



compa
beyond expectations

INDIVIDUAL ANUAL REPORT
2022



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INDIVIDUAL ANNUAL
REPORT 2022

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A) BOARD OF DIRECTORS REPORT

1. INTRODUCTION

PURPOSE OF THE REPORT

This ANNUAL REPORT for 2022 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 2022, despite the challenges and enormous difficulties faced by the company, due to the crisis caused by the war in Ukraine.

MESSAGE FROM THE PRESIDENT - GENERAL MANAGER



As you know, Compa Sibiu is one of the largest producers of auto components in Romania, and its customers, in the vast majority, are important companies from around the world. Here we mention Borg Warner, Bosch, Garrett, Jtekt, INA Schaeffler, ZF, Haulotte, etc. The big challenges in the automotive industry, related to the transition from diesel and gasoline vehicles to electric ones, the war in Ukraine, the increase in the prices of electricity, methane gas and all other raw materials and materials, as well as the acute lack of qualified personnel in the Romanian market, have greatly affected the activity of the company and finally its profitability, in the year 2022. The most important factor, which negatively influenced the company's activity, as a result, especially of the war in Ukraine, was the increase in the prices of utilities (electricity, methane gas, etc.) and then, the increase in the prices of all raw materials and materials to levels that have

was very difficult to bear and manage, also taking into account the fact that our customers accepted with great difficulty to bear part of these increases, and this acceptance came quite late, only towards the end of 2022.

The war in Ukraine also caused the reduction of volumes of certain customers, who had important commercial relations in Russia and even in Ukraine. Of course, the company's results were strongly affected by this situation.

Working in the automotive field and producing mostly components for diesel and gasoline powered vehicles, volume reductions in these components have started to appear and new projects in this field are fewer and fewer. Although we are developing new projects in fields other than the automotive field and, although we have greatly reduced our dependence on this field, the challenges related to the transition to electric cars also affected our activity in 2022.

In addition, the acute lack of qualified personnel on the labor market in Romania was and continues to be a factor of great importance, which negatively affected the company's activity this year.

All these and more, were major disruptive elements of the company's activity this year and led us even more to look for the best solutions to solve the effects they produce, to improve the company's profitability in 2023.

As mentioned above, we are developing new projects to further reduce our dependence on the automotive industry, we are looking for solutions together with our customers, to solve the effects of cost increases related to price increases, and we are supplementing our human resources with qualified personnel brought from Asia. The new projects we are developing will have an important component related to the use of green energy and of course reducing the carbon footprint.

Of course, all our concerns will be oriented towards increasing efficiency and profitability, towards satisfying the interests of Compa's shareholders and employees, capitalizing on our experience in the fields in which we operate.

Ioan DEAC
President & General Manager,
COMPA SA Sibiu

2. COMPAS - OVER 130 YEARS OF 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 Iószef Datky (1844-1928), recognized as "Datky Iosif & Sons' Body Shop", which produced lamellar springs for carriages, forged parts, bars, 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.

INTREPRINDERE DE PIESE AUTO SIBIU

 brake equipments		
drive shafts		
steering gears		
telescopic shock absorbers		
suspension		

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.

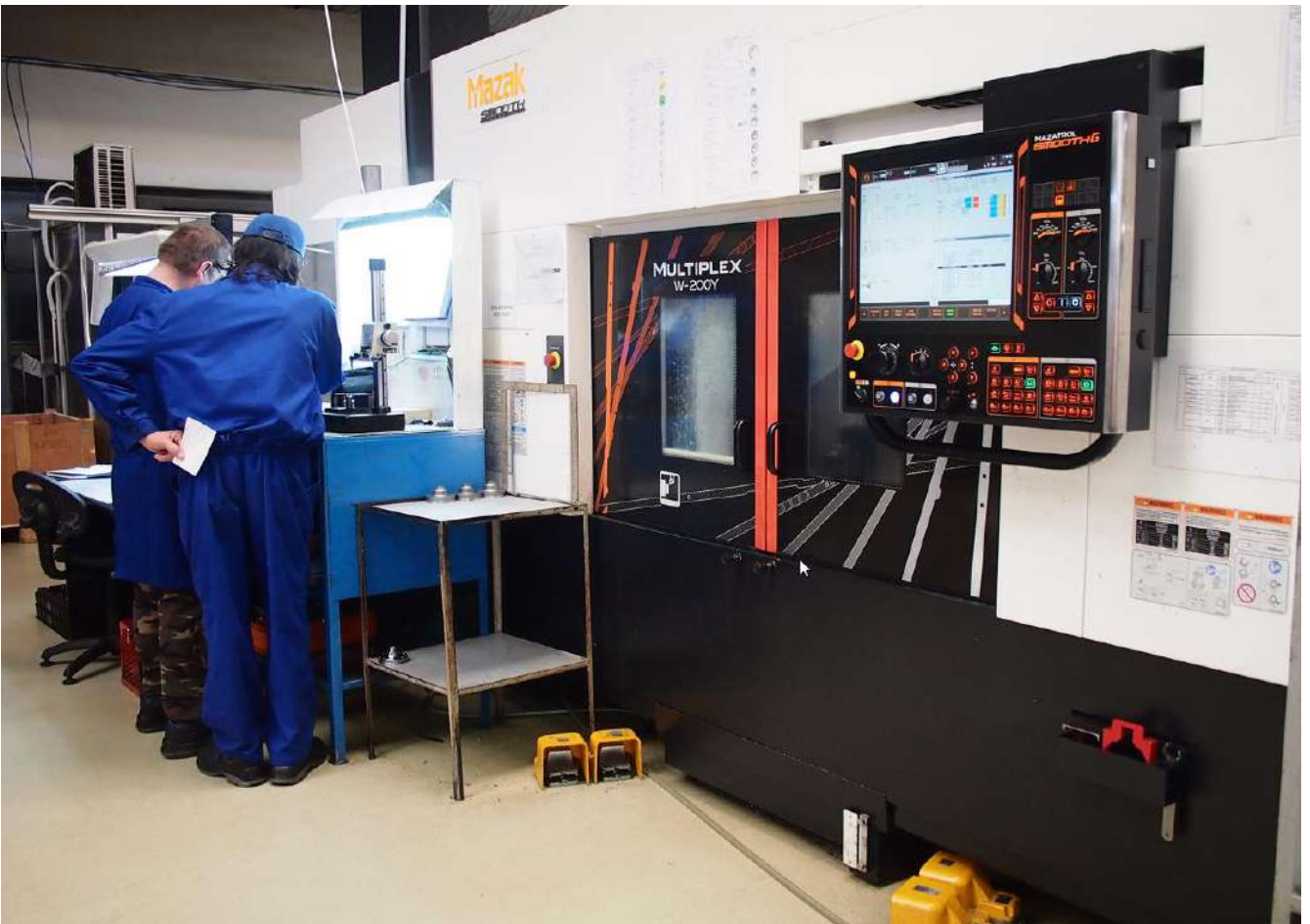
2004-2018 - Establishing collaborative partnerships with some of the most important companies in the automotive field in the world, as well as with non-auto companies, in order to make components intended mainly for the automotive industry worldwide.

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:



2021 - Establishment of a limited liability company named Arini Hospitality SRL.

