing banks.

The effect of exchange rate fluctuations arising from the financing activity amounted to 1,404,929 lei, with a negative impact on the profit and loss account.

The interest margin on loans taken out with banking institutions varies between:

- Euribor 1 month + 1.5 % per year
- Robor 3 months + 1.5 % per year.

Foreign currency debts are valued in lei at the official exchange rate of the BNR on 31.12.2021.

13. TRADE AND OTHER DEBTS

Situația datoriei comerciale și a altor datorii este următoarea:

Explanations	2021			2020		
	Total, care	din Termen lung	Termen scurt	Total, care	din Termen lung	Termen scurt
Suppliers	112,547,524	0	112,547,524	98,637,142	0	98,637,142
Advances received from customers	183,494	0	183,494	152,590	0	152,590
Debts from customer contracts	9,051,042	0	9,051,042	3,408,686	0	3,408,686
Debts related to personnel	5,809,380	0	5,809,380	5,336,914	0	5,336,914
Debts to the general consolidated state budget and local budget	6,351,650	0	6,351,650	7,446,794	0	7,446,794
Current income tax liabilities	0	0	0	894,988	0	894,988
Dividends payable	203,982	0	203,982	0	0	0
Sundry creditors	632,570	0	632,570	263,708	0	263,708
Prepaid income	1,776,045	235,000	1,541,045	2,043,773	730,215	1,313,558
Investment grants from AMPOSDRU and AMPOSCEE contracts	30,476,500	25,902,194	4,574,306	33,783,636	28,431,161	5,352,475
Inventory gains in the nature of fixed assets	56,016	56,016	0	41,473	41,473	0
Total trade and other payables	167,088,203	26,193,210	140,894,993	152,009,704	29,202,849	122,806,855

Foreign currency liabilities are valued in lei at the official exchange rate of the BNR on 31.12.2021.

14. PROVISIONS

Explanations	Provisions for guarantees to customers	Provisions for employee benefits	Other provisions	Total provisions
Sold on 01.01.2020	26,945	108,700	0	135,645
Sold on 31.12.2020	26,945	108,700	0	135,645
Sold on 31.12.2021	26,945	108,700	89,000	224,645

In 2021, the company did not set up additional provisions for customer guarantees and employee benefits, considering that there were no changes compared to the situation as at 31.12.2020.

Provisions in the amount of 89,000 lei were set up, representing the statutory audit expenses for 2021, for which an invoice will be received in 2022.

15. REVENUES AND BUSINESS SEGMENTS

The structure of the Company's income is as follows:

Explanations	2021	2020
Total turnover, of which:	705,725,717	547,121,134
Revenue from sales of finished products	683,562,655	529,857,396
Revenue from services rendered	6,018,307	2,556,053
Revenue from sale of goods	13,783,510	12,241,043
Income from other activities (rents, sales of materials, semi-finished goods, packaging)	1,086,822	993,969
Income from subsidies related to turnover (projects and partnership contracts AMPOSDRU projects)	1,274,423	1,472,673
Other operating income	17,970,459	10,756,831
Total operating income	723,696,176	557,877,965

Other operating income consists of :

Explanation	2021	2020
Income from production of fixed assets	8,294,171	5,456,454
Income from the sale of tangible fixed assets and investment property	2,914,123	0
Income from investment grants (AMPOSDRU and AMPOSCEE projects and partnership contracts)	5,308,391	4,830,715
Other operating income	1,453,774	469,662
Total Other operating income	17,970,459	10,756,831

Business segments:

The Company's management regularly evaluates the Company's activities in order to identify the business segments for which separate information should be reported.

The Company operates in Romania. The company's revenues presented above are in full attributed to the country of domicile.

Non-current assets other than financial instruments, deferred tax assets, receivables and rights arising from insurance contracts are located entirely in Romania. The Company has no such fixed assets located in other countries.

The value of exports in 2021 was 423.41 million lei, with a share of 60% of turnover.

Revenues of about 337.1 million lei come from the top 11 foreign customers, which have a share of 47.7% of the turnover.

Revenues are attributable to activities in Romania.

16. EXPENDITURE BY NATURE

Operating expenses incurred in 2021 and 2020 by nature are shown in the table below:

Explanations	2021	2020
Material expenses	453,750,309	315,188,123
Stock differences	-15,728,966	2,950,743
Energy and water costs	31,843,703	22,574,926
Expenditure on employee benefits, of which :	147,224,797	115,832,537
Salaries and allowances	144,238,321	113,127,288
Expenditure on insurance and social protection	2,986,476	2,705,249
Value adjustments on fixed assets	43,714,910	51,385,568
Value adjustments on current assets	574,754	30,295
Expenditure on services provided by third parties	35,200,703	26,390,903
Expenditure on other taxes, duties and similar charges	4,012,164	4,254,551
Other operating expenses	2,172,432	1,197,859
Total operating expenses	702,764,806	539,805,505

17. ANALYSIS OF OPERATING RESULT

Explanations	2021	2020
Operating income	723,696,176	557,877,965
Cost of sales	-666,173,803	-506,817,882
Selling and distribution expenses	-1,639,550	-1,371,348
Administrative expenses	-18,843,231	-16,743,490
Research and development expenses	-16,108,221	-14,872,785
Operating result	20,931,371	18,072,460

18. EMPLOYEE BENEFITS EXPENSE

Employee benefits expenses include salaries, allowances and social security contributions. Short-term benefits are recognised as an expense as services are rendered.

Explanations	2021	2020
Salaries and allowances	144,637,337	124,950,236
Government subsidies for expenditure on employees	-399,016	-11,822,948
Expenditure on insurance and social protection	2,986,476	2,705,249
TOTAL	147,224,797	115,832,537

In November, due to the significant decrease in orders, the company's management decided to reduce monthly working hours by at least 5 working days.

As the conditions of the legal provisions concerning the Kurtzarbeit measure were met, the company received financial support from the unemployment insurance budget in the amount of 399,016 lei.

19. PIERDERI (CÂȘTIGURI) FINANCIARE

The structure of financial losses (gains) is shown below:

Explanations	2021	2020
Foreign exchange gains related to monetary items denominated in foreign currency	-2,352,275	-1,871,958
Interest losses	-1,391,620	-733,603
Other financial gains	844,785	-493,203

Total losses/gains	-2,899,110	-3,098,764
---------------------------	-------------------	-------------------

In 2021, ARINI HOSPITALITY SRL was founded, with Compa as sole partner.

The share capital of this new entity was constituted by the contribution in kind and cash of the associate Compa.

The transaction met the conditions required to be classified as a transfer of assets.

As a result of this transfer, other financial gains amounting to 1,352,010 lei were recorded.

20. EARNINGS PER SHARE

The calculation of earnings per share for the years ended December 31, 2021 and 2020 is shown below:

Explanations	2021	2020
Number of actions at the beginning of the year	218,821,038	218,821,038
Shares issued during the year	0	0
Number of shares at the end of the year	218,821,038	218,821,038
Net profit	15,058,967	13,919,766
Earnings per share (in RON per share) basic / diluted:	0.0688	0.0636

On 15.11.2021 the process of repurchase of own shares, started on 13.08.2020, in accordance with AGM Decisions 18 and 19 of 27.04.2020, was completed, with the following results:

- number of repurchased shares: 6,504,153
- average purchase price: 0.5962 lei/share
- total value of repurchased shares: 3,878,223.52 lei

These shares do not have voting rights and dividend rights.

A number of 649,100 shares, with a nominal value of 64,910 lei, are held by the affiliated company Recaserv SRL, as a result of which these shares do not have voting and dividend rights.

The calculation of earnings per voting share and dividend entitlement is as follows:

Explanations	2021	2020
Total number of shares	218,821,038	218,821,038
Shares without voting rights and dividend	-7,153,253	-2,503,380
Number of shares with voting and dividend rights at year-end	211,667,785	216,317,658
Net profit	15,058,967	13,919,766
Basic / diluted earnings per voting and dividend share (in RON per share):	0.0711	0.0643

21. FINANCIAL INVESTMENTS

Company in which the securities are held	Headquarters	% in share capital	Value of securities	Main object of activity
COMPA IT SRL	Str.Henri Coanda, nr.8,Sibiu, jud.Sibiu	100	200,000	Custom software development activities
TRANS CAS SRL	Str.Henri Coanda, nr.12 Sibiu, jud.Sibiu	99	742,500	Road haulage

RECASERV SRL	Str.Henri Coanda, nr.51,Sibiu, jud.Sibiu	70	70,000	Catering activities for events
ARINI HOSPITALITY SRL	Str.Henri Coanda, nr.8,Sibiu, jud.Sibiu	100	19,703,000	Hotels and similar accommodation facilities
TOTAL			20,715,500	

In 2021 the company's management approved in the Board of Directors meeting the granting of a long-term loan to the affiliated company ARINI HOSPITALITY SRL, in the amount of EUR 1,000,000. The loan will be committed in tranches, at the request of the borrower, until 31.12.2024 at the latest.

The interest rate is 1.75% per annum and the origination fee is 0.2% of the loan amount.

The loan will be used to pay suppliers of goods and services, salaries, interest and commissions due, obligations to the general consolidated budget of the State.

Repayment of the loan will be made in 14 instalments, starting from 30.06.2025 until 20.10.2031.

The loan was granted without any guarantees, due to the fact that the shares of the borrower are 100% owned by Compa, which is the sole shareholder.

Also, in order to support the activity of ARINI HOSPITALITY SRL, A.G.A. Compa of 09.2021 approved the quality of guarantor of the investment loan contracted by the company Arini from the bank TRANSILVANIA SA, in the amount of 8,700,000 EUR. The loan is necessary for the construction of the Ibis-Mercure hotel complex.

In September 2021, according to Hot. Extraordinary Meeting of Shareholders Compa SA of 12.11.2020, as well as the Hot. Extraordinary Meeting of Shareholders of Trans-Cas SRL from 12.01.2021, the share capital of Trans-Cas SRL was decreased from 1,500,000 lei to 750,000 lei. Compa SA's holding in the share capital of this affiliated company was decreased from 1,498,450 lei to 742,500 lei.

The amount of 755,950 lei, representing Compa's share of the decrease in share capital, was returned to Compa by Trans-Cas in the following period.

Transactions carried out in 2021 and 2020 with companies in which COMPA holds stakes were as follows (amounts include VAT)

Explanations	2021			2020		
	LOAN TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	16,767,657	453,461	0	13,123,015	463,161
COMPA IT S.R.L.	0	2,846,123	47,365	0	2,638,111	42,312
RECASERV S.R.L.	0	1,299,848	12,578	0	1,100,203	50,566
ARINI HOSPITALITY S.R.L.	500,887	0	832,699	0	0	0

Mutual payables and receivables as at 31.12.2021 and 31.12.2020 are as follows:

Receivables receivable by COMPA SA from:

Explanations	2021	2020
TRANSCAS S.R.L.	74,615	101,947
COMPA IT S.R.L.	4,438	3,842
RECASERV S.R.L.	11,067	3,689
ARINI HOSPITALITY S.R.L.	507,931	0

Debts payable by COMPA SA to:

Explanations	2021	2020
TRANSCAS S.R.L.	2,574,218	5,073,929
COMPAS IT S.R.L.	990,550	966,195
RECASERV S.R.L.	339,384	381,367
ARINI HOSPITALITY S.R.L.	0	0

Outstanding balances are not guaranteed. No guarantees have been established and no guarantees have been received for the receivables.

Company Management

List of the directors of the Company :

FIRST AND LAST NAME	QUALIFICATION	FUNCTION
DEAC Ioan	Engineer	President of C.A.
MICLEA Ioan	Economist	Member of C.A.
MAXIM Mircea Florin	Engineer	Member of C.A.
BALTEȘ Nicolae	Economist	Member of C.A. - Chairman of the Audit Committee
NEAȚU Vlad- Nicolae	Economist	Member of C.A. - Member of the Audit Committee

List of members of the executive management of the Society:

FIRST AND LAST NAME	FUNCTION
DEAC Ioan	General Director / President of C.A.
DUMITRESCU Mihaela	Economic Director / Member of C.A.
FIRIZA Ioan	Management Director
BĂIAȘU Dan-Nicolae	Commercial Director
ACU Florin-Ștefan	Technical Director
MUNTENAȘ Bogdan-Vasile	Logistics Director
ȚUICU Liviu-Laurențiu	Quality - Environment Director
DUMITRESCU Cosmin	Industrial Director
HERBAN Dorin-Adrian	Management Systems and Improvement Director
ȚUȚUREA Mihai	Production Director
FIRIZA Sorin Ioan	Deputy Production Director
DRAGOMIR Marius C-tin	Chief Maintenance Engineer

Transactions with members of the Company's management are limited to salaries and allowances.

22. EMPLOYEE BENEFITS

The company makes payments on behalf of its employees to the Romanian state pension system, health insurance and unemployment fund in the normal course of business. All employees of the Company are members and are also legally obliged to contribute (through social contributions) to the Romanian State pension system (a State defined contribution plan).

All related contributions are recognised in the result of the period in which they are made.

The company is bound by the collective labour contract to provide benefits on termination of the employment contract when the employment contract is terminated for reasons not attributable to the employees. The

benefits are in the amount of 0.5 - 5 employment wages. depending on the employee's length of service in the Company.

In addition, according to legal regulations and the collective labour agreement, employees who retire on grounds of old age are entitled to an end-of-career allowance in the amount of an average salary corresponding to the position held at the date of retirement, adjusted by the employee's length of service in the Company.

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - is described in Chapter 10

23. CONTINGENT LIABILITIES AND COMMITMENTS

The company is subject to a number of legal actions arising in the normal course of business.

The Company's management believes. that other than the amounts already described in these financial statements as provisions or asset impairment adjustments and described in the notes to these financial statements. other legal actions will not have a material adverse effect on the Company's results of operations and financial position.

In Romania. there are a number of agencies authorised to carry out controls (audits). These audits are similar in nature to tax audits carried out by tax authorities in many countries. but may extend not only to tax matters but also to other legal and regulatory matters in which the agency may have an interest. It is likely that the Company will continue to be subject to such audits from time to time for violations or alleged violations of new and existing laws and regulations.

Although the Company may challenge alleged violations and related penalties when management believes it is entitled to do so, the adoption or implementation of laws and regulations in Romania could have a significant effect on the Company.

The tax system in Romania is constantly developing and is subject to many interpretations and changes, sometimes retroactively. The limitation period for tax audits is 5 years.

Romanian tax legislation has contained rules on transfer pricing between related persons since 2000. The current legislative framework defines the "market value" principle for transactions between affiliated persons and the methods for establishing transfer prices. As a result, it is expected that the tax authorities will initiate thorough transfer pricing controls to ensure that the tax result and/or the customs value of imported goods are not distorted by the effect of prices charged in dealings with related persons. The company cannot quantify the result of such verification.

25. EVENTS AFTER THE BALANCE SHEET DATE

The impact of the war in Ukraine on Compa

Russia's invasion of Ukraine has multiple implications for the world economy.

The automotive industry, where our company Compa is mainly active, will be severely affected, knowing that the two countries: Russia and Ukraine are among the largest producers of ferrous and non-ferrous metals, ferroalloys, aluminium and other methods.

În mod indirect firma Compa este afectată de:

- reduction of world steel production with impact on the supply chain of these materials and implicitly on the production of components manufactured by Compa
- the uncontrolled increase in prices for all categories of materials with a major impact on Compa's costs and thus on its profitability
- the increase in the cost of transporting materials as a result of the change from current suppliers in Europe to suppliers outside the conflict zones (Japan, China, USA, etc.) with an impact on the manufacturing costs of Compa products

A first case in the supply chain with a direct effect on Compa was reported about two weeks after the outbreak of the conflict in Ukraine.

One of the suppliers of high-alloy steels with operating conditions above 1000 degrees Celsius was unable to process the steel, and therefore resorted to purchasing the material from China.

The lack of material affects Compa's production of turbofan components.

Situations with direct impact have been felt by the Compa since the outbreak of this war through:

- The impossibility of transporting goods by trans-Siberian rail to China, which has led to a change in the mode of transport of products, initiatingL by air in order not to jeopardise the manufacture of cars, and solutions will have to be found for sea transport, but with a significantly increased transport time.
- Other situations with a direct impact on Compa's business will of course arise at any time. Compa must be prepared to deal with them immediately in order to avoid other effects which could become more serious.

The impact of this war on the automotive industry is totally unpredictable at this point. As Compa is totally dependent on global car manufacturers as a supplier, but also on the import market for raw materials and materials needed to run its production processes, with no clear immediate possibilities to mitigate the effects of these major disruptions, the extent of the effects on Compact's business as a result of this disaster cannot be quantified at present.

Measures taken by Compa management to manage cases arising in this crisis situation:

- Analysis of each case generated by the war in Ukraine in daily discussions with all responsible Compa stakeholders involved in the production activity, in which programmes of urgent measures are established to solve each situation with clear responsibilities for each department involved
- In situations where the solution of the problem requires samples, laboratory tests, process validations together with suppliers and customers, the representatives of the technical, production and quality departments have the task to act with priority.
- In order to mitigate or even eliminate the synergy in the supply chain, the production, quality and logistics departments in each production sector will work to reduce the manufacturing and logistics cycle so that the impact on the end customer is reduced as much as possible.
- Any delay in the impossibility of relaunching for various reasons the programmes established for each case will be brought to the attention of Compa Topmanagement in order to adopt exceptional measures in this crisis situation.

On behalf of the Board of Directors, by:

President of BoD / Director General,

Ioan DEAC

VicePresident of BoD

Ioan MICLEA

18. STATEMENT OF COMPLIANCE OF FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF DIRECTORS

Individual annual financial statements as at 31.12.2021 have been prepared for:

Entity:	COMPAs S.A.
County:	32 Sibiu
Adress:	Sibiu, str. Henri Coandă, nr. 8, cod poștal 550234
Tel.:	+40269237878
Fax:	+40269212204
Trade register number:	J32/129/1991
Form of ownership:	34 joint stock companies (S.A.)
Main activity (CAEN class code and name):	2932 Manufacture of other parts and accessories for motor vehicles and their engines
Unique registration code:	RO 788767

The Board of Directors accepts responsibility for the preparation of the individual financial statements as at 31.12.2021 and confirms the following:

- The individual financial statements for the year 2021 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.
- The accounting policies used in the preparation of the individual annual financial statements are in accordance with applicable accounting regulations.
- The unconsolidated annual financial reports give a true and fair view of the financial position, financial performance and other information relating to the business.
- The company carries on its business on a going concern basis.

This statement is in accordance with the provisions of Article 30 of the Accounting Act No. 82/1991.

President of BoD / Director General,

Ioan DEAC

VicePresident of BoD

Ioan MICLEA

INDIVIDUAL NON-FINANCIAL STATEMENT 2021

COMPA



compa
beyond expectations





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PREAMBLE

Throughout its 130 years of existence, COMP A has consistently progressed technically and technologically, constantly investing in the quality of its products and services. Thus, COMP A is among the first companies with Romanian capital, present in the top 100 of Romanian exporters. The COMP A map covers over 20 countries on 3 continents, including: France, Germany, the United States, the Czech Republic, Slovakia, Belgium, the Netherlands, England, Italy, China and India.

The main product groups made in COMP A are: subassemblies and components for injection systems; windscreen wiper subassemblies and components; components and subassemblies for turbochargers; steering gear sprockets; steering column components; springs; stamped parts; forged parts; cardan transmissions; Metal fabrications; mechano-welded components; components for air conditioning installations; cabins and other high precision components for machine tools, components and injection system, a wide range of tools (cutting tools, sharpening cutting tools, punches and forging dies).

The main services offered are: design and execution of industrial equipment, molds and tools, surface coatings, heat treatments, calibration services and repair of measuring instruments, tests and physico-chemical laboratory analyzes, cardan service (EDS), training courses.

The top processes applied in COMP A projects, which widely integrate CNC equipment associated with defect detection procedures and statistical control methods, allow constant quality assurance.

The use of modern cutting technologies, the use of laser for cutting or control, metal or film coatings, robotic cells, dimensional control technique, associated with the "lean" operational concept, make COMP A a successful company with remarkable results in recent years.

The organizational structure adopted by COMP A is a mixed, functional - divisional (matrix) structure. This type of organization chart provides a decentralized authority that strengthens a flexible organization that is able to respond quickly to manufacturing changes and customer requests. It is a structure based on a wide autonomy of multifunctional teams.

Strategic objectives of the company COMP A follow: increasing the company's profitability, increasing the value for the customer, achieving operational excellence, increasing staff performance, increasing environmental performance, occupational health and safety.

The global influence of all the internal factors of the society creates the "climate" of its work and manifestation, a climate in which the whole range of activities takes place.

This internal "climate" forms the level of satisfaction and existence to which all the staff of the organization is connected and within which the whole series of activities that participate in the realization of our products and processes takes place, strongly influencing the relational interface with external environmental factors.

STRATEGIC DIRECTIONS; PRODUCT DEVELOPMENT

- with existing customers
- with new customers
- development of high value-added products
- development of products for the manufacture of commercial vehicles
- developing COMP A as an integrated supplier
- growing business with prime component manufacturers (OEMs)
- replacement of products intended for the manufacture of diesel engines
- the development of the COMP A Development Research Center and the increase of investments in R&D activity
- significant increase in non-auto activity

The business model as well as the adopted strategy have the role of maintaining the company at the current level of short-term performance and medium and long-term development, in close correlation with the evolution of the world economy.



Relevant information on the business model, including strategy and objectives will be presented in the next part of this statement detailing the activities that the company carries out in order to maintain a level of performance in line with the objectives assumed.

THE SWOT ANALYSIS

Weaknesses

- Excessive size and diversity (waste of resources, increased costs with general administration, reduced flexibility, diversity of positions and skills, cumbersome management of information flow);
- Manufacture of products with a small share in turnover;
- Loss of significant supplier position in the Romanian automotive industry;
- Limited know-how in product design activity;
- Execution according to customer projects (lack of products - COMPA brands).

Strong points

- Salary levels aligned with the market;
- High professional workforce, especially in support services;
- Good image in business;
- Listing on the Bucharest Stock Exchange;
- Integrated system, for quality - environment - occupational health and safety, certificate;
- High level of process integration;
- Own high-performance know-how for auxiliary processes: heat treatments, surface coatings, paints;
- Production facilities at the level of the world automotive industry;
- Medium and long term partnerships with reputable clients;
- Organizational structure with autonomous business units - profit centers;
- Involvement in the development of technical and vocational education (supporting dual education);
- Good command of modern manufacturing processes in the field of processing and assembly;
- Engaging the company's management in extensive development projects.
- Significant profit margins that ensure development.

Risks

- Gradual reduction of diesel vehicles
- Insufficient resources on the labor market;
- Accelerated growth in labor, materials and energy costs;
- Expensive loans;
- High dependence on a relatively small number of customers;

Opportunities

- Accelerated development of the Romanian business environment (based on foreign investments);
- Accessing EU funds;
- Increasing the turnover from related activities offered to the regional market (metal coatings, metrology, physico-chemical laboratory, professional training) and from the integration of processes (forging);
- Development of car manufacturing in Romania;
- Availability of current customers for the development of collaboration (increasing volumes of current products and requesting new references);
- Availability and resources for business development in other fields (real estate).

All of the above were data and have been taken into account in the activities of analysis, identification and treatment of risks and opportunities that may arise in the COMPA processes and in



determining how we respond to and harmonize with this whole context in which we exist and carry out our activities.

INTEGRATED POLICY IN THE FIELD OF QUALITY, ENVIRONMENT AND HEALTH AND SAFETY AT WORK

- Quality, environmental protection, health and safety at work are among the values we care about, being integrated into the long-term development strategy of our organization and are some of the aspects that represent us.
- We are aware that the quality of products and services, care for the environment, continuous improvement of working conditions and prevention of occupational hazards as well as involvement in the life of the community to which we belong, in full compliance with the requirements of applicable law, are essential for our success
- In this sense, we are dedicated to the continuous understanding of the needs of all stakeholders so as to ensure the long-term sustainability of our activities, throughout the value chain: procurement → production and associated services → customers, government authorities and the local society / community.

PROCUREMENTS:

We take responsibility and are committed to ensuring sustainability for the entire life cycle of our products. We work closely with our suppliers to ensure the protection of the environment and the climate, the conservation and regeneration of the resources used, to respect human rights in our collaborative relationships and to ensure decent working conditions.

PRODUCTION AND ASSOCIATED SERVICES:

In the realization of our products and associated services, we are continuously committed to reducing energy consumption and the necessary resources, in this sense having implemented the most modern environmental management systems (ISO 14001). We are constantly concerned with improving the working conditions of our employees, being aware that they are our most important resource. For this, we strictly comply with the provisions of the latest standards in the field (ISO 45001). Promoting diversity and equal opportunities is another important aspect of our policies, considering that every human being can make a decisive contribution to the development and sustainability of the business, applying in this way

CLIENTS, GOVERNMENT AUTHORITIES, SOCIETY / LOCAL COMMUNITY:

One of our most important commitments is to guarantee our customers and government authorities products of the highest quality and with a high degree of safety of use, rigorously applying the highest standards in the field (ISO 9001 and IATF 16949).

We are an active member of society and the local community, being involved in a wide range of activities that support education, sports and environmental protection.

For the implementation of this integrated policy of quality, environment, health and occupational safety, we are guided by the following principles and values that we are firmly committed to:

Orientation towards thinking based on the identification, assessment and treatment of risks.

Customer orientation to demonstrate that its requirements and expectations are met.

Orientation towards our employees and partners by ensuring a friendly work environment and respecting an atmosphere of high professional ethics.

Orientation towards continuous improvement of effectiveness and efficiency integrated quality management system, environment, health and safety at work.

Orientation towards compliance with the legislation in force but also with the regulations and requirements of the interested parties which we assume and subscribe to.

Orientation towards society and the local community by voluntary involvement in providing the necessary support to increase living conditions.

Strategic directions in which we act to implement these policies throughout our value chain are the following: COMPA SA Sibiu has implemented an Environmental Management System according to the ISO 14001 standard. This system was first certified in 2003 and recertified in 2015 by the German certification body TÜV Rheinland. A new recertification of the system by the same certification body, TÜV Rheinland, was obtained in 2021. The activities regulated by this system are maintained and continuously improved, being systematically supervised by internal audit, but also by the certifying authority.

2.1. Environmental aspects

The company identifies and evaluates the environmental aspects determined by the technologies used, the products made and the services offered:

The main technological processes widely integrate mechanical processing equipment (CNC type) associated with defect detection procedures and statistical control methods; in addition to these, laser processing technologies, surface coatings, heat treatments, hot or cold processing of materials (forging, pressing), welding, mechanical assemblies (partially or fully automated) are used;

The main product groups made in COMPA are: injector subassemblies and components; windscreen wiper subassemblies and components; center housings, flanges and rollers for turbobfans; steering gear sprockets; steering column components; arches; stamped, stamped parts; forged parts; cardan transmissions; mechanically welded metal fabrications; components for air conditioning installations; injection system components and valves, molds and tools.

The main services offered are: design and execution of industrial equipment, molds and tools, surface coatings, heat treatments, calibration services and repair of measuring instruments, tests and physico-chemical laboratory analyzes, cardan service (EDS), training courses.

Thus, the environmental aspects associated with these technologies, products and services take into account, as appropriate, air emissions, water discharges, soil contamination, waste management, resource consumption, noise, vibration, etc.

Environmental issues are assessed annually and whenever necessary, as a result of changes in execution technologies, the introduction of new raw materials / materials / equipment, changes in legal, regulatory and customer or other stakeholder requirements, specific conditions in points work, etc. Based on these analyzes, the ways of keeping under control the environmental aspects associated with the company's activities are updated.

The main environmental issues identified in 2021 refer to waste, accidental spillage of substances / mixtures, energy consumption and emissions into the atmosphere and noise, the rest of the environmental aspects being in a smaller share (Figure 1).

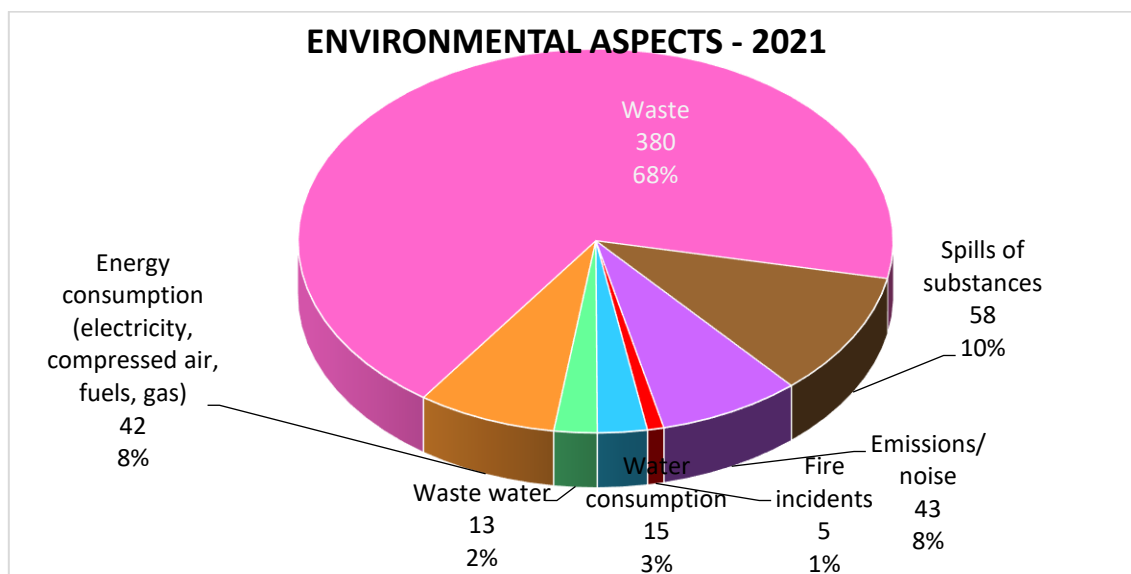


Figure 1

Of these, only 1% were identified as significant in relation to legal requirements and internal risk analyzes. These are those aspects that have or may have a significant impact on the environment and are included as a priority in the risk analysis as the main sources of risk generation (Figure 2).

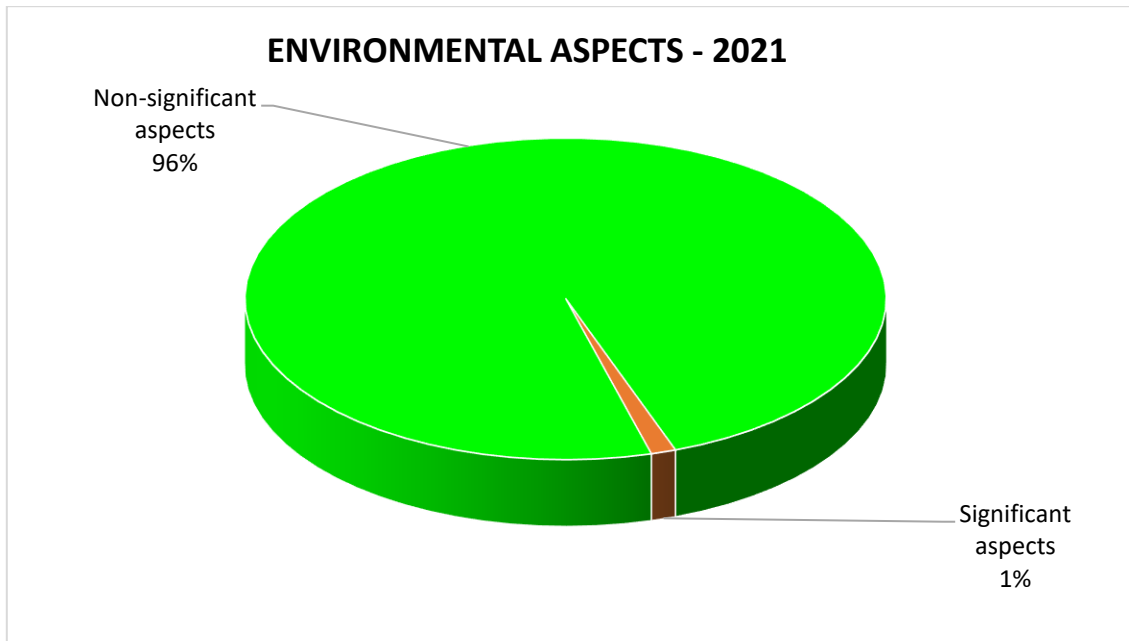


Figure No.2

2.2 Risks (negative / threats and positive / opportunities)

Following the environmental risk analysis (threats and opportunities), the main environmental risks identified at the level of 2021 are the following:

Non-compliance with compliance obligations related to waste management, namely:

- non-selectively collected waste
- waste delivered for recovery / disposal without compliant documents (approved transport annexes)
- risk of being left with waste on site (declared quantities no longer correspond to generated quantities)

Non-compliance with compliance obligations regarding wastewater management, namely:

- wastewater quality indicators discharged into the sewerage network above the maximum permitted limit

Non-compliance with compliance obligations on atmospheric emissions, namely:

- the risk of emitting quality indicators in the atmospheric air above the maximum allowed limit

Non-compliance with the requirements for the management of hazardous chemicals, namely:

- the existence of expired safety data sheets
- unauthorized use of hazardous chemicals with special regime (toxic, precursors, explosive substances, etc.)

Recurrence of non-conformities identified in environmental inspections / operational inspections

Lack of competent staff to respond to environmental problems at the manufacturing level (frequent change of environmental managers in manufacturing)

Extension of emergency response times

For all these, the analysis of the potential causes was carried out, taking measures that would lead either to the decrease of the criticality of the negative impact, or to the increase of the degree of capitalization of the identified opportunities.

Negative risks / threats:

RISK	POTENTIAL CAUSES	ACTIONS
Potential non-compliance with legal obligations regarding waste management	Potentially low level of employees' knowledge of selective collection. Variety of waste types that could lead to failure to identify the expiration date on hazardous waste transport forms in a timely manner. New legal requirements potentially unidentified in time.	Awareness of staff through repeated training / Awareness of newly hired staff related to the importance of observing the method of selective collection Frequent verification of waste shipment approval forms. Verification of compliance obligations to identify new legal requirements more frequently.
Potential non-compliance with legal obligations regarding wastewater management	Potential damage to treatment plants. Potential improper handling of chemical means of transport. The potential lack of sufficiently aware staff.	Staff awareness through repeated training. Planning and performing simulations so that the intervention is performed in real time and with the necessary equipment, easily accessible.
Potential non-compliance with legal obligations regarding emissions into the atmosphere	Potential non-compliance with the change frequency of activated carbon filters. In the planned maintenance, potential inefficiency in identifying problems with the chimneys.	Timely replacement of filters. Performing preventive maintenance on the chimneys.
Potential non-compliance with the requirements for the management of hazardous chemicals	Potential non-compliance with the frequency of updating the documentation at the places of use. Potential ignorance of the regulatory requirements related to the chemical regime	Updating the documentation at the places of use Awareness of the regime of dangerous chemicals.
Potential recurrent non-conformities identified in environmental inspections / operational inspections / internal audits.	Ineffective potential in the analysis of actions by the team. Ineffective potential in rigorously establishing actions, potential ignorance of the correct way to identify root causes	Training staff on the correct way to analyze the root cause. Analysis of actions by the whole team.
Potential lack of competent personnel to respond to environmental issues at the manufacturing level	Potential frequent change of environmental managers / insufficiently trained staff from a professional point of view	Appointment of environmental officials with whom to be prepared to respond to environmental issues

Potential extension of the intervention period in case of emergencies	Potential lack of materials needed for the intervention	In internal audits, emphasis will be placed on monitoring the existence of intervention materials where necessary.
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Positive risks / opportunities:

RISK	POTENTIAL CAUSES	ACTIONS
Existence of internal opportunities to design technologies to reduce air and soil pollution with metal powders	Existence of specialized personnel within the maintenance department able to design technologies to reduce air and soil pollution with metal powders	Design and implementation of a system for efficient capture and retention of dust from rectification springs using internal resources.

2.3 Objectives and targets. Environmental management programs

Annually, at the level of each department, environmental objectives are set that take into account the significant environmental aspects, the compliance obligations and the identified risks and opportunities.

In setting environmental objectives and targets, the following are taken into account:

- the company's activities and services;
- compliance obligations;
- significant environmental issues;
- technological options;
- material, financial and human resources;
- the views of stakeholders

The main points of the Annual Environmental Management Program for 2021 are the following:

Objectiv	Actions
Reduction of dangerous waste	Exchange of Durr Hydrocarbon washing machine filters with more efficient filters so that we can: <ul style="list-style-type: none"> • Increase the capacity of the washing machine • Reduce the filter consumption
Prevention against environmental accidents	<ul style="list-style-type: none"> • Mounting of retention boxes for the carriages used on the shopfloor. • Use of retention boxes for other cases. • Mounting of retention systems around machines. • Purchase of absorption Spill-Kit and other absorption tools.
Reduction of COV emissions into the atmosphere	Replace solvent-based painting with water or dust-based painting.
Improvement of the storage for the dangerous substances	Special storage for dangerous substances: retention boxes, labeling, substance security sheet.

2.4 Results of the Environmental Management Program

a. Results of water monitoring

The following categories of waters are monitored in COMPA:

- Sewage in the sewer system;
- Hydrocarbon separating effluent;
- Groundwater from the observation well;

The table below lists the waters to be monitored, the number of indicators and the monitoring frequency

Water category	What is being monitored	Monitoring frequency
Wastewater in the sewer network	7 channels 15 indicators	Monthly with internal laboratory Quarterly with accredited laboratory
Hydrocarbon separating effluent	4 channels 3 indicators	Semester (2 samples / year) with accredited laboratory
Groundwater from the observation well	1 observation drilling 13 indicators	Semester (2 samples / year) with accredited laboratory The results of the chemical analyzes at the end of each semester, performed by an accredited laboratory, are sent to SGA Sibiu

The quality indicators of wastewater discharged into the sewerage network and the maximum allowed values are presented in the table below:

Water category	Parameter	Allowed values
Domestic and technological wastewater in the sewerage network	pH	6.5-8.5
	Total suspensions	350 mg / l
	CBO5	500 mg / l
	COD,	300 mg / l
	Extractable with organic solvents	30 mg / l
	Ammoniacal nitrogen	30.0 mg / l
	sulphides	1.0 mg / l
	Sulfates SO42-	600 mg / l
	Zinc Zn2 +	1.0 mg / l

	Total chromium Cr3 ++ Cr6 +	1.5 mg / l
	Hexavalent chromium Cr6 +	0.2 mg / l
	Total manganese	2.0 mg / l
	Copper With 2+	0.2 mg / l
	Nickel Ni2 +	1.0 mg / l
	CN Cyanide	1.0 mg / l

b. Results of monitoring emissions into the atmosphere

in 2021, a number of chimneys for the emission into the atmosphere were monitored.

The pollutants monitored were:

- Volatile organic compounds (VOCs);
- Powders;
- Nitrogen oxides (NOx);
- Carbon monoxide (CO);
- Hydrochloric acid (HCl);
- Hydrofluoric acid (HF);
- Sulfuric acid (H2SO4);
- Phosphoric acid (H3PO4);
- Chlorine (Cl2);
- Trivalent chromium (Cr3 +)

No exceedances were found in the concentrations of pollutants emitted into the atmosphere.

c. Noise monitoring results

The main sources of noise are fans, cooling systems, machines plant transport, equipment, compressors, etc.

In general, noise sources are located inside halls or closed modules. Those that are exterior are provided with sound-absorbing panels so as to comply with the maximum continuous equivalent sound level (NAEC) allowed of 65 dB (A) at the limit of the company's functional space.

d. Results of monitoring substances and mixtures

In COMPA the management of hazardous substances and mixtures is regulated by the Environmental Procedure "Management of hazardous substances and mixtures in COMPA" which establishes the purchase, transport, handling, storage, use and management of hazardous substances and mixtures in COMPA SA, in order to ensure protection the environment, employee safety and the control and minimization of the risk of accidents involving hazardous substances and mixtures.

The purchase of hazardous substances / mixtures is done in accordance with the procedure "Market research, evaluation and selection of suppliers-Conclusion of the order / contract with suppliers". Before purchasing any substance or mixture, the supplier in the Order / Contract Safety Data Sheet (SDS) is required in accordance with REACH Regulation (EC) No 1907/2006 and Regulation 830/2015 amending Regulation No 1907/2006 (REACH).

On entry, it is checked whether the substances and mixtures are labeled in accordance with Regulation (EC) No 1272/2008 (CLP).

The company owns and updates annually the list of substances and mixtures used.

e. Results of waste monitoring

In COMPA, waste management is done according to a specific procedure that regulates the collection, storage, disposal, evidence, reporting and transport of waste generated in COMPA SA, to prevent environmental pollution.

This procedure applies to all manufactures and compartments in the company.

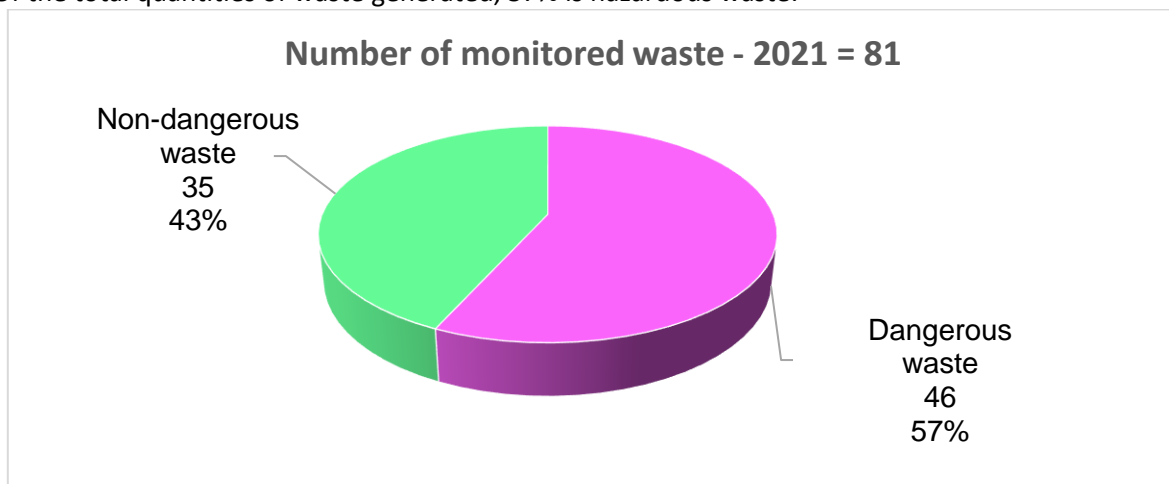
Each waste is identified and coded with a 6-digit code according to the activity from which it comes, in accordance with GD 856-2002 on waste management records. The company has a list of all identified waste.

Each waste generated is recorded in the Waste Management Record Sheet and is monitored monthly: quantity generated, quantity remaining in stock, quantity recovered and quantity disposed of.

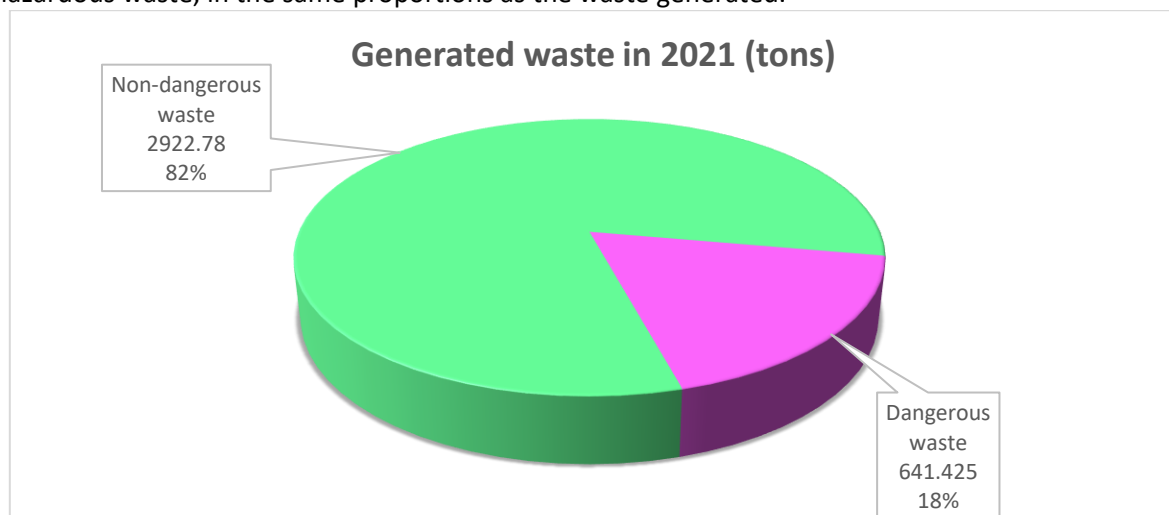
The waste identified in our company is non-hazardous waste and hazardous waste. Each waste is treated according to the waste management procedure.

In 2021, a number of 81 wastes were monitored.

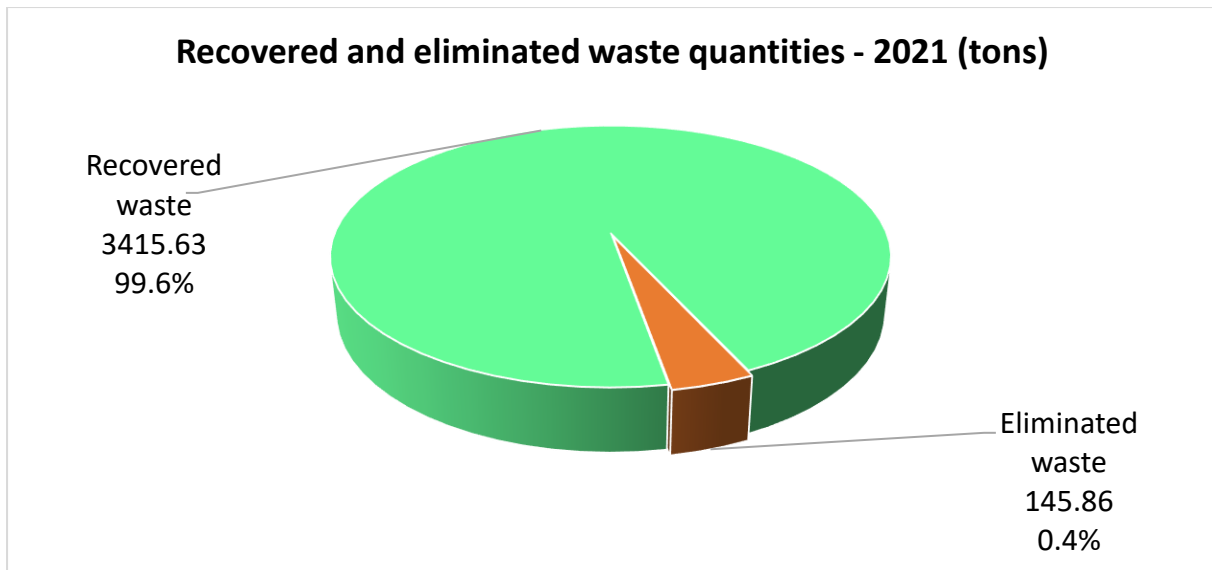
Of the total quantities of waste generated, 57% is hazardous waste:



Of the total quantities of waste recovered, 18% is represented by hazardous waste and 82% by non-hazardous waste, in the same proportions as the waste generated.



Of the total quantities of generated waste, 99.6% is recovered and only a very small percentage of 0.4% is eliminated by controlled storage at authorized economic agents.



f. Results of global environmental performance

At the company level, an overall environmental performance indicator has been established that is calculated based on environmental management performance (provides information on management efforts to influence the environmental performance of the organization) and environmental operational performance (which provides information on results environmental performance of the organization's activities).

The Global Environmental Performance Indicator (GIP) is calculated annually as follows:

GEPI = 50% EMPI + 50% EOPI, where:

Where: EMPI = Environmental Management Performance Indicator. Provides information on management efforts to influence the environmental performance of the organization;

EOPI = Environmental Operational Performance Indicator. Provides information on the operational results of the environmental performance of the organization's activities.

The Environmental Management Performance Indicator (EMPI) is calculated as follows:

$EMPI = 35\% NA + 35\% NC + 30\% NIOB$, where

NA - aptitude level of the environmental management system resulting from the environmental audit = arithmetic mean of the aptitude levels obtained at the internal audit according to ISO 14001.

In 2021: NA = 95.29%

CL - level of compliance with the applicable compliance obligations = arithmetic mean of the compliance levels with the compliance obligations of the manufactures / directions.

In 2020: CL= 100%

LAEO - level of achievement of environmental objectives and targets in environmental management programs = number of objectives met / total number of objectives x 100. (for this indicator there was a regression in 2020 due to the difficult international situation caused by the coronavirus pandemic; for a period of about 3 months the company had almost no operational activities and for a period of another 3 months they were at a level of about 50% compared to the period before the pandemic, these 6 critical months had a significant impact on the financial performance of the company which led the management to apply drastic measures to reduce and control costs, a significant impact on investment planned in the environmental management program which could not be fully realized, due to the improvement of the economic situation, part of these investments have been rescheduled for 2021 so that a global environmental performance IPGM = 95.5% is expected to be achieved by 2021)

The Environmental Operational Performance Indicator (EOPI) is calculated as follows

EOPI = 33.3% IPA + 33.3% DCM + 33.3% ID, where

EMPI - degree of compliance with the maximum permitted level of pollutants in water = no. pollutants emitted in water that comply with CMA / no. total pollutants emitted into the water) x 100.

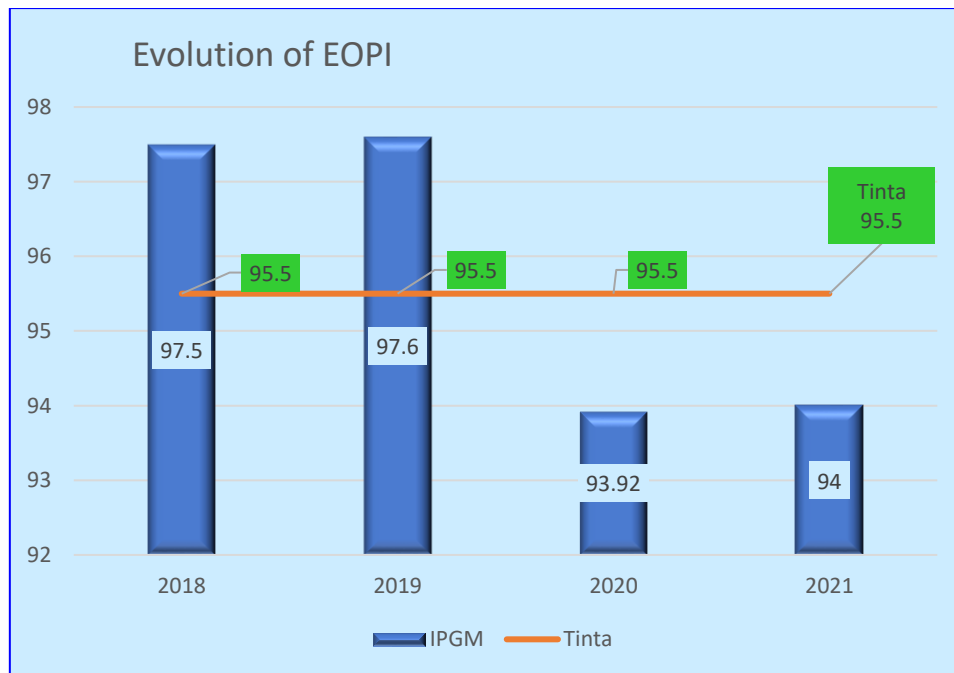
DCM - degree of compliance with the maximum level of pollutants in the atmosphere = no. of air pollutants complying with VLE / no. total pollutants emitted into the air x 100.

DC - degree of collection, recovery / selective disposal of waste = no. selectively collected waste (recovered / disposed of) / no. total waste generated x 100.

DC=100%

In 2021: EOPI = 95.4%

The evolution of IPMG in the last 3 years is presented in the graph below:



2.5 Environmental projects. Improvement

The main improvement project was to reduce the quantities of oils used as coolant by filtering the oils from the cooling tanks of the machines using the filtration system.

2.6 Internal audit of the environmental management system

Internal environmental audit

COMPAs has implemented an environmental management system in accordance with the requirements of the international standard ISO 14001 from 2015.

The internal environmental audit is performed by the internal auditors of the "Systems Audit" department, every six months, to determine whether the requirements of the standard are implemented and maintained effectively and efficiently and to communicate to the top management the results of internal audits in analysis meetings.

The scheduling of the internal audit is done on the audit program prepared at the beginning of the year, and the manufacturing departments are announced through an audit plan on the elements to be audited. The actual conduct of the internal audit is carried out in accordance with the "Internal Audit" system procedure.



The results of the audits, the level of suitability, and the non-conformities identified / proposals for improvement are recorded on the audit report, which is sent to the auditee in order to establish the necessary measures.

The average level of aptitude of the environmental management system in relation to the requirements of the ISO 14001: 2015 standard was in 2020 of 95.29%.

External environmental audit

The environmental management system implemented according to the ISO 14001: 2015 standard is certified and supervised by the TUV Rheinland certification body.

The external supervision audit of the environmental management system takes place annually and once every 3 years the recertification audit takes place.

In 2022, the surveillance audit for the environmental management system according to ISO 14001/2015 will follow.

Over the years, during the external audit of the environmental management system, no non-conformities were found, only proposals for improvement were identified.

THE IMPACT ON THE ENVIRONMENT GENERATED BY THE ENERGY CONSUMPTIONS IN COMPA

Measures to reduce energy consumption achieved and forecast to be achieved in the next years

Through the production structure, COMPA Sibiu is an important consumer of energy. Thus, at the level of the COMPA platform, the following energy resources were consumed in 2021:

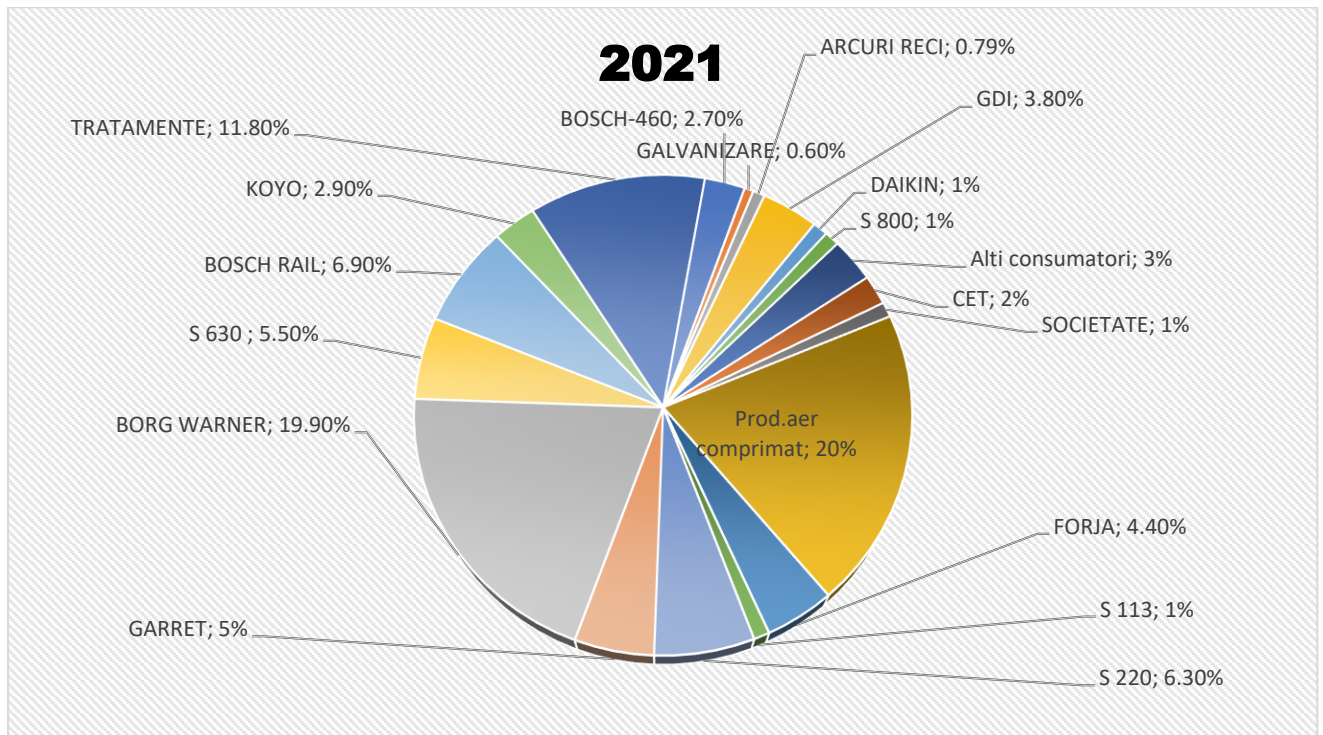
- Electricity = 44,021,994 Kwh, equivalent to 3,785.89 toe (tons of oil equivalent)
- Natural gas = 4,398,086 m3, equivalent to 3,933.64 toe of which:
 - Technological processes COMPA platform = 618.602 m3, the equivalent of 553.28 tep
 - Combined production of electricity and heat = 3,322,471 m3, equivalent to 3,380.37 tep
 - Thermal energy 13290 Gcal the equivalent of 1329 tep
 - Compressed air 56486 thousand cubic meters (produced in COMPA, the electricity consumption related to the production of compressed air is included in the total electricity consumption of the company)
 - Water 86803 mc

The consumption of these energy resources was released into the atmosphere in 2021:

- Electricity - 6491 tons of CO2
- Natural gas for technological consumption and heat production- 9402 tons of CO2
- Total 15901 tons of CO2

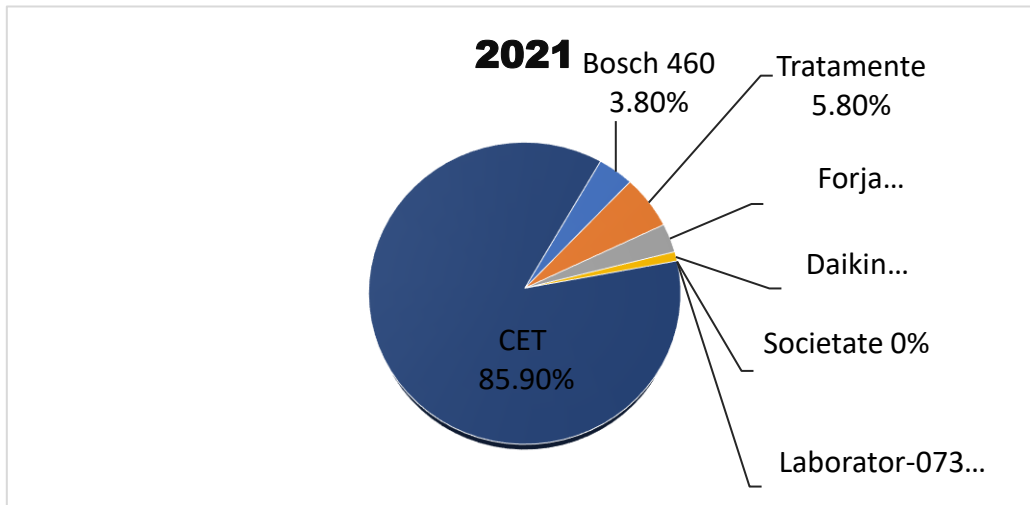
From the point of view of the distribution of electricity and gas consumption on the company's workshops at the level of 2021, they are as follows:

Electricity

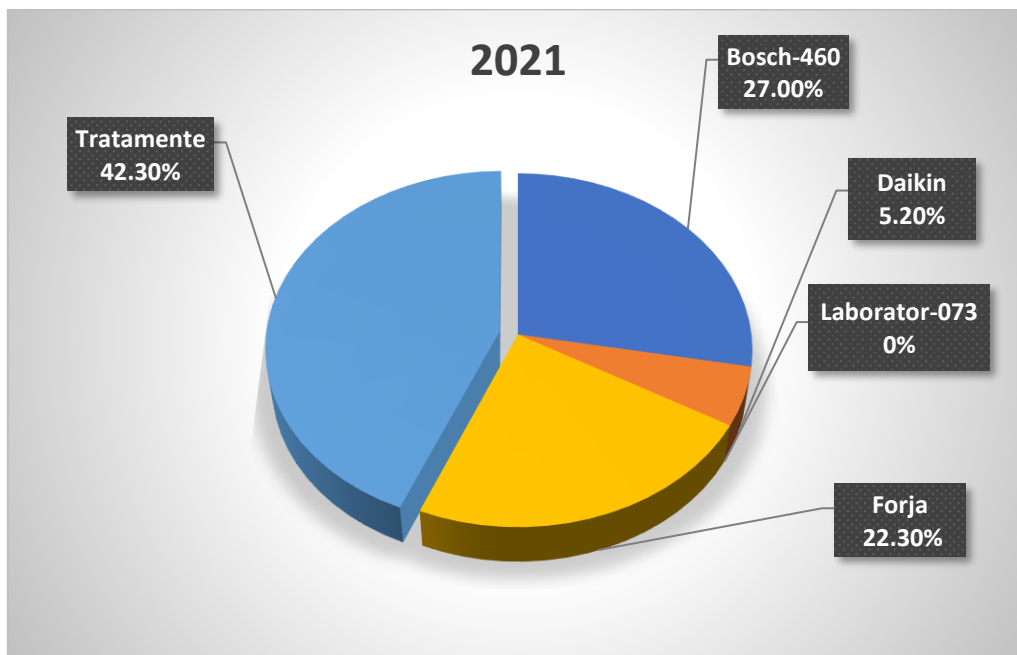


Natural gas for technological consumption and heat production

The structure of total natural gas consumption in COMPA in 2021 is as follows:



Regarding the consumption of natural gas for technological purposes, the structure of consumption in 2021 looks like this:



Aware that the reduction of energy consumption leads to a decrease in emissions into the atmosphere, COMPA Sibiu has established clear indicators of energy performance as well as a coherent policy of permanent implementation of measures to improve technologies (with reduced energy consumption and modernization of energy equipment).

I Energy performance indicators

Good management of energy resources also involves establishing specific energy performance indicators with precise targets and clear responsibilities for departments and individuals.

The established indicators are the following:

The energy intensity of the manufacturing processes at COMP A Sibiu, an intensity that is determined by relating the energy consumption recorded by COMP A Sibiu to the value of goods production.

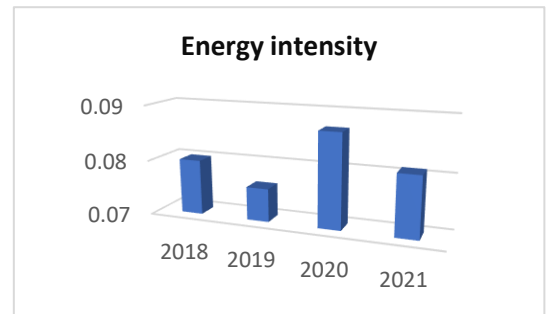
Corresponding to the recorded production and energy consumption, the situation of this indicator is as follows:

- Energy intensity year 2018 ----- 0.080 tons of oil equivalent / thousand lei prod. goods
- Energy intensity year 2019 ----- 0.076 tons oil equivalent / thousand lei prod. goods
- Energy intensity year 2020 ----- 0.087 tons of oil equivalent / thousand lei prod. goods (preliminary)
- Energy intensity year 2021 ----- 0.081 tons of oil equivalent / thousand lei prod. goods (preliminary)

*Note: In 2021, there was an decrease in energy intensity by 7% compared to 2020.

This decrease is justified by:

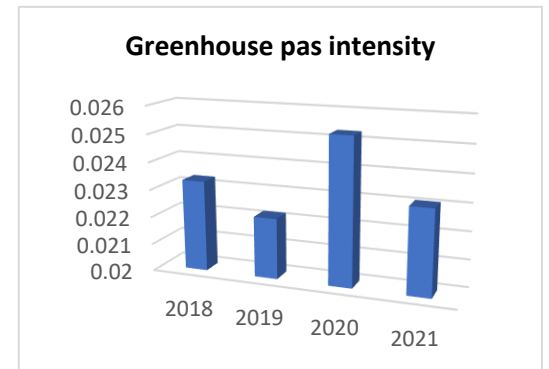
- assimilation of the new products
- the energy use more efficient



The intensity of greenhouse gases- intensity which is determined by the ratio of CO₂ emissions to the value of production.

Corresponding to the recorded production, the situation of this indicator is as follows:

- greenhouse gas intensity year 2018 ---- 0.0233 tons CO₂ / thousand lei product goods
- intensity of greenhouse gases year 2019 ---- 0.0222 tons of CO₂ / thousand lei of goods
- greenhouse gas intensity year 2020 ---- 0.0253 tons CO₂ / thousand lei prod. cargo (preliminary)
- greenhouse gas intensity year 2021 ---- 0.0231 tons CO₂ / thousand lei prod. cargo



In the case of this indicator, too, there is an decrease in the intensity of greenhouse gases (relative to commodity production) compared to previous years, due to the acquisition starting with September of electricity from hydro sources.

Specific electricity consumption, consumption which is determined by relating the consumption of electricity to the production of goods.

The situation by years is as follows:

Specific consumption in 2018 ---- 0.06139 MWh / thousand lei of goods production

Specific consumption year 2019 --- 0.06048 MWh / thousand lei of goods production

Specific consumption year 2020 ---- 0.06822 MWh / one thousand lei production of goods

Specific consumption year 2021 ---- 0.06407 MWh / one thousand lei production of goods

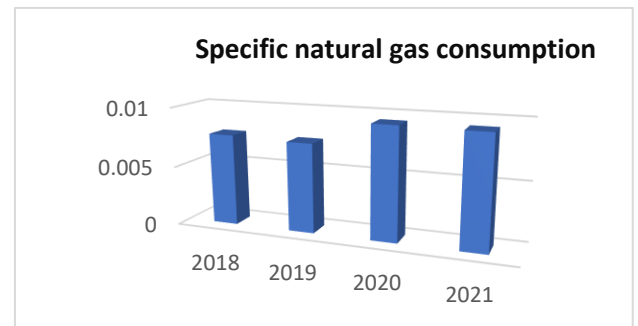
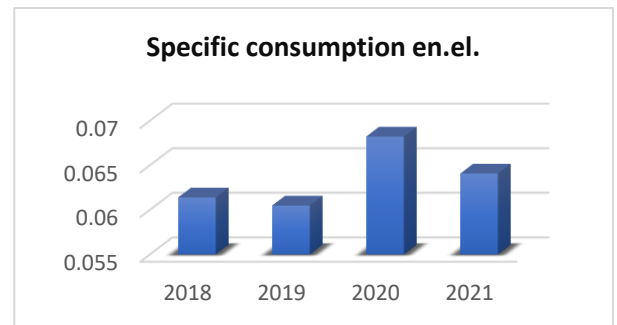
Specific gas consumption for technology, consumption which is determined by relating the consumption of natural gas to the production of goods. The situation by years is as follows:

Specific consumption year 2018 0.007695 MWh /one thousand lei production of goods

Specific consumption year 2019 0.007495 MWh / one thousand lei production of goods

Specific consumption year 2020 0.009404 MWh / one thousand lei production of goods

Specific consumption year 2021 0.009340 MWh / one thousand lei production of goods



II Measures to reduce energy consumption taken so far

Realization of cogeneration installation

The combined production of electricity and heat is a concept that allows to obtain these energy resources at a high overall efficiency.

Considering the low efficiency of the boilers in the thermal power plant (put into operation in 1970) COMPA Sibiu installed on the site of the thermal power plant a cogeneration installation with an installed capacity of 3 x 1.01 Mw electric and 3 x 1.343 Mw thermal.

This cogeneration plant was qualified by ANRE as a high efficiency plant, benefiting from the bonuses related to this production.

In 2021, 9603 Mwh of electricity and 9562 Mwh of heat were produced in this plant.

The production of electricity in cogeneration in the condition of the volatility of the electricity prices on the market allowed in 2021 in COMPA Sibiu to balance the costs with the acquisition of electricity from SEN, thus leading to the reduction of the manufacturing costs.

Improving the energy efficiency of manufacturing processes at COMPA Sibiu

In 2013-2014 COMPA Sibiu through the POSCCE project Priority Axis 4 "Increasing energy efficiency and security of supply, in the context of combating climate change", the field of intervention "Efficient and sustainable energy", carried out the project "Improving energy efficiency manufacturing processes at COMPA Sibiu".

This project allowed the implementation of extensive measures to improve the energy infrastructure of COMPA Sibiu, so the following measures were implemented:

Central heating modernization. Through this project:

- 2 hot water boilers with a capacity of 2 x 3.5 MW were installed
- 2 steam boilers with a capacity of 2 x 2.5 t / h were installed
- a high-performance heat pump system was installed

Rehabilitation of electricity transmission and distribution system. Through this project:

- 86 medium voltage cells were rehabilitated
- 4 transformers of 20 / 0.4 Kv of 1600 Kva were replaced (high consumption areas)
- the internal electricity distribution system in the main areas of the Company was rehabilitated

Rehabilitation of compressed air production system. Through this project:

- a 160 kW variable speed compressor was installed
- a 132 kW fixed speed compressor was installed
- a compressed air monitoring and control system was installed
- a compressed air dryer / refrigerator was installed

Rehabilitation of water pumping system. Through this project, high-performance water pumping systems were installed in the company's hydrophore stations.

Implementation of energy management system. An important step in the digitization of energy networks is the installation of smart metering systems. Through this project, the monitoring of energy resources on the profit centers in the company (electricity, methane gas, thermal energy, compressed air) was performed. Thus, all consumption is recorded locally and is taken over in the company's intranet network, allowing: real-time management of energy consumption, preparation of hourly reports, daily monthly and taking measures to reduce unjustified energy consumption in real time.

Realization of saving system on the lighting installations in the production workshops

Realization of microclimate installation and technological water cooling Bosch workshop.

The implementation of this project allowed, according to the audit carried out by an ANRE authorized company, the obtaining of annual savings of:

- Electricity 2108.84 Mwh - corresponding to CO2 emissions of 558.19 tons / year

- Natural gas 9215.86 Mwh - corresponding to emissions of 1809.89 tons / year

TOTAL EMISSIONS REDUCTION 2368.08 tons of CO2

According to the energy balance, it is observed that electricity consumption was reduced by 5.8%, and natural gas by 23%.

The significant reduction in natural gas is justified by the reduction of natural gas consumption in the thermal power plant, so the old thermal power plant of the company was designed and executed as a zone thermal power plant with very large installed capacities:

- 2 hot water boilers CAF 5 of 2 x 50 Gcal / h

- 1 hot water boiler CAF 6 of 25 Gcal / h

- 3 steam boilers CR 9 of 3 X10 tons of steam / h

With the abandonment of the companies connected to this thermal power plant to purchase more thermal energy from COMPA (including residential neighborhoods), the provision of thermal energy from old sources (put into operation in 1970) has become completely inefficient due to outdated technology and boiler charging. Well below rated capacity. The company's application to the POSCCE project Priority Axis 4 "Increasing energy efficiency and security of supply, in the context of combating climate change" allowed the modernization of the thermal power plant with the purchase of new, high-performance boilers sized according to the company's thermal energy needs.

III Projects generating energy savings with an impact on the reduction of CO2 emissions, preliminary to be carried out starting with 2022

Considering the energy efficiency of the local production of electricity for self-consumption and the opportunity to access non-reimbursable funds for the installation of such installations, COMPA Sibiu signed a financing contract for such an installation through the Innovation Norway Program. By implementing this project with a power installed in direct current of 1.126 Mwp, respectively a power installed in alternating current of 0.96 Mw will produce a "green" energy of 1202.46 Mwh / year, which will lead to in addition to reducing energy acquisition costs and reducing CO2 emissions by 318.28

tons / year. In the same idea of benefiting from non-reimbursable funds for the implementation of projects generating energy savings, COMPA Sibiu sent on 15.10.2020 to the Ministry of Economy and Business Environment a list of project proposals for financing from the Fund for modernization. The projects proposed to be carried out by COMPA are:

- photovoltaic power plant
- rehabilitation of compressed air production station
- power transformer replacement
- central modernization of cogeneration
- modernization of the thermal power plant
- realization of power supply on 110 Kv
- modernization and development of energy management system at COMPA Sibiu
- rehabilitation of internal compressed air distribution system

The implementation of these projects will lead to the expected savings of 2617 tons of CO₂.

IV. Risks related to the provision of energy resources on the COMPA industrial platform

a) Electricity

By Romania's accession to the European Union, the entire energy system was put in front of the transition to free market conditions with the need to comply with the new environmental requirements / conditions.

Under these new conditions, many of the old energy capacities have been reduced or closed. This fact has led to a decrease in production capacity, and according to Transelectrica studies in the next period if no new investments are made in the construction of new power plants (energy capacity) there will be a deficit of power (energy) in the system. This power deficit is observed especially in the periods when the energy demand is high in the national energy system, and part of the electricity is taken from the outside (Romania is interconnected with the countries of the European Community).

These influences have recently been observed in the market volatility of electricity trading prices with a negative impact on the manufacturing costs of COMPA. In order to reduce the impact of purchase prices on COMPA, in addition to the measures shown above (installation of photovoltaic panels, projects to improve energy-intensive technologies, cogeneration plant, etc.), the evolution of electricity trading prices is constantly monitored. on the market and negotiates / contracts electricity from suppliers with a significant market share and at fixed (guaranteed) prices for a period of one year.

b) Natural gas

As in the case of electricity, through Romania's accession to the European Community, the liberalization of the natural gas market and the interconnection of the national natural gas transmission system with the transmission networks in neighboring countries.

In the short and medium term due to:

- flexibility in electricity production
- the upward trend in the production of electricity from renewable sources
- the need to decarbonise the energy sector (especially coal production)
- making new interconnections of the gas transmission system
- complete liberalization of the natural gas market

We estimate that there will be no problems in providing natural gas at competitive prices.

In the long run, there is the possibility of introducing taxes for CO₂ emissions, generated by technological consumption and from the power plant. In order to reduce this possible impact, in the future we will have to find alternative solutions for the consumption of gas from technology (electricity) and for the power plant (possibly hydrogen).

MANAGEMENT AND HUMAN RESOURCES ACTIVITY

1. BUSINESS MODEL

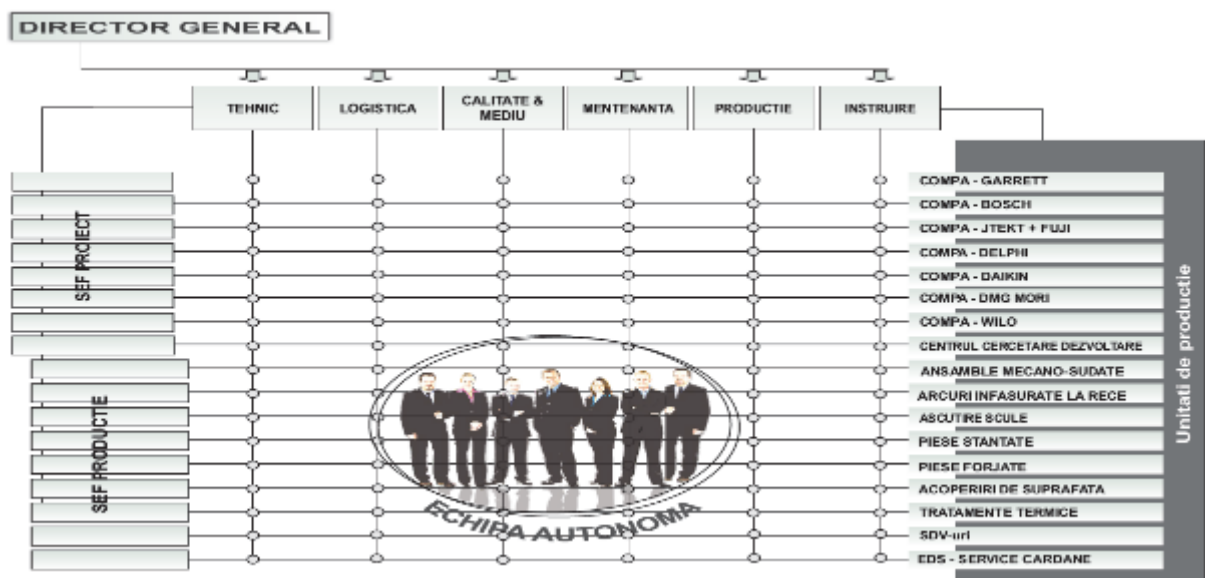
a) The organizational structure

The main elements that configure the organizational structure of COMP A are:

- defining and implementing the purpose and function of each compartment and workstation, as organizational subdivisions in a form as simple, flexible and easy to understand, endowed with clear objectives, broken down at the level of each relevant structural component and achieved through a synchronization of the three factors that form the golden triangle of a robust organization: the formal authority given by competence - task - responsibility;
- establishing and implementing in a documented way the way of communication between the compartments and the functions of the organizational structure as well as the collaboration relations between them.
- establishing and implementing the processes, technologies, and techniques used by the organization to transform internal organizational resources into products or services.
- defining and implementing management systems focused on quality, environment, health and safety of employees and continuous improvement of COMP A processes.

The organizational structure adopted by the company COMP A SA is a matrix structure, of mixed functional-divisional type. This type of organization chart provides a decentralized authority that strengthens a flexible organization that is able to respond quickly to manufacturing changes and customer demands. It is a structure that is based on a wide autonomy of the multifunctional team.

On the other hand, this dual, functional and divisional system must promote a focus on operational performance.



The matrix structure presents vertically the flow of functional responsibility (logistics, technique, maintenance, quality) and horizontally the flow of operational responsibilities (manufacturing).

The role of the staff assigned to represent the functions is primarily that of being a member of a multifunctional team, under the leadership of the head of manufacturing, responding directly through performance indicators to the specific activities they coordinate.