2021 – present - Compa S.A. continues to develop in a sustained rhythm, using high-performance technologies and equipment



3. EVENTS OF 2022 AND MANAGEMENT'S VISION FOR THE FUTURE DEVELOPMENT OF THE BUSINESS

3.1. EVENTS RECORDED IN 2022

As important events recorded in the activity of Compa in 2022, we can highlight the meetings of the Board of Directors of the company Compa S.A. (CA) as a result of the convocation of the President of the CA, as follows:

01.02.2022 – The Board of Directors of Compa S.A. was convened in which the proposals of the economic and financial department of the company were analyzed and approved regarding the results of the inventory of the company's assets for the year 2021 and consisting of:

- the write-off of some assets of a fixed asset nature, the overwhelming majority of which were fully analysed. It was found that these fixed assets have a very high degree of wear and tear and can no longer operate within the parameters designed within the company, being also very old;
- the inclusion in the revenue of some debts which are overdue to certain creditors, particularly suppliers
- write-off, recording of inventory write-downs, impairment adjustments of receivables and other uncollected debts, as result of the inventory of the firm's assets for 2021.

23.02.2022 – At the meeting of the Board of Directors convened on 23.02.2022, the preliminary financial results for 2021, both the individual results for Compa and the preliminary financial results for 2021 for the Group, were analysed and approved.

24.02.2022 – An event with a major impact on the entire world economy, including Romania and of course on Compa's activity, is the military attack on Ukraine by the Russian army. The effects of this armed conflict on Compa are:

- reduction in the volume of orders from most customers.
- major disruptions in the supply chain of raw materials and materials, consisting in the change of some suppliers; force majeure situations at various suppliers with implications for the entire supply chain
- cost increases due to price explosions for: electricity, methane gas, steels, chemicals, spare parts, etc.
- major impact on the profitability of the company as a result of: non-recognition or (partial) acceptance of prices by most customers, unprecedented increases in utility prices with escalation of these price increases from almost all suppliers.

These major effects in Compa's costs, significantly reduced Compa's realized profit margin in the 1st semester of 2022.

10.03.2022 – A meeting of the Board of Directors of Compa S.A. was convened to approve the proposal to convene the Ordinary General Meeting of Shareholders (OGMS) for the date 28.04.2022 first convocation (15:00) and 29.04.2022, second convocation (15:00) as well as the proposal to convene the Extraordinary General Meeting of Shareholders (EGMS) for 28.04.2022 first convocation 16:00 and 29.04.2022, second convocation (16:00).

The Board of Directors approved the agenda of the OGMS convened on 28/29.04.2022, in which a number of 11 items were included (according to the Convening Note) as well as the 12 items included in the Convening Notice for the EGMS from the date of 28/29.04.2022.

The Board of Directors meeting on 10.03.2022 also approved the following:

- the date of 12.04.2022 as the reference date for the OGMS and the EGMS from the date of 28/29.04.2022
- the appointment of Mr. Băiașu Dan Nicolae as Deputy General Manager, as of 01.04.2022. The President of the Board of Directors – Mr. Deac Ioan was mandated to sign the appointment decision.

16.03.2022 – At the meeting held on 16.03.2022, the Board of Directors approved to add to the agenda of the OGMS of 28/29.04.2022 another item regarding the remuneration report of the company's management prepared for the year 2021. The agenda of the OGMS of 28/29.04.2022 is supplemented with this item as approved by the Board of Director in the meeting of March 10, 2022.

23.03.2022 – At the meeting held on 23.03.2022, the Board of Directors approved the Individual and Consolidated Annual Report for the financial year 2021 drawn up according to Annex 15 of ASF Regulation no. 5/2018. Also during the Board meeting of 23.03.2022, the Revenue and Expenditure Budget for 2022 and the Investment Program for 2022 were approved.

28.03.2022 – Considering the Board of Administration Decision no. 35/ 10.03.2022 (article 4 and article 5), on March, 3rd was issued the internal Decision regarding the appointment of Mr. Baiasu Dan-Nicolae as Deputy General Director. The decision enters into force as of April 4th 2022.

28.04.2022 - The Ordinary General Meeting of Shareholders (OGMS) was held with the following agenda:

- the election of the secretary of the meeting of the Ordinary General Meeting of Shareholders from among the present shareholders;
- the presentation, discussion and approval of individual and consolidated financial statements for 2021, elaborated in accordance with the International Standards for Financial Reporting and based on the reports of the Board of Directors accompanied by the report of the Financial Auditor;
- approval of the proposal of the Board of Directors for the distribution of the net profit for the financial year 2021, in amount of 15.058.967,18 lei as follows:
 - for own development sources – the value of 12.032.117,85 lei
 - o for according dividends to the shareholders – the value of 3.026.849,33 lei with a gross dividend/ share in amount of 0,0143 lei.
- approval of the date of June 14th, 2022, as the date of payment for the payment of dividends
- pronouncing on the management of the Board and approving the discharge of administrators from their duties for year 2021 based on the submitted reports.
- presentation, debate and approval of the Revenues and Expenses Budget for 2022 and the investment plan for 2022.
- fixing and approving of due remuneration for the Board members for the current year.
- appointment of the external financial auditor Audit Cont S.R.L. in order to perform the Statutory Audit for 2022.
- Approval of May 20th, 2022, as the Registration Date and and approval of May 19th, 2022 as ex-date
- Empowering of individuals that will perform the publication and recording formalities of the OGMS session decisions, including their signing

28.04.2022 – The Extraordinary General Meeting of Shareholders (EGMS) was held with the following agenda:

- the election of the secretary of the meeting of the Extraordinary General Meeting of Shareholders from among the present shareholders.
- approval of contracting and / or extension for the year 2022 and the year 2023 until the annual EGMS of investment loans, credit lines, leasing, letters of bank warantee, and other financial banking products, with a total cumulative ceiling of 40 EUR million and establishing security interests related to movable and immovable property owned by the Company.
- delegation of the Board of Directors by the Extraordinary General Meeting of Shareholders from de date of this decision until the next Extraordinary General Meeting in April 2023 to commit and/or extend investment loans, credit lines, leasing assignments, letters of guarantee and other financial banking products, within the maximum cumulative total of 40 million euro approved at point 2, as well as to constitute movable and immovable warantees related to assets of the company's patrimony.
- the empowerment of persons to represent the Company when negotiating and signing of credit contracts, guarantee contracts and any other documents needed in order to comply with the decisions stipulated in paragraphs 2 and 3.
- delegation of the Board of Directors by the General Extraordinary Meeting of Shareholders for appointing the company's legal representative of Compa S.A. in relation to the Management Authority/funding authorities and

to empower the person / persons designated to sign in the name and on behalf the Company, the financing contracts for projects to be carried out starting in 2022 and onwards until the next E.G.M.S from April 2023.