The multifunctional team consisting of the staff assigned to the support functions is subordinated to the head of manufacturing in terms of daily tasks, and from a methodical point of view is subordinated to the director of the department / department to which it belongs.

The head of the function has administrative authority over the staff. He is the owner of all the processes specific to the function he leads. With regard to decentralized staff, it makes decisions of a technical, methodological nature, involving them in the development and improvement of processes.

The organizational structure requires not only control and monitoring by the head of manufacturing but also by directors and heads of departments, aimed in particular at identifying drifts from performance indicators, meeting the deadlines set for development stages and improvement projects, major non-compliances and environmental incidents, events that may affect the customer.

The head of manufacturing has full authority over the multifunctional team regarding the current tasks and is responsible for its performance following the achievement of the indicators specific to each function. He is consulted by the team heads on significant costs assigned to the cost center.

b) Processes and their interaction

In the systematization of the organizational structure, in our company was used the so-called "process-based approach" which takes into account the process as a succession of activities that transform certain input data (usually requirements) into output data (usually a product or service), using various categories of resources (as standard, machinery / equipment, processing methods, materials and human resources). The performance of these processes is measured using performance indicators. The interaction between the various processes of the organization is based on the principle that some output data from certain processes are input data into other processes.

Based on this principle, the following categories of processes have been defined:

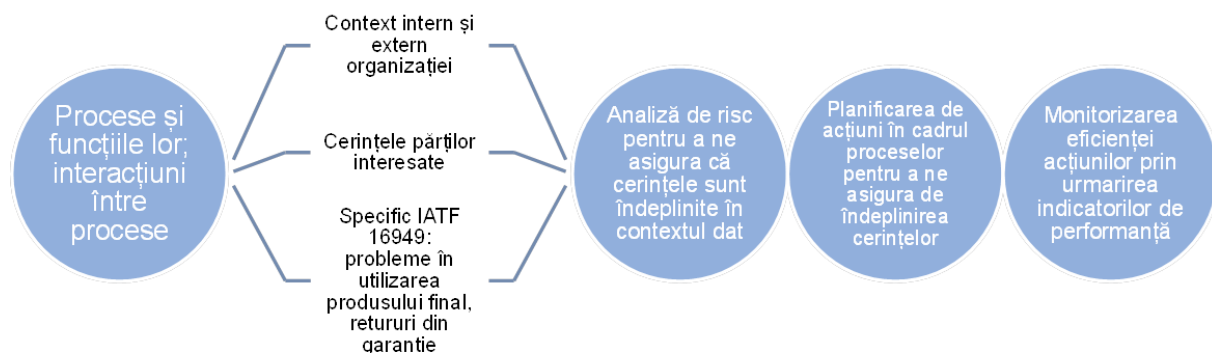
- management processes that refer to the activities of: coordination, analysis and decision, ensuring the necessary resources to carry out activities and improving activities and processes;
- the basic processes corresponding to the realization of the products (sale of products, supply, logistics of products, manufacture of products, design and development of products and processes);
- support processes (monitoring and control of compliant / non-compliant product, maintenance of equipment and machinery, internal audit);
- the interaction between processes and how to evaluate their performance.

The structuring of the processes and the interactions between them in a management system was done starting from the following principles:

Risk identification and treatment

Carrying out activities according to the PDCA principle

Therefore, our management systems addressed in COMPA are structured as follows:





In this iterative cycle of activities (according to PDCA) the emphasis is on continuous improvement, namely on the permanent identification of problems / potential problems and then on the implementation of the necessary corrections (immediate and provisional solution of problems) and subsequently on corrective actions (permanent solution problems, eliminating the possibility of their recurrence) and preventive actions (performing a risk analysis on the problems that have occurred in order to prevent the occurrence of these problems in other similar situations or other similar processes). The efficiency of the actions taken is constantly monitored, following, as a performance indicator, the recurrence of problems.

c) Staff, values and beliefs

Within COMPA, it is considered that the human factor is ultimately responsible for all the achievements of society, so it is particularly important to know and properly lead its values and beliefs, leading to the formation and development of a true cultures of our organization.

The following aspects are important and constitute development landmarks:

- Contribution to achieving the goals of the organization through people;
- Creating an optimal organizational structure;
- Ensuring competent human resources through recruitment and selection;
- Adaptation of human resources to requirements - development and training;
- Creating and strengthening motivation (material and non-material reward), performance management;
- Creating and maintaining fair relationships between employer and employees.

d) Management methods and techniques

COMPA usually uses modern management methods, such as:

- change and innovation management, to cope with competitiveness with a highly dynamic external environment, by implementing programs to improve the organization's processes and activities;
- goal-based management applied at all levels, to mobilize the intellectual and practical potential, in order to achieve the performance of the organization;
- strategic management, in order to make the connection between the opportunities of the environment and the possibilities of the company and the management of actions towards the fulfillment of the strategic goals;
- project management, to stimulate the development and efficient management of resources in order to quickly and efficiently assimilate new products, technologies;
- participatory management, in order to emphasize the active participation of employees in the functioning of the organization;
- the prospective dashboard, for measuring and keeping under control the critical parameters of the business (internal processes, human resources, customer satisfaction, economic and financial management, environment).
- cost management, by implementing cost reduction programs aimed at process improvement and optimization projects as well as monthly analysis and monitoring of cost categories.

2. MAIN RISKS AND THEIR MANAGEMENT

Risks identified in the Human Resources activity

In COMPA, there are ongoing coordinated actions to direct and control the organization regarding risks in all areas and at all levels.

Regarding the human resources activity, in the previous year the following risks were identified that could determine the non-fulfillment or defective fulfillment of the human resources insurance process:



- temporary lack of qualified staff for certain activities, either due to lack of supply in the labor market and lack of correlation of educational supply with labor market requirements, or due to emergencies (mass illnesses, quarantines, earthquakes, floods, etc.);
- high staff turnover, mainly due to incomplete identification of employees motivation needs and unpaid wages related to the local labor market;
- competences of the staff below the level required for the service, due to the educational offer not correlated with the market requirements as well as due to the non-observance of the stages of the training process;
- corruption in the recruitment, selection and employment of staff.

The potential effects of the identified risks can be, mainly: delays in the activity of the workshops, respectively delays in the delivery of the products to the clients as well as inadequate quality of the works performed by the employees.

Therefore, for the risks with high criticality, ie with high probability of occurrence or with a significant impact on the company's activity, a series of measures have been taken, such as:

- involvement in the development of local technical education by providing resources for dual education and for technological, high school education;
- apprenticeship programs for new employees;
- effective internships for pupils and students;
- qualifications / requalifications / post-secondary school;
- career management; succession management for key positions;
- implementation of telework;
- restricting staff mobility by transferring activities online;
- providing qualified personnel from abroad.

Opportunities identified in the Human Resources activity

Regarding the opportunities identified in the process of securing human resources, they are:

- the existence of the COMPA Vocational Training Center, whose mission is to align with European training standards and which ensures professional qualification and retraining, the promotion of modern training techniques and methods as well as the development of the school-enterprise relationship;
- Training through the Vocational Training Center aims to reduce the integration period of new employees, the rapid accumulation of skills and experience, increase the performance of practical training, knowledge and adaptation to the industrial environment.
- involvement in correlating the educational offer with the requirements of the labor market.

COMPA, through the Management Director, is a member of the Local Development Committee of the Sibiu Social Partnership, a committee that deals with the administrative organization and policies in the field of education and training. In this capacity, COMPA is actively involved in the development of annual schooling plans for vocational and technical education, in facilitating the conclusion of agreements for the practical training of students, promoting actions aimed at the transition from school to work for socio-professional integration and in elaboration and implementation of projects for the development of vocational and technical education at national / regional / county level;

3. THEMATIC ASPECTS

a) Social Responsibility Policy

We define and assume the following principles as a way of understanding how to approach Social Responsibility within our organization:



Taking responsibility on the impacts we produce on society, the economy and the environment;
Transparency of decisions and of our activities, which can affect society and the environment;
Respecting and promoting ethical behavior: honesty, fairness and integrity, as values that concern us, in relation to people and the environment;
Respect for stakeholders of our decisions and activities;
Ensuring compliance to all applicable laws and regulations;
Compliance with international rules of conduct in business;
Respect and promotion of human rights, which we consider inalienable and having a universal character.

COMP A integrates the principles of Social Responsibility within the organization by conducting a management based on the principles of leadership and vigilant approach in relation to the impact of our decisions on society, the environment and economic factors.

With reference to the International Standard ISO 26000:2011, as well as the Ten UN Compact Global Principles and the ILO Labor Standards, we adopt the following guidelines as main themes for action:

Ensuring organizational management as a way of conducting and conducting activities in an ethical and responsible manner; all COMP A employees and contractors will adopt the Social Responsibility considerations described in this policy in their daily work. COMP A managers will act as role models by integrating these considerations into the decision-making process and into all activities.

Respect and promotion of human rights in the sense of recognizing the rights of all human beings, civil, political, economic, social and cultural rights; COMP A will not tolerate human rights abuses and will not engage in or be complicit in any activity that uses, or encourages, any abuse of human rights;

Applying work practices adequate to ensure working conditions and social protection in accordance with applicable legal standards and regulations; COMP A is committed to providing equal opportunities in all aspects of employment and will not adopt or tolerate illegal behavior in the workplace. COMP A ensures a safe and healthy work environment and will not compromise the health and safety of any person. All employees are responsible for promoting safe work attitudes;

Environmental protection as a way to respond to current environmental challenges and as a commitment to apply and promote environmentally responsible practices, including by encouraging the development of green technologies; COMP A works to continuously improve its environmental performance.

Applying fair practices as a form of ethical conduct in relations with other organizations and individuals, in compliance with applicable national and international laws and regulations; COMP A is committed to maintaining standards of integrity and corporate governance practices applicable to the capital market, in order to promote the trust in the systems with which it works. COMP A engages in a timely dialogue with all stakeholders, including shareholders, customers, employees and their representatives, government and other entities.

Responsibility to customers and consumers to ensure their right to security of use, information, choice, expression, correction, education, in relation to the products and services provided by our organization;

Involvement in community development as a way of recognizing that we are part of the community, of the rights due to its members, but also of the elements of culture, religion, tradition and history or of the partnership with it. COMP A will contribute to the quality of life in the community to which it belongs by supporting innovative programs in the fields of health, education, social and environmental services as well as cultural and civil projects. This involvement will always ensure the independence of individuals and communities from COMP A.

COMP A managers constantly ensure that there are and operate efficiently, adequate organizational structures to effectively identify, monitor and manage the aspects of Social Responsibility and performance relevant to our business. COMP A is committed to measuring, auditing and reporting on the performance of its Social Responsibility actions.



The lines of action are implemented in a credible way, through a wide action of communication with the stakeholders of our programs in this field and by engaging the entire staff of our organization in this regard.

COMP A will inform its partners, contractors and providers of the Social Responsibility Policy and will involve them to achieve coherence with this policy.

b) Social and related aspects workforce

In the context of the difficult labor market climate generated by the Covid-19 pandemic, COMP A has pursued a policy of increasing the adaptability of staff to the changes the company is going through. During this period, the company relies on the availability of employees to develop new skills as well as to take over additional responsibilities in case of restructuring certain activities.

With a staff of over 1800 employees, COMP A is one of the main employers in Sibiu County.

3.1. Employment workforce

Total numbers as of December 31, 2019 - 2021

Between 2019 and 2021, the number of staff decreased significantly at the beginning of the pandemic, after which it remained approximately constant, thus having a decrease of 11.1% compared to 2019 and a decrease of 0.75% compared to the end of 2020, generated both by the decrease of orders but also by the increase of labor productivity.

The reduction of staff was made with priority among the staff employed with fixed-term employment contracts in 2020, and in 2021 mainly due to natural losses (resignations, retirements).

	2019	2020	2021
Employees with ILC for an indefinite period	1962	1796	1654
Employees with ILC for a determined period	120	69	197
TOTAL STAFF	2082	1865	1851

3.2. Gender diversity - Share of women in total employment as of December 31, 2019 - 2021

The number of women in the total number of employees between 2019 and 2021 remained relatively constant, marking as a share a slight increase in 2020 to 33.6%. The relatively high share of women in an industrial environment is mainly due to technological changes but also to the trust placed in the area of responsibilities and coverage with skills.

	2019	2020	2021
Share of women in total employees (%)	30,6%	33,6%	31,71%

3.3. Age diversity

Breakdown by age and occupational category of the total workforce at 31 December 2020

The most representative age category, for both men and women, is the staff aged 45-54.

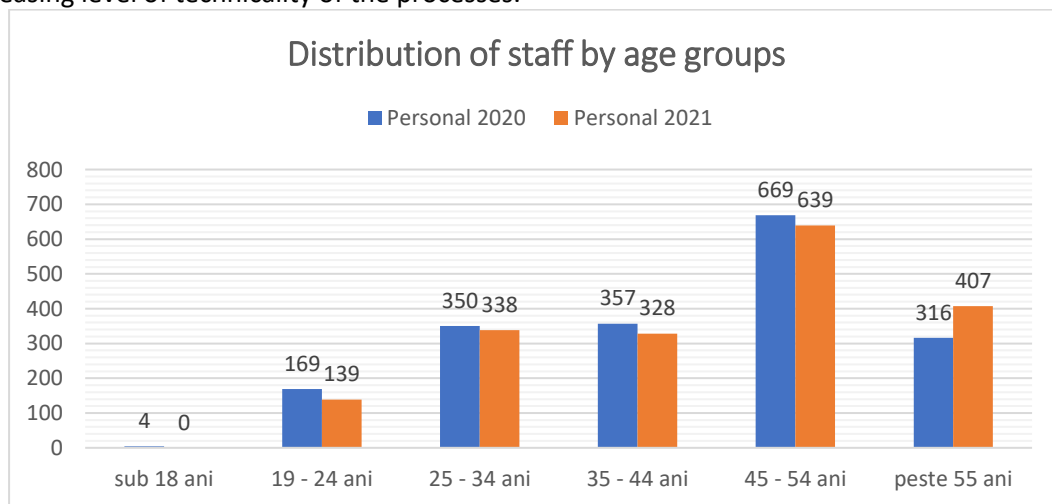
Age	TOTAL from which:	MDP	MIP	TESA execution	TESA management
Under 18	0	0	0	0	0
	of Ladies	0	0	0	0



Age		TOTAL from which:	MDP	MIP	TESA execution	TESA management
19 - 24 years	TOTAL, which:	of 139	93	28	18	0
	Ladies	48	28	12	8	0
25 - 34 years	TOTAL, which:	of 338	146	71	100	21
	Ladies	83	44	11	26	2
35 - 44 years	TOTAL, which:	of 328	150	58	70	50
	Ladies	106	65	6	27	8
45 - 54 years	TOTAL, which:	of 639	430	118	59	32
	Ladies	250	201	14	32	3
Over 55 years	TOTAL, which:	of 407	229	89	63	26
	Ladies	100	65	5	28	2

COMPA is concerned with the development of staff throughout its professional career, on the one hand helping young people to integrate as well as possible in organization, but also ensuring and using the experience of the elderly.

The graph below shows the age distribution of staff in 2021 compared to 2020. The analysis of the evolution shows an increase in the share of experienced staff and especially those in the age category over 55 years, due to the increasing level of technicality of the processes.

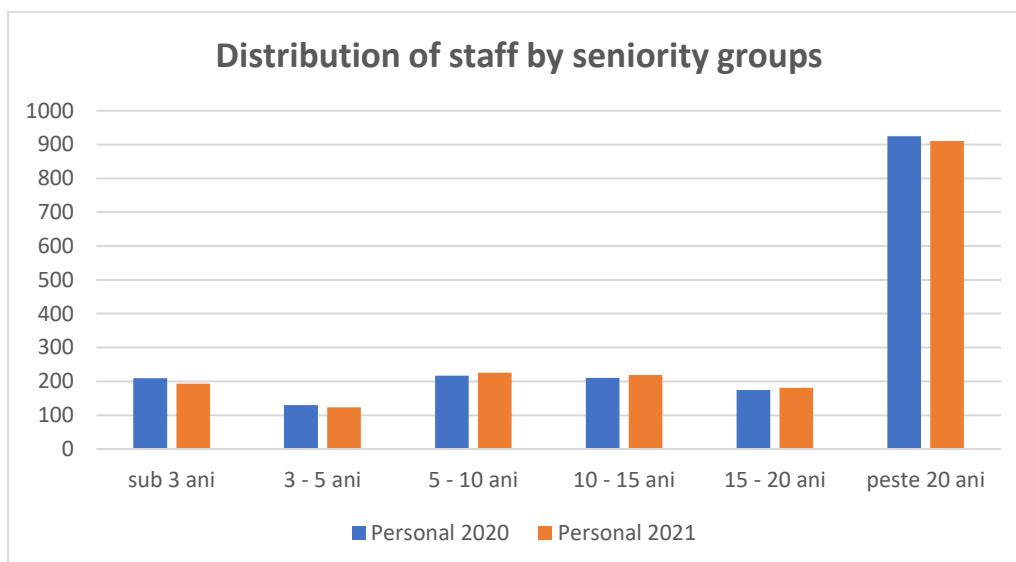


3.4. Distribution of the total workforce at 31 December 2021 by seniority and occupational categories

The seniority tranche that includes the most employees is that of employees with more than 20 years of experience (910 people - 49.16%).



Seniority / persons	TOTAL from which:	MDP	MIP	TESA execution	TESA management
Under 3 years	TOTAL, which: of 193	140	23	30	0
	Ladies 69	50	8	11	0
3 - 5 years	TOTAL, which: of 123	73	24	24	2
	Ladies 48	31	7	10	0
5 - 10 years	TOTAL, which: of 225	106	48	54	17
	Ladies 54	34	7	10	3
10 - 15 years	TOTAL, which: of 219	109	39	49	22
	Ladies 64	38	4	20	2
15 - 20 years	TOTAL, which: of 181	89	26	34	32
	Ladies 55	40	2	9	4
In 20 years	TOTAL, which: of 910	531	204	118	57
	Ladies 297	210	20	61	6

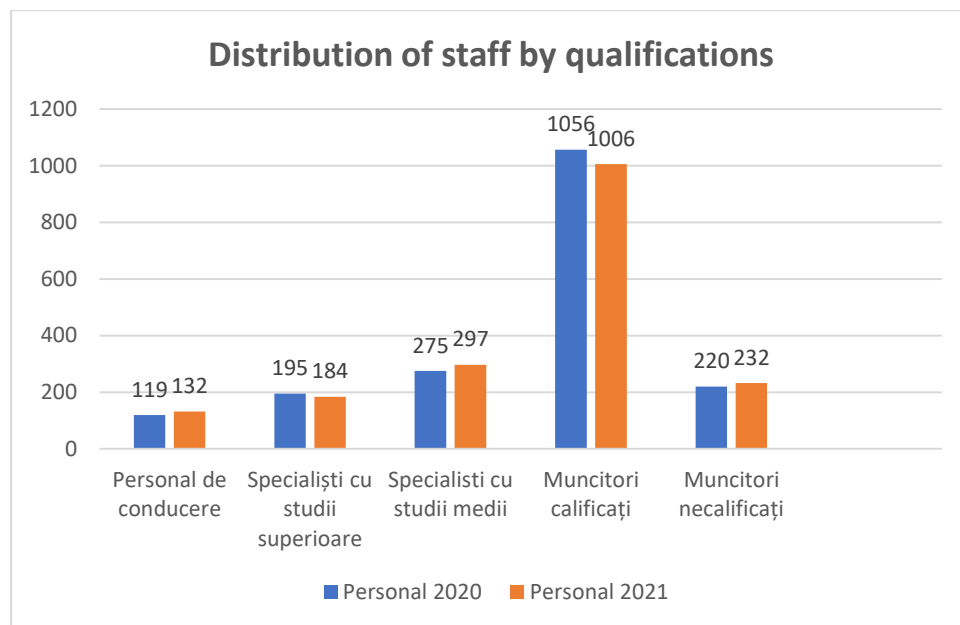


The graphic above shows the evolution of staff by seniority in 2021 compared to 2020. The distribution of staff by seniority during 2021 has remained relatively the same as in 2020.

It should be mentioned that in COMPAs, the increase in seniority in salary, respectively seniority in work is calculated taking into account all the work experience of employees and not only seniority in the company.

3.5. Distribution of the total staff at 31 December 2021 by a qualifications structure (according to COR)

	TOTAL from which:	Women
Management staff	132	15
Specialists with higher education	184	64
Technicians and other specialists in the technical and accounting field	134	65
Administrative officials	149	135
Service workers	14	1
Skilled and assimilated workers	1006	237
Unqualified workers	232	74



3.6. Personnel fluctuation

Analyzing the evolution of staff turnover over the last 3 years, we found an improvement in this indicator in 2020, primarily due to the decline in global economic activity, but also the measures established by COMPAs to remedy this situation aimed at reporting the level of wages and benefits in the area, qualification / requalification courses offered to employees, concluding apprenticeship contracts, granting rent allowances, providing transport for commuting employees, reimbursement of transport value for other employees, improving working conditions (air conditioning, noise reduction, social spaces , etc.).

During 2021, staff turnover increased again, both due to the recovery of the economy and due to the increase in labor demand in the local market.

	2019	2020	2021
Personnel fluctuation	19.43%	18.30%	22.16%



3.7. People with disabilities on December 31, 2021

Number of disabled workers by staff category and by sex

The number of disabled employees in COMPA, of 19 people, was well below the figure of 4% of the total number of employees (74 people) required by law, despite the efforts that COMPA makes to attract people with disabilities.

Also, for the amount related to the difference in jobs in which no disabled persons are employed, COMPA purchased, on a partnership basis, products made from the own activity of disabled persons employed in authorized protected units.

			TOTAL from which:	MDP	MIP	TESA execution	TESA management
People with disabilities	with	TOTAL, which	of 19	11	5	3	0
		Women	4	2	0	2	0

3.8. People on childcare leave

Number of employees on parental leave, by staff category and by sex

The situation presented below shows that the beneficiaries of parental leave are both among women and, in large numbers, among men.

			TOTAL from which:	MDP	MIP	TESA execution	TESA management
Employed parental leave	on	TOTAL, which	of 51	38	3	10	0
		Women	43	31	2	10	0

3.9. Continuous training for staff

The continuous development of human capital through the training of skills to support the company's development strategy is a priority for COMPA.

Therefore, the training of all staff in the continuous training process aims to eliminate the gap between the skills required by the job and the existing ones, ensuring integrated, validated, certified staff at the job, acquiring / expanding the skills to meet the challenges posed by the new wave in technological evolution of production (Industrialization 4.0, digitization, etc.)

The training programs developed in COMPA aim to respond to the needs of each employee. In order to achieve this goal, the Vocational Training Center was set up in 2005. The programs developed by the center aimed at the qualification / requalification of employees in trades such as: operators of machine tools with control - numerical, welders, mechanical locksmiths, machine mechanics, toolmakers, metrologists, drills-threads, etc. In 2021, the educational offer was diversified by authorizing the course "Entrepreneurial skills".

So far, 3,000 people have earned a qualification through this center. The Vocational Training Center is the place where the new employees are familiar with the operation on MUCN and with the specific requirements of the job, a necessary step in the process of integration and validation in the workplace.

Next, we intend to diversify, to adapt the educational offer by authorizing new programs required by the projects developed within COMPA, especially in the context in which among COMPA employees are also foreign citizens.



The situation of the qualification / specialization courses carried out in the last three years is the following:

QUALIFICATION / SPECIALIZATION COURSE TYPE	NUMBER OF CERTIFIED PERSONS		
	2019	2020	2021
NUMERIC CONTROL MACHINE TOOL OPERATOR	17	17	5
WELDER	25		20
METROLOGICAL TECHNICIAN	18		31
STIVUITORIST	72	33	46
ROLLER DRIVER	29		
DRILER - THREADER		24	1

In order to ensure / maintain the competencies of the employees on their jobs, the individual training needs are collected annually, and are centralized in the Annual Training Plan, structured on the following main areas in which COMPA employees participated as follows:

THE FIELD OF QUALITY	NUMBER OF PARTICIPANTS		
	2019	2020	2021
Requirements Integrated Quality-Environment-OSH compliant management IATF 16949: 2016, ISO 14001: 2015 and ISO 45001: 2018	2260	1965	1851
ISO 26000 social responsibility	2260		
Process Auditor VDA 6.3 + auditor card	15		1
Requirements of IATF 16949: 2016	57	7	30
Product Safety Representative PSR			1
8D and 5 Why?	24	28	39
Basics of statistics - Minitab	14		
Auditor SR EN ISO 17025:2018			2
THE TECHNICAL FIELD			
Project Management	6		
Energy management	1		
Power Plant Laboratory Analyst			2
ANNUAL CERTIFICATION OF SPECIAL PROCESS OPERATORS			
Thermists, galvanizers, painters, welders, brazers, etc.	139	123	89
TRAIN ON CUSTOMERS SITE			
Additive Manufacturing Formnext	2		
DMG	4		
Index Multispindle GDI	5		
Programming and repairing Chiron 5 axes			4
POSITION VALIDATION OF NEW EMPLOYEES *			
Number of people trained	289	213	585
Number of training / employee hours	105.57	73.117	100.82

*We mention that when calculating the indicator number of training hours / employee / year, these hours were not included.



The number of hours / employee / year indicator is monitored in the COMPA dashboard. We want to constantly increase this indicator in order to transform ourselves into an organization that learns continuously throughout life.

Analyzing the evolution of the indicator in the last 3 years we notice a decrease in the value of this indicator in 2021 when, at the end of the year, there was a higher than usual value of unplanned absenteeism, due to increasing illnesses among staff.

	2019	2020	2021
No. of training hours / employee / year	26.90	28.90	27.83

3.10. Apprenticeship

For new employees who want to acquire a qualification or retrain, COMPA develops apprenticeship programs that allow them to easily integrate into new jobs, obtain a recognized certification, raise their level of knowledge, satisfaction of responsibility. Currently, 8 COMPA employees follow these programs and at the end of the two years of study they will obtain the qualification of operator for numerically controlled machine tools.

In 2021, a number of 5 apprentices graduated the program and were certified as operators of numerically controlled machine tools.

In the future we intend to increase the number of new employees who follow apprenticeship programs and who will obtain qualifications of level 2 (drill-threader) and level 3 (operator of machine tools with numerical control, mechanical locksmith, etc.).

3.11. Projects developed with European funds

In order to become increasingly competitive in terms of productivity, quality, customer satisfaction, conservation of resources and the environment, investment in human capital will continue to increase, including by attracting European funds or other sources.

So far, COMPA has implemented or is in the process of implementing projects designed to develop the skills of their employees, projects that aim to facilitate the transition from school to active life of pupils and students.

Project	Title	Implementation period
PROJECTS BEING IMPLEMENTED		
Project being implemented: POCU / 626/6/13/133017 Objective: Optimizing the transition of 325 students from the educational system to the professional environment	INSPIRE - Necessary Initiatives for Innovative Internships for Economic Revitalization	10.2021 – 08.2023
Project being implemented: POCU / 633/6/14/132241 Objective: To develop sustainable skills by organizing and carrying out internships, including dual technical education at a future job, for 183 students.	Start for a secure job and qualification!	09.09.2020 - 09.09.2022



PROJECTS COMPLETED		
<p>POCU / 469/3/12/128888 Objective: To develop the skills of 142 employees in order to adapt staff to the dynamics of potentially competitive economic sectors. Target Group: 142 COMPA employees participating in qualification-retraining courses</p>	<p>Qualified employees for a more secure future!</p>	<p>02.09.2019-15.05.2021</p>
<p>POCU / 90/6/13/6/14/107011 Objective: To facilitate the transition from education to working life for 70 students and 240 pupils through on-the-job learning programs in an activity sector with high competitive potential. Target Group: -70 students -240 students</p>	<p>Learn for a secure job!</p>	<p>07.06.2018-04.09.2020</p>

3.12. Sustainable school-enterprise partnerships

The company's partnerships with the institutions of technical and vocational university education in Sibiu date back to the 70s with the establishment of the Institute of Higher Education, currently the Faculty of Engineering "Hermann Oberth" and IPAS High School and currently the Technological High School "Henri Coandă".

The proximity to university and vocational education institutions is part of COMPA's policy to train future generations of specialists, to develop the employment capacity of young people facilitating the transition from school to active life through internship programs, masters, private scholarships, implementation and development of projects benefiting from non-reimbursable funds, etc..

The partnerships are mainly aimed at involving COMPA in two areas related to improvement:

- Theoretical training through contributions to the adaptation of the university curriculum in local development to the needs of the employer for vocational and technical education.
- Practical training by ensuring the access of pupils and students to modern work environments, to high-performance technologies and equipment, to the knowledge and understanding of the processes developed on the production lines, to the familiarization with the rigors of the industrial environment.

3.13. The practice of pupils and students in COMPA

The technological practice and laboratory hours of the pupils and students have been carried out since 2005 in the Vocational Training Center, a modern technical platform that is equipped with state-of-the-art equipment and in the production workshops.

The vocational training center is the place where the students from the final years carry out the laboratory hours in the discipline of Machining technology on numerically controlled machine tools, and the students discover the secrets of operating on numerically controlled machines, how to measure and maintain equipment. these equipments.

By equipping the center in 2021 with two welding simulators, students practicing in dual education who will become toolmakers and people who follow the qualification course "Welder", have the opportunity to acquire the skills required by this profession.

The 3D printer, another acquisition for the center, contributes to the development of digital skills of pupils and students, programming and physical realization of parts, various objects, contributes to increasing the interest and involvement of practitioners in solving work tasks.

Starting with 2015, students with specialization in mechatronics, automation, electronics, electrical engineering have the opportunity to complete their knowledge and train the skills needed to troubleshoot electronic components and automation in the Laboratory for electronics and automation. This is the right place where practitioners have the opportunity to always learn something new, to experiment, to develop.



3.14. COMPA and dual education

COMPA throughout its existence for over 135 years has been permanently based on vocational education, being one of the companies that anticipated the need to implement the dual education system.

The beginnings of dual education in COMPA were in 2005 with the commissioning of the Vocational Training Center, a modern technical platform equipped with numerically controlled machines and which was made available to the Technological High School "Henri Coandă", a high school with which we still have partnerships since its establishment.

Every year they attended the courses of numerical control machine operator and mechatronist, a number of approximately 55 students who studied in a traditional educational system but with many dual elements: internships, laboratories, scholarships, various benefits financial (payment of dormitory, meal, transport, supplies) and job offers for all graduates.

The campaigns to promote the educational offer and the benefits brought by the dual education in which COMPA participated together with the Technological High School "Henri Coandă" in a sustained way materialized in the constant attraction of students to vocational and technical education.

The following classes and specializations currently operate in the high school:

CLASS IX	No students	SPECIALTY	Qualification level	Practice contract with COMPA
Dual education	32	Machine tool operator with numerical control	3	20
Technological high school education	16	Mechatronics technician	4	5
CLASS X				
Dual education	35	Machine tool operator with numerical control	3	27
Technological high school education	25	Mechatronics technician	4	0
CLASS XI				



Dual education	23	Machine tool operator with numerical control	3	23
Dual education	8	Mold technician	3	5
Technological education high school	23	Mechatronics technician	4	2
CLASS XII				
Technological education high school	23	Mechatronics technician	4	20

During the three years of study for students in dual education, specialization in machine tool operator with numerical control and tool-die maker, respectively 4 years of study for technical high school education, specialization in mechatronics technician, COMPA offers students the following package of benefits:

Financial support / Incentive / Form of support provided to students	Value / student (lei / student)
Monthly scholarship	200 lei/ month – dual education 200-350/ month - high school*
Occupational medicine examinations and compulsory medical tests in order to carry out the practical training stage (depending on the field of activity)	95 lei / student
Work equipment	152 lei / student
Protection equipment	66 lei / student
Providing a meal / day at the combined practice site	12 lei / day
Necessary supplies during practice	100
Accommodation for dormitory students	150 lei / month
Meal for dormitory students	16 lei / day
Tools	1025 lei / year / student
Semi-products	89 lei / year
The maintenance of the equipment from the COMPA Training Center is ensured	21 lei / student / year

* The value of the scholarship / student / month from high school is: 200 lei / month, 9th grade, 250 lei / month, 10th grade, 300 lei / month, 11th grade and 350 lei / month, 12th grade.

Currently, 102 students from the “Henri Coandă” Technological High School have concluded internship contracts, COMPA committing itself to offer them educational support and a job suitable for training.

Some of them will graduate from dual education and will acquire the qualification of operator at machine tools with numerical control and tool-die and graduates of technological high school education will become mechatronic technicians.

Please note that for students in technological high school education, COMPA offers the same facilities and benefits as for dual education, although the methodological rules for this level of qualification are not yet approved.

Graduates who want a job in COMPA can fill positions that are in a wide range in the field of manufacturing, maintenance, control, etc. with a career development perspective that starts from the status of beginner operator / technician to that of regulator, line manager.



COMP A permanently supports the partner educational institutions, contributing substantially to their material base through sponsorships, machinery, SDVs, semi-finished products and equipment for practical training.

Thus, the “Henri Coandă” Technological High School benefited in:

- school year 2019-2020 of three fully equipped locksmith stands, equipped with 18 workstations
- school year 2020-2021 by a numerically controlled lathe equipped with the necessary SDVs
- school year 2021-2022 two welding simulators are be made available to students
- a 3D printer will be made available to students in the 2022-2023 school year, and the support does not stop here.

In the future, we aim to identify working methods and tools to effectively increase practice, to improve student-instructor-tutor communication, to identify early deviations from performance standards set for students, to increase the role of representatives COMP A in the competence examination commissions, and the practical test of the competency exam to enable students to present their ability to serve a job while respecting the quality and quantity requirements required by customers.

3.15. Relationship with trade unions

Trade union membership on 31 December 2021

COMP A recognizes the free exercise of trade union rights, according to the legislation in force and the international conventions to which Romania has acceded, as well as the freedom of opinion of each employee. In order to exercise trade union rights, COMP A also provides, free of charge, the material basis necessary for the functioning of trade unions.

The representatives of the employees elected in the management bodies of the trade unions benefit from the reduction of the working time by 5 days every month, for trade union activities. This right is also enjoyed by the representatives of non-union employees.

Also, for them, the employer undertakes to guarantee the maintenance of the job for the entire period of maintaining the position and two years after the expiration of the term.

In order to communicate well with the unions, the company's management organizes weekly meetings with them in order to solve the current problems that have arisen in the activity.

Freedom of association can be suggestively exemplified in the table below.

From the presented data it results that the number of personnel belonging to a union is 65.32%.

	No union	Independent Free Union	Trade Arsenal union	TESA union
Nr. pers. / Union	642	1077	98	34
Trade union membership (%)	34.68%	58.19%	5.29%	1.84%

During 2021, one additional act to the Collective Labor Agreement applicable at the level of the COMP A Group was concluded between the Administration and the trade unions, regarding the following aspects:

- indexation of the salary grid with a fixed amount, resulted form applying the percentage of 6.30% (value of inflation) to class 14 (the average salary grid class), that is 200 lei gross;
- along with the indexation of the salary gird, the benefits deriving from it were indexed with the same percentage (Christmas and Easter bonus, holiday bonus, travel allowance, etc.).



3.16. Human capital management

Regarding human capital management, we started from the premise that the achievement of strategic objectives depends primarily on the human factor. The development of the company involves elements that create long-term value and that can ensure the future performance of the organization.

COMPA aims for the human resources policy to be in line with the general objectives of the company, in line with the existing values in the organizational culture, adapted to the current socio-economic context, focusing mainly on:

- Ensuring the availability and continuity of the workforce by preserving the values of the organization;
- Early recruitment of graduates with higher education;
- Increasing the level of versatility by broadening the scope of competencies;
- Reducing the integration period of new employees, graduates of technical vocational education, through internships;
- Focusing on individual training to increase staff skills and efficiency;
- Consolidation of the performance pay system;
- Capitalizing on the expertise of experienced employees through mentoring programs;
- Staff awareness of job responsibilities;
- Involvement in the implementation of the Social Responsibility management system;

Strategic objectives

The main strategic axes pursued in the projection of the following years are:

- Involvement in the development of university, high school and professional technical education, by supporting the integration of theoretical knowledge with practical ones, through internships at a potential job;
- Providing human resources through involvement in supporting dual education, apprenticeship, qualification programs, including through programs funded by European funds;
- Working conditions and climate to ensure a high level of satisfaction;
- Creating a culture of coaching and mentoring;
- Development of soft skills and specific skills;
- Development of the framework in which communication with employees is carried out to support performance and trust, as well as in special crisis situations;
- Encouraging telework as an employee-employer advantage;
- Partial transfer of the training activity in the online environment;
- Reassessment of motivation strategies, including for staff involved in on-the-job training;
- Digitization and efficiency of HR processes;
- Reprofessionalization and transformation of skills, including for digitization;
- Human resources development projects, financed from European funds;
- Career development programs.

Respecting the human rights

The human rights program implemented in COMPA includes an ensemble consisting of:

Code of business conduct

This code aims to define, for all COMPA affiliated entities - employees, shareholders, suppliers, customers, etc., the integrity standards and their observance in the company's activities. The code is an integrated element of the COMPA principles, which describes the basic rules of conduct, which we must follow and refers to: employees, company, customers, suppliers, shareholders, community and the world.



Procedure for receiving and resolving employee complaints

In COMPA there is a system for resolving employee complaints that regulates how they can address petitions filed in their own name. The petitions concern social issues related to work. The system stipulates how these petitions are recorded, distributed for settlement and dispatch of responses to petitioners.

The procedure for reporting and sanctioning acts of corruption

During this year, in COMPA, a procedure was implemented where facts can be reported by employees, customers, suppliers, shareholders, third parties, etc., of corruption, acts of violation of laws and regulations, values, principles and applicable rules. in society.

There were no cases of corruption during COMPA 2020, but there is a constant concern in preventing such situations by making staff aware of ethical rules.

The procedure also establishes measures to protect those who report such violations. Its main purpose is to strengthen transparency and encourage the disclosure of actions giving rise to suspicions of serious breaches of the COMPA Policy, without fear of consequences.

Procedure for applying disciplinary sanctions

This procedure allows the sanctioning of the company's employees in case of violation of the legal norms, of the provisions of the Internal Regulation or of the applicable Collective Labor Agreement, of the instructions, orders or legal dispositions of the hierarchical managers. These issues are dealt with in the Rules of Procedure, which contain specific provisions regarding their application.

During 2021, a number of 99 disciplinary sanctions were applied for various disciplinary offenses, as follows:

Type of disciplinary misconduct	Nr. sanctions applied
Non-compliance with the work schedule and unmotivated absences	9
Promotion of non-compliant parts	48
Failure to observe the way of working	11
Failure to wear personal protective equipment	2
Other disciplinary offenses (alcohol consumption, attempted theft, smoking in illegal places, circumvention of the access system, etc.)	9

During the above-mentioned period, no disciplinary violation was reported related to the violation of the principle of equal treatment, respectively of discrimination of employees, of intimidating behaviors or of hostility towards any employee. Likewise, no acts related to sexual harassment or any other unwanted behavior at work were reported.

Type of sanction applied	Nr. sanctions applied
Written warning	61
Reduction of the basic salary for a period of 1 - 3 months by 5% - 10%	28
Disciplinary termination of the individual employment contract	10



Mainly, the latter were due to the fact that during the periods of reduction or interruption of activity, a fairly large number of people left the company, presenting themselves at work and accumulating unjustified absences.

Respect for freedom of association

The COMPA administration recognizes the free exercise of trade union rights, according to the international conventions to which Romania has acceded, as well as the freedom of opinion of each employee.

The COMPA administration undertakes to adopt an impartial position towards trade unions and their representatives in society.

The union is the official representative body of the union members, of the COMPA employees before the administration, and it recognizes the union as a democratic organization and a factor of progress and supports its activity. The connection with the unions is based on trust, good faith and promptness in informing.

Trade unions defend the rights of their members, arising from labor law, the Collective Bargaining Agreement within the company, individual employment contracts, before the courts, other institutions or state authorities through their own or elected defenders. The employer has the obligation to invite elected delegates of the representative trade union organizations to participate in the boards of directors or in other bodies assimilated to them, in discussing the issues of professional, economic, social, cultural or sports interest.

4. OCCUPATIONAL HEALTH AND SAFETY

Maintaining good health, improving safety and ensuring motivating working conditions for COMPA employees is a legal and social obligation, and is also an essential element of the company's success.

The benefits of good occupational safety and health:

- helps to demonstrate that the company is socially responsible,
- protects and improves brand image and brand value,
- helps to maximize worker productivity,
- improves employees' devotion to the company,
- builds a more competent and healthier workforce,
- reduces costs and downtime,
- allows the company to meet customer expectations regarding OSH and
- encourages the workforce to stay active longer.

The main principles of applicable OSH are:

- **Commitment and leadership to improve OSH**
- **Active OSH policies and procedures**
- **Proactive risk assessments**
- **Trained and competent workers**
- **Effective measures to keep young people under control**
- **Continuous monitoring and review processes**

a. Accidents at work (with ITM> 3 days)

	2019	2020	2021
No. of work complicated accidents	0	1	3

The organization has established, implements and maintains a process of reporting, investigation and taking concrete actions to control and correct all incidents.

Accidents at work with temporary incapacity for work are investigated by a commission that established the circumstances and causes that led to the occurrence of the event, the violated regulations and the measures that must be taken to prevent the occurrence of other similar cases. Corrective action is appropriate to the effects or potential effects of the incident.

b. Distribution of accidents at work by causes

	2019	2020	2021
No. of accidents related to serious risks	0	0	0
No. of accidents related to uneven areas complicated, slip uneven areas	0	0	0
No. of accidents caused due machines malfunction	0	0	0
No. of traffic accidents - handling - storage of materials	0	1	1
No. of accidents due inadequate workload	0	0	1
Nr. of accidents due to wrong actions of the worker	0	0	1

Accidents at work in 2021 had as causes:

- non-compliance with the rules of safe use of the forklift;
- failure to supervise candidates during the practical test;
- proper use of work equipment;

c. Slight accidents without ITM or with ITM <3 days

	2019	2020	2021
Head injuries	1	1	0
Eye injuries	0	0	0
Injuries to the trunk	0	0	0
Injuries to the upper limbs	2	0	0
Injuries to the lower limbs	1	0	0
No. of accidents overall	4	1	0

Most minor accidents (50%) resulted in injuries to the upper limbs. The main cause is contact in the upper limbs with objects with sharp or moving edges (moving parts or components of moving machines, tools, chips). Actions have been taken to eliminate or control the causes that led to the accidents.

d. Occupational diseases

	2019	2020	2021
Nr. de occupational diseases	0	0	0

In the last three years, no occupational diseases have been reported due to the appropriate environmental conditions that comply with occupational health and safety requirements.

e. Number of days of temporary incapacity for work due to accidents at work

Temporary incapacity for work - temporary reduction of physical, psycho-sensory or intellectual potential due to an accident.

	2019	2020	2021
No. of days temporary incapacity of work	0	80	187
No. of incapacity temporary work	0	1	3

f. Number of permanent disabilities (partial and total) reported

Permanent, partial / total disability (disability) - permanent reduction of the physical, psycho-sensory or intellectual potential due to an accident.

	2019	2020	2021
No. of days incapacity partial permanent	0	0	0
No. of incapacity partial permanent	0	0	0
TOTAL incapacity permanent	0	0	0

Accidents at work did not have serious consequences

g. Number of fatal accidents: work, road

	2019	2020	2021
No. of fatal work accidents	0	0	0
No. of fatal road accidents	0	0	0
TOTAL fatal accident	0	0	0

h. Control and monitoring of activities in high and specific risk areas

High and specific risk areas are those areas where risks have been identified that may lead to accidents or occupational diseases with serious, irreversible consequences, respectively death or disability (eg explosion hazard, noise above the permissible limit and electrocution).

	hazards	Nr. workers
Boiler room	explosion, hearing loss	7
Cogeneration station	noise	6
PA8 etand transformation points	electrocution	4
Pressure receptacle storage areas	explosion	0
Noise areas above the permissible limit complicated	hearing loss	67
TOTAL		84

Based on the risk assessment, technical and / or organizational measures are established and applied for these areas to reduce the exposure of workers such as: appropriate signaling of the area, delimitation of the area and limiting access to them. Actions to implement the measures established following the risk assessment for high and specific risk areas are a priority in the prevention and protection plan.



i. Number of accidents whose victims were employees of personnel leasing companies or companies providing services in the company

	2019	2020	2021
No. of accidents of temporary employees or service providers	0	0	0

j. Emergency situations and ability to respond

Possible emergencies are identified and plans are implemented for the planned response to these situations, including first aid. Measures are taken to train workers for planned responsiveness and for regular testing and exercise of responsiveness.

k. Number of fires

	2019	2020	2021
No. of fires recorded	4	1	0

The causes of the fires were non-compliance with legal regulations on smoking and improper operation of work equipment.

In order to increase the response capacity, according to the legal provisions, a Private Service for Emergency Situations (SPSU), type P2, is set up, equipped with two intervention trucks.

l. Ensuring consultation and participation of workers in OSH issues

The organization has established and implemented a mechanism for consulting workers' representatives and which allows their balanced participation in discussing all issues related to safety and health at work. Emphasis is placed on consulting and participating in workers who do not hold managerial positions.

Consultation involves two-way communication based on dialogue and exchange of ideas
Participation allows workers to contribute to OSH decision-making processes

	2019	2020	2021
No. of CSSM meetings	4	2	2

The lower number of OSH meetings in 2020 and 2021 is due to the pandemic during 2020.

m. Monitoring the health of workers

Occupational medicine ensures the surveillance of the health of workers in order to ensure the prevention, detection, dispensary of occupational and occupational diseases, as well as the maintenance of the health and working capacity of workers.

1) Number of clinical examinations, by type of examination

	2019	2020	2021
Nr. clinical examinations at employment	395	183	543
Nr. transfer clinical examinations	162	200	150
Nr. exams consult occupational medicine	20	8	13
Nr. periodic clinical examinations	1943	1767	1631



2) Number of employees declared fit / unfit for employment by the occupational physician

	2019	2020	2021
No. employees declared "conditioned fit" on the job	157	131	164
No. employees declared "unfit" for the job	3	3	-

Workers declared "fit" were made by the occupational physician recommendations on dispensary care to specialists, avoiding risk factors for workers' health.

n. Sensitive groups

Specific risk-sensitive groups, such as: pregnant women, young people under 18 and people with disabilities, are protected against the dangers that specifically affect them, according to the legislation in force.

1) Number of pregnant women and young people under 18 years

	2019	2020	2021
Nr. pregnant women	21	23	20
Nr. young people under 18	17	9	17

The working conditions, nature, degree and duration of exposure of persons belonging to sensitive groups and carrying out activities likely to present specific risks for them generated by chemical agents, processes and working conditions shall be assessed.

o. Hazard identification and risk assessment of occupational injury and illness

A continuous and proactive process for identifying hazards is established and implemented in the organization, a process that takes into account:

- non-routine activities and situations
- human factors
- relevant past incidents, including potential emergencies
- design of workspaces, processes, installations, machines / equipment, operational procedures and work organization, including their adaptation to the needs and capabilities of workers
- existing and proposed changes in organization, operations, processes, activities and OSH management system.

The essence of the method consists in identifying all hazards in the analyzed system (job, activity) based on predefined checklists and quantifying the size of the hazard based on the combination of severity and frequency of the maximum foreseeable consequence.

The hazards were identified and the risks related to all activities carried out in COMPA were assessed.

In order to eliminate, reduce or control the risk factors, measures have been proposed that are an integral part of the prevention and protection plans related to the compartments / workshops.



Level of occupational safety and health risk:

Global risk level	little	medium	big
Risk level by compartments / workshops (no.)	25	3	0

In conclusion, the results obtained from identifying and assessing the levels of safety risk at work and at the level of compartments / workshops indicate a good level of safety and health at work.

p. Working conditions

COMPAs pays constant and sustained attention to the conditions of the working environment with regard to measures to eliminate or minimize the risks posed by exposure to noxious substances, in particular by:

- compliance with the exposure limit values;
- the design of work processes and the use of appropriate equipment and materials in such a way as to avoid or minimize the emission of noxious substances which may present a risk to the safety and health of workers at work;
- the application of collective protection measures at the source of the risk, such as: adequate ventilation and appropriate organizational measures;
- the application of individual protection measures if exposure cannot be prevented by other means.

Annually the determinations of the quality indices of the work environment are made: mineral oil vapors, aliphatic hydrocarbons, powders, fumes, acids, bases, noise, microclimate (temperature, currents, lighting, humidity, CO), etc., and in the SSM management programs reduction targets are planned.

No exceedances of the quality indices of the working environment were found, except for the noise level in the processes of stamping, polishing or generated by some installations (eg boilers, compressors, etc.).

COMMERCIAL ACTIVITY

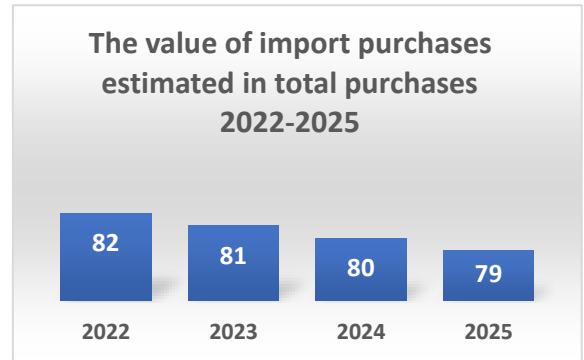
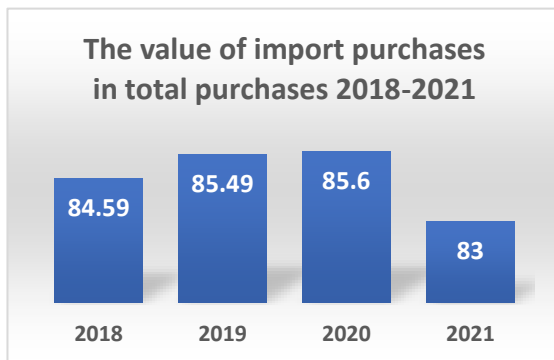
1. PURCHASING ACTIVITY



The purchasing activity has developed continuously in recent years, with the development of the company. The company's focus on large customers in the automotive industry but also on those in the non-automotive industry, has led to a considerable expansion of the database of suppliers as well as an increase in the share of suppliers in imports, in total purchases. This is due to the high level of specialization required of suppliers.

COMPA has gone from the purchase of mainly basic materials to the purchase of imported semi-finished products, due to the increase of the technological level of the company and implicitly of the specialization in certain fields. In the context of the current market, a continuation of the trend for the coming years can be estimated.

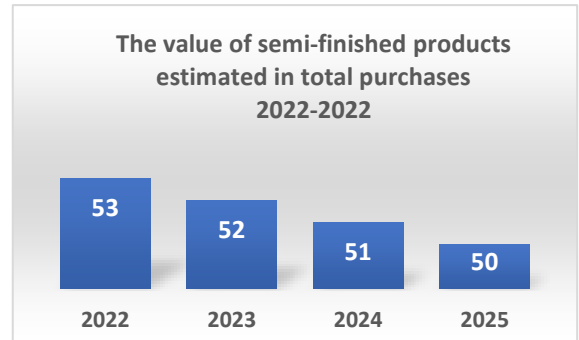
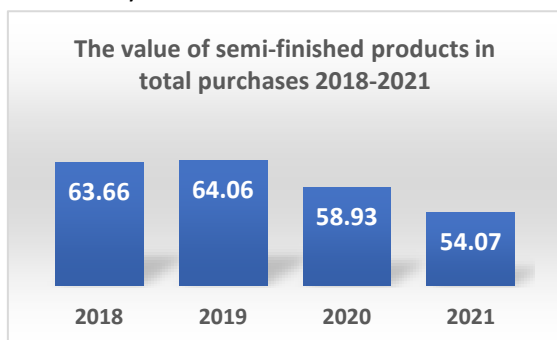
However, the company's strategy is to increase the share of domestic procurement in order to minimize transport costs and ensure better integration of suppliers. This has not been possible in the past, as the high degree of specialization of most of the products supplied has made it impossible to insure them domestically.



1.1 ESTIMATED EVOLUTION OF THE PURCHASE OF SEMI-FINISHED PRODUCTS

In the next period it can be estimated that the value of semi-finished products in total purchases will decrease in favor of basic materials, largely due to the development of new processes in both the automotive and non-automotive sectors for which most operations are done in-house.

The development of these projects will lead to an increase in raw material purchases, especially forging raw materials. The purchasing strategy is also based on finding internal suppliers, to shorten delivery times and reduce delivery costs.



2. RISKS AND OPPORTUNITIES IDENTIFIED WITHIN THE PURCHASING DEPARTMENT:

- Risk and opportunity have one thing in common: uncertainty - Both are unpredictable events that can have negative or positive effects.
- Risk is an uncertain event that, if it occurs, has effects on the organization's objectives and strategy.
- Opportunities can lead to the adoption of new practices, the launch of new products, the opening of new markets, the approach of new customers, the development of viable partnerships to address the needs of COMP A or its customers.

At the level of the Purchasing department, the following risks and opportunities are identified and treated:



- **RISKS:**

- The likelihood of entering a new global recession, which will affect the car industry more than in the past in the context of a global epidemic.
- Economic instability of certain suppliers as well as insolvency of some suppliers.
- Increased flexibility is required of suppliers, reference quantities are fewer and variety is greater; the accuracy and quality requirements are increasing and complex.
- Monopole position on the market of suppliers of components and raw materials with special characteristics.
- Quality problems generated by suppliers with an impact on end customers that affect the image of COMP A.
- Large number of suppliers at company level to be managed.
- Long supply times from some suppliers and minimum quantities imposed by them.
- The accelerated rise in prices generated by inflation and especially by the unprecedented rise in the price of electricity and gas which have a strong influence on both domestic costs and supplies.

- **OPPORTUNITIES:**

- Strengthen trade relations with existing suppliers.
 - Development of local suppliers for both ongoing and new projects.
 - Expanding the supplier base on existing products in series production or new projects.
 - Know-how in a wide range of processes and areas that offer a strategic advantage.
 - Development of specific knowledge for the staff within the department, by participating in various training courses, workshops, etc.
- Risks and opportunities are analyzed and treated periodically within each department of COMP A, through a procedural way of working. Processes are implemented regarding the identification, assessment and prioritization of risks and opportunities, followed by the economic application of resources for their elimination, reduction or promotion, as appropriate. In order to keep them under control, action plans and timeframes shall be drawn up for the treatment, prevention and mitigation of the impact of risks, as well as action plans and timelines for the development of a strategy for the materialization and development of opportunities.

3. THE MAIN OBJECTIVES OF THE PURCHASING DEPARTMENT ARE:

In the context of market globalization - the need to align the market with stock quotes for most products by obtaining a price index with 100% inclusion in MEPS. (Management Engineering and Production Services - price indicator on the metallurgical market, which provides price estimates).

Finding sources of supply to ensure the highest possible competitiveness of the prices of raw materials and materials supplied, stability and sustainability of the supply chain.

Market research and finding new supply solutions as well as the development of suppliers with whom there are collaborations in order to obtain the best level of price and quality in the supplied products.

Collaborate with suppliers that respect COMPA standards, principles and vision in the field of quality, environment and occupational health and safety by holding certifications, such as:



- **ISO 9001** (Formalized system that documents the structure, responsibilities and procedures needed to achieve quality management effectively).
Certification to the ISO 9001 standard is a minimum requirement, mandatory for all suppliers of COMPA products and services, this being an exclusion criterion in the market prospecting phase.
- **IATF 16949** (International Automotive Task Force - this standard aims to develop a quality management system that ensures continuous improvement, focusing on preventing defects and reducing variations and waste in the supply chain, regulations applicable and valid in the automotive industry).
 - COMPA wants all its suppliers of raw materials and materials whose products are part of the automotive sector to improve their quality management system by joining the IATF. To this end, COMPA provides support to its suppliers through the supplier development program. COMPA annually promotes a supplier development program, through which it selects an existing supplier, which it provides support in improving quality-environment systems by optimizing production and control processes, training on techniques applied in lean-manufacturing, 6sigma, quality core tools, Kaizen (continuous improvement), 5S, etc.
- **ISO 14001** (eco-management standard that allows organizations to minimize environmental effects and compliance with laws, regulations and other environmental requirements as well as the continuous improvement of these aspects).
COMPA suppliers must adopt a similar environmental policy by attesting to ISO 14001, this is one of the main criteria for selecting suppliers.
- **ISO 45001** (standard for occupational health and safety management systems, the objective of ISO 45001 is to reduce accidents at work and occupational diseases, but also to promote and protect physical and mental health).
COMPA suppliers must adopt a similar occupational health and safety policy, by attesting to ISO 45001. This is a second main criterion applied in the selection of suppliers.

▪ **ENVIRONMENT**

COMPA gives priority to environmentally friendly purchases and raw materials, materials, chemicals, parts, components, equipment and protective materials. A particularly important aspect for the protection of the environment is the proper management and management of chemicals and hazardous waste. For this reason, COMPA has aligned itself and requires its suppliers to align with a number of requirements in the field, such as:



REACH 1907/2006 (Regulation, Evaluation and Authorization of Chemicals) - a regulation of the European Union, adopted to improve the protection of human health and the environment against the risks posed by chemicals, while increasing the completeness of the EU chemical industry. It also promotes alternative methods for assessing the hazards of substances, in order to reduce the number of animal tests.

In principle, REACH applies to all chemicals; not only those used in industrial processes, but also in our daily lives, for example in cleaning products, paints, as well as in items such as clothes, furniture and electrical appliances. Therefore, the regulation has an impact on most EU companies.

★ **CLP 1272/2008** (Classification, Labeling and Packaging of substances and mixtures) The Regulation on Classification, Labeling and Packaging is based on the United Nations Global Harmonized System (GHS) and aims to ensure a high level of protection of health and the environment; free movement of substances, mixtures and articles.

★ **Conflict Minerals** - a regulation aimed at stopping the financing of armed groups through trade in minerals from conflict zones. The regulation obliges EU companies to responsibly choose the source of their imports of tin, tantalum, tungsten and gold and to ensure that their supply chains do not contribute to the financing of armed conflicts.

COMPA suppliers must comply with these requirements and provide information on the products supplied, such as the content of elements and chemicals, the components of the products and the quantity and hazardous effects of the elements and chemicals contained, safety data sheets, warranty periods and regulatory compliance. to which COMPA aligned (REACH, CLP, Mineral Conflict, etc.).



All this information must be transmitted by COMPA as well as by COMPA suppliers throughout the supply chain.

- COMPA promotes and recommends its suppliers to promote voluntary activities to protect the environment, biodiversity, the natural environment, the conservation of energy and irrecoverable natural resources, reduce the amount of waste generated by their organization and improve the means of transport of their own materials and products. It also recommends reducing and streamlining packaging for products to be delivered to COMPA, especially the use of reusable packaging, the use of substitutes for single-use wooden pallets, and the implementation of the design and use of environmentally friendly packaging.



- COMPA suppliers must align themselves with a number of clear environmental protection objectives that COMPA requires, through the Green Procurement Guide:
 - ✓ Compliance with legal and environmental requirements.
 - ✓ Selection of raw materials and materials with low impact on the environment.
 - ✓ Purchase of products with low energy consumption and natural resources, low pollution risks.
 - ✓ Design of ecological / recoverable packaging eg: reusable boxes, reusable pallets.
 - ✓ Use of recyclable materials with high energy efficiency.
 - ✓ Establishment of a system for the collection / recovery of waste from the packaging provided.
 - ✓ Selection of authorized companies for the recovery / disposal of waste from the packaging provided.
 - ✓ Designing processes that generate small amounts of waste and scrap.
 - ✓ Reducing the loss of materials and energy resources used.
 - ✓ Promoting sustainable procurement.

COMPA is working diligently to further integrate environmental sustainability into all aspects of its supply chain functions, requiring suppliers to take a similar approach in this direction. COMPA and its suppliers maintain a collaborative supply chain that minimizes environmental impact and improves long-term sustainability for the planet and the communities it serves through innovation and performance. (A recent example of the change in sustainable packaging has been the provision of durable products for protective masks in response to the COVID-19 pandemic. COMPA, together with a local partner, has replaced disposable masks with reusable face masks., the environmental impact of this type of waste has been considerably reduced).



COMPA ensures a continuous supply flow by using its own transport fleet, correlating deliveries with product supply, reducing the impact on the environment by reducing the carbon footprint.





COMPA suppliers must adopt progressive labor, health and safety, ethics and environmental policies that meet or exceed all applicable international human rights laws, norms and standards. Policy guided by the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the principles set out in the International Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.



COMPA suppliers must have a policy that covers employees, suppliers, partners and communities. This policy must include ethical recruitment practices, diversity, anti-harassment, discrimination, support for women's rights and equal pay, individual confidentiality, reporting and anti-retaliation policies. Do not tolerate the use of child labor, force labor or trafficking in human beings in any form - including slave labor, imprisonment, corporal punishment in its operations or in the supply chain.

Suppliers and business partners of COMPA must comply with the laws on safety, individual security, prohibitions on trafficking in human beings and the use of minor children, together with the laws ensuring freedom of association and collective bargaining rights and comply with the relevant minimum wage and maximum regulations, including overtime pay, as appropriate, and provide decent living conditions.

All COMPA suppliers must comply with applicable laws and regulations. They must not have been sanctioned / penalized by law enforcement for non-compliance with the law or the occurrence of incidents that significantly affected the environment, or social incidents (work without legal forms, discrimination, etc.), these aspects being regulated in the policy of COMPA procurement.

To increase the impact on the local community, COMPA works and encourages its suppliers to work with protected unit entities as well as ECOVADIS certified suppliers. An example in this direction is given by the COMPA print fleet, which comprises over 90% EPSON equipment (platinum winner ECOVADIS 2020 - a verification tool for companies covering a wide range of non-financial management systems such as: environment; work and human rights; ethics but also the impact of sustainable procurement).

COMPA also works with suppliers in both the top CSR Romania 2020 and the top CSR Europe. (CSR - Corporate Social Responsibility).

The specific requirements for responsible supply chain practices are also found in the IATF 16949 quality standard through the item "Corporate governance". These requirements include an employee code of conduct, an anti-bribery policy and an ethics-raising policy ("warning policy"). Adopting the requirements for responsible supply chain practices and transmitting them throughout the supply chain as well as adopting the requirements of the IATF 16949 management system is a priority for COMPA and its suppliers.



The selection of COMPA suppliers, their monitoring and evaluation, is done in accordance with the rules of IATF 16949 and following a market prospecting and a comparative analysis. To this end, suppliers of products and services must demonstrate that they have adopted, or are willing to adopt, an approach similar to that of COMPA, in relation to the environment and social responsibility, and are achieving good results in this regard. This proof is made by certification to ISO 14001 and ISO 45001 and verification is done by completing the self-assessment questionnaires that COMPA sends annually to suppliers, through which suppliers declare whether there have been environmental or occupational health and safety

incidents within their company.

Through quality contracts and agreements concluded with its suppliers, COMPA ensures the transmission throughout the supply chain to suppliers and sub-suppliers of the requirements of quality, environment, social responsibility of both COMPA and its customers.



Suppliers are monitored in a database of accepted suppliers in order to maintain ISO and IATF certifications and are required to notify COMPA in advance if they wish to waive one of the certifications registered at the beginning of the collaboration. COMPA will analyze and make a decision on the continuation of the collaboration with the supplier in question.

COMPA has developed and requires its suppliers to develop a contingency plan for key suppliers by diversifying the supply chain that can be put in place in case of emergencies. By implementing this requirement in the supply chain to suppliers as well, a constant production flow is ensured in order to meet customer requirements throughout the supply chain.

The evaluation of service suppliers is made taking into account the problems of quality, environment, health and safety at work and emergencies, related to the respective provider. The final score in the evaluation is given according to these indicators.

The monthly monitoring and evaluation of suppliers of products and services and their information on a quarterly basis by issuing a scorecard on the level of fitness recorded ensures an approach based on the principles and values of the quality of the automotive sphere. If the supplier is in the yellow or red zone, it will be placed in the database of suppliers with problems, requiring the preparation and follow-up of a corrective action plan with clear actions, deadlines and people responsible for solving problems and relocating the supplier to the green zone.

COMPA maintains and requires its suppliers to take a proactive approach to environmental impact management by maintaining and continuously aligning internal procedures and regulations with legal / environmental requirements regulated by national and international bodies as well as transmitting these requirements throughout the supply chain. In order to verify the alignment of suppliers to these procedures, the annual re-verification of COMPA suppliers is done on the basis of self-assessment questionnaires that include sections on environmental issues, occupational health and safety, local factors, transparency, etc.



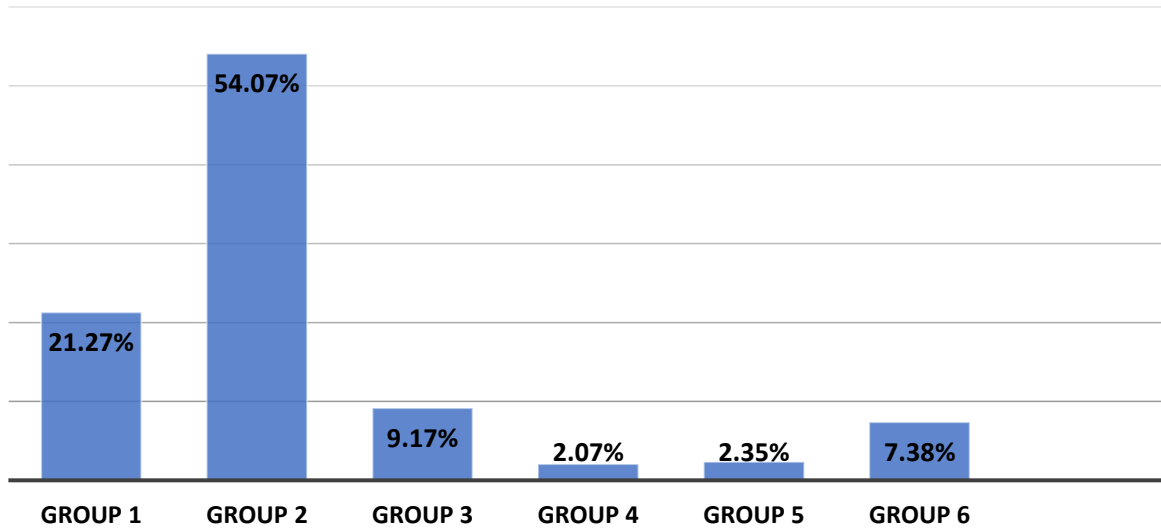
COMPA suppliers must comply with the requirements of quality, environment and social responsibility, COMPA ensures compliance with these aspects by drawing up an audit plan, which seeks to conduct audits of suppliers of raw materials and materials, as well as by annual survey of all suppliers. of products and services.

By annually recertifying approximately 100 suppliers of raw materials and supplies, COMPA ensures that product quality is maintained throughout the supply chain.

COMPA encourages and supports the local business environment through existing business relationships, existing contracts and new / future projects in which these partners are / will be involved. It prioritizes where possible business development with local partners and encourages its suppliers to do the same.

The distribution of COMPA suppliers is as follows:

Weight of purchases by groups of materials



Group description:

Group 1 - Sheet metal, Tape, Bar, Pipe, Wire, Stainless steel

Group 2 - Components & Semi-finished products

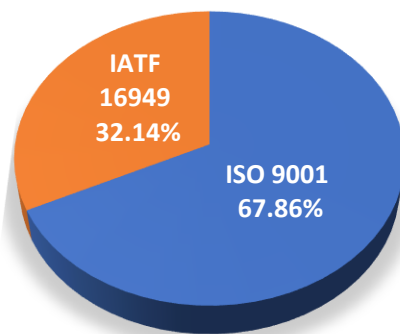
Group 3 - Tools & devices

Group 4 - Plastics, Rubber, Abrasives, Verifiers, Rubber parts, etc.

Group 5 - Chemicals, Lubricants, Paints, Gases, etc.

Group 6 - Miscellaneous, Packaging, Services, Maintenance, Labor Protection etc.

SUPPLIER CERTIFICATIONS



4. Future strategy:

In order to increase confidence in the Mineral Policy in conflict areas, starting with 2021, COMPA will require suppliers to prove their adherence to the Conflict Minerals policy by completing the "Responsible minerals initiative" questionnaire regulated by the relevant authorities.



In order to manage a responsible supply chain, COMPA implemented in 2021 a "Guide to social responsibility" which aims to encourage its partners and suppliers in terms of compliance with the principles of social responsibility. The terms and conditions of COMPA shall clearly provide for a prohibition against any use of child labor or any other form of forced or involuntary labor, ill-treatment of employees or corrupt business practices in the provision of goods and services. COMPA contracts with suppliers will set out the expectations regarding the legal observance of data protection and privacy, salaries, hours and conditions of employment, selection of subcontractors, anti-discrimination, health and safety at work.

COMPA has integrate ethical, social, environmental and gender criteria, including occupational health and safety, into purchasing, distribution and contracting practices and policies to improve coherence with social responsibility objectives and will continue to pursue these issues throughout the supply chain.

COMPA also support the encouragement of supply chain organizations to adopt similar policies, without allowing anti-competitive behavior. These points will be included in the conditions of purchase and contracting of COMPA. Monitoring of supply chain organizations in order to prevent compromising the organization's social responsibility commitments will be done annually by completing a self-assessment questionnaire by suppliers that will include a set of questions assigned to social responsibility, as well as by direct audit of suppliers.

COMPA aims to support SMEs by raising awareness of the areas of action of social responsibility and good practice and providing additional assistance in achieving socially responsible goals. The organization's commitment to pay fair compensation for the goods it purchases or uses through contracts / purchase orders.

For better information on the social and environmental conditions in which the purchased goods and services are produced, COMPA is requesting the completion of a Self-Assessment Questionnaire of the potential supplier for products or services that will include issues related to social and environmental conditions.

In addition, COMPA suppliers will certify by survey the following points:

- Applying the company's business practices in accordance with the COMPA Supplier Code of Conduct or a similar code of conduct published by their company.
- Adopt your own code of conduct or similar document expressing a commitment to conduct business ethically, honestly and in accordance with all applicable laws.
- Distribution to suppliers of the COMPA Supplier Code of Conduct or a similar code of conduct published by their company.
- Adopt a security policy that is in line with the principles set out in the COMPA Supplier Code of Conduct.
- Suppliers' responses to the survey will be reviewed and scaled, if necessary, to address the risk.

2. COMPA SALES ACTIVITY

1. SALES STRATEGY

The activity of the sales department consists in promoting the products and services offered in order to develop the company in an efficient, sustainable way and to of course increase the company's profitability.

Particular attention is paid to the promotion of new technologies in the field of hot forging and surface coating with ZnNi alloy in order to assimilate new products to cover existing production capacities.

COMPA currently operates in the automotive sector with a share of approximately 83.9%.

The partnerships developed with the major Tier 1 suppliers in this industry (BORG WARNER, BOSCH, GARRETT, JTEKT, DACIA-RENAULT, SCHAEFFLER, ZF, etc.) ensure a continuous and sustainable development of the company. The great variety of existing processes in COMPA ensures the constant expansion of the products offered. The resulting positive effect is to increase the level of know-how on each process and maintain a high degree of diversity in terms of products made.



However, the car industry is sensitive to global economic change. In response to the negative effects of the decline of diesel engines, COMPA, with relatively high exposure to component production for this application, has already established strategies to win new projects completely independent of diesel engines.

An important and noteworthy project in the above context is the manufacture of high-pressure injection pump components for petrol and hybrid engines. It is a project that counterbalances the exposure on components for diesel and which also involved the successful realization of a fully automated production line within the company. Other new types of products for the transmission system for 100% electric cars or steering gear have also been assimilated, products that are outside the diesel sphere and are of the future.

It is well known globally that the production of automotive components for diesel vehicles has decreased, due to the trend to encourage the production and use of petrol or electric vehicles. The pandemic caused by COVID 19, accelerated this process, transforming the automotive industry and, consequently, decreasing the demand for internal combustion engine components, especially diesel.

It is therefore a certainty that the car industry is currently undergoing a transformative process and a massive restructuring. A range of components that COMPA produces today have an uncertain future in the medium and long term. In this sense, our strategy must follow two directions:

Thanks to its experience in this field, COMPA will continue to invest in the production of future car components that align with the requirements of this new car industry with all its challenges.

Given the volatility of this industrial segment in the coming years, COMPA strategy must be one of diversification. Continuous efforts are being made by society to identify industrial areas that have potential in the future. In recent years, COMPA has started a series of production activities for other industrial segments, such as: the CNC machine building industry, water pump components, etc.

Given the high percentage of activity in the automotive sector, a strategic direction has also been established to ensure the reduction of dependence on this industry. In this context, the organization has also established a performance indicator that aims at an annual increase in turnover in the non-automotive sector.

The Marketing-Sales Department is directly responsible for this indicator, and with the support of the other functions involved, it has a continuous concern in identifying and developing new projects with clients from other industries.

Another strategic direction that COMPA places great emphasis on is development as an integrated supplier.

Integrated supplier means the possibility to offer customers complex products and assemblies that involve the use of as many processes as possible in COMPA, these being listed here:

- ✓ Hot forging
- ✓ Mechanical processing (turning, milling, gearing, grinding)
- ✓ Machining on multi-axis machines
- ✓ Tool manufacturing
- ✓ Processing on special materials
- ✓ Manufacture of metal components through a 3D printing process
- ✓ Embossing
- ✓ Electrochemical deburring and abrasive paste deburring
- ✓ Welding
- ✓ Laser cutting of tubes, pipes and sheets
- ✓ Cutting sheets with large thicknesses up to 50mm with Oxi gas
- ✓ Spring Manufacturing
- ✓ Brazing
- ✓ Heat treatments
- ✓ Cataphoretic, liquid and powder coating
- ✓ Galvanic coatings (Zinc plating, Zn Ni)
- ✓ Washing on special machines, including in a vacuum environment
- ✓ Automated cell assembly
- ✓ Measurements and control of parts on machines in 3D coordinates

By developing as an integrated supplier, more added value is generated, the level of know-how is automatically increased and implicitly the company's profitability. Starting from this strategy, considerable investments have been made in recent years in the hot forging process and in its optimization. Hot forging is a technological process that underlies many components required by the automotive industry and beyond. Having this technological process in the factory, we can offer complete / integrated solutions for making products to customers.

Some examples of forged parts, made in COMPA:



To ensure a prosperous business relationship with its partners, COMPA also strictly pursues another important indicator aimed at customer satisfaction. This activity or line of action is also imposed by the specific quality standard for the automotive industry, namely IATF 16949. Through this indicator, all customers in the automotive industry and all-important customers of the company that generates a turnover are monitored on a monthly basis. significant. The main aim is performance in terms of quality, logistics, etc.

This indicator monitors the collaboration with each client in real time and can intervene quickly if certain problems are detected that may damage the business relationship with that client or, on the contrary, actions can be taken to improve the collaboration.

Another aspect worth mentioning regarding the satisfaction of customers' requirements is the one related to social responsibility. COMPA's main customers are multinational companies with a minimum of 10,000 employees and who are aware of the role and impact of their business in society. Each of these customers has a code of conduct that defines their ethical and social responsibility principles to be respected throughout the supply chain. Thus, COMPA has also integrated these social responsibility requirements into its working procedures, acting accordingly.

2. RISKS AND OPPORTUNITIES IDENTIFIED WITHIN THE SALES DEPARTMENT

Risk and opportunity have one thing in common: uncertainty - Both are unpredictable events that can have negative or positive effects.

- Risk is an uncertain event that, if it occurs, has effects on the organization's objectives and strategy.
- Opportunities can lead to the adoption of new practices, the launch of new products, the opening of new markets, the approach of new customers, the development of viable partnerships to address the needs of COMPA or its customers.

At the level of the Sales department, the following risks and opportunities are identified and treated:

- **RISKS:**

- Volatility of the car market: Diesel decline where COMPA has an important portfolio of products, increasing the share of electric cars that have much fewer components.
- Global decrease in component orders for the automotive industry due to the COVID 19 pandemic and the semiconductor crisis.
- The accelerated rise in prices caused by inflation and especially by the unprecedented rise in the price of electricity and gas which have a strong influence on both domestic costs and supplies.
- The likelihood of entering a new global recession, which will affect the car industry more than in the past in the context of a global pandemic.
- Economic instability of certain customers as well as the insolvency of some customers.
- Increased flexibility of deliveries is required, the quantities per reference are less and the variety is greater; the quality requirements being more and more complex.
- Quality issues generated with impact on end customers affect the image of COMPA.

- **OPPORTUNITIES:**

- Strengthen business relationships with existing customers.
- Identification and development of business with customers in the field of hot forging on specific HATEBUR, where COMPA has free production capacities.
- Expansion in other industries outside the automotive sphere, in order to diversify the range of customers (eg WILO, DMG MORI, VESTAS customers).
- Extension of the customer range on products already existing in series production (eg: sprockets, forged axles and parts for the steering box, mechano-welded assemblies for various industries, etc.)
- Focus on the execution of parts-parts in order to increase the added value.
- Know-how in a wide range of processes and areas that offer a strategic advantage.
- Development of specific knowledge for the staff within the department, by participating in various training courses, workshops, etc.



Risks and opportunities are analyzed and treated periodically within each department of COMPA, through a procedural way of working. Processes are implemented regarding the identification, assessment and prioritization of risks and opportunities, followed by the economic application of resources for their elimination, reduction or promotion, as appropriate. In order to keep them under control, action plans and timeframes shall be drawn up for the treatment, prevention and mitigation of the impact of risks, as well as action plans and timelines for the development of a strategy for the materialization and development of opportunities.