- the empowerment of persons to sign in the name and on behalf of the Company, the contract with the financial auditor, appointed according to the decision no. 8 of OGMS.
- Ratification of the decision of the Board of Directors no. 115 / 12.11.2021 art. 10, art. 11, art. 12 and art. 13, prin care s-a aprobat:
 - o the supplementation of the loan ceiling in the amount of 8,000,000 euros approved according to the EGMS decision no. 7 /12.11.2020 for the development by the affiliated company Arini Hospitality SRL of the Mercure Sibiu Park Arini & Ibis Styles Sibiu Park Arini Hotel Project, with the amount of 1,500,000 euros, of which the amount of 3,800,000 lei will be a short-term loan of revolving type for financing the VAT related to the investment, and the amount of 700,000 euros will supplement the investment credit in the amount of 8,000,000 euros
 - o the warranting of the additional loan amounting to 1,500,000 euros to be contracted by Arini Hospitality SRL with movable and immovable property from the patrimony of the affiliated company Arini Hospitality SRL, including the real estate registered in the Sibiu land book no. 131805.
 - o the warranting by Compa SA, of the additional loan amounting to 1,500,000 euros that will be contracted by Arini Hospitality SRL, either as a warrantor or as a co-debtor, in case the financing banks will request this.
 - o The warrantee of the loan that will be contracted by Arini Hospitality SRL for the financing of the state aid, approved according to the EGMS decision no. 80 art. 4 / 09.09.2021, with movable and immovable property from the patrimony of the affiliated company Arini Hospitality SRL, including the real estate registered in the Sibiu land book no. 131805.
- approval of May 20th, 2022, as the Registration Date approval of May 19th, 2022 as ex-date
- empowering of individuals that will perform the publication and recording formalities of the EGMS session decisions, including their signing.

28.04.2022 – The meeting of the Board of Directors of Compa S.A. was held, through which was approved:

- the establishment of the servitude right of passage by car and foot over the surface of 570 square meters of land registered in CF Sibiu no. 128907 in an area of 2842 square meters as a servient fund in favor of the building registered in CF Sibiu no. 128908 in an area of 2840 sqm as the dominant fund, according to the technical memorandum and PAD dated 11.04.2022.
- the establishment of the servitude right of passage by car and foot over the surface of 515 square meters of land registered in CF Sibiu no. 128908 in an area of 2840 sqm as a servient fund in favor of the building registered in CF Sibiu no. 128907 in an area of 2842 as the dominant fund, according to the technical memorandum and PAD dated 11.04.2022.
- authorizing Mr. Ioan Deac – General Manager, as legal representative, to sign on behalf and for Compa S.A. the notarial deed and any other necessary documents in this regard.
- the mandate of the Chairman of Board of Directors, Mr. Ioan Deac and the Vice-president of Board of Directors, Mr. Ioan Miclea to sign the decisions of the Board of Directors taken in the meeting convened for 28.04.2022.

29.04.2022 – The Decision was issued regarding the appointment of Mr. Dumitrescu Cosmin-Stefan as Director of Management Systems and Improvement. The decision applies starting from 01.05.2022.

11.05.2022 – The meeting of the Board of Directors of Compa S.A. was held, through which was approved:

- the individual and consolidated Report on Quarter I 2022 was noted and approved
- the mandate of the CEO - Ioan Deac and the CFO - Mihaela Dumitrescu to sign, on behalf and for the Board of Directors, the Reports for the First Quarter - 2022
- the Announcement regarding the payment of dividends related to the year 2021 and the Procedure for the distribution of dividends related to the financial year 2021 and the mandate of the Chairman of the Board of Directors, Mr. Ioan Deac and the Vice-President of the Board of Directors, Mr. Ioan Miclea, to sign the Announcement regarding the payment of dividends related to the financial year 2021 and the Procedure for the distribution of dividends related to the financial year 2021

- the mandate of the Chairman of the Board of Directors Mr. Ioan Deac and the Vice-President of the Board of Directors Mr. Ioan Miclea to sign the decisions of the Board of Directors taken in the meeting of 11.05.2022

30.05.2022 – The meeting of the Board of Directors of Compa was held, through which the Regulation for registering price offers regarding the 20 apartments that will be built in buildings R3 and R4 and the mandate of the President of the CA, Mr. Ioan Deac and The Vice-President of the Board of Directors, Mr. Ioan Miclea, to sign, on behalf of and for the Board of Directors, the Regulation for registering price offers, was approved.

14.06.2022 – The action to pay the dividends due to Compa shareholders, related to the year 2021, has started.

17.06.2022 – The meeting of the Board of Directors of Compa S.A. was held, through which the proposal to convene the Ordinary General Meeting of Shareholders was approved at the company's headquarters in Sibiu, Str. Henri Coanda, no. 8, for the date of 27.08.2022, the first convocation, at 15.00 and 28.07.2022, the second convocation, at 15.00, with the following agenda:

- election of the meeting secretary
- the presentation, debate and approval of the 2022 Revenue and Expenditure Budget and the amended 2022 Investment Program – June 2022 versions
- approval of 12.08.2022 as registration date and 11.08.2022 as *ex date*
- empowering natural persons who will fulfill the formalities of publicity and registration of the resolutions of the ordinary meeting of shareholders, including their signature.

24.06.2022 – The meeting of the Board of Directors of Compa S.A took place, during which the Revenue and Expenditure Budget for 2022 and the Investment Program for 2022 rectified - June 2022 version, as well as the mandate of the General Director, Mr. Ioan Deac and of the Economic Director, Ms. Mihaela Dumitrescu, to sign, for and on behalf of the Board of Directors, the Income and Expenditure Budget and the rectified 2022 Investment Program - June 2022 version was approved.

27.07.2022 – The General Meeting of Shareholder (OGMS) was held, which analyzed, debate and approved:

- election of the secretary of the Ordinary Geeral Meeting of Shareholders from among the shareholders present.
- The BVC Revenue and Expenditure Budget and Investement Program for 2022, rectified.
- The date of 12.08.2022 as the registration date for the identification of the shareholders on whom the effects of the OGMS.
- Empowering natural persons who carry out the advertising and registration formalities.

05.08.2022 –The meeting of the Board of Directors of Compa S.A. was held by which the individual financial report for the first semester for the year 2022 and the consolidated financial report for the second semester for the year 2022 were approved as well as the mandate of the General Director, Mr. Ioan Deac and the Economic Director, Mrs. Mihaela Dumitrescu to sign, for and on behalf of the Board of Directors individual and consolidated financial report for the first semester.

27.09.2022 – The meeting of the Board of Compa S.A. was held by which it was approved:

- the conclusion of preliminary contracts of sale and subsequent contracts of sales regarding the apartments in the buildings built on the lands registered in CF Sibiu no. 128912 and 128913 based on authorizations no. 435/04.10.2021 and no. 439/04.10.2021 issued by Sibiu City Hall, apartments for which price offers are sent within the offer platform www.arsenalresidence.ro.
- the authorization of the General Director - Ioan Deac, the Economic Director - Mihaela Dumitrescu and the Deputy General Director - Dan Baiasu to represent the company on the occasion of signing the preliminary contracts of sale regarding the apartments mentioned above

- the authorization of the General Director - Ioan Deac to represent the company on the occasion of the signing of the documents, the apartment documentation and the contracts of sale for the apartments in the R1 and R2 buildings built on the land registered in CF Sibiu no. 128910 and 128911.

25.10.2022 – The meeting of the Board of Directors of Compa was held by which it was approved:

-increasing the credit facility – credit agreement no. 22/ 31.01.2008 concluded with BRD Groupe Societe Generale S.A., from 12.000.000 Eur to 15.000.000 Eur (if necessary sub-ceiling of 4.000.000 Eur for issuing letters of guarantee and opening letter of credit) and extending the validity of credit no. 22/ 31.01.2008 until 31.10.2023, as well as the approval of the guarantee of the credit facility with the goods already bought under guarantee

- The authorization of the General Director - Ioan Deac and the Economic Director - Mihaela Dumitrescu to represent the company during the negotiation and signing on behalf of Compa S.A. of the additional documents and any necessary documents in order to extend, increase and guarantee the credit facility - credit agreement 22/31.01.2008 concluded with BRD Groupe Societe Generale S.A.

07.11.2022 – The meeting of the Board of Directors of Compa was held by which it was approved:

- the transfer of a number of 6.280.000 shares that are the subject of the Plan regarding the granting of option to acquire free of charge shares, registered under no. 81/30.09.2023 in the Register of Decisions of the Company, approved by the decision of the Board of Directors no. 83/04.10.2022, to a number of 21 people Beneficiaries of the Plan, according to the list approved by the Decision of the Board of Directors no. 85/05.10.2022, under the conditions in which they will exercise their right to opt for shares;

- the appointment of the Chairman of the Board of Directors – Ioan Deac and the member of the Board of Directors – Mircea Maxim to sign the decision of the Board of Directors taken in the meeting convened for the date of 07.11.2022

- authorizing Ms. Pîrvu Oana Sabina, legal advisor or Mrs. Băiașu Voichița Maria, lawyer of the Company, to carry out all the legal formalities for the registration, publication of the decision adopted during the meeting of the Board of Directors on 07.11.2022.

10.11.2022 – The meeting of the Board of Directors of Compa was held by which it was approved:

- the presentation and approval of the Report on the individual financial statements for the III Quarter of 2022 and the Report on the consolidated financial statements for the III Quarter of 2022.

- the mandate of the General Director - Ioan Deac and the Economic Director - Mihaela Dumitrescu to sign, on behalf of and for the Board of Directors, the Report on the individual financial statements for the III Quarter of 2022 and the Report on the consolidated financial statements for the III Quarter of 2022

- the mandate of the President of the Board of Directors - Ioan Deac and the member of the Board of Directors - Mircea Maxim to sign the decisions of the Board of Directors taken in the meeting convened for 10.11.2022.

23.11.2023 – The meeting of the Board of Directors of Compa was held by which it was approved:

- contracting by the affiliated company Arini Hospitality S.R.L. (in which Compa S.A. is the sole associate) of a bank loan in the form of an investment credit up to a ceiling of 1,800,000 (one million and eight hundred thousand) euros;

- guaranteeing the bank loan mentioned in art. 1 with movable and immovable assets from the patrimony of the Arini Hospitality company, including the property registered in the Land Registry no. 131805 Sibiu;

- the guarantee by Compa S.A., as guarantor and/or co-debtor, of the bank loan requested by Arini Hospitality SRL pursuant to art. 1 above if the financing bank requests it;

- the authorization of the General Director and the Economic Director to sign in the name and on behalf of the company Compa S.A. the credit and guarantee contract;

- the convening of the Extraordinary General Meeting of Shareholders (AGEA) with the following agenda:

1. The election of the secretary of the meeting of the Extraordinary General Meeting of Shareholders from among the present shareholders.

2. Approval of the increase in the share capital of the affiliated company ARINI HOSPITALITY S.R.L., to which Compa S.A. is sole associate, with the amount of 3,500,000 lei, cash contribution.
3. Approval of the delegation of the Board of Directors of Compa S.A. to take the necessary decisions in order to increase the share capital of the company Arini Hospitality SRL, deciding on any aspects related to the share capital increase, the number of shares and their value, status update, etc.
4. Ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 1 approving the contracting by the affiliated company Arini Hospitality S.R.L. (in which Compa S.A. is the sole partner) of a bank loan in the form of an investment credit up to a ceiling of 1,800,000 (one million and eight thousand) euros.
5. Ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 2 approving the guarantee of the bank loan referred to in art. 4 with movable and immovable assets from the patrimony of Arini Hospitality company, including the property registered in the Land Registry no. 131805 Sibiu.
6. Ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 3 approving the guarantee by Compa S.A., as guarantor and/or co-debtor, of the bank loan requested by Arini Hospitality SRL pursuant to art. 4 above if the financing bank requests it.
7. Approval of the amendment to the constitutive act of Compa S.A. by adding to point IX subsection 12 the possibility for the members of the Board of Directors to participate in the meetings of the Board of Directors by means of remote communication means, so that the amended text will have the following content:
IX. ADMINISTRATION AND REPRESENTATION OF THE COMPANY (12) The board of directors meets at least once every 3 months. The participation of the members of the company's Board of Directors in its meetings can also take place by means of remote communication, videoconference, teleconference, e-mail or fax. The members of the board of directors will conclude a professional liability insurance.
8. Approval of the authorization of the President of the Board of Directors, Deac Ioan, or any other administrator in case of impossibility of the president, to sign in the name and on behalf of the Company the additional act and the updated constitutive act of the Company in accordance with the decision of the E.G.M.S. from point 7.
9. Approval of February 10 th , 2023, as the Registration Date for the shareholders identification falling under the consequences of the General Extraordinary Meeting of Shareholders, due to the provisions in Art. 87, Law 24/2017 on issuers of financial instruments and market operations and approval of February 9 th , 2023, as ex-date, according to Art. 176(1) from FSA Regulation no.5 / 2018.
10. Empowering of individuals that will perform the publication and recording formalities of the GMS session decisions, including their signing.
 - the reference date for AGEA as 21.12.2022
 - the mandate of the President of the Board of Directors - Ioan Deac and the Vice President of the Board of Directors
 - Ioan Miclea to sign the decisions of the Board of Directors taken in the meeting convened for 23.11.2022.

07.12.2022 – The meeting of the Board of Directors of Compa was held by which it was approved:

- asserting the exercise of the right to opt for a number of 6,280,000 shares by signing the Payment Agreement made available by the company Compa by 21 Beneficiaries of the Plan regarding the granting of options to acquire shares for free (Stock Option Plan) registered under no. 81/30.09.2021 in the Register of Decisions of the Company, approved by the decision of the Board of Directors no. 83/04.10.2022
- the power of attorney of Mr. Deac Ioan – Director General, domiciled in Sibiu, str. G-ral Eremia Grigorescu no. 4, holder of CI series SB no. 954882, issued on 3.12.2020 by SPCLEP Sibiu, with the possibility of substitution by Mr. Băiașu Dan Nicolae - Deputy General Director, domiciled in the Municipality of Sibiu, Str. Wife no. 7, Sibiu County, holder of CI series SR no. 038836, issued on 5.10.2022 by SPLEP Sibiu to sign on behalf and on behalf of the Company the documents within the Pilot Program for the development of regional consortia for dual education approved by OME no. 6.254/2022
- the mandate of the President of the Board of Directors - Ioan Deac and the Vice President of the Board of Directors
- Ioan Miclea to sign the decisions of the Board of Directors taken in the meeting convened for 07.12.2022.

13.12.2022 – The meeting of the Board of Directors of Compa was held by which it was approved:

- ascertaining the exercise by 20 Beneficiaries of the Plan regarding the granting of options to acquire shares for free (Stock Option Plan) registered under no. 81/30.09.2021 in the Register of Decisions of the Company, approved by the decision of the Board of Directors no. 83/04.10.2022 of the right to opt for a number of 6,060,000 shares by signing the Payment Agreement made available by the company Compa.
- the transfer for the 6,060,000 shares that are the object of the Plan regarding the conferment of the option to acquire shares for free, registered under no. 81/30.09.2021 in the Register of Decisions of the Company, approved by the decision of the Board of Directors no. 83/04.10.2022, to the 20 Beneficiaries of the plan.
- the mandate of the President of the Board of Directors - Ioan Deac and the Vice President of the Board of Directors - Ioan Miclea to sign the decisions of the Board of Directors taken in the meeting convened for 13.12.2022.