3. EXISTING NON-AUTO PROJECTS AND NEW NON-AUTO PROJECTS

Starting with 2018, the partnerships with various renowned companies from other industries have intensified. These new businesses bring a number of benefits to the company such as: increasing turnover, reducing dependence on a single industry, developing new technologies, increasing the level of know-how, increasing the level of flexibility, creating new jobs, and so on



3.1 THE HAULOTTE PROJECT - TRADITIONAL NON-AUTO PARTNER



A successful non-auto project that has developed in recent years in COMPA is the one with the French company HAULOTTE. It is a world leader in the production of lifting equipment and materials. No less than 235 different mechanically-welded components and structures are made in COMPA, generating an annual consumption of > 6,000 tons of steel.

Several dedicated production areas have been allocated in COMPA for this type of products.

3.2 THE DAIKIN PROJECT - TRADITIONAL NON-AUTO PARTNER



The partnership with DAIKIN started in 2005. The company is one of the world's largest manufacturers of air conditioning systems, and COMPA produces a wide range of copper pipes, through a special brazing process. This customer is delivered annually a number of ~ 185,000 pieces made from 23 different references. And in this relationship with DAIKIN, COMPA has set up a dedicated production workshop.

3.3 VESTAS AIRCOIL PROJECT - NEW NON-AUTO PARTNER

During 2020, a new business was started with VESTAS AIRCOIL, a Danish manufacturer, a leader in the production of cooling systems for the marine industry and other industrial applications. In COMPA, various precision mechano-welded assemblies are produced, which are then processed on CNC machines and protected against corrosion by a process of liquid painting or thermal galvanizing, depending on the final application.

A few examples of parts which are produced in COMPA for this client:



3.4 DMG-MORI PROJECT - NEW NON-AUTO PARTNER



A large-scale project was concluded between COMPA and DMG MORI, one of the world leaders in the production of CNC machinery and equipment.

COMPA has already arranged 2 dedicated workshops where both the complete cabins and a number of > 160 different components that are part of the CNC machines are produced, and the development plan continues. During 2021, a new, automated electrostatic painting line will be installed to ensure quality at the highest standards in an environmentally friendly process.

COMPA enjoys the recognition of efficiency from customers, the most recent event of this kind being the award of the strategic partner award in 2019 by DMG MORI during the 22nd edition of the EMO (Machine Tool World Exposition) in Hanover.

3.5 THE WILO PROJECT



Another important project outside the automotive sphere and which strongly strengthens the business and the future of COMPA is the partnership developed with WILO, one of the world's largest manufacturers of

high-tech pumps and pump systems for residential and commercial construction, management water and other industries. This company offers innovative solutions and smart products for water transport in an intelligent, efficient and environmentally friendly way. Through the sustainability strategy and together with its partners, the company makes an important contribution to the protection of the climate and the environment.

COMP A has set up a production workshop dedicated to this customer, in which over 150 types of pumps are produced on lathes and state-of-the-art CNC machining centers, and then the parts are phosphate and painted cathodically for corrosion protection.

It is very important to mention that despite the global economic crisis generated by the pandemic, COMP A's production for this customer was stable. WILO, due to the fact that it serves several industries, was very little affected. During 2021 COMP A won a new package of parts for a new WILO project and this will definitely consolidate the partnership.

Both of the above-mentioned customers are directly following global carbon reduction trends and have strong commitments in this regard.

3.6 DEVELOPMENT RESEARCH CENTER



The research - development activity, component of the COMP A strategy on medium and long term, knows a significant intensification and allocation of resources in the last years. In this sense, a new Research & Development center was inaugurated. The main objectives of the center are to carry out machinability studies in order to optimize current technological processes and to test alternative processing technologies to be implemented in mass production.

By using state-of-the-art technologies, such as 3D printing of metal components and ultrasonic processing on advanced materials, COMP A aims to develop new products.

Within the research and development center, various prototypes are produced using a wide range of processing processes.

The turnover on the non-automotive sector has doubled in value in the last 5 years. COMP A's intention is to maintain this trend in the future so that production for non-automotive components represents at least 25% of total turnover.



MANUFACTURING

The Manufacturing Department within COMPA SA carries out its activity in order to fulfill the general objectives of the company in the Strategic Dashboard.

The production activity within COMPA SA consists in the creation of a diversified portfolio of automotive components (injection components, subassemblies and turbocharger components, windscreen wiper subassemblies and components, cassette and steering column subassemblies, cold-wound springs, stamped parts, forged parts, etc.) as well as non-automotive (metal fabrications, air conditioning pipes, various machined components for machine tools, industrial pumps, etc.) which involve the use of various manufacturing processes as follows:

- | | |
|--|---|
| - Machining on numerically controlled machine tools | - Electrostatic field painting with water-based paint or powder paint |
| - Deep drilling | - Galvanic coatings |
| - Toothing | - Brazing copper pipes |
| - Running grooves | - Heat treatments |
| - Reworking | - Electrochemical deburring |
| - EDM processing | - Assembly |
| - Robot welding | - Forging |
| - Processing of parts from strips and sheets by cold forming | - Laser cutting |
| - High accuracy wash | - Oxygen cutting |
| - Cataphoretic dyeing | - Cold winding |

Description of the objectives, targets and responsibilities established for the performance of the activity of the Manufacturing Department in performance conditions

The objectives of the manufacturing activity are mainly derived from the objectives of the company and refer to:

- increasing the company's profitability to cover operating costs and allow future developments
- reducing costs by identifying improvement projects
- reducing costs with non-quality
- increase process performance
- increasing the level of safety at work.

The indicators necessary to achieve the objectives of the Manufacturing Department were established following the decisions of the managerial analysis performed at the beginning of the year. It is necessary to constantly adapt to the conditions in which it operates, in order to reduce risks and establish development opportunities.

Following the audits carried out by the certified bodies, the Manufacturing Department contributed to maintaining the certifications of the Integrated Management System (according to ISO 9001, ISO 14001, ISO 45001, IATF 16949) valid for the period 2021-2023.

Compliance with the legal requirements regarding quality, environment and OSH as well as the reduction of occupational safety and health risks for all current and special activities, has been achieved through the use of appropriate techniques and practices, by ensuring adequate working conditions to reduce the number of accidents at work and / or occupational diseases.

The Manufacturing Department is organized on profit centers, structured to meet the requirements and needs of each customer, at the level of each workshop there are available all the necessary support functions: logistics, maintenance, technical, quality. Risks and opportunities are treated individually by each manufacture, depending on the specifics and requirements of existing processes. The following are the most important existing manufacturing workshops within COMPA SA.



PROFIT CENTER FOR THE MANUFACTURE OF PUNCHED PARTS 130.

TYPES OF CARS:

(Machinery with 16t to 400t tonnage)

Automatic presses Mechanical presses Welding robot
Washing machines Rotofinish Lathe Machine
Guillotine scissors Belt sanders
Manual, eccentric and hydraulic presses

❖ Suprafața de producție	2679 mp
❖ Număr muncitori direct productivi	26
❖ Număr muncitori indirecti productivi	12
❖ Capacități capac fulie pompa Dacia generația 1	776.000 buc. / an
❖ Capacități capac fulie pompa Dacia generația 2	1.853.000 buc. / an
❖ Capacități BOS Volkswagen	350.000 buc. / an
❖ Capacități BOS TOYOTA 9904407195	1.350.000 buc. / an
❖ Capacități Suport arc E6FT5 Z001A23	20.000 buc. / an

Injector processing and assembly 620 factory

Production area 5000 sqm

Number of directly productive workers 232

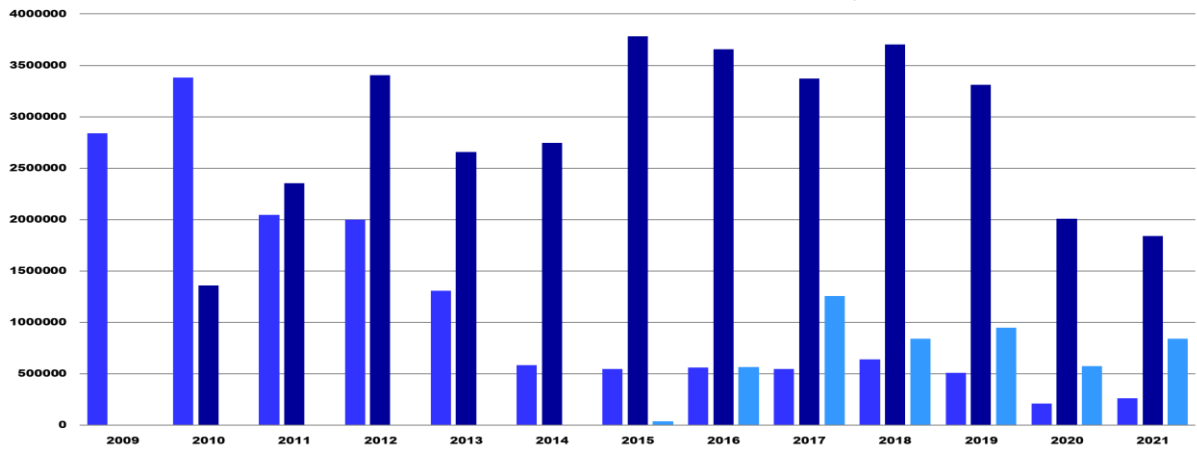
Number of indirectly productive workers 74

Processes:

- Machining - CNC Chiron, Spinner, Mazak, Supfina, Rene Clement, SW, SMOC, Thielenhaus,
- Electrochemical deburring - Sermatec
- Abrasive Deburring - Kennametal
- Phosphating - COMPA SA
- Laser marking - SEF Touraine, ES TECHNOLOGY
- Assembly - CMO, CIMA, SANVER
- Washing - Aquaresse, Curtis, Durr, Ecoclean, Hidroem, Sermatec

Injector type	Processing lines	Assembly cells	No. of injector types
NHB 1.3	1/2	1	11
NHB 1.5 & 1.6	5	3	14
NHB DAF F2P	3	1	10

VOLUME PRODUCȚIE



Injector production will continue to be high in the coming years due to SOP in October 2021 new variants for PSA and QMC customers respectively.

GDI INJECTION PUMP BODY PROCESSING FACTORY 640

Production area 1651 sqm
 Number of directly productive workers 24
 Number of indirectly productive workers 20
 Processing capabilities 2350 pcs / exchange
 Customers: VW, PSA, Renault, FCA

The automatic production line served by robots, integrates the following processes:

- Machining - CNC index with 5 shafts and counter-shaft (7 machines for machining op. 10 and op.20)
- Electrochemical deburring - Extrude Hone
- Laser engraving
- Washing - Eco Clean
- COMPA SA automatic control stands

LATHE PARTS AND AFM FACTORY (Abrasive Deburring)

	At. 630	At. 320 AFM
❖ Număr muncitori direct productivi (Direct workers)	170	45
❖ Suprafața de producție (Production area)	3216 m ²	781 m ²
❖ Suprafețe auxiliare Logistică+Mentenanță (Auxiliary area)	706 + 155 m ²	
❖ Capacități: (volumes)	buc/zi (parts/day)	tipuri (types)
■ NHB	13.000	10
■ Nozzle GMC	36.000	35
■ Nozzle ZBLN	2400	2
■ Nozzle NNC	8000	5
■ Nozzle (op.25)	15.000	8
■ Nozzle (op.20-30-40)	4.500	5
■ Carcasa magnetica (Magnetic frame)	4400	2
■ NHB MX	3300	6
■ Piston Guide	750	2
■ Spring Chambers	750	4
■ AFM valve	90.000 pe săpt. (/week)	14
■ AFM Nozzle	7000	4



MANUFACTURING AND ASSEMBLY FACTORY SUBASSEMBLIES AND BLOOD-BLOWING COMPONENTS 750

Production area 4319 sqm

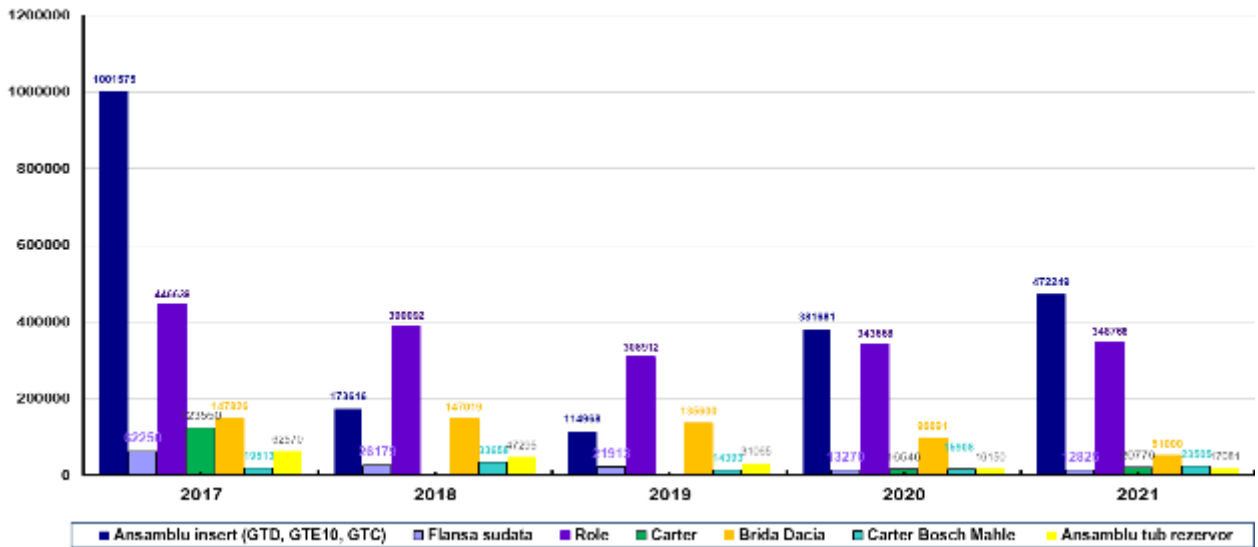
Number of directly productive workers 77

Number of indirectly productive workers 33

CAPACITY	pcs / day	types
Cartridge / Nozzle Ring	1800	4
Nozzle Assembly (Cartridge / Insert & Nozzle Assembly)	1400	26
Center Housing Assembly	600	15
Role (Roller)	4500	7
Dacia flange (Output long trans line)	570	1
VCST	2370	2
BALLNUT ZF	420	1

Processes and facilities:

Products	Used	Producer	Putting in function
Assembled flanges Carters Insert assembly	Numerical control machine	Mazak	2019
	Numerically controlled machine (horizontal + vertical)	Spinner Mazak Gildemeister	2014
	Numerical control centers	Spinner Mazak	2003
	Mounting stands (marking; riveting; pressing; welding) Marking - riveting - pressing unit	COMPA SA COMPA SA	2003 2018
	Washing machines	Unitech Annemasse	2003
Rolls	Numerically controlled machine	Swing	2004
Dacia bridle	Numerically controlled machine	Spinner Mazak	2015
	Brooch machine	Klink	2015
	Washing machine	Mafac	2015
VCST	Numerically controlled machine	Mazak Mg	2018
BALLNUT	Numerically controlled machine	Mazak	2018 2021



FACTORY ASSEMBLY SUBASSEMBLY BOXES AND STEERING COLUMNS INCLUDING HEAT TREATMENT (450A AND 450B)

Production area 2600 sqm + 1700 sqm TT
 Number of directly productive workers 54
 Number of indirectly productive workers 18
 EBOS line capabilities 10683 pcs / day
 Finishing line capabilities 10350 pcs / day
 Pinion variants 10
 ZF axis variant 2
 Rack Stopper variant 1
 EBOS equipment

Line	Machinery	Number
D	Disc saw	2
	Milling and centering machine	2
EP	Mazak QTN 200	2
	Braked car	1
	Profiroll	1
AEP	Mazak QTN 200	2
	Rollex	1
	Press machine	1
MF	Imprint stand	1
	Marking machine	1
Welding	Welding stand	1

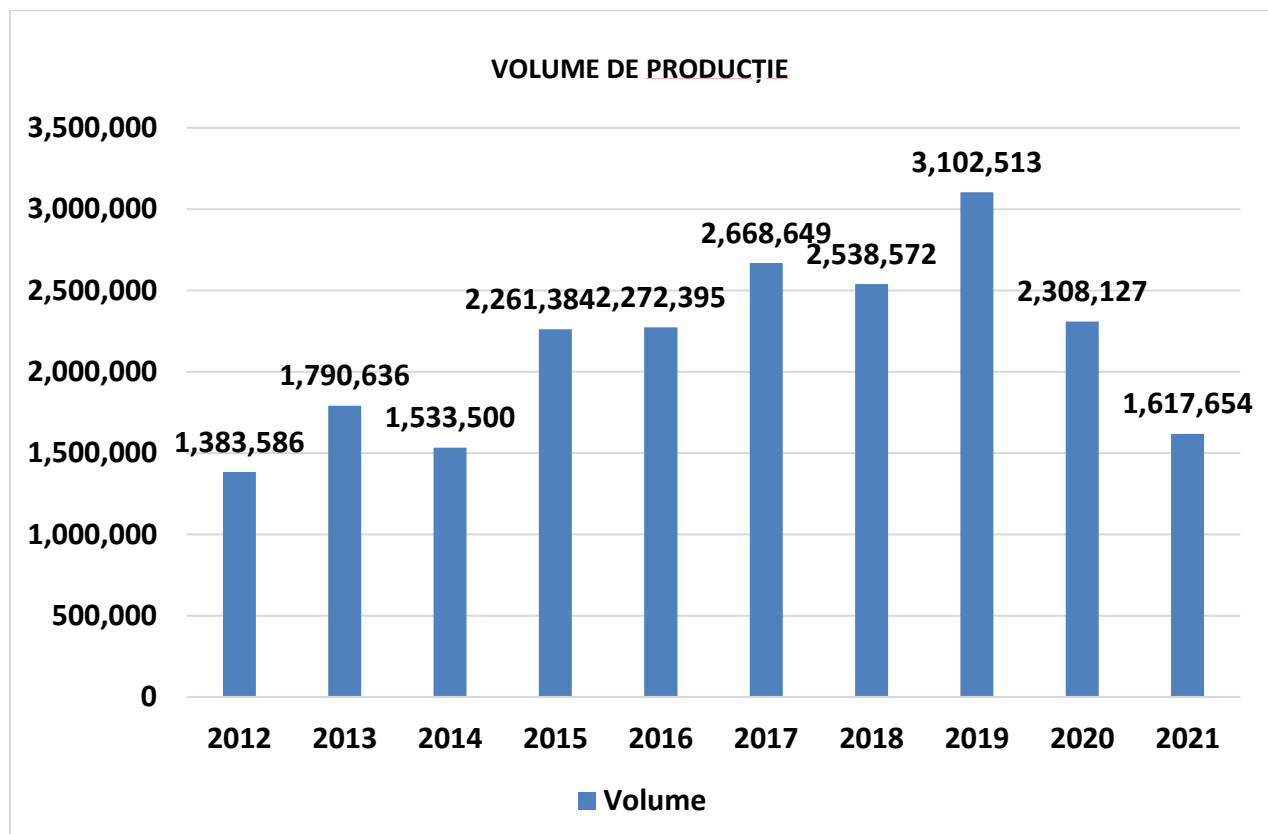
Line	Machinery	Number
	Washing machine	1
Traub	Traub Lathe	2
XNCe	Mazak QTN 200	3
	Profiroll	1
EPSe	Mazak QTN 200	4
	DMG	2
TD	Gleason Pfauter	2
	Mazak QTN 100	1
	Mazak QTN 200	1
	Deburring CNC	1
E	EMCO	2



Finishing machines

Line	Machinery	Number
XNCf	Galdabini	2
	Tacchella	1
	Studer S22	1
FP	Studer S22	1
	Gleason Pfauter	4
PF	DMG CTV 160	1
PHf	Mazak QTN 100	4
	Studer S22	1
	Gleason Pfauter	1
	Mazak VTC 200	1
	Mazak QTN 250	1

Line	Machinery	Number
Mg	DMG CTV 160	4
packing	Uniflux	3
	Java	2
	UPA	1
	Washing and drying machine	1
	Pin mounting machine	1



The forecast received from the client as well as the new ongoing projects will ensure the alignment of volumes and turnover starting with 2022 at a similar level prior to 2020.

HT machines

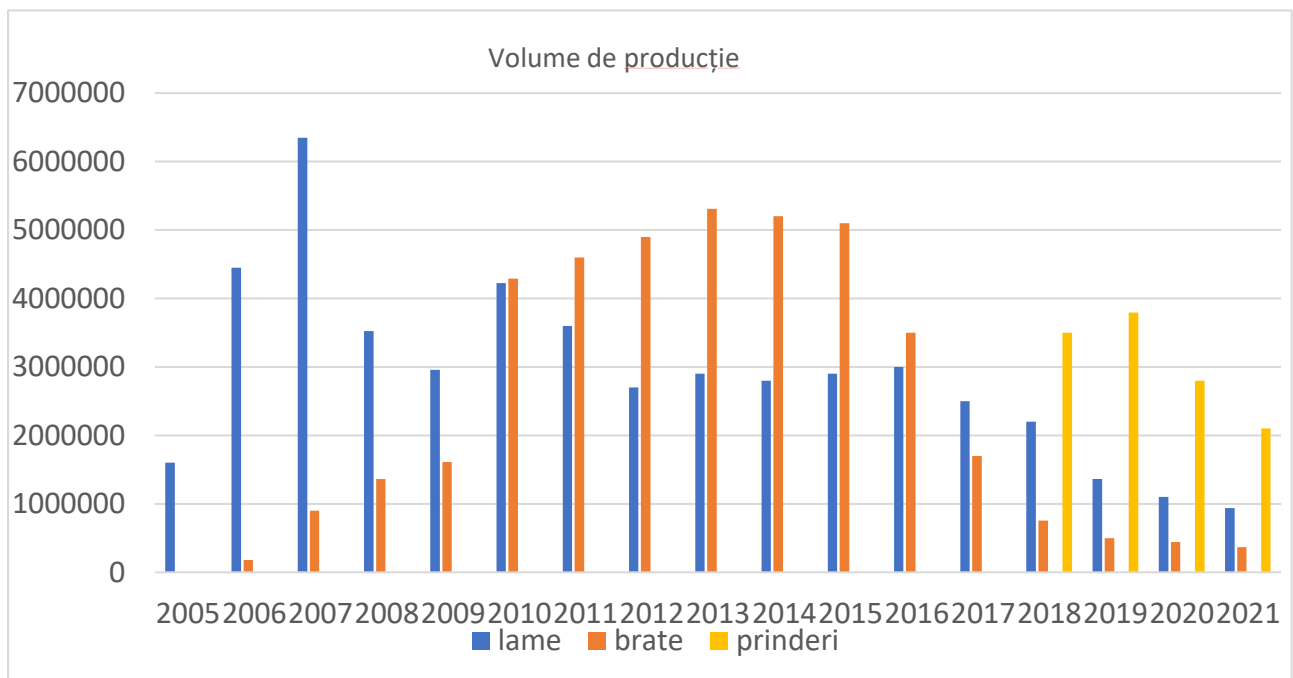
Cementing furnaces	5	UTTIS
Carbonitriding furnaces	3	UTTIS
Return ovens	4	UTTIS
Vacuum tempering furnace	2	
Induction hardening system	1	INDUCTOHEAT
Hardening installation below 0 degrees	1	

PROFIT CENTER MANUFACTURING WINDSCREEN WIPER SYSTEMS 460

Production area 5031 sqm

Number of directly productive workers 95

Number of indirectly productive workers 34



Name of equipment	Buc.	Producer
Wiper blade assembly lines	10	COMP A SA, others
Wiper arm mounting lines	4	Pekon, others
Preparation for painting (phosphating) + drying installation	1	Eisemann
Automatic cataphoretic painting line	1	Eisenmann
Automatic water-based paint installation	1	Eisenmann, Wagner GmbH
Drying oven	1	Eisenmann



For the future development of this manufacture, a letter of nomination was received from the customer, which will allow the relaunch of the wiper arm manufacture, gradually until reaching a volume of about 4 million pieces annually by 2024.

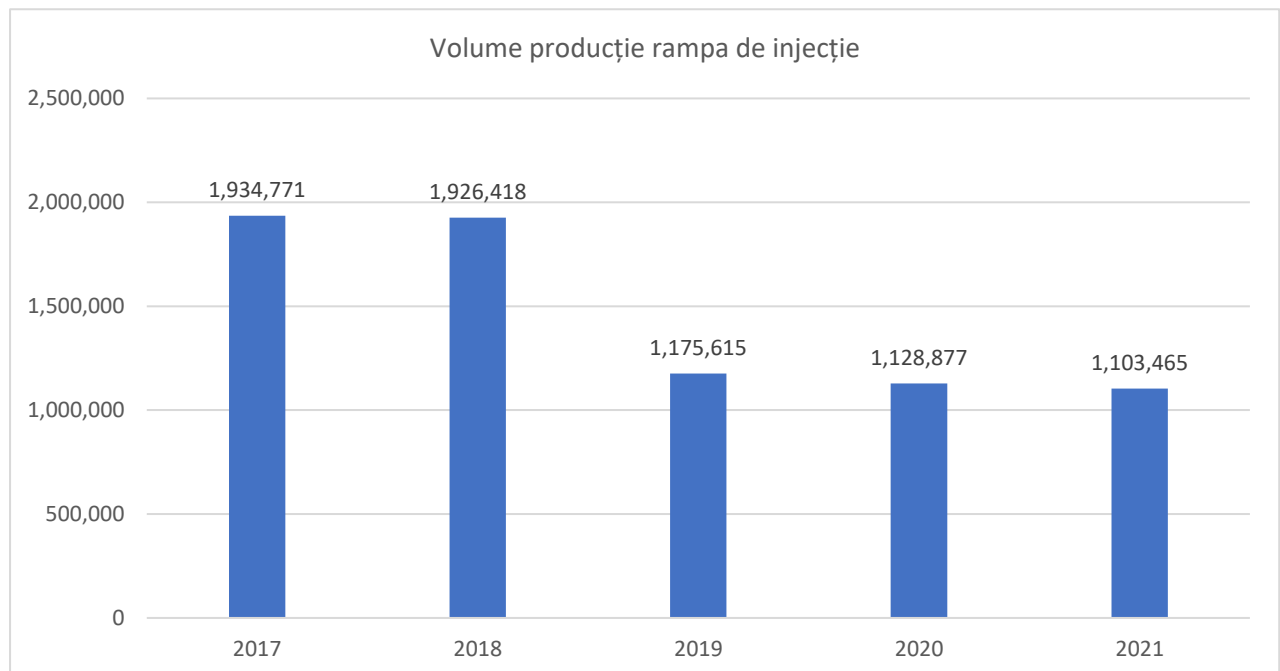
COMP A SA was also nominated for a new business, namely the manufacture of stamping wiper rods.

The SOP of this new business will take place in 2022. The projected annual volumes are about 6 million pieces.

770 Injection Molding Workshop (COMMON RAIL MANUFACTURING)

Production area	2160 sqm
Number of directly productive workers	62
Number of indirectly productive workers	15
Investment in machinery	€ 10 thousand
Processing capabilities	5000 pcs / day
variants	24
Customers	FPT, BMW, HMC, Deutz, Iveco, Cummins, Mercedes

Name of equipment	Buc.	Producer
Percussion marking stand	10	COMP A SA
Chiron DZ18.2 KW Magnum	10	Chiron
Mollart Drillsprint MK4 LD2-750	10	Mollart
Deburring stand	10	COMP A SA
Washing machine	2	Mafac
Deep hole endoscope inspection posts	3	COMP A SA





WORKSHOP MANAGEMENT COMPONENTS CONTROL SYSTEMS COMMERCIAL VEHICLES 650.

Production area	972 sqm
Number of directly productive workers	21
Number of indirectly productive workers	9
Investment in machinery variants	€ 4 million 12
Customers	Iveco, Mercedes
An SOP	February 2021
Annual capacities	360,000

TRIAL	MACHINERY	PRODUCER
Turning	I turn 8 shafts and counter-shaft	Index
Marking	DM marking stand	COMPA SA
Running grooves	Profiroll	Profiroll
Electrochemical deburring	ECM	Extrude Hone
Induction hardening		Inductoheat
Rework	Automatic grinding machine	Studer
Micro-crack control and demagnetization		Uniflux
Washing	Dry washer	Ecoclean
Endoscope internal control	Stand control	COMPA SA

QUALITY - ENVIRONMENT ACTIVITY



COMP A quality and environmental system consists of policies, procedures, plans, resources, processes, practices, and specification of responsibilities and authority designed to achieve product quality levels, customer satisfaction and company objectives. The Quality and Environmental Department’s goal is to assure the quality and safety of COMP A products.

For several years now, COMP A has been certified according with IATF 16949: 2016 and ISO 9001: 2015 standards, and adapted the quality system to customer requirements, needs and expectations.

COMP A Quality-Environment organization chart is structured as follows:

- Process and Product Quality Department assigned to each workshop, with the following processes:
 - Incoming inspection and management of supplier quality complaints
 - Product/process checking and measurements
 - Carrying out final checks and audits before delivery
 - Production quality and environment non-conformities management
 - Quality customer service
 - Quality planning and process validation
 - Measurement laboratories equipped with state-of-the-art measuring equipment Fig. 1, 2, 3, 4
 - Cost of poor quality and managing the measures to reduce the material waste and additional controls.
- Product and process audit performed according with VDA 6.3 and VDA 6.5 standards
- Cleanliness expert responsible for improving the cleanliness condition and testing according with customer specifications and VDA 19
- Physical-chemical laboratory responsible for analyses and tests according with applicable norms and customer specification
- Heat treatment laboratory responsible for preparing and testing of heat-treated products. In 2021 COMP A invested in new equipment for better process control and to prevent customer complaints. Fig 5, 6, 7, 8



Fig. 1 CMM Zeiss (COMP A has 20 machines available for complex measurements)



Fig 2. Precise and accurate optical machines

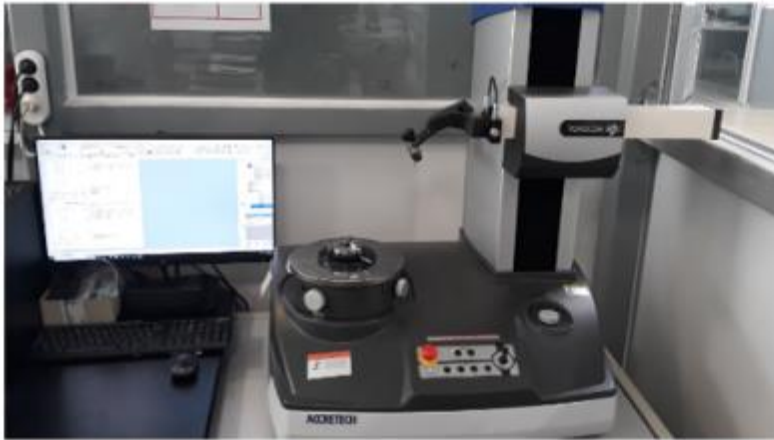


Fig. 3 Accretech form tester (0.5 μ m accuracy)

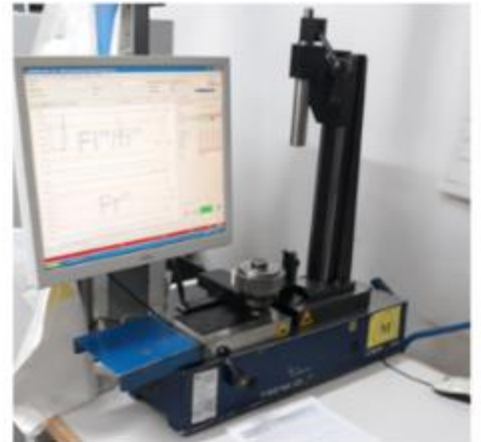


Fig. 4 Gear inspection machine



Fig. 5 MICROSCOP ZEISS AXIOSCOPE 5



Fig. 6 Cito-Press30



Fig. 7 Duramin-40 AC1



Fig. 8 Ammonia gas analyzer



Every year, we review the adequacy and effectiveness of our Management System and adapt it to customer requirements, changed risks, and new legal requirements.

COMPA monitor the processes during the year based on key performance indicators (KPIs) that include safety and quality performance. To figure out these indicators, we check, among other things, whether formal requirements are met, and the content is complete. We use these activities as a basis for defining any required improvement measures, which are implemented by the responsible functions and then checked on a regular basis. The relevant management levels of COMPA continuously receive reports on these monitoring activities.

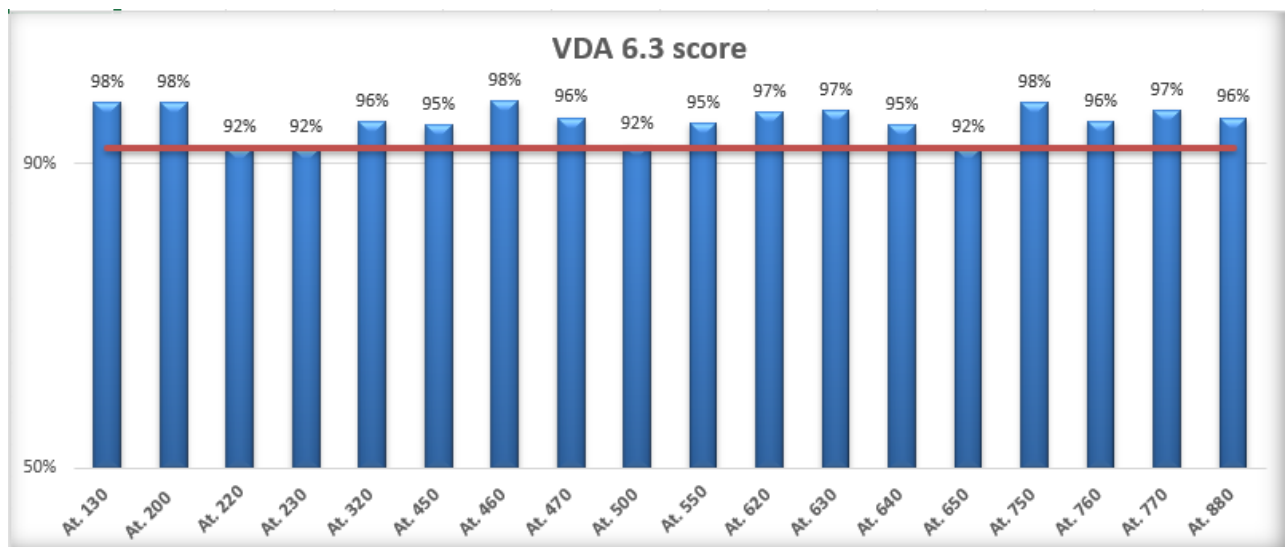
Although 2021 has been a difficult year, with global crisis caused by pandemic, the results in terms of product safety and quality were maintained. In the table below, one of the most important quality indicator PPM (parts claimed per million delivered) shows a steady trend and it can be observed the remarkable result in automotive business where single digit PPM was achieved during the last two years.

	2018	2019	2020	2021
	Customer PPM			
Automotive	8	24	8	9
Non-automotive	296	642	336	420

In terms of customer satisfaction, in accordance with automotive practices, the performance is usually monitored on the customer portal which provides a monthly dashboard with COMPA evaluation. In particular, the scoreboard monitors the performance of several indicators (i.e., quality, procurement, logistics and responsiveness) and additional information about product development and available certifications. These results are then shared internally with the board of directors as part of a monthly quality report.

Any failure to meet the scorecard objectives is the subject of corrective action plans shared with the customer and their long processing times can trigger internal audits focused on specific issues.

Following the internal audit VDA 6.3, the distribution of the score on each workshop is presented below.





In 2021, COMPA revised the system for assessing and monitoring the risks related to product integrity (product safety and conformity). For this purpose, following the nominalization and training of PSO representative, the quality assurance system was updated with a matrix of responsibilities as can be seen in the table below.

#	Roles / Organizational units; R: Responsabil, A: Approvale, S: Support, I: Information							Input data	Action	Release dates	Applicable documents
	Quality - environmental	Technical responsible	Project manager	Quality Manager	Manager Operational	Audit	PSO				
1	I	R	R	I	I	I	I	Legal requirements / standard requirements / customer requirements	Identify and define special product or process characteristics	Identify the characteristics related to IP	Special characteristics treatment according internal documentation
2	S	R	S	I	S	I	I	IP characteristics - product-process	Risk Analysis - DFMEA / FMEA	Actions taken to eliminate or control risks	Special characteristics treatment according internal documentation
3	R	R	S	I	I	I	I	List of special characteristics	Identifying the characteristics in documents: PC, PO, Work Instructions etc	Marking and identification of risks in documents	Elaboration procedura of internal documents
4	S	S	S	A	A	R	I	Results of previous audits / documentation / customer satisfaction / IP incident history / risk analysis	Planning and perform the audit	Plan / audit program	Quality system audit and Process product audit according internal procedure
5	S	S	S	S	S	R	I	Audit Questionnaire	Perform audit	Audit results	Quality system audit and Process product audit according internal procedure
6	R	R	S	S	R	S	I	Identifying IP issues found following the audit	Measure Audit Plan	Establishing the actions, deadlines and people responsible for solving identified	Quality system audit and Process product audit according internal procedure
7	S	S	S	S	S	R	I	Re-audit of identified issues / products	Close audit report	Effective actions implemented - Closed action plan	Quality system audit and Process product audit according internal procedure
8	R	R	R	A	R	S	S	IP customer complaints	Treatment of internal or external non-conformities regarding IP following informations or customers complaints received	Closed action plan / 8D analysis with corrective actions implemented	Analysis and treatment of customer complaints internal instruction
9	R	I	I	I	I	I	S	Data from specialized portals (NHTSA / KBA / DVSA /	Monitoring specialized portals + customer satisfaction	Identify possible IP issues for similar	Product Integrity and Safety Procedure
10	R	I	I	I	I	I	I	Data from specialized portals (NHTSA / KBA / DVSA / RAPEX)	Reporting IP issues that may affect COMPA products and convening the analysis team to prepare the analysis and	Identifying possible IP problems with similar products and treating them	Product Integrity and Safety Procedure
11	R	I	I	A	I	I	I	Data from specialized portals (NHTSA / KBA / DVSA /	Monitoring indicators	Achieving an indicator in the imposed targets	Product Integrity and Safety Procedure
12	I	I	I	R	I	I	I	Legal requirements / standard requirements / customer requirements	Nomination of PSO responsible and responsibilities definition	responsibilities defined in the internal procedures and job description	Product Integrity and Safety Procedure
13	S	S	S	I	S	S	R	Duties and responsibilities defined in the internal procedures and job description	Training personal involved in IP issue (multifunctional teams)	Training report	Product Integrity and Safety Procedure
14	R	I	I	I	I	I	S	Duties and responsibilities defined in the internal procedures and job description with reference to IP	Training personal involved in IP issue (multifunctional teams)	Training report	Product Integrity and Safety Procedure
15	R	I	I	I	I	I	S	Analysis of previous problems and actions taken	Applying the Lesson Learned	Prevent IP problems	Lesson Learned Procedure

The recalls reported on the RAPEX (Rapid Exchange Information System) portal are checked and similar risks are assessed. If potential problems are identified, an internal analysis is performed and the client's opinion is requested.

RISKS AND OPPORTUNITIES



RISKS:

Increase of customer complaints and internal scraps for the new projects developed in 2021 (intermediate shaft and NHB PSA) due to failure modes not identified during PFMEA analyse.

Repetitive complaints received from final customers caused by unappropriated root cause analyse.

Customer complaints received for new projects with a high degree of complexity due to improper deployment of customer requirements.

Degradation of serial production not identified with statistical controls

Delayed responses to customer complaints and requirements due to insufficient resources and qualifications

Safety issues, caused by products not complying with customer and legal requirements

Inadequate training and integration of new operators

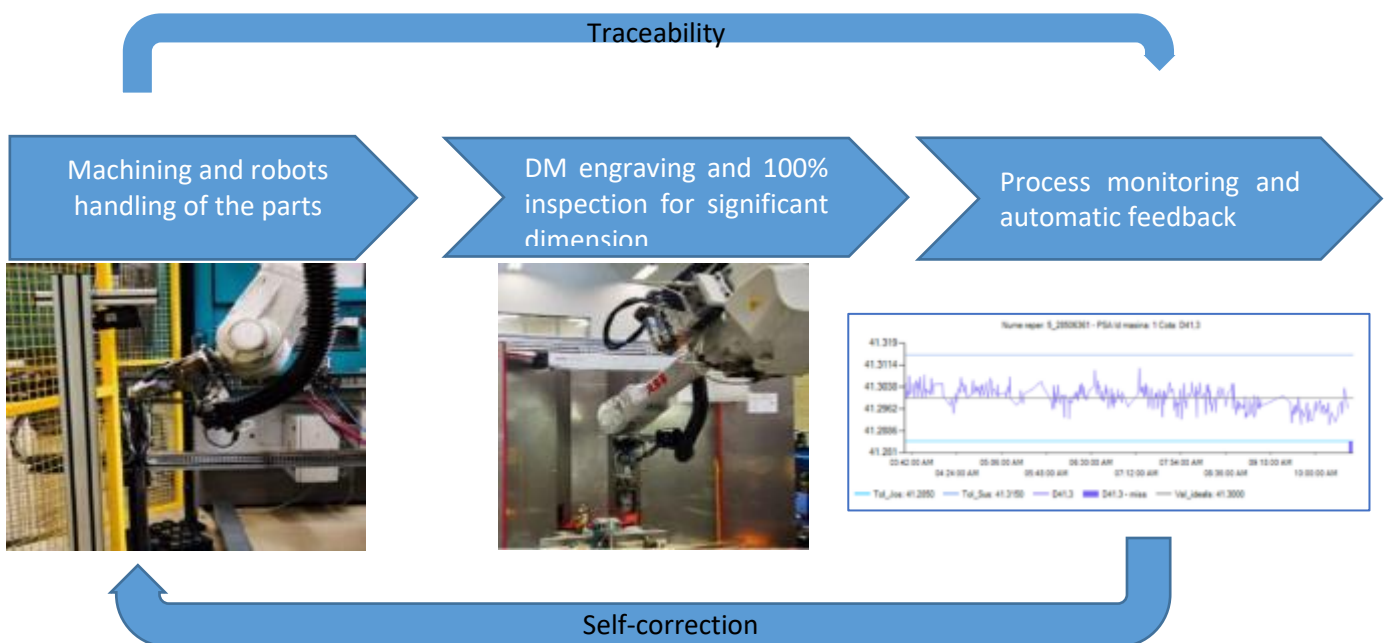
Quality complains not closed in time due to complexity of the issue.

All management levels evaluate the risks on a yearly basis to keep them under control. Based on risk evaluation, action plans are established in order to prevent and mitigate the impact.

OPPORTUNITIES:

COMPAs continued to identify efficient and smart solutions applied in production and to take the opportunity to implement them in similar processes.

- New projects are designed with automatic controls located in between process operations, to minimize the time for reaction in case of non-conformity or process degradation.
- The next step was to create the algorithm used for self-correction of the machine if process degradation is detected on the control station. Automated systems have been developed that consist of devices (usually programmable logic controllers (PLCs) or other commercial hardware modules) that can acquire and transmit data and are integrated with an automated interface that provides centralized monitoring and control for many inputs and outputs of the process.





OPPORTUNITIES:

Continuous development of detection and prevention systems with the help of the design / automation team (aspect noticed by many customers)

Improving the statistical monitoring software of the processes.

Opportunities to change production processes that can eliminate the risk of certain quality complaints.

Digitization of quality management data (Pareto diagrams, process performance, capabilities, etc.)

Introduction of the Process Flow Control system for product engraved with Data Matrix. Under this system, if a non-compliant product is accidentally promoted, the next operation step will automatically isolate that product.

Lesson learned implementation.

Product quality and safety assurance is essential for Quality - Environment department activity and the goal are to obtain a high level of customer's satisfaction that can determine their loyalty.



LOGISTICS ACTIVITY

The activity of the Logistics Department within COMP A SA is subject to clear rules, in order to contribute to the achievement of the general objectives of the company and at the same time responding to the specifications requested by the customer.

The Logistics function currently integrates the activities on the logistics flow: Supply, Production Logistics, Warehousing / internal flow, Sales.

Among the most important activities within the departments of the Logistics Department we can list:

Supply

- Orders of raw materials, materials, semi-finished products to COMP A accredited suppliers;
- Reducing stocks of raw materials and materials by optimizing orders to suppliers.
- Organizing the timely and safe transport of raw materials.
- Customs Service.

Production Logistics

- Production planning according to orders received from customers.
- Launch of products in manufacturing.
- Elaboration of the necessary materials for the realization of the manufacturing program.
- Production Tracking.
- Inclusion in the production costs of raw materials and materials.

Storage. Internal flow

- Preparation of entry documents for raw materials and supplied materials
- Storage / storage of products according to well-established rules, depending on their nature in specially designed spaces and using appropriate means of handling in order to preserve their integrity.
- Release of raw materials and materials to production departments
- Internal transport of raw materials and materials to production
- Disposal of waste from production sections to the landfill service and the RVMR service

Sale

- Launching orders received from customers in the SAP computer system.
- Delivery of products according to delivery terms agreed with customers.
- Organizing the timely and safe transport of finished products.
- Ensuring the timely collection of receivables.

Description of potential risks associated with these activities

The results and activity of the Company may be influenced by specific operational risks, including within the Logistics Department the following risks:

Risks with major impact

- Degradation of materials during transport
- Delay in production due to lack of raw materials, materials.
- Risk of accidental spillage of liquid hazardous substances / waste into the sewer system due to improper handling or uncontrolled storage

Risks with medium impact

- Supply of non-compliant material
- Incorrect stocks in the integrated inventory system.
- Failure to achieve the scheduled quantities on the manufacturing flow
- Risk of waste generation of hazardous substances and mixtures if the expiry date expires.
- Risk of accidental spillage due to improper handling or uncontrolled storage of hazardous waste

Efficient risk control has materialized through:

- measures to implement and comply with the documented procedures of the integrated system



- staff training,
- internal audits and controls of the integrated management system with verification of compliance with documented procedures;
- providing with human resources skills necessary to carry out the activities and processes within the COMPA SA.

Low impact risks

Degradation of materials / goods as a result of inadequate storage spaces

Stealing some materials / valuables

These risks have been minimized by measures to rehabilitate storage spaces as well as discouraging the criminal phenomenon through video monitoring and security.

Description of the objectives, targets and responsibilities established for the performance in conditions of performance of the activity of the Logistics Department

The objectives and targets of the logistics activity are mainly derived from the company's objectives and refer to:

- realization of the programmed BF (business figure) .
- achieving the turnover rate of trade receivables
- reduction of stocks of raw materials, tools and finished products
- delivery performance

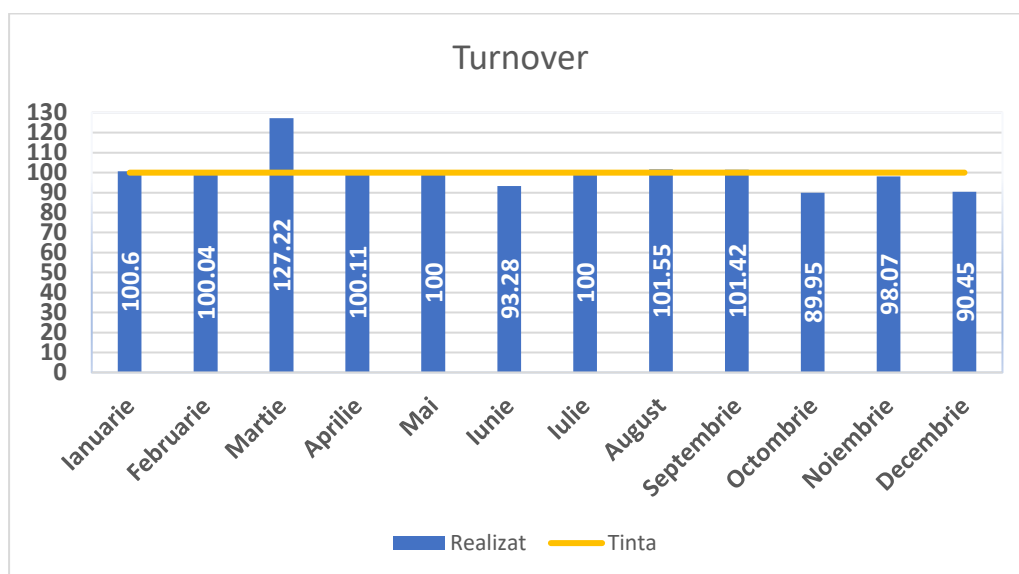
The targets for the objectives of the Logistics Department were set following the decisions of the managerial analysis performed at the beginning of the year.

For 2020, the challenges of targeting were higher, due to the health-economic situation we faced, mainly in the second quarter, but as can be seen in the evolution of the indicators presented in the graphs below, the trend of was increasing in the third and fourth quarters, in December we even reached 50% of the indicators.

All objectives, related indicators and their target performances were analyzed during the monthly analysis sessions and monitored according to the graphs.

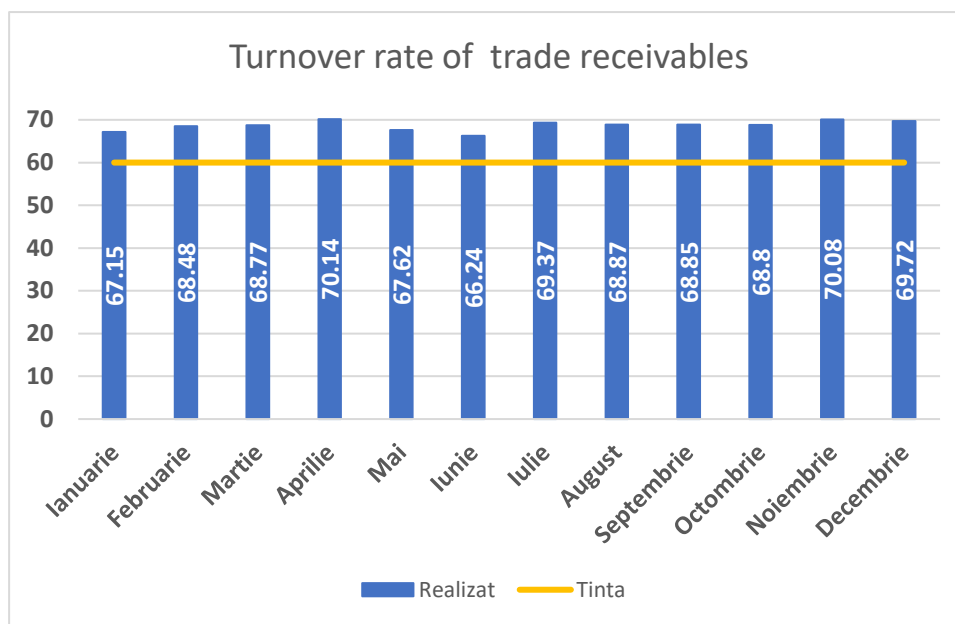
For the indicators that did not have acceptable performances, analysis reports, action plans and changes in the system were established so that their result is a positive one that tends to fit into the proposed target.

D1.1 Turnover



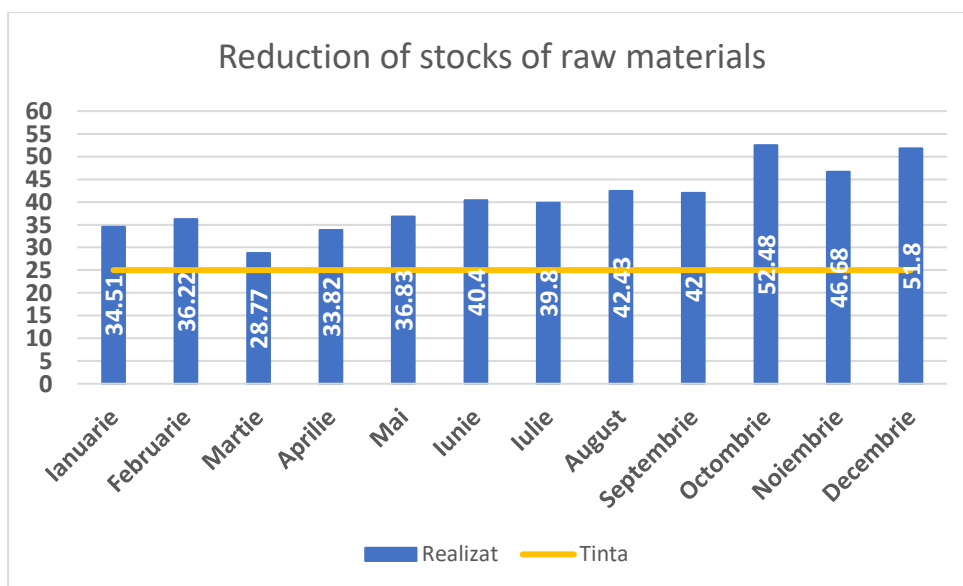
The realization of the turnover had a negative impact in the targeting period during October – December 2021 due to the health-economic situation.

D1.4 Turnover rate of trade receivables

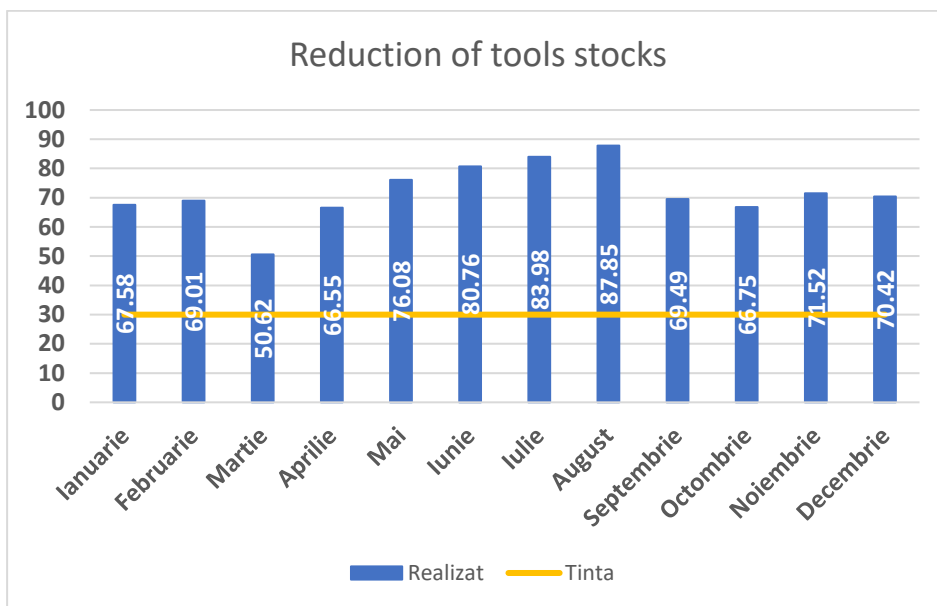


The turnover rate of trade receivables remained close to the target set throughout 2021, which means that the current working model for maintaining it in the target is a good one but will need to be improved in 2022 to not exceed the values established.

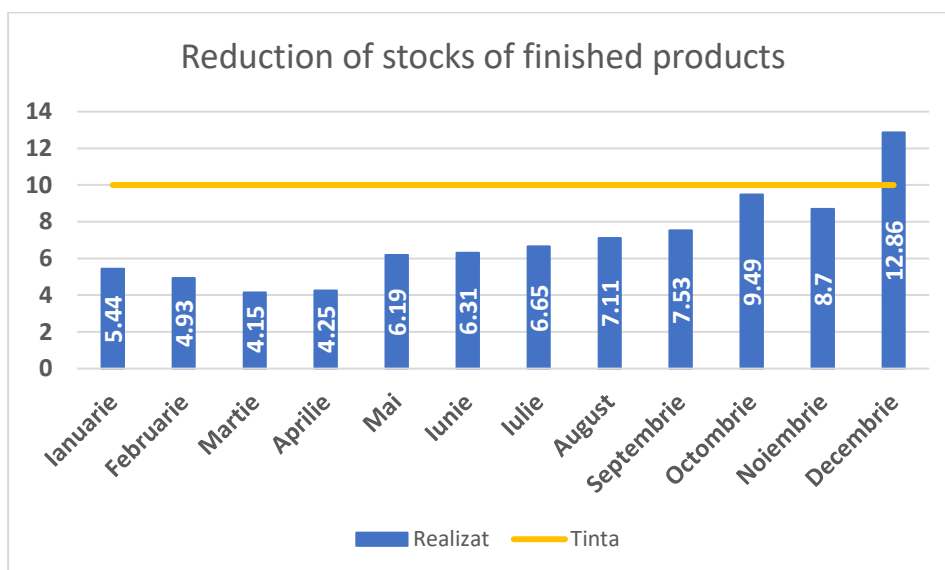
D3.9.1 Reduction of stocks of raw materials, materials



D3.9.2 Reduction of tool stocks

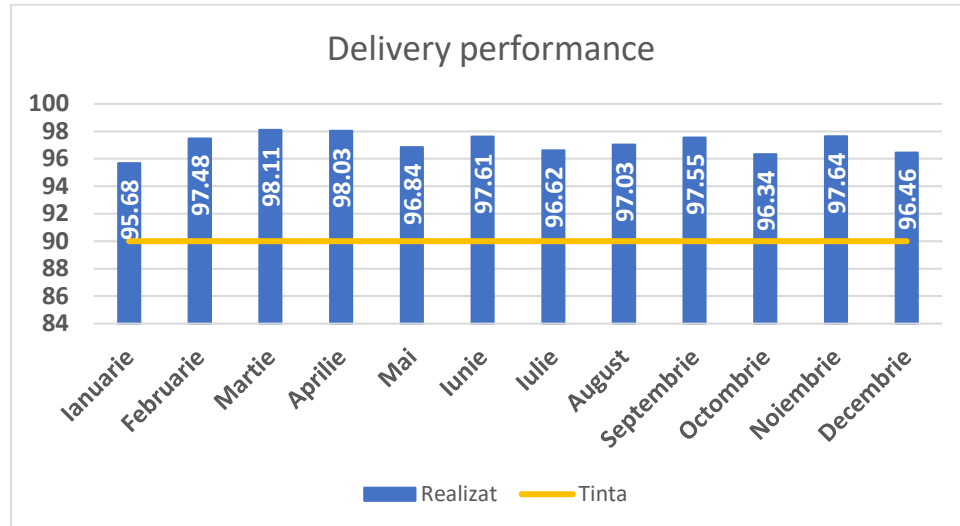


D10.1 Reduction of stocks of finished products



The level of stocks at COMPA level in 2020 suffered the most due to the sanitary economic situation. Like the other indicators, the stocks registered very high values during March, April, May, June and July, and starting with August through analyzes, adjusting orders to suppliers, optimizing the flow of materials at the level of workshops, to reach a level close to framing target by the end of 2020.

D10.3 Delivery performance



Delivery performance been targeted throughout 2021, which indicates an intense concern of all those involved in customer satisfaction.

Means and methods used by the Logistics Department

In 2014, COMPA implemented the Applications and Products System (SAP), a high-performance management system, more reliable and more capacitive than the previous IT system. The SAP applications related to the Logistics Department aim at a better control of the logistics processes, as follows:

Materials management:

Elaboration of reports of necessity for auxiliary materials

Correct estimation of the need for raw materials, materials, which must be ordered from the supplier taking into account several variables, such as: stock, technological consumption, customer orders or supply period.

Accurate management and monitoring in real time, on all stocks of raw materials, materials.

Performing fast entries, exits and transfers of goods.

Warehouse management:

Defining and organizing complex storage structures with locations.

Optimizing the flow of goods by entering raw materials, materials in stock and collecting them from stock.

Production planning:

Production planning and necessary materials in the long, medium and short term. This is where both supply and production proposals are created, as well as their planning over time.

Operational production scheduling by allocating production orders to production lines and leveling production capacities.

Monitoring the execution of production orders, confirmation of activities performed and material consumption and their closing and settlement functions.

Cost control on each production order.

Sales and distribution:

Development and maintenance of nomenclatures: customers, contacts, products, services, etc

Creating sales orders for products or services based on orders received from customers



Creation and maintenance of delivery agreements for finished products.

Delivery of products with the following secondary activities:

- creating the delivery
- product packaging (if applicable)
- highlighting the removal of materials from stock
- issuing specific documents (packing list, shipping notice, etc.)

Preparation of the shipping notice and the tax invoice.

The creation and maintenance of delivery agreements is done automatically through EDI at the moment only for the Bosch customer, but its extension is intended for other customers as well.

For customers where there is no automatic interface, a specific interface will be used. Delivery requests will be downloaded from the customer's portal (Supply ON, Covisint, Garrett) and will be centralized by COMPA in a file that will be uploaded to the system through a transaction developed for this purpose.

Objectives 2022

Proposing and implementing plans to improve the results of the Logistics Department's activity is an ongoing process that is reviewed annually, thus setting new objectives and targets.

For 2022, the targets for the strategic objectives have been set according to the scoreboard:

No. crt.	The trial	The objective	indicator	UM / Target	Collection source	Measurement level	Measurement frequency
1.	Production logistics	Achieving 100% turnover.	D1.1 Fiscal value	% / 100%	realized value / programmed value x 100	direction	monthly
2.	Production logistics, purchasing logs and warehouses internal flow-sales	Reducing the turnover rate of trade receivables	D1.4 Turnover rate of trade receivables	Days / 65 days	Economic Director	section	monthly
3.		Reduction of stocks of raw materials, materials and components	D3.9.1 Raw material stocks	Stock days / 25 days	final material stock value / output value x 30 days	section	monthly
4.		Reduction of tool stocks	D3.9.2 Tool stocks	Stock days / 30 days	final stock value of tools / value of outputs x 30 days	section	monthly
5.		Reduction of stocks of finished products	D3.10 Stocks of finished products	Stock days / 10 days	final stock value management / turnover value x 30 days	section	monthly
11.		Supply Logistics And Sales Logistics	Reducing the cost of additional transport	D10.1 Additional transport	% / 0.1% of turnover	Achieved value / target value x 100	direction
12.	Sales Logistics	Compliance with delivery quantities agreed with customers	D10.3 On-time deliveries	% / 90%	Total pieces delivered / Total pieces ordered x 100	section	monthly



Health, safety and environmental aspects.

Underlying the occupational health and safety and environment policy is the identification and control of environmental issues and risks associated with all activities carried out within the Logistics Department, to ensure compliance with legal and other applicable requirements, pollution and accident prevention, occupational diseases, but also respect for the right of stakeholders to live in an unpolluted environment.

According to the laws, government decisions as well as the orders in force regarding health and safety at work, the list of legal requirements for SSO has been drawn up, from which we extract some of the most important obligations of the Logistics Department:

- measures for the operation of protection systems and devices, ventilation systems and other installations for the control of noxious substances in the work environment, as well as alarm, warning, emergency signaling and safety systems, if applicable
- first aid measures by designating workers applying first aid measures
- measures to maintain the technical condition of Logistics areas and premises, work equipment and related devices
- achieving a level of hygiene corresponding to the logistics areas and premises
- equipping the Logistics areas with medical kits for first aid
- signaling of emergency routes and exits, fire extinguishers, first aid kits related to Logistics areas
- making available to workers only work equipment appropriate to the work performed, which can be used by workers without endangering their safety
- training of workers in occupational safety and / or health in accordance with their own OSH instructions and the OSH training program
- maintenance and use, for the purpose for which they were made, the fire protection equipment provided
- compliance with fire protection rules, specific to the activities they organize or carry out
- ensuring the existence at each workplace of specific technical instructions for the normal use of the installation / equipment

The Logistics Department is committed to supporting actions aimed at limiting environmental risks by complying with applicable legislation, compliance with instructions and procedures, as well as training staff to know and learn their responsibilities regarding environmental issues and legal requirements.

Thus, the Logistics Department contributes to the positive change by supporting the staff to permanently improve their environmental practices.

The use of hazardous chemicals or biocides, the handling and storage of hazardous substances shall also be carried out in accordance with the safety data sheets submitted by suppliers and in compliance with the mandatory measures governing the purchase, transport, handling, storage, use and management of hazardous mixtures in COMPAs, in order to ensure the protection of the environment, the safety of employees and to control and minimize the risk of accidents involving hazardous substances and mixtures.

The storage of various dangerous chemical substances and preparations is done taking into account the compatibility between the substances.

The record of hazardous substances and mixtures used is kept in the SAP (System of Applications and Products) program.

Persons handling, using, storing and transporting dangerous substances / mixtures are trained quarterly and know the measures to be taken in case of emergencies.

The Logistics Department carries out its activities in accordance with the environmental legislation, reflected in the company's environmental policy.

TECHNICAL ACTIVITY

Description of the activities realized by the Technical Direction

The technical and development activities carried out by the COMPA play an important role in the company's engagement for the development of the new processes and products according to the demand of the market and also the improvement of the processes existing in mass production.

In 2021 (new products; prototypes and homologation)

Percentage of new products in the last two years:

2020 semester I = 0,86%

2020 semester II = 1,07%

2021 semester I = 1,18%

2021 semester II = 1,56%

During 2021, new products was assimilated into manufacturing for which the necessary production capacities were ensured, with an impact on production in the following years. Despite the restriction due to Covid-19 we managed to approve new products presented in the list below:

- Injector body for commercial vehicles Dong Feng, customer Borg Warner;
- Pump body for gasoline injection (GDI) Renault, customer Borg Warner;
- Injector body PSA, customer Borg Warner;
- Lathe bodywork CLX 450, customer DMG MORI;
- Steering gear pinion CMP, customer JTEKT;
- Windscreen wiper lever, customer BOS;
- Components for machines designed to work at height, customer Haulotte;
- Two types, components in body pumps, customer WILLO;
- Intermediate shafts for electric vehicles, customer ZF;
- Output shafts for the steering system, customer ZF.

The main activities of Technical Direction go in the following directions:

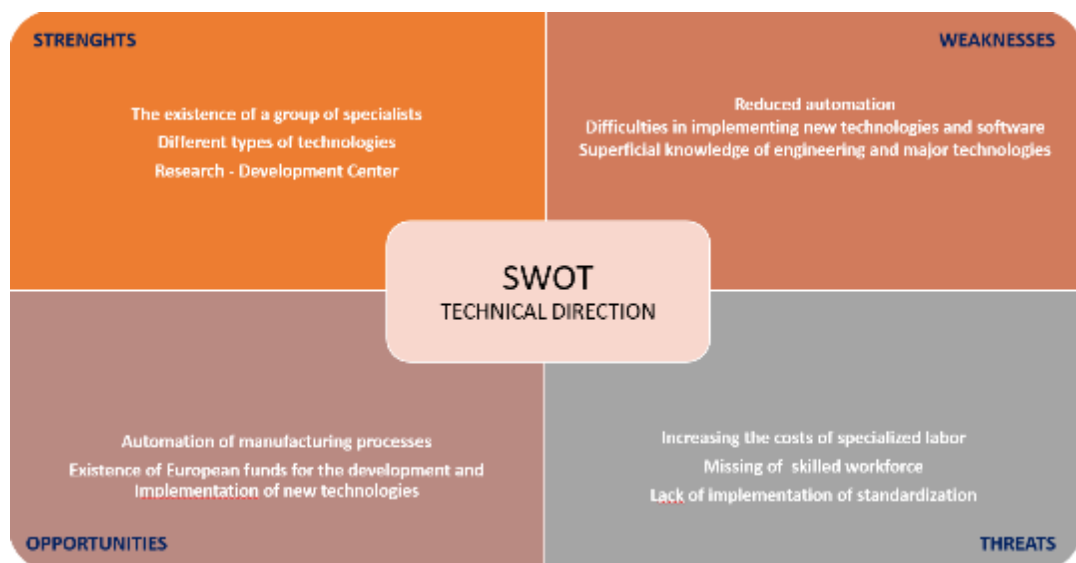
1. Process development of:
 - 1.1. Cold forming: successive stamping and transfer stamping;
 - 1.2. Hot forming: warm forging at average temperatures up to 900°C and high temperatures between 950°C and 1300°C, vertical and horizontal;
 - 1.3. Cold coiled springs;
 - 1.4. Welded mechanical components;
 - 1.5. Machining processes – the largest volume of processes;
 - 1.6. Special technologies: Heat Treatments, Painting, Electro-Chemical Coatings, Welding;
2. Development and design of special devices and other non-standard components required in COMPA processes;
3. Development and design of industrial automation and robotics carried out by COMPA;
4. Applied and experimental development research for COMPA manufacturing;

5. Continuous improvement of existing processes in COMPA;
6. Digitalization of production;
7. Creation and implementation of the industry 4.0 standard.

The most important projects carried out during 2021, targeted:

- A. Pump Body Manufacturing Process, RENAULT reference: process based on multi-spindle lathes, interoperable transfer with automated machines, checking characteristics during the process and an extension to the existing manufacturing line, composed by five-axis machining.
- B. Implementation of Additive Manufacturing, Ultrasonic technologies for prototyping and study of the optimization to the different phases of realization of machining technology, tools and active parts.
- C. Optimization of horizontal forging processes with large volumes of parts.
- D. Manufacturing cabin process with sheet metal cutting and bending operations, welding, sandblasting, phospho-degreasing, electrostatic painting, polymerization and assembly.

The potential risks of these activities



Objectives, targets, responsibilities

One of the major objectives is to diversify the type of products made by targeting non-diesel products for the automotive industry and targeting other non-automotive industries.

Medium- and long-term strategy:

- Implementation of the Industry 4.0.
- Robotization of cells and production lines, both for handling parts in machining, also for welding, assembly etc.
- Implementation of technologies with the lowest possible CO₂ footprint. The CO₂ footprint will need to be calculated for each process, new or old. It becomes an important point in the nomination of a project.



- Increasing the precision of processing and the accuracy of the products.
- Digitalization of manufacturing processes.
- Increasing the skills of process engineers and design engineers.

The Research and Development activity is a component of the medium and long term COMP A. It has received significant resources in recent years, becoming the COMP A Development Research Center, designed to test, validate, optimize and validate new technologies and improve existing technologies.

Objectives:

1. Machining:

1. Achieving negotiated process variables (cycle time, cutting tools, productivity, workers use, etc.) annually for the first 5 processes in which they are not fulfilled.
2. Annual improvement of PRODUCTIVITY, with at least 3% for the main (5) processes, relative to the turnover.

2. Forging:

1. New and Reprofiled active parts execution technology:
 1. Increasing the number of possible profiles;
 2. Manufacturing technology as simple as possible;
2. Optimization of forging tool design:
 1. Finite element analysis, using Forge software and using its facilities: semi-finished product optimization, „Die Analysis”, „Mastering the software” etc.);
 2. Geometric optimization of the active parts;
3. Optimizing the execution of forging tools. Defining concepts to minimize the number of operations and execution time;
4. Decreasing material consummation (semi-finished product optimization);
5. Optimization of manufacturing change (of the reference):
 1. Change of active parts;
 2. Change of reference;
6. Use of oil-based emulsion in horizontal forging;
7. Study of forging texture.

3. Pressing:

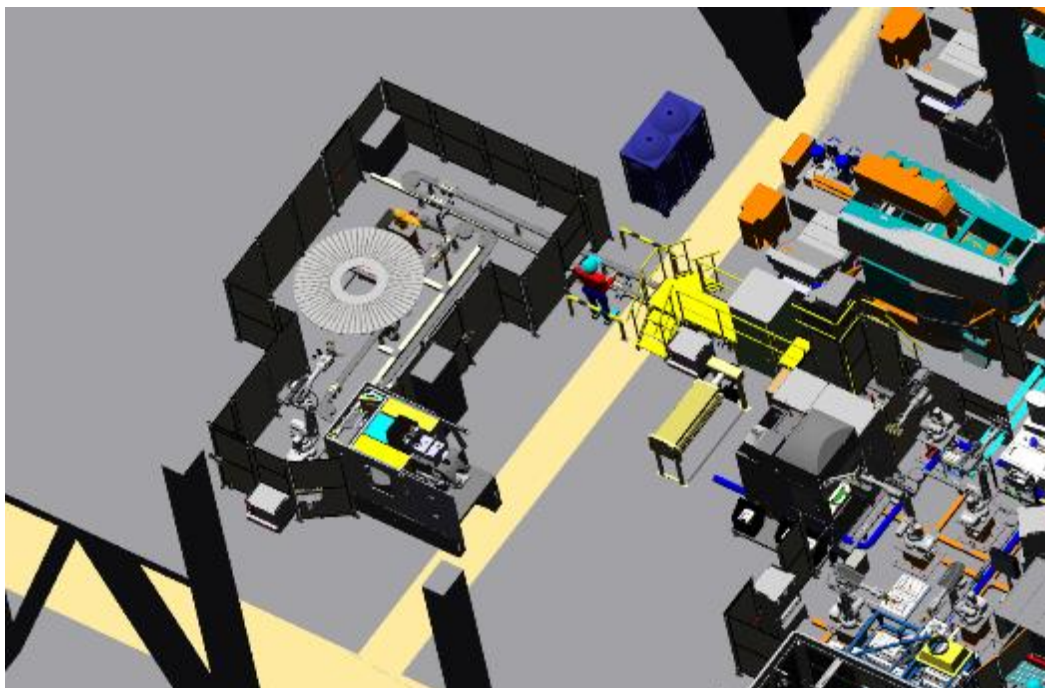
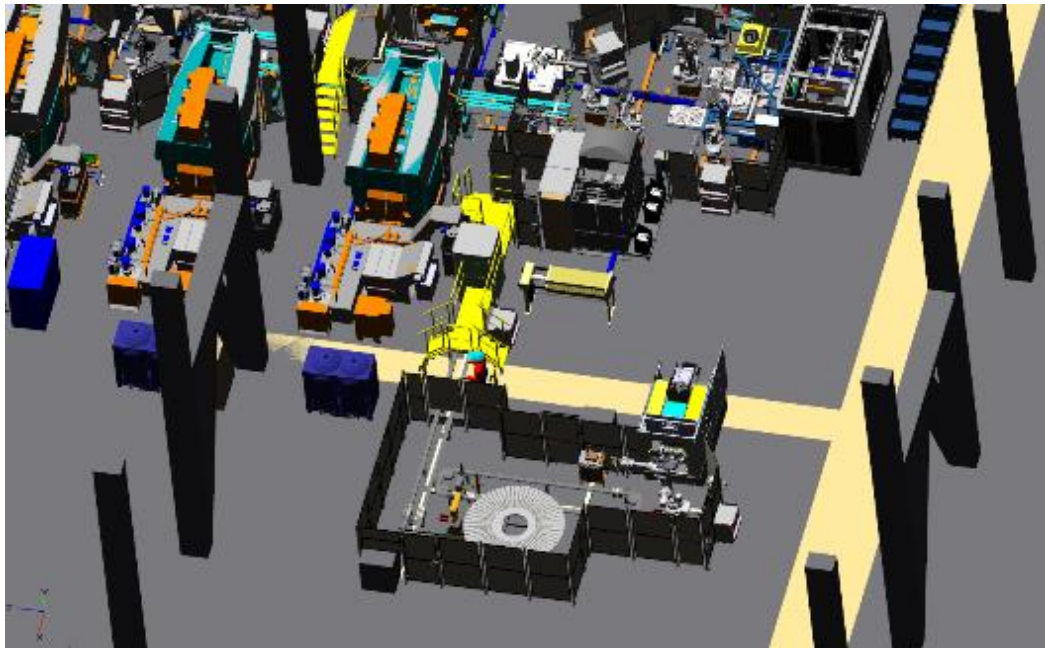
1. Use of specific carbons and surface coatings in making active parts;
2. The study of the increase of the cadence of the pressing:
 1. Optimization of manufacturing change (of the reference);
 2. Change of active parts;
 3. Change of reference;
3. Determination of the algorithm for calculating the durability of the active parts.

4. Automation and Robotics:

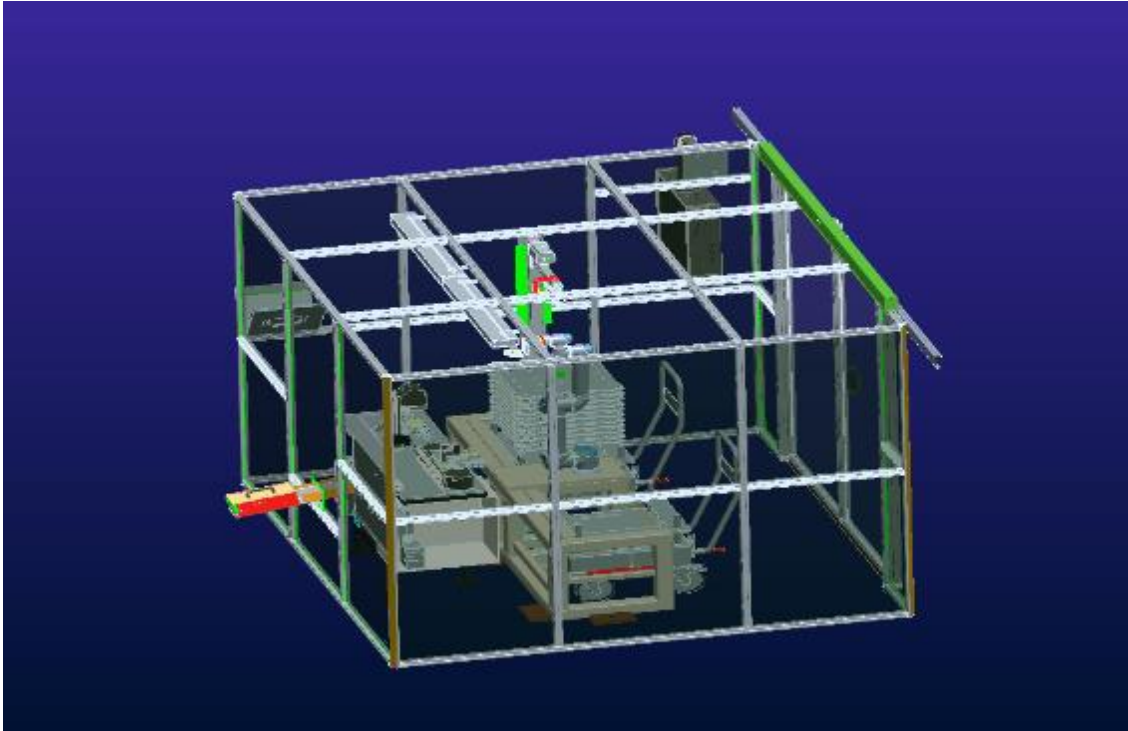
1. Study of the implementation of robots in the operation and control of machine tools.