3.2. EVENTS PRODUCED AFTER THE REPORTING PERIOD

31.01.2023 - In the meeting of the Board of Directors on 31.01.2023, the registration of the results of the patrimony inventory for the year 2022 in the accounting records for the year 2021 was approved and approved, consisting of:

- scrapping of assets of the nature of fixed assets
- scrapping, recording inventory losses, recording impairment adjustments of receivables and other uncollected debits
- the taking over of prescribed debts to income

24.02.2023 - In the meeting of the Board of Directors on 23.02.2023, the individual and consolidated preliminary financial results were 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.

Due to the company's industrial tradition, generally producing highly technical products with a high degree of precision, most of the production is obtained by machining on CNC machine tools. Thus, a significant share of production is destined for diesel injection systems (passenger cars and commercial vehicles), passenger car steering systems, windscreen wipers, transmission systems, etc...

The actions taken at world level to reduce CO2 emissions into the atmosphere in order to reduce climate change, finds Compa with a production structure focused to a large extent on the manufacture of components for internal

combustion engines (petrol and diesel), whose downward trend is well known, which requires urgent measures at the level of the company's management to reconvert the activity within COMPA.

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

Aware of clear global trends in reducing CO2 emissions into the atmosphere, car manufacturers around the world have initiated concrete programmes to restructure the production of cars currently manufactured. It is estimated that in the next 10 years, electric vehicles will account for 25% of the total, hybrids for around 35-40% and internal combustion vehicles for around 40%.

It should be noted, however, that electric propulsion is mainly intended for urban mobility and long-distance journeys will be made with hybrid cars or combustion engines.

In this context COMPA's strategy is :

- Stop the assimilation of new products for passenger cars with internal combustion (diesel, petrol)
- Stop investment in capacity increases for the production of new components for diesel engines, except for large goods vehicles (TIR).
- Assimilation of new components mainly for non-auto sectors
- Investments are only allowed to provide production capacity for the production of non-engine internal combustion engine components or components for non-auto areas.

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

- Development of Wilo fluid pump component manufacturing. It is an industrial field with potential for future growth, knowing that the production of pumps for fluids, (water, liquid fuel, chemicals, oil, etc.) is constantly increasing.

COMPA has established a business partnership with Wilo in recent years and is expected to increase the volumes of these products in the future.

The products are assimilated into COMPA's production, approved, and their production is starting.

- Another area that COMPA's management is addressing, in the context of the reconversion of manufacturing within the company, is the production of sub-assemblies for the manufacture of machine tools.

A partnership has been concluded with one of the largest machine tool manufacturers in the world, DMG MORI, for which COMPA has undertaken to produce the following categories of products with a high proportion of machine tool components:

- Large machined components made on specialised CNC machine tools of high precision and complexity
- Machine tool bodies of various sizes and types equipping a wide range of machine tool models.

These are particularly complex products, comprising between 150 and 200 parts and sub-assemblies, which require a high level of skill and equipment for their production at COMPA.

- Green electricity production with photovoltaic panels
- This is a project currently being implemented with 50% partial funding from the Norwegian Government, which will provide an installed power of 1 MW, electricity used exclusively in COMPA. It is an area that can provide COMPA with part of the electricity needed at an attractive price.
- Another area outside the manufacturing industry in which COMPA is active is that of exploiting existing land owned by the company for the construction of residential blocks, commercial premises and office buildings on land in the central areas of Sibiu and Cislădie, which is very attractive.

4. MAIN ECONOMIC AND FINANCIAL INDICATORS

In terms of the evolution of the economic-financial activity, namely on the results obtained during 2022, we could say that 2022 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 2022.

The main events that significantly influenced the financial results for the second half of 2022 are:

- **Explosive rise in utility prices**

Since the beginning of 2022, but especially in the second half of the year, electricity and natural gas prices traded on the open 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 increases in steel prices**

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

The 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, and the sudden reduction in orders, Compa has had to temporarily suspend the contracts of most of its employees. As a result, some staff left for other companies or even abroad, so that at the end of 2021

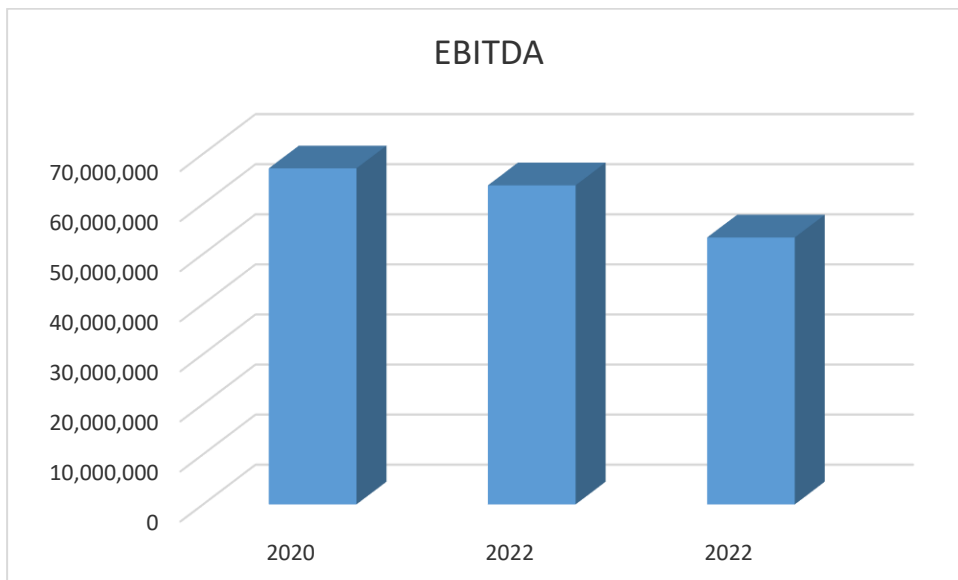
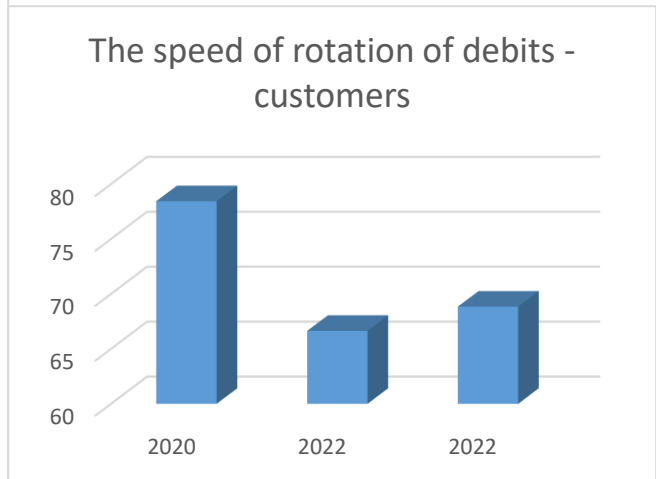
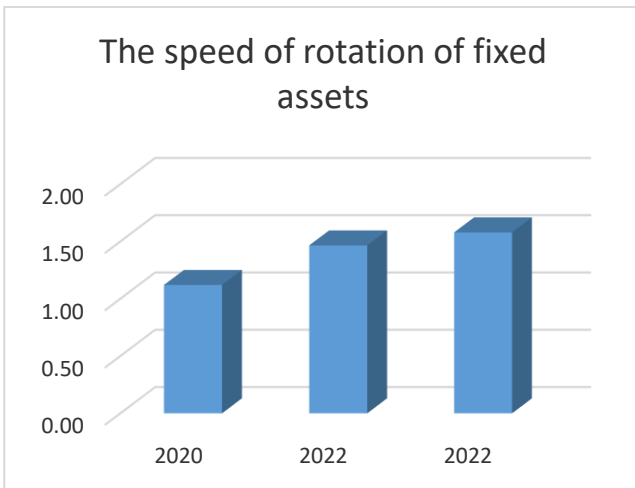
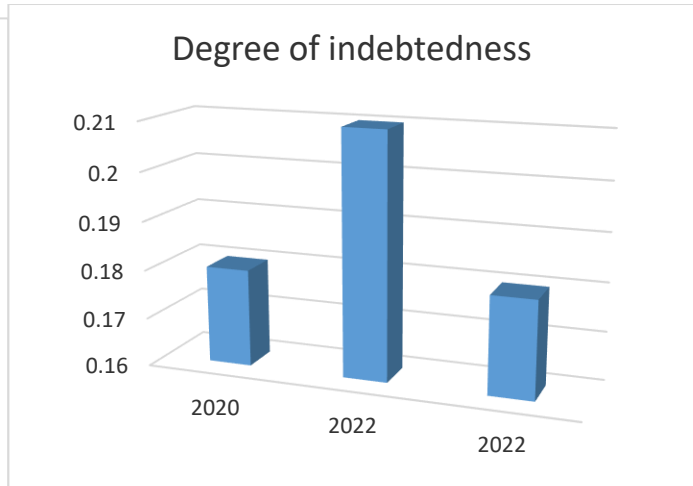
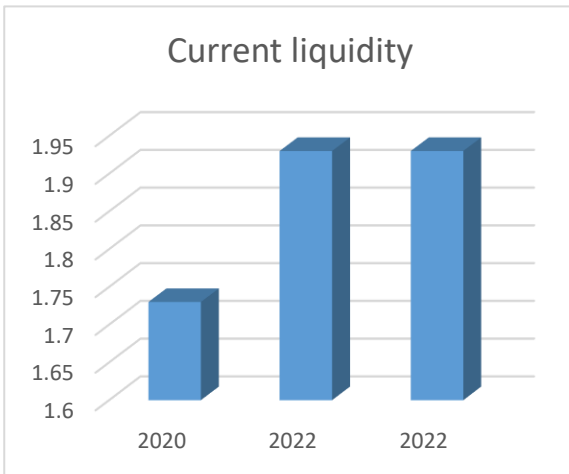
the average number of staff was reduced by more than 10% compared to the end of the previous year 2019. Most of those who left were skilled workers, operators on CNC machines, the category of staff most sought after and needed by Compa.