In 2021, several projects were carried out, which we present below:

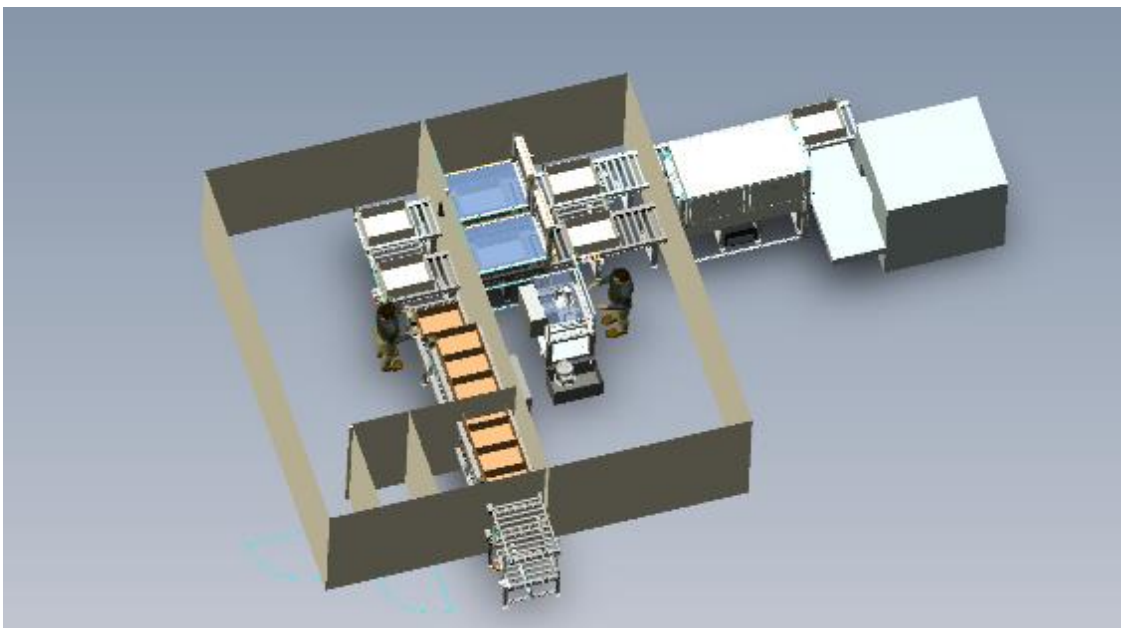
- In workshop 640 –GDI Pump Body, was performed the „Renault Extension” of the additional operation for the new Renault Pump Body reference. The extension is an automated appendix added to the Pump Body manufacturing cell:



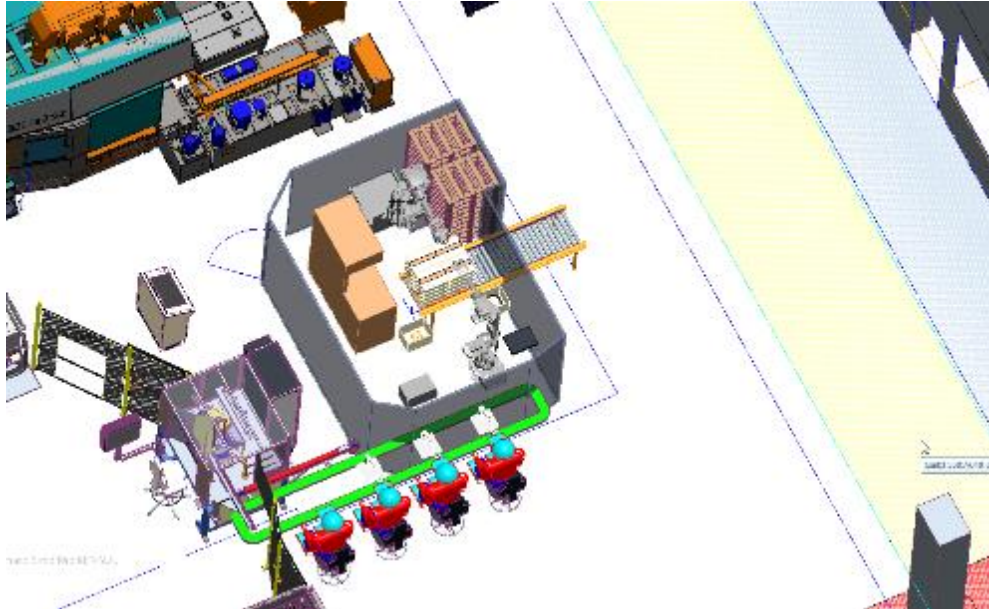
- In the 630 workshops, the dimensional control stand of semi-finished product for shafts was implemented:



- The new accuracy requirements imposed by current manufacturing technologies have led to the creation of a Protected Chamber for the final washing and packaging of ZF customer products:



- The need for automation and robotization of manufacturing flows requires the realization of projects for automatic packaging of parts:



- In the WILLO workshop have been developed two types of housing which are components of a pump assembly:





MAINTENANCE ACTIVITY

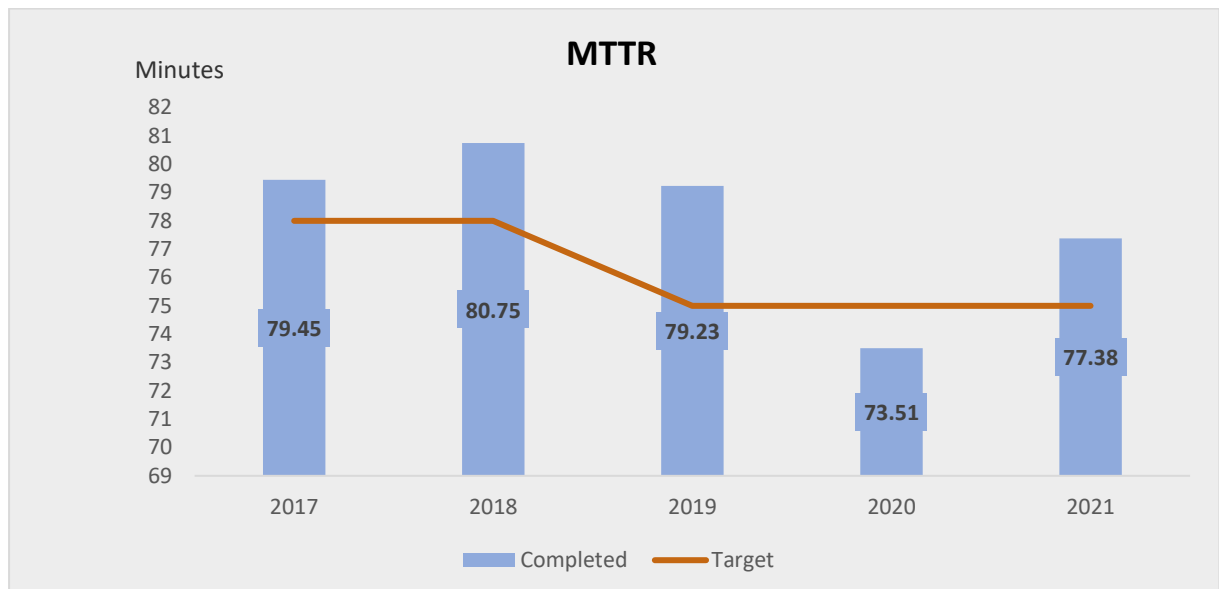
Description of the activities of the Maintenance department

The main objective of the Maintenance Department is to keep in good working order the technological machinery and equipment from COMPA. The maintenance activity is ensured for a number of approximately 1600 means of production, with a very wide variety, given by the different production processes existing in COMPA. Among the types of equipment that we find in COMPA are:

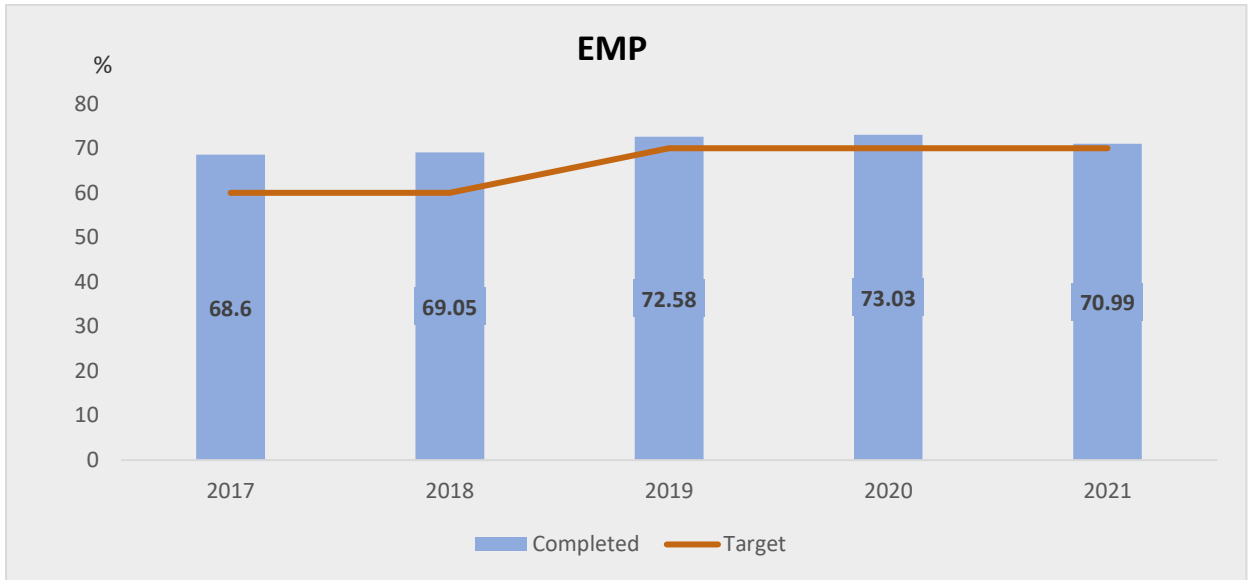
- Machining centers with numerical control Mazak, Spinner, DMG, Okuma, Chiron, Traub, Index;
- Vertical drills with numerical control Rene Clement and Mollart
- Numerically controlled grinding machines Studer, Thielenhauss
- Gleason Pfauter numerically controlled gear milling machines
- Profiroll groove rolling machines
- Laser cutting machines
- Automatic presses
- Welding robots
- KTL electrostatic painting installations
- Heat treatment lines
- Galvanizing and phosphating lines, etc.

The maintenance activities that ensure the realization of the planned production on these machines are:

Corrective maintenance monitored by the indicator Average total repair time – MTTR



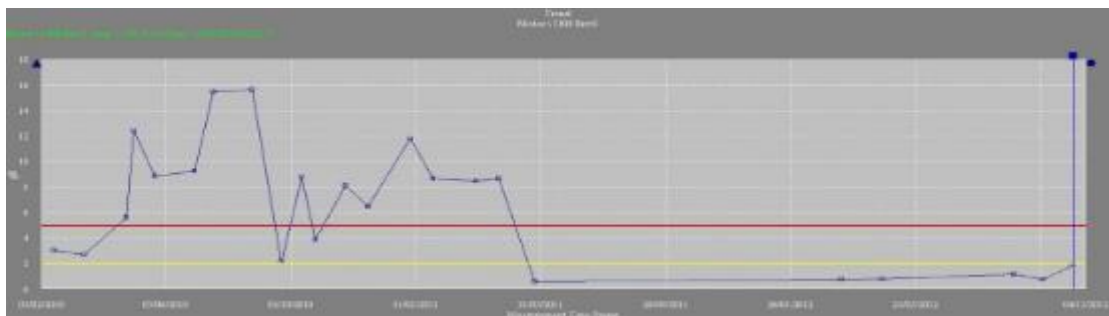
Preventive maintenance monitored by the indicator Efficiency of preventive maintenance - EMP

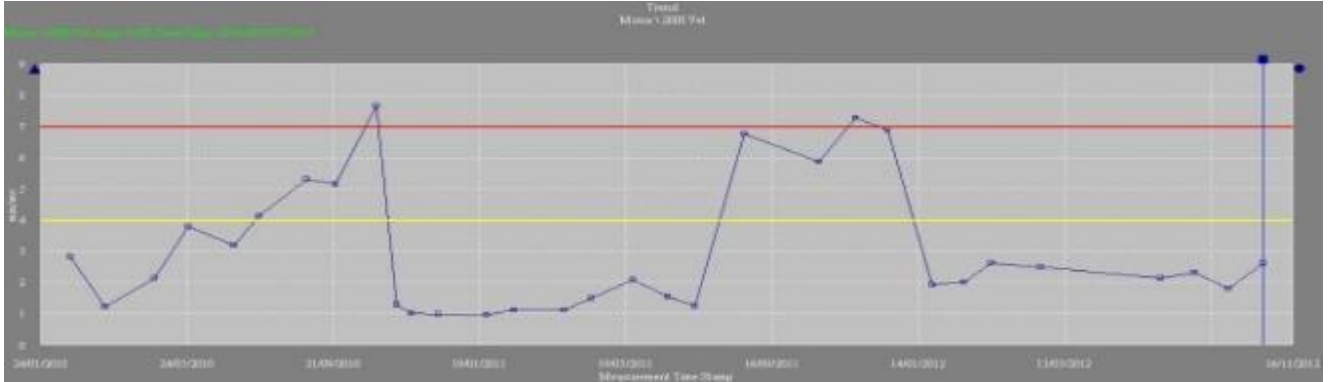


Predictive maintenance for critical technological machinery and equipment, made with: SKF kit for vibration analysis of moving mechanical assemblies.

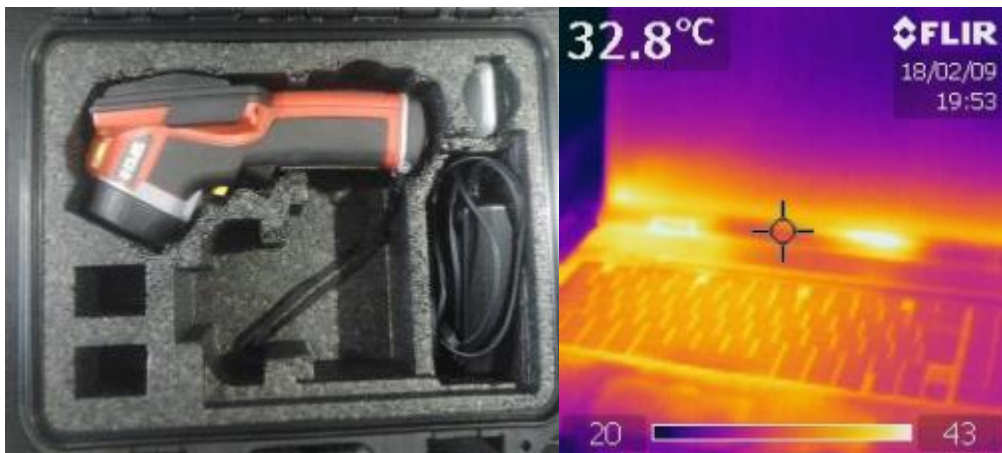


With vibration analysis reports in the following form:



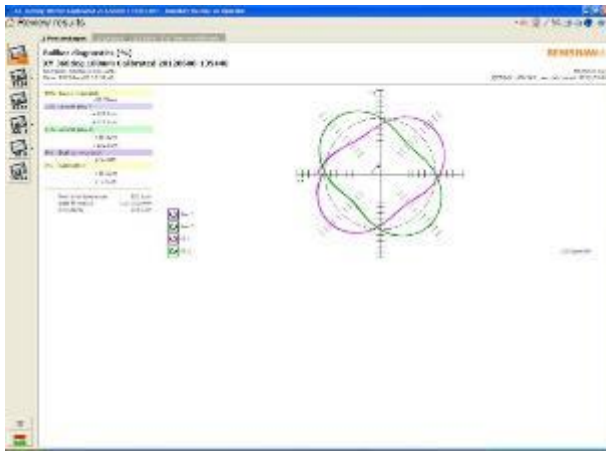


b. Thermographic analysis, performed with the thermal imaging device

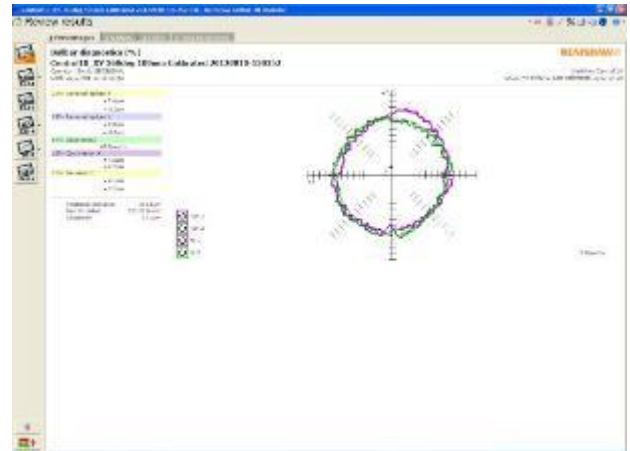


c. Qualitative analysis of the geometry of the machine tool axes, performed with the help of the BallBar kit Renishaw QC20.





Problem



Revised

And services:

Electronic equipment repairs in the Electronics Laboratory that benefits from the following facilities:

- 11 workbenches equipped with tools and equipment for the maintenance of electronic automation equipment



-1 mechanical bench for disassembly and assembly of electronic automation equipment

-1 washing and drying line consisting of:

- 2 washing machines (the first based on the use of a solution with microorganisms, the second based on the use of alkaline solutions in the ultrasonic field);

- 2 drying installations (the first based on hot air draft, the second based on a dehumidification installation)



- 1 station for soldering-detaching components with infrared heating, with precise positioning of components



- 1 microscope for visual inspection of electronic circuits



- Data acquisition interfaces for diagnosing encoder and optical ruler measurement systems, namely Heidenhain's PWM20 and IK215 and Sick's PGT11



-Kits for predictive maintenance: SKF vibration kit, thermography chamber and Renishaw QC20 ballbar kit

Activities carried out in the laboratory:

- Repairs of electronic automation equipment regardless of type and manufacturer. Types of repaired equipment: voltage sources, frequency converters, servo drivers, measuring systems, optical rulers, encoders, distributed I / O modules, keyboards, display and operating panels, computers, numerical controls, PLCs, motors with systems attached (measuring), and others, the most represented manufacturers being Siemens, Fanuc, Mitsubishi, Rexroth (Bosch), Sew, Danfoss, Yaskawa, Heidenhain, Sick, Staubli, etc.
- Software troubleshooting, parameterization and program loading in equipment.

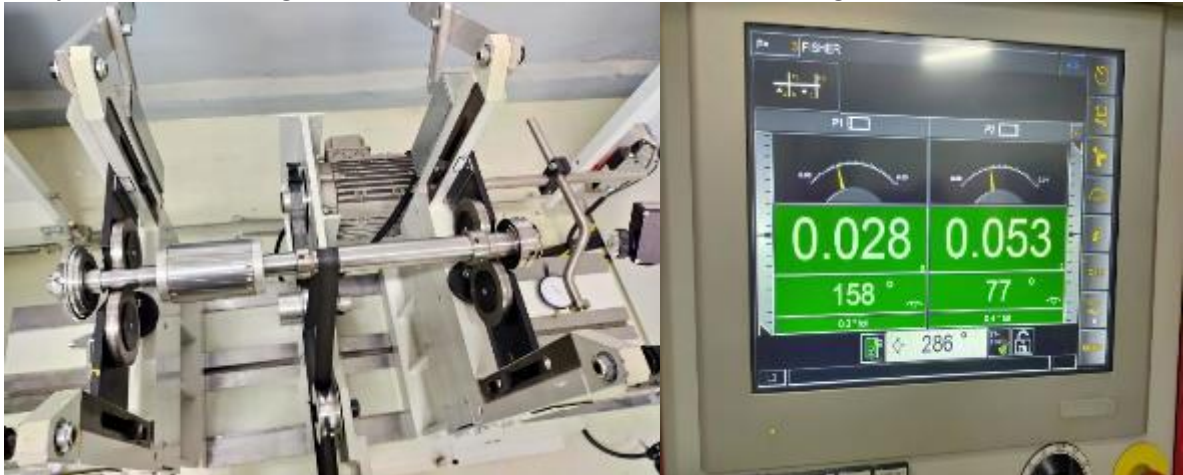
Equipment testing.

Training of maintainers.

Organizing workshops with collaborators from our suppliers.

Predictive maintenance by performing vibration measurements, thermographic measurements and axis geometry testing.

Brooch repairs and balancing for machines such as Mazak, Chiron, Grinding cone, etc. ;



Transfer and relocation of equipment and production lines, over time being transferred equipment and manufacturing lines from: -France - Delphi Blois. See below the picture of the Grinding and Deburring Line transferred to COMPA, from a section that has been transferred in its entirety to COMPA



- England-Delphi Sudbury,
- Germany-Bosch Rexroth and
 - Wilo-Dortmund,
- Turkey – Borgwarner Izmir (the relocation of an entire fabrication line in 2021)
- Romania - Borgwarner Iasi (the relocation of a Sermatec electro-chemical deburring machine in 2021)
- Italy - DMG- See below the photo with DMC numerically controlled centers, from a section in Bergamo, which has been moved entirely to COMPA

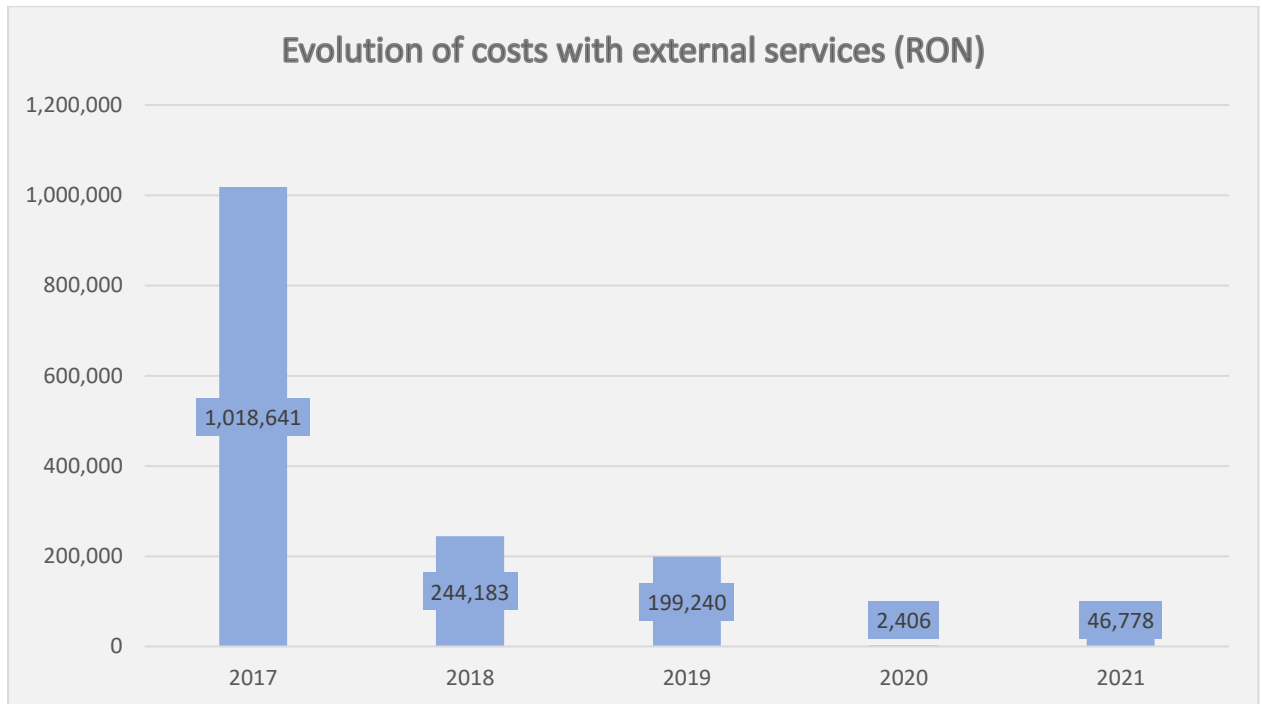


ISCIR repairs and checks for lifting equipment and internal transport;

Activities that have an influence on social, environmental or resource saving aspects, such as the installation of air conditioning and filtration systems in COMPA workshops to create a better climate

The Maintenance Department of COMPA SA, had an average number of 135 employees in 2021.

A result of the takeover and execution of these services in COMPA can be seen in the following graph:



The objectives of the maintenance department for 2022

The objectives of the maintenance department regarding the maintenance activities are within the targets set for maintenance indicators, namely:

- MTTR-75 minutes
- EPM -70%
- Compliance with planned maintenance budgets.

The objectives of the maintenance department regarding the services for 2022 are:

- the modification of a Mazak machine (type VTC) consisting in the addition of a new axis. The engineering and physical modifications will be done by the COMPAs maintenance personnel – January 2022
- the relocation and commissioning of an exhaust and filtration installation for spring grinding machines - January 2022
- relocation of the cold wound springs workshop to the new location – March 2022
- the completion of commissioning of the line transferred from Wilo-Dortmund - May 2022

Description of policies regarding the quality of maintenance department activities, risk factors, key performance indicators and the effect of policy implementation:

The quality policy of the Maintenance Department ensures full compliance with the explicit requirements and expectations of employees, but also takes into account their implicit expectations, with maintaining the certifications of the Integrated Management System according to the standards for the permanent observance of the legal regulations and provisions. as the products and services put to the commitment of employees to be maintained at the same level of quality throughout their development.

The Maintenance Department mainly aims at the following objectives:

- Maintaining the certifications of the Integrated Management System according to the standard reference

- Continuous improvement of the level of employee satisfaction
- Maintaining maintenance costs in the area of efficiency for the activities carried out

In the field of quality of maintenance activities, the following risks have been identified:

Risks with a high initial impact (in the hypothetical case of risk occurrence, they would have a major impact). This category includes the risk of concluding quality audits with major non-conformities, which could lead to the suspension / cancellation of some certifications and the loss of some contracts.

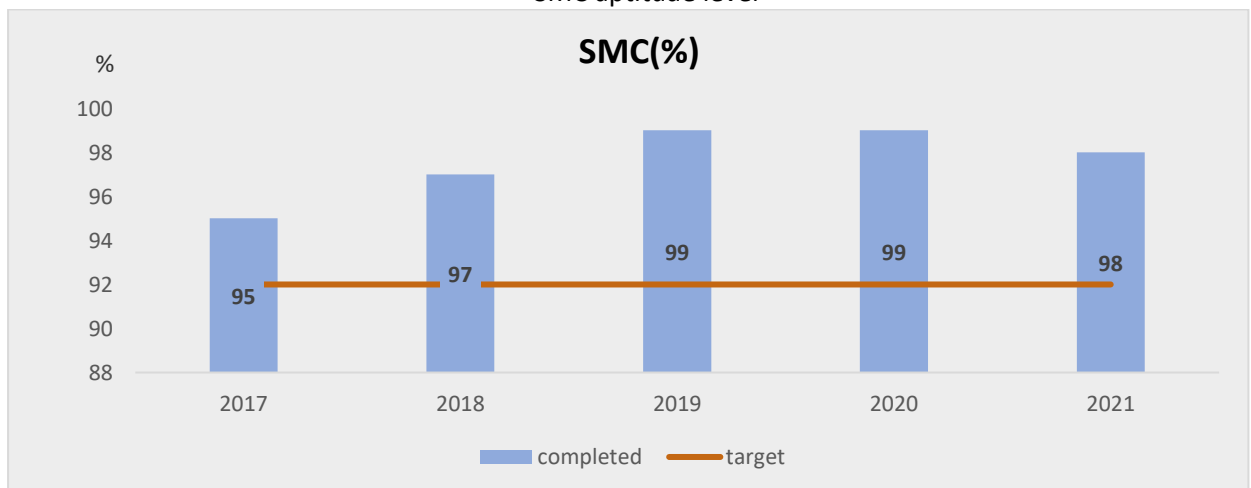
Risks with medium initial impact (in the hypothetical case of risk occurrence, they would have a moderate impact). This category includes the following risks: decreased effectiveness of the Integrated Quality Management System. In case of occurrence of these risks, the activity may be affected by the decrease of the employees' satisfaction, the loss of competitiveness, production losses, etc.

Risks are kept under control by: implementing and complying with the analysis procedures performed by the company's management and internal audit; monitoring and measuring customer satisfaction; fulfilling the training program.

Following the successful audits, the Maintenance Department did not create problems in maintaining in 2021 the Integrated Management System certifications (according to ISO 9001, ISO 14001, OHSAS 18001, IATF 16949) valid for the period 2018-2021.

System audits of the quality of maintenance activities did not find major non-compliances.

The main key performance indicator in the field of maintenance quality is:
SMC aptitude level



Description of policies on Environment and Occupational Health and Safety, risk factors, key performance indicators and the effect of implementing these policies.

Underlying the environmental and occupational health and safety policy is the identification and control of environmental issues and risks associated with all activities in the organization, to ensure compliance with legal and other applicable requirements to which the organization subscribes to the prevention of pollution and



accidents at work, occupational diseases, but also respect for the right of stakeholders to live in an unpolluted environment.

The policy of the Maintenance Department in this field aims at:

- Minimize the amount of waste generated and manage it safely when it cannot be avoided;
- Reducing consumption of natural resources;
- Reducing the impact on the environment associated with the activities of the maintenance department, present and future, by gradually replacing some technologies with others that have a low environmental impact;
- Prevent emergencies with an impact on the environment and occupational health and safety, by establishing and implementing coherent and effective measures to prevent major accidents involving dangerous substances;
- Adopt a preventive behavior against environmental pollution to continuously improve environmental performance;
- Make sure providing an optimal working environment for employees in order to maintain, primarily through preventive activities, the health and safety of employees;
- Ongoing monitoring of employee health and taking action to improve their health and for the prevention of accidents and occupational diseases;

The following risks have been identified in the field of environmental protection and SSO:

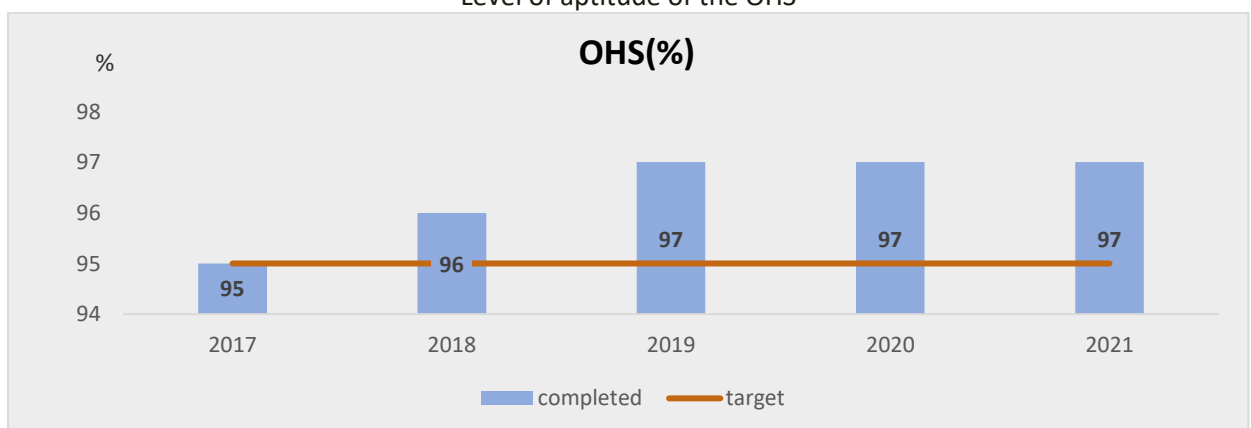
- Risks with a high initial impact (in the hypothetical case of risk occurrence, they would have a significant impact). In this category includes: emergencies with an impact on the environment and SSO; unsafe waste management; unpreventive behavior and increases bad impact on the environment through equipment wear.
- Risks with medium initial impact (in the hypothetical case of risk occurrence, they would have a moderate impact). This category includes: unjustified increase in consumption of natural resources; lack of measures to monitor the health of employees, to prevent accidents and occupational diseases;

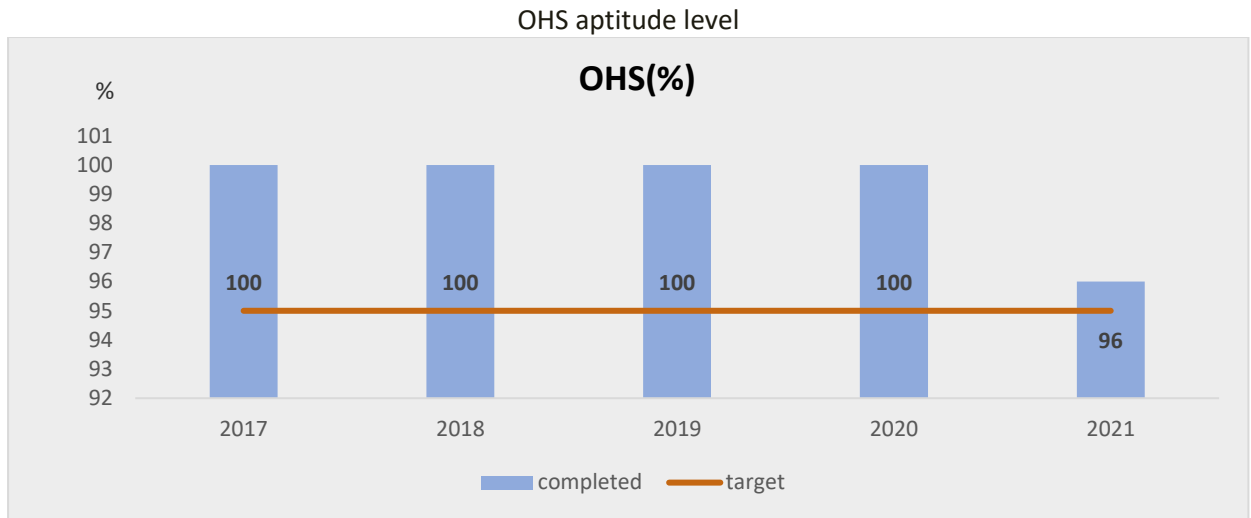
In the event of these risks, it is possible to apply sanctions for breaches of environmental regulations, endangering the safety of the health of employees and stakeholders, restricting production capacity by reducing the number of able-bodied employees.

Following the measures taken in 2021, all the risks presented above have been kept to a low level of impact. This effective control of environmental and SSO risks was made possible by: implementing and complying with waste management procedures, implementing and complying with emergency procedures, maintaining a company medical office and performing regular specific medical tests.

The main key performance indicators of the maintenance department in the field of environmental protection and SSO are:

Level of aptitude of the OHS





No new cases of occupational diseases were found in the department, events with a major impact on the environment or incidents with major effects on human health and safety. - The audits carried out did not find any major non-conformities.

Description of social and personnel policy, risk factors, key performance indicators and the effect of implementing these policies

The Maintenance Department through the Human Resources Department, develops and implements a system of internal regulations through which organizes the activities within the department so that they are executed efficiently, by allocating the necessary resources, identifying the risks and taking the necessary measures to cancel / reduce them to an acceptable level. The most important resource needed to achieve the goals is well-trained, motivated, honest and well-equipped employees. From a social point of view, the aim is to maintain a constructive collaboration relationship with the employees' organizations within the department and with the other interested parties, based on the legislation in the field, by:

- supporting a constructive trade union activity and concluding a Collective Labor Agreement specific to the employees of COMPA SA;
- permanent communication on all major aspects of the evolution of the organization and business with trade unions, considering employees as a third party interested in the success of the business;
- establishing and implementing ways to help disadvantaged and / or disadvantaged peoplespecial family responsibilities;
- establishing and implementing different facilities for all employees, depending on the potential of the organization and the needs identified;
- monitoring the health of employees by periodically performing specialized checks;
- supporting employees and their families when they are in difficult health situations;
- coverage of at least 50% of the costs of spa treatment tickets for employees;
- granting meal vouchers;
- supporting disadvantaged people and / or communities through sponsorships and at the request of COMPA SA employees;
- COMPA SA ensures equal opportunities for its current or potential employees by:
 - recruitment / promotion of staff in a transparent manner, taking into account the necessary competence and professional experience and the integrity of candidates;
 - ensuring the conditions for continuous training and improvement in the professions in which they work, but also for the protection of the environment and occupational health and safety;



- evaluating the activity and skills only on the basis of objective, sustainable, measurable, purposeful, consistently monitored and transparent performance criteria for all employees.
- creating optimal working conditions for staff stabilization.

The risks in this sector are at an average initial level (In the hypothetical case of risk occurrence, they would have a moderate impact).

In 2020, the following risks were identified: a decrease in the retention rate of existing staff or new employees, the allocation of an insufficient number of training hours. In the event of realizing these risks, the company may face increased recruitment costs, decreased quality of activities and maintenance services provided.

Through the measures adopted, most of the risks identified above have been kept to a low level, with the exception of the risk of retention of existing staff and new employees, which is at a medium level, being influenced by the shortage of candidates in the labor market, in especially with regard to qualified personnel.

To control the risks in this field, measures were taken to motivate staff through financial incentives and create a pleasant working environment, the implementation of the annual training and vocational training plan, the implementation of a training plane training and integration of new employees. The trade union organization has a high degree of staff representation, is a party to the collective bargaining agreement and is a partner in the implementation of social and personnel policies.

Among the actions of interest for the local community we mention the agreement concluded several years ago with Henri Coanda and Energetic high schools, and with Lucian Blaga University Sibiu for performing a number of practice hours by students, within the company, and granting scholarships for the best of them, and conducting professional retraining courses through European projects with the participation of qualified staff from the Maintenance Department.

The main performance indicators met in 2021 in this field will be presented by the Human Resources Department

Description of the policy on respect for human rights, risk factors, key performance indicators and the effect of implementing this policy

The Maintenance Department within COMPA SA guarantees the observance of human rights, in accordance with the legal provisions, for its employees and collaborators, but also for the interested parties through:

- the provision of working conditions that respect the dignity of the individual and appropriate jobs in terms of safety and health at work;
- prohibiting any form of language intimidation, gestures, any other form of attack on the person;
- elimination of any form of discrimination based on sex / age / race / religion / political beliefs;
- firm rejection of child exploitation;
- rejection of collaboration with human rights organizations.

Violation of human rights can have as an impact the fall under the law, protests from employees or the public, the decline of prestige in society.

The risk of human rights violations has a medium initial impact, but through control measures, these risks have been kept to a low level. Provisions related to respect for human rights have been included in the internal regulations and in the collective act of work.