With the steep rebound in customer orders in early 2022 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.

In the context of the above, the economic results, in particular the gross and net profit obtained in 2022 was, compared to the level of the provisions of the Income and Expenditure Budget, below the expectations of the company's management .

Considering the above, the economic results, in particular the gross and net profit obtained in 2022 was, compared to the level of the provisions of the Budget of Income and Expenses, below the expectations of the company's management.

Indicators	2020	2022	2022
Turnover	547,121,134	705,725,717	737,001,238
Net profit	13,919,766	15,058,967	2,510,594
New investments	89,322,334	42,405,742	29,679,565
Average number of staff	1495	1879	1807
Current liquidity	1.73	1.93	1.93
Degree of indebtedness	0.18	0.21	0.18
The speed of rotation of fixed assets	1.12	1.47	1.58
The speed of rotation of debits - customers	78.44	66.64	68.85
EBITDA	67,101,401	63,716,237	53,301,309



5.PRODUCTS, PROCESSES

5.1. PROFIT CENTRE - decentralised organisational structure for managing COMPA

The production activity within the parent company COMPA is organized on Profit Centers. These “profit centers” are in fact production sections / workshops where families of similar products are made from a constructive and technological point of view, equipped with machines and equipment specific to the realization of these products, being decentralized production units. The economic activity is organized in such a way that in each profit center the profit and loss account is elaborated monthly, a very important document for knowing the incomes and expenses so that by summing the profit and loss accounts of the Profit Centers the Profit and loss account is obtained. at the COMPA level.

There are also profit centers specialized in making a wide range of similar products in terms of manufacturing processes such as: forged products, products made by stamping, surface coatings (galvanizing, phosphating), heat treatments, etc., products designed more many customers. So, profit centers are structured to make certain types of products, regardless of the customer to whom they are delivered.

By decentralizing the activity, respectively organizing these production sections / workshops, on profit centers, the operations managers, those responsible for the profitable management of these production units were entrusted with multifunctional teams, sized with staff, respectively directly productive workers. and indirectly productive staff, support services, in areas such as: production, technical, quality, maintenance, logistics, improvement, training.

Operations managers, managers of the multifunctional management team have the obligation to achieve each product at the level of profitability included in the price negotiated with the business partner. The activity of the multifunctional teams of the profit centers is oriented in this direction: for the inclusion in the established standard costs, for the permanent reduction of the costs, for the obtaining of the planned profit of each manufactured product.

COMPA manufactures a wide range of products and operates with various processes. Their grouping, in order to quantify the value of manufactured production both in the Annual Reports of the Board of Directors and for various statistical reports, etc., are based on a certain functional similarity of them, branches or industrial sectors, etc.

Thus, the organizational and logistical structure is coherent and can be understood by COMPA shareholders and investors, business partners, etc.



Machining Line



Forging Line

In addition to the obvious advantages of COMPA's organization of profit centers, there are of course also some disadvantages of the current decentralization of COMPA, with an impact on costs as a whole, within the company. Among these disadvantages of the current decentralization, implemented within COMPA, with an impact on costs, we mention:

- an increased number of indirect technical and administrative personnel, specialized in carrying out operations specific to the Profit Centers, people who, at certain Profit Centers, are not loaded to capacity,
- lack of flexibility and efficiency when, during certain periods of time, at a certain profit center, urgent additional requests from customers appear

- high volatility in the evolution of customer orders in these very uncertain periods, impacted by the transformations and unpredictable changes generated by political and military conflicts in Europe and the world. Therefore, the Board of Directors, the executive management of the company, is considering the appropriate readjustment of the organization and management of the company's activity, to ensure the maximization of the degree of efficiency of all sectors and processes within the company.

5.2. Evolution of turnover

As can be seen from the tables below, the turnover achieved in 2022 is 34% higher than in 2020 and 4% higher than in 2021.