In 2021, no cases of intimidation or assault on a person were reported, nor were cases of discrimination based on sex / age / race / religion / political beliefs for staff in the maintenance department.



U.N.M. DEPARTMENT

The Buildings and Utility Networks Maintenance Department (U.N.M.) is a support structure for all the processes and activities that take place within the company.

1 Description of the activity of the ICR Department

- **The ICR department is organized and carries out its activity in three workshops**

- maintenance, repairs and modernization of buildings, roads, sidewalks, platforms and parking lots
- maintenance, repairs and modernization of water networks, compressed air, domestic hot water, heating, hydrants and sewers
- maintenance, repairs and modernization of telephone networks, data, video, lighting, gates.

The most important achievements according to the Performance Indicators refer to:

- permanent maintenance in working order and in optimal conditions of the production platform and of all the company's functions.
- resolving emergency situations and requests, repairing and maintaining in the functional parameters of buildings, networks, installations, roads and access roads, to streamline logistics, to allow the production process to be carried out in adequate conditions and to offer personnel security in optimal conditions. working according to OSH requirements.
- modernization of existing workspaces, utility networks and arrangement of new objectives, corresponding to the company's requirements, in accordance with the legislation in force.

In this sense, lately the following achievements must be highlighted:

- **At the level of the production platform Unit I, H. COANDA street, in 2021 a number of 460 maintenance, repair, modernization and investment works were carried out, among which we mention a few:**
 - Arrangement of the dormitory for workers (all utilities for 60 places).
 - Automation, centralization of control and monitoring of the heating installation in all production halls to improve working conditions and reduce costs.
 - Installation in all production halls of control systems with card for presence.
 - Arrangement of the halls (formerly Cutting workshop) for workshop 550 - Cold springs
 - Arrangement of the Welding Workshop at Workshop 9000, (compartmentalization and insurance with utilities)
 - Redevelopment of office spaces and premises as well as utilities at Workshop 620
 - Arrangement and Installation of cooler and heating for Workshop 630 accuracy enclosure (Flange)
 - Mounted solenoid valves on the compressed air network for a more efficient distribution.
 - Dismantling utility networks from old machines and connecting to transferred machine utilities from Izmir to Workshop 620- line C7
 - Dismantling of old equipment and connection to SERMATEC equipment utilities transferred to Workshop 630
 - Connecting (digitizing) the equipment from the production sections to the company's data



network.

- Connection of new compressor and dryer to the compressed air network in the compressor station
- Connection of vacuum oven and TQ5 oven to the Heat Treatment Workshop
- Automation and alarm systems installed at the entrance gates in the production halls.
- Insulated pipes and external networks (there are still small portions that are under construction)
- Replaced and insulated Estacada heating pipes (Hatebur forge Workshop area)
- Insulated cooling water pipes at Workshop 620 - work continues
- Insulated heating pipes DMG workshop
- Installation of compressed air boosters at Forge Hatebur Workshop
- Arranged and installed Sanitary installations for social groups, floors 3 and 4 of the Central Pavilion
- Replaced old and damaged storm sewer pipes at the Galvanizing Workshop
- Replaced the drinking water pipe and the hydrant pipe at the Central Pavilion
- Replaced, completed and installed new hydrants in the production halls
- Repaired skylights and replaced polycarbonate on 65% of production halls - under construction
- Repaired and replaced 60% of the total number of drains in the halls - continues
- Repaired and replaced waterproofing on halls and buildings in damaged areas - continues
- Epoxy resin cleaning at the Research Center, Sharpener, Workshop 630 - continued
- Replaced incandescent luminaires, as they break down with LED lighting
- Repaired or replaced gates and access doors and related automations for halls and buildings
- Fixed, replaced and monitored data networks, telephony, video and GSM access

- **At the level of the production platform Unit II, B-dul Victoriei Nr. 42-44**

- The project of reconversion of the production space into a space for housing, offices and hotel complex has been started and is in full swing (execution) both for the living spaces and for the hotel complex.
- The works are executed with specialized companies, and the ICR Department monitors the execution.

- **At the level of the production platform Unit III, Cismadie**

- The unit was dismantled and the buildings and halls were demolished and will receive another destination after completing the cadastral formalities.



2. The main risks and their management

- **Risks**

The activity of the ICR department can sometimes be negatively impacted by:

- long supply periods with materials needed for the works due to: the supply circuit through SAP from the moment of the request until the approval and ordering of the materials or services
- supply delays due to suppliers
- Insufficient qualified staff to perform the complex, diverse and often urgent work that is the responsibility of the Department.

- **Risk management**

- Supply chain. The supply chain does not have a major impact on the development of the works that are carried out according to the plans, but for emergency works the decision-making supply chain and effective delivery, can often negatively impact the development of the production process and especially the deadlines.
- Medium and long term short term perspectives
- No other measures are required for the normal supply through SAP, but for the materials that must be supplied in an emergency regime, a more flexible approach is needed.

- **Remediation measures**

- A remedial measure could be to ensure a minimum buffer stock of materials that have the greatest impact on emergency works and to be refreshed according to the consumption generated by these works.
- Another measure could be a direct line with a supplier and an open order within a capped amount, for materials with emergency impact and to be checked weekly by the purchasing department and the general manager.
- Regarding the shortage of staff, in addition to attracting skilled workers from the labor market, the solution of educating young people with skills and their job qualification for the jobs of welder, plumber and electrician should be approached.

3. Description of the objectives, targets and responsibilities established for the performance of these activities

- **Strategy and objectives**

- The strategy and objectives of the ICR Department follow the general strategic line of the company and within it it considers the following staged objectives. (short, medium and long term)
- Clarification of the legal, cadastral and topo situation of the company's premises.
- Digitization of data of drawings, situation plans and documentation Dep. I.C.R.
- Modernization, maintenance and remediation of fences and access gates



- Modernization and rehabilitation of roads, sidewalks, parking lots and platforms
- Maintenance and modernization of buildings, halls, warehouses and warehouses
- Maintenance, repair and renovation of water, air, thermal and sewer networks
- Modernization and repair of data networks, telephony, video monitoring, lighting and access gates

- The main factors that can affect future development.

- The main factors that can affect the future development are related to the general situation of the Romanian economy, of the automotive industry branch, but also of internal order, especially related to the lack of personnel and especially of the qualified one and of the technical endowment that must be permanently completed and modernized.

4. Programs developed during this period to achieve these objectives

- In order to clarify the cadastral situation, the registration activity in the eTerra platform of OCPI Sibiu was initiated - the Land Book of all the company's spaces
- All the spaces on the Unitarea I str H. Coanda platform are registered and we still have two positions on the list that are being processed and for which we have not yet received the registration.
- Digitization of documentation and data is a necessity and work is underway to update situation plans and drawings - permanently
- The modernization, maintenance and remediation of the fences and access gates will be done in stages following a project that is being prepared by the architect.
- The modernization and rehabilitation of roads and access roads is planned to continue with the connecting alleys, sidewalks and parking lots, which require interventions.
- The maintenance and modernization of buildings, halls and warehouses is part of the permanent concern.
- An architectural project for the modernization of the central pavilion is being completed.
- Workshop 550 - Cold springs hall has been arranged.
- The dormitory with 60 places for workers has been arranged (Stadium area)
- Interior design works are carried out in offices and premises in the production halls.
- The maintenance, repair and renovation of the water, air, thermal and sewerage networks is also a permanent activity, but it also involves the phased replacement of old or morally used pipes, especially those of drinking water.
- Modernization and repair of data networks, telephony, video, lighting and access gates is in full swing and is constantly considered a priority.

5. Ongoing monitoring of results and employment policy

- All the programs, projects and works executed are permanently monitored at the level of the three heads of workshops as well as by the head of the activity of the UNM.



- Monthly analysis reports and proposals are made which highlight the problems that have arisen, the stage of their solution, those responsible for their follow-up and completion and measures and proposals for the future.
- The work policy takes into account the company's regulations, but also takes into account the specifics of the department which is related to the fact that each work is performed in different locations and each intervention is specific (has a very low repeatability) and requires different dimensional and distinct materials. at each intervention.

6. Environmental, health and safety issues

- Information on pollution prevention and control
- Regarding the prevention and control of pollution, the aim is to equip and install specific equipment (for example - a new hydrocarbon separator has been installed on the roof of the Swarf 9000 collecting point) and to act urgently to stop any damage and preventive replacement. of the defective parts or their remediation and the removal of the causes that could generate events, so that the soil is not affected or the substances with potential pollution do not reach the sewer network.
- The UNM department collaborates with the other structures of SC COMPA SA for the implementation of the project, which is in execution, for the production of energy from renewable sources (photovoltaic cells)
- Regarding the extraction of mineral resources, the UNM Department carries out the maintenance and repair of manholes, pipes related to fire water wells, which supply the Water Tower with the tank for the company's hydrant network.

- Health and safety at work

- The health and safety of the staff is a constant concern both at the level of the company and of the UNM Department.

In this sense, at the UNM department, the endowment of the workers with protection and work equipment and the observance of the labor protection rules are monitored and checked, taking into account the fact that the works are executed at height or in hard to reach places such as sewers. , is executed in various locations in the vicinity of the equipment while they are operating and must be made without affecting the continuity of production processes. Regarding the safety of buildings and halls, the UNM Department has generated a program for monitoring behavior over time, intervention where appropriate and reporting to the State Inspectorate for Construction, to ensure the smooth running of the company's activity.

This current tracking program targets functionality, status, and integrity:

- | | |
|--|---|
| - Facades, plinths and walls | - Compressed air installations |
| - Strength structure (pillars, beams, caissons) | - Plumbing |
| - Concrete floors (most are covered with epoxy resins) | - Electrical installations, lighting, telephony and data networks |
| - Covers, skylights and drains | - Fire prevention and alarm installations |
| - Doors, gates, windows and access roads | - Hydrant installations |
| - Installations and networks of drinking water, industrial and cooling | - Roads, sidewalks, alleys, platforms and parking lots |
| - Heating, steam and domestic hot water installations | |



All activities were carried out in accordance with the program and requirements and there were no delays in monitoring, evaluating, maintaining and reporting their condition or events affecting or affecting the health and safety of staff.

Starting from these evaluations of their condition and functionality, preventive intervention was carried out through routine maintenance works, repairs or modernizations that ensure safe working and health conditions for all the company's staff.

During the production processes, unforeseen situations also appeared that required emergency interventions. These were always executed in a timely manner, without affecting the smooth running of the production.

Special attention has been paid and is being paid to the sanitary installations related to social groups, toilets, showers and changing rooms, which are executed according to norms and standards and permanently maintained at quality parameters through routine maintenance, repairs and renovations.

7. Objectives, targets and those responsible for the 2022 program.

- All these are part of the general strategy and the proposed objectives:

- Clarification of the legal, cadastral and topo situation of the company's premises

- Until the end of 2022, we propose that the legal situation of all the spaces on the platform Unit I Str. H. Coanda to be clarified and to be registered in eTerra at the Land Book of OCPI Sibiu

- Digitization of data of drawings, situation plans and documentation Dep. UNM

We are working on situation plans and drawings so that they are constantly updated.

- Modernization, maintenance and remediation of fences and access gates

- Studying together with the architect, a project to renovate the access gates in the company.

- Modernization and rehabilitation of roads, sidewalks, parking lots and platforms

- It is proposed for the phased rehabilitation of two alleys connecting with the main roads

- The first near the research center and the second between Delphi and Galvanization.

- Maintenance and modernization of buildings, halls, warehouses and warehouses

- Current works are being carried out on buildings and halls and the renovation of the Central Pavilion is in the execution phase

- Maintenance, repair and renovation of water, air, thermal and sewer networks

- Current, repair and modernization work and commissioning works are being carried out at the Durst and Willo Paintings.

- Modernization and repair of data networks, telephony, video, lighting and access gates

- It is a constant concern especially when replacing incandescent luminaires with LED luminaires as current luminaires fail.

Independent auditor's report

To the Shareholders of COMPA S.A. Sibiu

Report on the Audit of the Separate Financial Statements

Opinion

- 1 We have audited the accompanying separate financial statements of COMPA S.A. ("the Company"), which comprise the Separate statement of financial position as at December 31, 2021, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.
- 2 The separate financial statements refer to:

- Net Assets/Total equity:	497.344 thousand lei
- Net profit of the year:	15.059 thousand lei
- 3 In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

Basis for Opinion

- 4 We conducted our audit in accordance with International Standards on Auditing (ISAs), EU Regulation no. 537 of the Parliament and of the European Council („Regulation”) and Law no. 162/2017 („Law”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Recognition of deferred tax assets

See Note 10 to the Separate financial statements

The key audit matter

The Company has recognised deferred tax assets for deductible temporary differences considered recoverable.

The recoverability of recognised deferred tax assets is dependent of the Company's ability to generate future taxable profits sufficient to utilise deductible temporary differences.

Due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, we consider that evaluation of deferred tax assets to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Using our own professional judgement to evaluate measures taken by the Company that should be able to allow the recovery of deferred tax assets.
- Assessing the accuracy of forecast future taxable profits by evaluating the accuracy of previous estimates and by comparing the assumptions, such as projected growth rates, with our own expectations of those assumptions derived from our knowledge of the industry and our understanding obtained during our audit.
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Tax exemption for profits reinvested in technological equipment

See Note 10 to the Separate financial statements

The key audit matter

The management of the Company expects to retain the technological equipment for a period of at least five years and to not use the reserves created as a result of using the tax exemption for a period of at least five years.

The additional deduction for reinvested profits depends on retaining in the patrimony of the technological equipment. Evaluating deferred tax debt and deferred tax assets reflect the tax consequences arising from the way the Company expects to recover the value of the equipment.

Due to the inherent uncertainty in estimating the retention period of at least five years, we consider that evaluation of deferred tax assets to be a key audit matter.

The key audit matter

Our audit procedures in this area included, among others:

- Using our own professional judgement to evaluate the assumptions and judgements of management. In doing so we evaluated technical specifications of the equipment, information from commercial contracts, market information about the Company's products and the equipment's adaptive capability.
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Our procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the matters described above, and the findings described do not express a separate opinion on these individual matters.

Other aspects

- 6 Considering the effects of Covid 19 Pandemic on the activity of Compa and the evolution of the international epidemiological situation caused by the spread of SARS-CoV-2 coronavirus in more than 150 countries, declared "Pandemic" by the World Health Organization, on 11.03.2020, as well as the uncertainty related to the spread in time and magnitude of the effects on the world economy, the future activities of the Company may be adversely affected. It is difficult to estimate at present the extent of the effects on the industry in which the Company operates, respectively on the demand for the Company's products, but also on the possible deficiencies in the supply chain or the effects of any restrictions imposed by the authorities in the next period.
- 7 We draw attention to Note 25 of the financial statements, according to which the Company estimates that future activities may be negatively influenced by disruptions in the supply of raw materials, uncontrolled increase in the prices of raw materials and energy, and also by the cost of transporting materials as a result of changing current supply routes and changing current suppliers in Europe with suppliers outside the conflict zones. According to the Management Statement, the Company has taken measures to mitigate or eliminate these negative effects, so that no significant difficulties are expected that may affect the continuity of the activity for at least 12 months from the date of the financial statements. Our opinion is unchanged on this issue.

Other information – the Separate Administrator's Report

- 8 The administrators are responsible for the preparation and presentation of other information. This other information includes the Administrator's Report, but do not include the Separate Financial Statements and the Auditor's report on the financial statements and neither the Non-financial Statement, this being presented in a separate report.

Our opinion on the financial statements does not cover this other informations and except when we explicit mention this in our report, we are not expressing any statement of assurance regarding this other information.

In connection with our audit of the separate financial statements as at 31 December 2021, our responsibility is to read this other informations and, doing so, to assess whether this other information is not consistent, in all material respects, with the information presented in the separate financial statements, or with the knowledge we gained during our audit of the separate financial statements, or if this other information appear to be significantly distorted.

We have read the Administrator's Report and report that it includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, Annex 1, points 15-19.

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

- a) Information in Administrator's Report for the period that the financial statements were prepared is consistent, in all material respects, with the information presented in the accompanying separate financial statements as at 31 December 2021;
- b) the Administrator's Report identified above include, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, Annex 1, points 15-19.

In addition, based on our knowledge and understanding concerning the Company and its environment gained during our audit of the financial statements as at 31 December 2021, we are asked to report if we have identified information included in the Administrator's Report that contains a material misstatement of fact. We have nothing to report on this aspect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

- 9 Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, 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.
- 10 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.
- 11 Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

- 12 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.
- 13 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.

- 14 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.
- 15 We also provide to those charged with governance a declaration regarding our conformity with the ethic requirements referring to independence and we communicate all relations and other aspects which can reasonably be considered, that it might affect our independence and, if applicable, the associated safety measures.
- 16 Out of all aspects we communicated to those charged with governance, we determine those aspects that had an increased importance during our audit on the Separate financial statements as at 31 December 2021 and, consequently, represent key audit matters. We describe this aspects in our audit report, except when legislation or regulations forbids the public presentation of a certain aspect or, in extremely rare circumstances, we consider that an certain aspect should not be communicated in our audit report because it's reasonable to assume that the benefits of the public interest are overcome by the negative consequences of this communication.

Report on other legal and regulation directives

- 17 We were appointed by the General Meeting of Shareholders on the 22nd of April 2021 to audit the separate financial statements of COMPA S.A. for the period ending on the 31 December 2021.

We confirm that:

- Our opinion is in accordance with the supplementary report presented to the Company's Audit Committee, which we issued at the same date as this Report. We also, during our audit, have kept our independence from the audited entity.
- We have not provided forbidden **non-audit services**, mentioned at article 5 paragraph (1) from the EU Regulation no. 537/2014.

On behalf of

AuditCont SRL

Registered with the Chamber of Financial Auditors in
Romania with no. 321/2003

Daniela Benga

Registered with the Chamber of Financial Auditors in
Romania with no. 1169/2001

Sibiu, March 28, 2022



REVENUES AND EXPENSES BUDGET 2022

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-

SUBSTANTIATING
OF
REVENUES AND EXPENSES BUDGET
2022

1. SPECIFIC PREMISES

The Substantiation of Income and Expenses Budget for 2022 was based on the following premises

- New requests and recently updated forecasts received from the main COMPA partners for 2022, for the products for which there are signed Contracts, Nomination Letters and other partnership agreements for medium term.
 - The new businesses that started in 2021 were also taken into account, new business resulted from COMPA's price offers , for which the level of production capacities will reach maturity in 2022.
 - Were taken into consideration also the business that will have an end in 2022, knowing the fact that a lot of products and components are towards the end of their cycle.
 - The investment program to be carried out during 2022, oriented mainly towards the acquisition of machines and equipment both for the expansion of existing production capacities and for the replacement of used machines and equipment. This investment program doesn't have the level from 2019 and 2021.
 - Cost Reduction Program established through projects to improve the activity in all areas of activity of the company in order to cover cost increases and price reductions granted to partners through productivity. Knowing the constraints appeared during the last period, the cost reductions could be one of the solutions for an efficient operation of the company.
 - The implementation/introduction of the new products onto the production with new products. Were taken also into consideration the new projects that will grow consistently this year.
 - The exchange rate taken into account for the substantiation of the REB for 2022 is 4,99 ron/eur.
 - The inflation taken into account in BVC 2022 is 8.6%,
-

2. SUBSTANTIATION OF THE PRODUCTION INDICATORS

The main production indicators based on 2022 according to the Contracts concluded with traditional partners, orders and forecasts recently received from partners, in conjunction with programs and measures for sizing the necessary human resources, ensuring the necessary material base, are found in the table below. Onto this substantiation was not taken into account the War in Ukraine due to the fact that at the moment of the BVC elaboration those influences couldn't be quantified.

INDICATORS	U/M	Achievement 2021	Provisions BVC 2022	% col.4/col.3
1	2	3	4	5
Turnover				
- current prices of the period	Th lei	705.726	758.500	107.48
Average number of employees - Total	pers.	1.879	1.950	103.78
Productivity				
- current prices of the period	Th lei/sal.	375.59	388.97	103.56
Export production				
- în RON	Th lei	423.410	450.100	106.30
- în Euro	Th E	86.050	90.020	104.82
Needed imported materials				
- în Euro	Th E	73.400	78.500	106.96

2. SUBSTANTIATION OF THE PROFIT AND LOSS ACCOUNT

In the projection of the Profit and Loss Account for 2022, the following were taken into account:

- Orders and contracts corrected with the latest developments and information on the level of volumes ordered by partners in order to substantiate the turnover and respectively the revenues from the sale of products in 2022.
- In order to dimension the operating costs, the following were taken into account:
 - ✓ The evolution of the price of the raw material, especially of the price on the steel market. Due to the energetic crises was difficult to evaluate the level of price increase of the materials;
 - ✓ Evolution of the price of utilities (electricity, natural gas, water, etc.). The energy market is very volatile at this moment, without knowing very well the future evolution;
 - ✓ Increasing labor costs in this geographical region where there is a lack of skilled workers, especially workers serving numerically controlled machines and other categories of personnel: welders, electricians, plumbers. COMPAs has ensured this task through CNC operators and welders from India;
 - ✓ Measures to reduce costs as a measure to counteract the effects of increasing some categories of costs, but also to ensure higher profitability of the company's activity in 2022;
 - ✓ Degree of wear of buildings, machines and equipment with an impact on the cost of depreciation.

The table below contains a summary indicators of Profit and Loss Account Structure

INDICATORS	Achievement 2021	Provisions BVC 2022	% col.4/col.3
1	3	4	5
TOTAL INCOME, of which:	728.506	783.257	107.52
- operating income, from wich:	723.696	778.085	107.52
- turnover	705.726	758.500	107.48
- financial incomes	4.810	5.172	107.48
TOTAL EXPENSES, of which:	710.474	764.942	107.67
- operating expenses	673.254	725.034	107.69
- financial expenses	7.709	8.273	107.32
TOTAL GROSS RESULT, of which:	18.032	15.214	84.37
Tax Impozit pe profit	2.973	2.434	81.87
NET RESULT	15.059	12.780	84.87

3. SUBSTANTIATION OF THE MAIN ELEMENTS OF PATRIMONY (HERITAGE ELEMENTS)

The patrimony elements will not register a significant evolution in 2022 compared to the previous year. It can be highlighted the increase of financial assets as a result of cash participations and mainly in kind (building and land) at the establishment of the affiliated company ARINI HOSPITALITY S.R.L. Sibiu, in which the company COMPA S.A. holds 100% of the share capital, being a unic shareholder.

A summary of the projection of the main groups of heritage elements for 2022 is presented in the table below

SPECIFICAȚIE	Achievement 2021	Provisions BVC 2022	% col.2/col.1
A	1	2	3
TOTAL FIXED ASSETS, of which:	481.669	486.160	100.93
1. Intangible assets	9.106	9.929	102.04
2. Tangible assets	409.008	413.000	100.98
3. Real estate investments and others receivables	42.839	43.018	100.42
4. Financial assets	20.716	20.850	100.65
CURRENT ASSETS of which:	299.565	294.985	98.47
1. Inventories	142.270	143.041	100.54
2. Receivables	146.227	146.793	100.40
3. Cash (cash in banks)	11.068	5.151	46.54
DEBT LESS THAN ONE YEAR	155.179	166.018	106.98
DEBT OVER ONE YEAR	128.711	142.748	110.91
CAPITAL AND RESERVES	497.344	472.379	94.98

4. INVESTMENTS AND FINANCING SOURCES

In the projection of the Budget of the investment activity for the year 2022 are provided on the one hand the expenses expected to be realized this year, and on the other hand the own resources of the company destined to finance the investment activity are taken into account..

- Investment expenditures are based on the requirements included in the Investment Program for 2022, which is significantly lower than in 2019-2020, when major investments were made in: new production hall, automated line for pump body manufacturing for injection of petrol engines.
- Own and attracted resources:
 - Own resources:
 - ✓ Depreciation included in the price of products;
 - ✓ Profit allocated to the development fund;
 - Attracted resources
 - ✓ Investment loan committed in 2019 with repayment starting with Q1 2021.

5. ECONOMIC AND FINANCIAL INDICATORS

The most representative economic indicators related to BVC for the year 2022 compared to 2021 are presented in the Table below:

INDICATORS	U/M	Achievement 2021	Provisions BVC 2022	% col.4/col.3
1	2	3	4	5
Financial rate of return	%	2.07	1.77	85.42
The rotation speed of assets		1.47	1.56	106.49
The labor productivity	Th. RON/ pers	375.6	389.0	103.56
Trade receivables turnover rate	day	71.94	67.20	93.41
Trade turnover rate debt	day	57.51	58.14	101.11
Turnover rate debt stocks	day	72.57	67.89	93.55
Indebtedness ratio	%	0.55	0.64	117.17
The current liquidity		1.93	1.78	92.04
Direct liquidity		1.01	0.92	90.29

CEO,
IOAN DEAC

CFO,
MIHAELA DUMITRESCU

Appendix 1. GENERAL ACTIVITY BUDGET

GENERAL ACTIVITY BUDGET							
Anexa 1							- lei -current prices
Specification	Nr. rd.	2021 Realized	Financial year : 2022 current				
			TOTAL	consisting in:			
				Trim.I	Trim.II	Trim.III	Trim.IV
A	0	1	2	3	4	5	6
I. TOTAL INCOME, of which:							
(rd.2 + rd.4)	O1	728,505,767	783,257,400	187,188,000	211,630,000	195,618,000	188,821,400
1. Total operating income, of which:	O2	723,696,176	778,085,400	185,952,000	210,230,000	194,326,000	187,577,400
a) turnover	O3	705,725,717	758,500,000	181,260,000	204,930,000	189,440,000	182,870,000
2. Financial income	O4	4,809,591	5,172,000	1,236,000	1,400,000	1,292,000	1,244,000
II. TOTAL EXPENDITURE, of which:							
(rd.06 + rd.12)	O5	710,473,507	764,942,400	182,796,000	206,645,000	191,062,000	184,439,400
1. Operating expenses, of which:	O6	702,764,808	756,669,401	180,819,000	204,410,000	188,995,000	182,445,400
a) material expenses, total	O7	437,364,861	471,556,400	112,688,000	127,388,000	117,778,000	113,702,400
b) staff expenses	O8	147,294,918	158,060,000	37,771,000	42,695,000	39,481,000	38,113,000
c) energy and water expenses	O9	31,843,709	35,186,000	8,408,000	9,506,000	8,789,000	8,483,000
d) adjustment of the intangible and intangible real estate	10	43,714,910	46,210,000	11,041,000	12,486,000	11,543,000	11,140,000
e) other operating expenses	11	42,546,410	45,657,000	10,911,000	12,335,000	11,404,000	11,007,000
2. Financial expenses	12	7,708,701	8,273,000	1,977,000	2,235,000	2,067,000	1,994,000
3. Gross result of the exercise (rd.01-rd.05)	13	18,032,260	15,214,000	3,651,000	4,150,000	3,781,000	3,632,000
4. Income tax	14	2,973,293	2,434,240	584,160	664,000	604,960	581,120
III. NET RESULT OF THE YEAR (rd.13-rd.14)	15	15,058,967	12,779,760	3,066,840	3,486,000	3,176,040	3,050,880
CEO							CFO
Ioan Deac							Mihaela Dumitrescu

Appendix 2. SITUATION OF THE PATRIMONY

SITUATION OF THE PATRIMONY							
- lei -current prices							
O2	Nr.	2021	Financial year : 2022				
			current				
SPECIFICATIE	rd.	Realized	TOTAL	consisting:			
				Trim.I	Trim.II	Trim.III	Trim.IV
	0	1	2	3	4	5	6
A. TOTAL FIXED ASSETS, of which:							
(rd2+rd3+rd8+rd9+rd10+rd11)	O1	481,668,764	485,160,000	481,935,000	482,996,000	484,057,000	485,160,000
1. Intangible assets	O2	9,106,443	9,292,000	9,100,000	9,150,000	9,200,000	9,292,000
2. Tangible fixed assets	O3	409,007,936	412,000,000	409,100,000	410,100,000	411,100,000	412,000,000
3. Real estate investments	O8	41,826,695	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
4. Financial assets, other financial assets	O9	20,715,500	20,850,000	20,720,000	20,730,000	20,740,000	20,850,000
5. Other receivables	10	889,346	893,000	890,000	891,000	892,000	893,000
6. Receivables concerning the income tax delayed	11	122,843	125,000	125,000	125,000	125,000	125,000
B. TOTAL CURRENT ASSETS, of which:							
(rd13 +rd14+rd15+rd16)	12	299,565,637	302,880,979	292,870,160	298,078,460	299,905,567	302,880,979
1. Stocks	13	142,270,307	146,994,000	142,392,000	143,394,000	145,794,000	146,994,000
2. Receivables	14	141,019,577	142,741,290	137,571,160	141,697,500	141,045,340	142,741,290
3. Others receivables	15	5,207,396	5,213,002	5,207,000	5,210,000	5,212,000	5,213,002
4. Cash and bank accounts	16	11,068,357	7,932,687	7,700,000	7,776,960	7,854,227	7,932,687
C. DEBTS LESS THAN ONE YEAR, total, of which:							
(rd18+rd19+rd20+rd21+rd22)	17	155,179,418	161,038,312	154,100,000	155,220,300	157,418,306	161,038,312
1. Financial debts	18	14,284,425	14,808,312	14,400,000	14,490,300	14,700,306	14,808,312
2. Commercial and similar debts	19	112,731,018	117,520,000	111,000,000	112,170,000	114,098,000	117,520,000
3. Debts from contracts with customers	20	9,051,042	9,350,000	9,500,000	9,260,000	9,300,000	9,350,000
4. Others debts	21	12,997,582	13,130,000	13,000,000	13,090,000	13,100,000	13,130,000
5. Income in advance	22	6,115,351	6,230,000	6,200,000	6,210,000	6,220,000	6,230,000
6. Supplies less than one year	23	0	0	0	0	0	0
D. DEBTS OVER A YEAR, total, of which:							
(rd25+rd26+rd27+rd28+rd29)	24	128,710,606	135,607,000	131,000,000	135,070,000	135,489,100	135,607,000
1. Financial debts	25	102,292,751	108,307,000	104,000,000	107,970,000	108,289,100	108,307,000
2. Trade debts	27	0	0	0	0	0	0
3. Other debts	28	0	0	0	0	0	0
4. Income in advance	29	26,193,210	27,300,000	27,000,000	27,100,000	27,200,000	27,300,000
5. Supplies less than one year	30	224,645	0	0	0	0	0
E. CAPITAL AND RESERVES (rd.31 + rd.32 + rd33 + rd.34)							
(rd31 + rd32 + rd33 + rd.34)	31	497,344,378	491,395,667	489,705,161	490,784,161	491,055,161	491,395,667
1. Social capital	32	21,882,104	21,882,104	21,882,104	21,882,104	21,882,104	21,882,104
2. Revaluation reserves	33	372,044,705	377,000,000	375,500,000	376,000,000	376,500,000	377,000,000
3. Other reservations	34	-650,415	-350,500	-350,000	-370,000	-330,000	-350,500
4. Adjustments to other reserves	35	23,122,057	23,122,057	23,122,057	23,122,057	23,122,057	23,122,057
5. The result carried forward	36	65,886,960	66,110,000	65,900,000	66,000,000	66,100,000	66,110,000
6. The result of the exercise	37	15,058,967	15,214,000	3,651,000	4,150,000	3,781,000	3,632,000
7. Profit distribution	38	0	0	0	0	0	0
TOTAL EQUITY	39	497,344,378	491,395,667	489,705,161	490,784,161	491,055,161	491,395,667
CEO						CFO	
Ioan Deac						Mihaela Dumitrescu	

Appendix 3. CASH FLOW


		CASH FLOW		
O3		lei -current prices		
Nr. crt.	Indicator	S1	S2	S2-S1
1.	+ Profit or loss		12,779,760	12,779,760
2.	+ Depreciation and provisions		46,210,000	46,210,000
3.	- Stock variation	142,270,307	146,994,000	-4,723,693
4.	- Variation of receivables	141,019,577	142,741,290	-1,721,713
5.	+ Trade debt variation	112,731,018	117,520,000	4,788,982
6.	+ Variation of other debts	12,997,582	13,130,000	132,418
7.	- Variation of other assets	486,876,159	455,281,302	31,594,857
8.	+ Variation of other liabilities	553,213,050	490,094,219	-63,118,831
9.	+ = Cash flow from the activity operating (A)			25,941,781
10.	- Investments made		35,091,700	-35,091,700
11.	+ = Cash flow from the activity investment (B)			-35,091,700
12.	+ Variation of financial debts	102,292,751	108,307,000	6,014,249
13.	+ = Cash flow from the activity financial (C)			6,014,249
14.	Cash at the beginning of the period	11,068,357		
15.	Cash at the end of the period		7,932,687	
16.	= + Net cash flow (A + B + C)			-3,135,670
	S1 -balance 31.12.2021			
	S2 -balance 31.12.2022			
CEO			CFO	
Ioan Deac			Mihaela Dumitrescu	

Appendix 4. INVESTMENT ACTIVITY BUDGET

INVESTMENT ACTIVITY BUDGET							
04							- lei - current prices
SPECIFICATION	Nr. rd.	2021 Realized	Financial year : 2022				
			TOTAL	current			
				consisting:			
A	0	1	2	Trim.I	Trim.II	Trim.III	Trim.IV
I. FINANCING RESOURCES - TOTAL (02 + 09)	01	96,243,598	82,506,259	35,546,142	54,418,259	45,288,709	42,948,260
OWN RESOURCES - TOTAL (03-08)	02	96,243,598	82,506,259	35,546,142	52,265,009	45,288,709	42,948,260
- Available at the beginning of the period	03	38,902,010	24,264,142	24,264,142	27,477,892	33,497,709	31,566,259
- Damping tangible assets	04	43,714,910	46,210,000	11,282,000	12,755,000	11,791,000	11,382,000
- Net profit distributed to fid. Dezv.	05	10,712,555	12,032,117		12,032,117		
- Other resources	07	2,914,123	0	0	0	0	0
RESOURCE DELAYS - TOTAL	08	0	0	0	2,153,250	0	0
- New employee loans	9	0	0	0	0	0	0
- Other resources (reimbursement of Norwegian funds)	10	0	0	0	2,153,250	0	0
II. DESTINATION OF RESOURCES	11						
- Reimbursement of loans	12	10,626,214	17,325,000	4,331,250	4,331,250	4,331,250	4,331,250
- Deficit coverage	13	0	0	0	0	0	0
- Investment financing (01- (12 + 13))	14	85,617,384	65,181,259	31,214,892	50,087,009	40,957,459	38,617,010
III. INVESTMENT EXPENSES - of which:	15	61,353,242	35,091,700	3,737,000	16,589,300	9,391,200	5,374,200
- Acquisitions of fixed assets	16	42,405,742	35,091,700	3,737,000	16,589,300	9,391,200	5,374,200
- Expenses in participation titles	17	18,947,500	0	0	0	0	0
IV. EXCEDENT (14-15)	18	24,264,142	30,089,559	27,477,892	33,497,709	31,566,259	33,242,810
DEFICIT (15-14)	19						
CEO Ioan Deac						CFO Mihaela Dumitrescu	



Appendix 5 . SUBSTANTIATION OF THE TURNOVER 2022

	2021	2022	Trim. I	Trim. II	Trim. III	Trim. IV
CIFRA DE AFACERI	705,725,717	758,500,000	181,260,000	204,930,000	189,440,000	182,870,000
Materii prime si materiale	392,606,657	423,526,400	101,210,000	114,418,000	105,782,000	102,116,400
Alte materiale utilizate in fabricatie (S.D.V., ambalaje)	44,758,204	48,030,000	11,478,000	12,970,000	11,996,000	11,586,000
Costuri salariale directe	75,298,256	80,810,000	19,311,000	21,833,000	20,183,000	19,483,000
Costuri salariale indirecte	44,877,814	48,160,000	11,508,000	13,012,000	12,028,000	11,612,000
Costuri cu energia si apa	31,843,709	35,186,000	8,408,000	9,506,000	8,789,000	8,483,000
Costuri cu protectia mediului	435,683	467,000	112,000	126,000	117,000	112,000
Cheltuieli cu amortizarea	41,322,561	43,665,000	10,433,000	11,798,000	10,907,000	10,527,000
Cheltuieli cu taxe si impozite	3,979,673	4,270,000	1,020,000	1,154,000	1,067,000	1,029,000
Alte costuri	38,131,052	40,920,000	9,779,000	11,055,000	10,220,000	9,866,000
TOTAL CHELTUIELI EXPLOATARE	673,253,609	725,034,400	173,259,000	195,872,000	181,089,001	174,814,400
TOTAL CHELTUIELI FINANCIARE	7,708,701	8,273,000	1,977,000	2,235,000	2,067,000	1,994,000
Costuri cu forta de munca din administratie	27,118,848	29,090,000	6,952,000	7,850,000	7,270,000	7,018,000
Amortizarea activelor administrative	2,392,349	2,545,000	608,000	688,000	636,000	613,000
TOTAL CHELTUIELI ADMINISTRATIVE	29,511,197	31,635,000	7,560,000	8,538,000	7,906,000	7,631,000
TOTAL CHELTUIELI	710,473,507	764,942,400	182,796,000	206,645,000	191,062,000	184,439,400
	702,764,806	46,210,000				
Cost ef. Prod. Mf. Real.	637,388,532	684,273,000	163,522,000	184,884,000	170,902,000	164,965,000
Cost ef. Prod. Mf. Vanduta	(625,797,258)	(671,600,000)	(160,493,000)	(181,450,000)	(167,736,000)	(161,921,000)
Cost ef. Cost efectiv prod. Semif.	626,999,571	672,900,000	160,815,000	181,791,000	168,061,000	162,233,000
Alte venituri	(28,091,700)	(30,128,600)	(7,200,000)	(8,135,000)	(7,530,000)	(7,263,600)
Cheltuieli cu semif. consumate	592,528,687	635,859,000	151,952,000	171,790,000	158,811,000	153,306,000
TOTAL VENITURI EXPLOATARE	723,696,176	778,085,400	185,952,000	210,230,000	194,326,000	187,577,400
TOTAL VENITURI FINANCIARE	4,809,591	5,172,000	1,236,000	1,400,000	1,292,000	1,244,000
TOTAL VENITURI	728,505,767	783,257,400	187,188,000	211,630,000	195,618,000	188,821,400
PROFIT/pierdere din exploatare	20,931,370	18,315,000	4,392,000	4,985,001	4,556,000	4,382,000
PROFIT/pierdere financiar	(2,899,110)	(3,101,000)	(741,000)	(835,000)	(775,000)	(750,000)
TOTAL REZULTAT BRUT	18,032,260	15,214,000	3,651,000	4,150,000	3,781,000	3,632,000
	0	15,214,000				
IMPOZIT PE PROFIT	2,973,293	2,434,240	584,160	664,000	604,960	581,120
PROFIT NET	15,058,967	12,779,760	3,066,840	3,486,000	3,176,040	3,050,880
PROFIT MARGINAL	2.13%	1.68%	1.69%	1.70%	1.68%	1.67%
 Ioan Deac					CFO	
					Mihaela Dumitrescu	