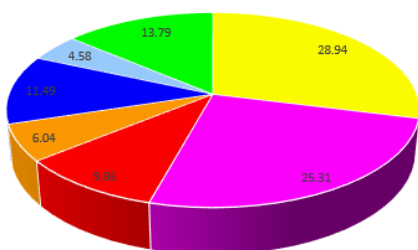
- The evolution of the turnover achieved in the period 2019 - 2022 by product groups is:

Crt. No.	Group of products	Mil. RON		
		2019	2020	2022
1	Components for commercial vehicle engine injection systems	213,9	139,0	191.06
2	Components for car engine injection systems	212,3	159,0	154.28
3	Components for windscreen wiper systems	73,0	54,1	38.78
4	Steering sprockets	45,4	33,2	39.15
5	Subassemblies for turbochargers	92,9	63,1	81.19
6	Mechano-welded subassembly	46,1	25,1	63.54
7	Non-automotive products	63,1	75,8	169.00
COMPAs TOTAL		746,7	549,3	737.00

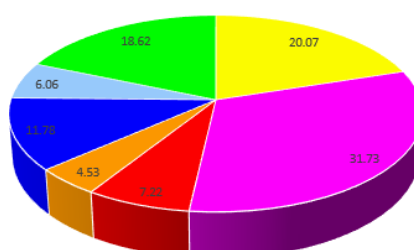
- Evolution of the share of turnover by product groups in 2019-2022

PRODUCT CATEGORY	2020	2021	2022
Components for car engine injection systems	28,94	20,07	25.92
Components for commercial vehicle engine injection systems	25,31	31,73	20.93
Components for windscreen wiper systems	9,86	7,22	5.26
Steering sprockets	6,04	4,53	5.31
Turbo blower subassembly	11,49	11,78	11.02
Welded mechanical subassemblies	4,58	6,06	8.62
Non-automotive products	13,79	18,62	22.93
COMPAs TOTAL	100,00	100,00	100,00

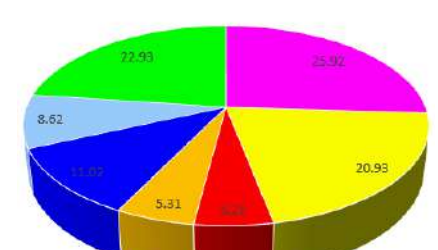
2020



2022



2022



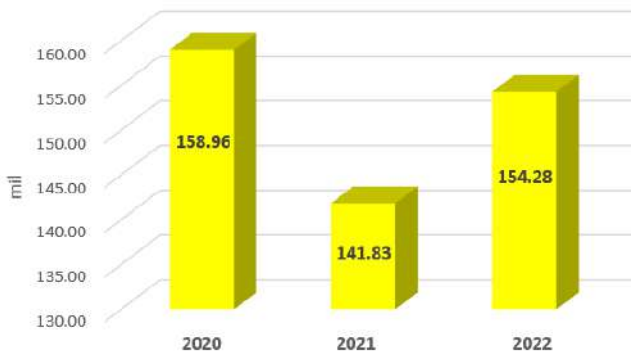
- Componente pentru sisteme injectie motor autoturisme
- Componente pentru sisteme injectie motor vehicule comerciale
- Componente pentru sisteme stergator parbriz
- Pinioane casete directie
- Subansamble turbo suflante
- Subansamble mecano sudate
- Produse non auto

● **Evolution of the turnover of components for automotive engine injection systems, 2020-2022**

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 for components for car engine injection systems.

We mention that this product group is intensively monitored in order to reduce its share in Compa's total business. In the year 2022 the share of this group is two injector components 20.93% of total turnover compared to 28.94% recorded in 2020.

Componente pentru sisteme injectie motor autoturisme

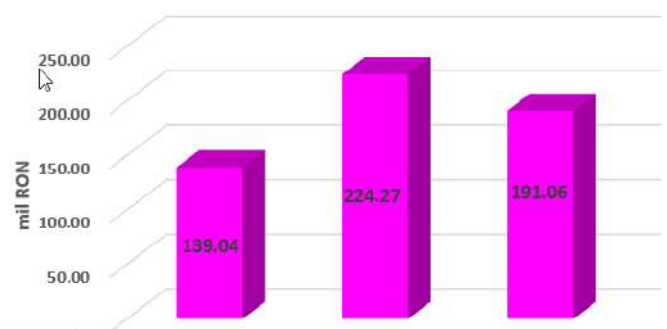


● **Evolution of the turnover of components for commercial vehicles engine injection systems, in the period 2020-2022**

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



Componente pentru sisteme injectie motor vehicule comerciale

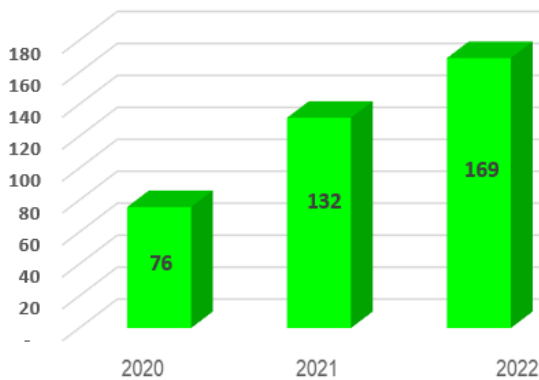


● **Evolution of turnover of some non-automotive products, 2019-2022**

In the non-auto product group, which is also mainly monitored by Compa's Top Management, their share of total turnover increased from 13,79% în 2020 at 22,93% in year 2022

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

Produse non auto



5.3 NEW PRODUCTS, PROCESSES APPROVED IN 2022

The technical and R&D function has as its main objective the development of new products and is deeply involved in defining and adopting the most efficient technological processes so that the price offers presented to customers are as attractive as possible in order to win as many projects as possible.

In this activity there are important requests for quotation for products specific to Compa's manufacturing profile. In this context, in recent years, our concerns have been directed towards offering non-Diesel or even non-automotive products, in order to ensure a portfolio of new, diversified products that are less vulnerable to the profound changes that have taken place in the automotive sector and beyond.

These are the reasons why Compa has also focused on the production of complex, high added value components for the machine tool manufacturing industry. The business partnership with one of the leading players in the machine tool manufacturing industry - DMG Mori is a good start to penetrate this non-automotive product market. The move into the production of complex machine tool products, i.e. the manufacture of cabs for CNC machines supplied to machine tool manufacturers, is a positive, promising element in the development of business in this new field for COMPA.

In 2022 the manufacturing of new products for which the necessary production capacities have been secured continued, with an impact on production in the following period as well.

These products include:

Deckel"-Capac pentru clientul ZF



Intermediate axes for ZF customer - capacity increase;



These

axles,

which are expected to go into production in 2022, are intended for steering systems for electrically driven cars, with a good chance of being manufactured in the long term:

New types of components for WILO fluid pumps



New types of mechanically welded subassemblies (nacelles) approved in 2022 for Haulotte type lifting and working at height machines



Corp Pompa Renault



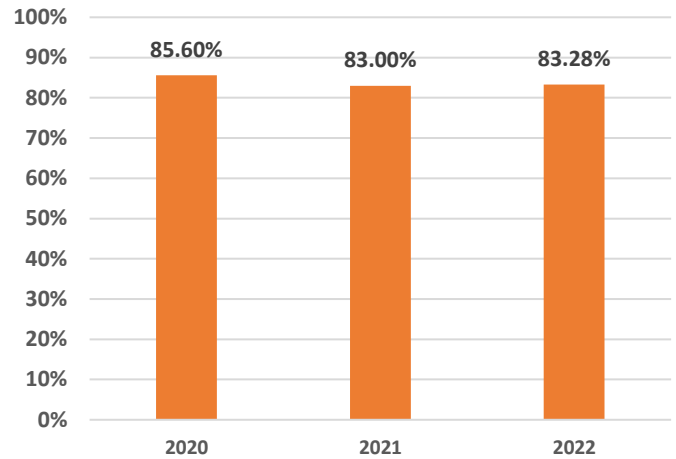
6. PURCHASING

6.1. Purchasing activity evaluation:

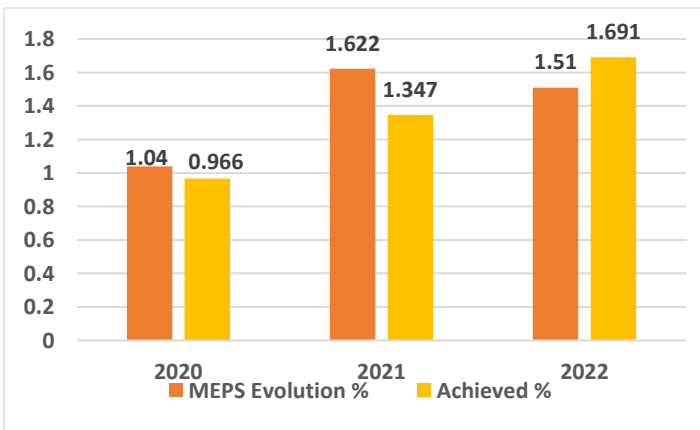
The purchasing activity has developed continuously in recent years, along with the development of the company. The company's focus on large customers in the automotive industry but also on those in the non-automotive industry, has led to a considerable expansion of the suppliers database as well as an 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 2020-2022



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).

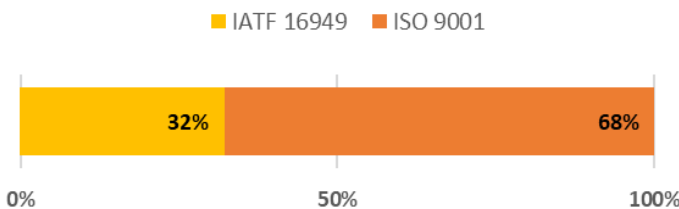
Finding sources of supply to ensure the highest possible competitiveness of the prices of raw materials and supplied materials, stability and sustainability of the supply chain.

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

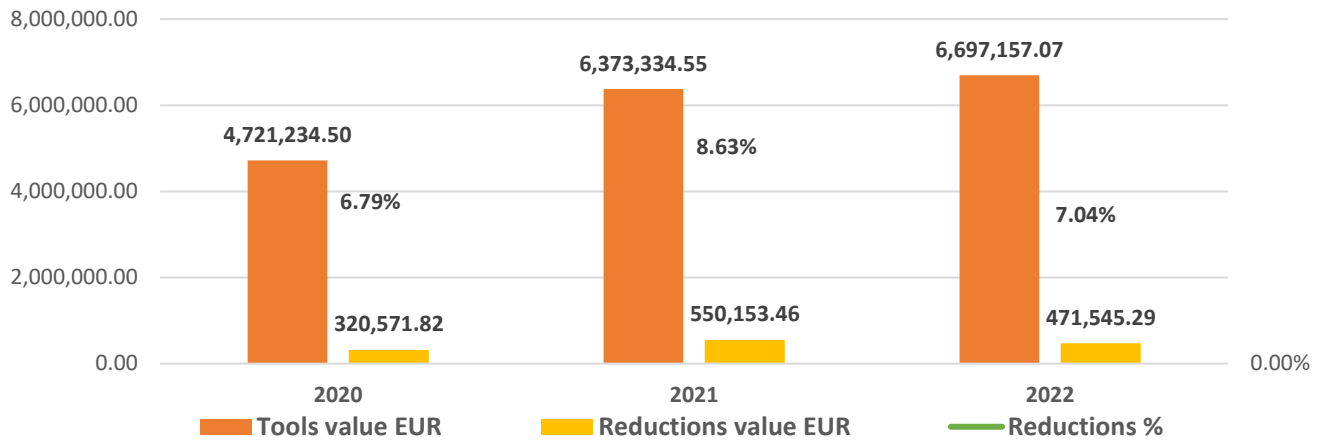
This category includes a number of over 360 suppliers that are evaluated according to criterias related to the quality of the delivered products and logistics.

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.

Level of COMPA's Suppliers certifications - 364 monitored Suppliers -



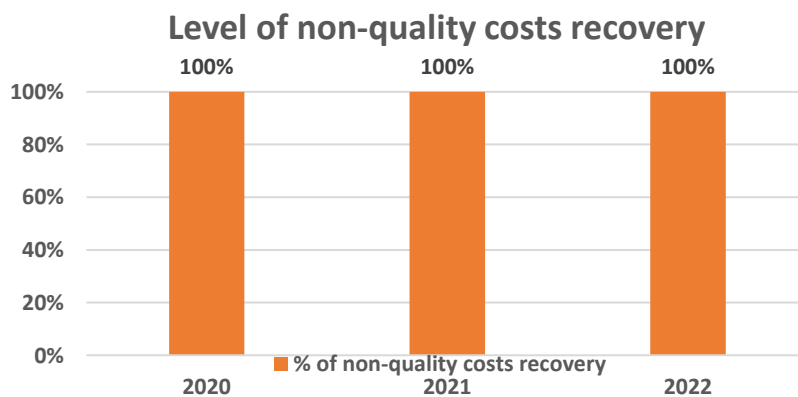
Improving the performance of cutting tools (eg drills, reamers, cutters, inserts, etc.) is achieved by testing and implementing new and innovative solutions that reduce the cost per piece.



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.

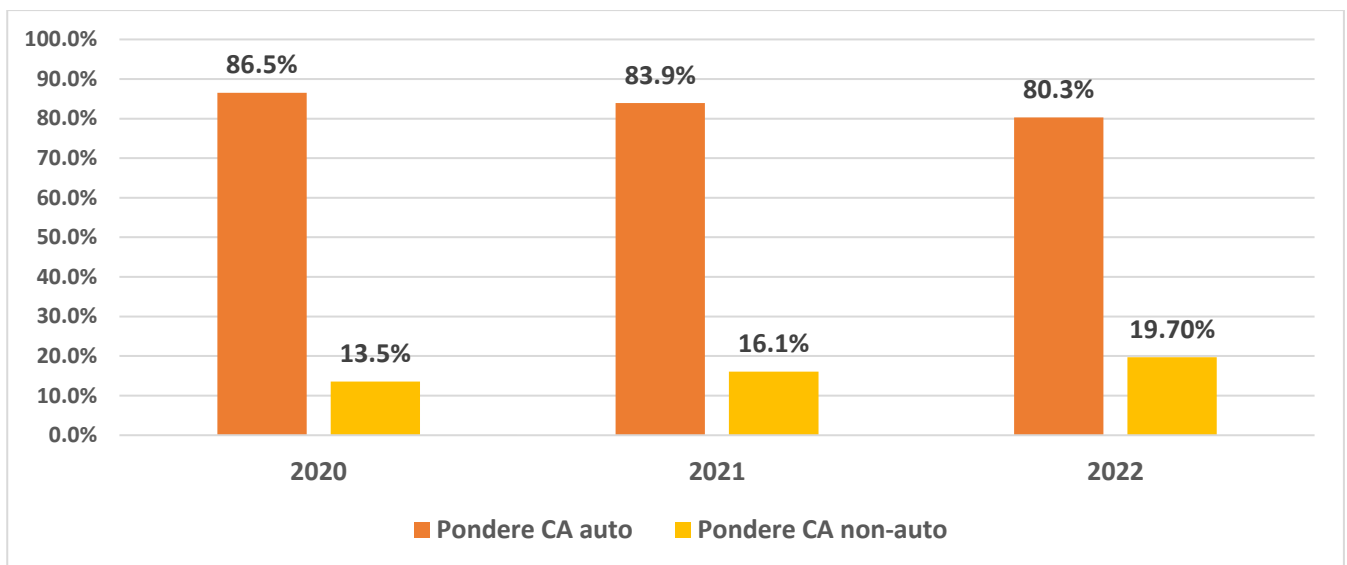


7. SALES

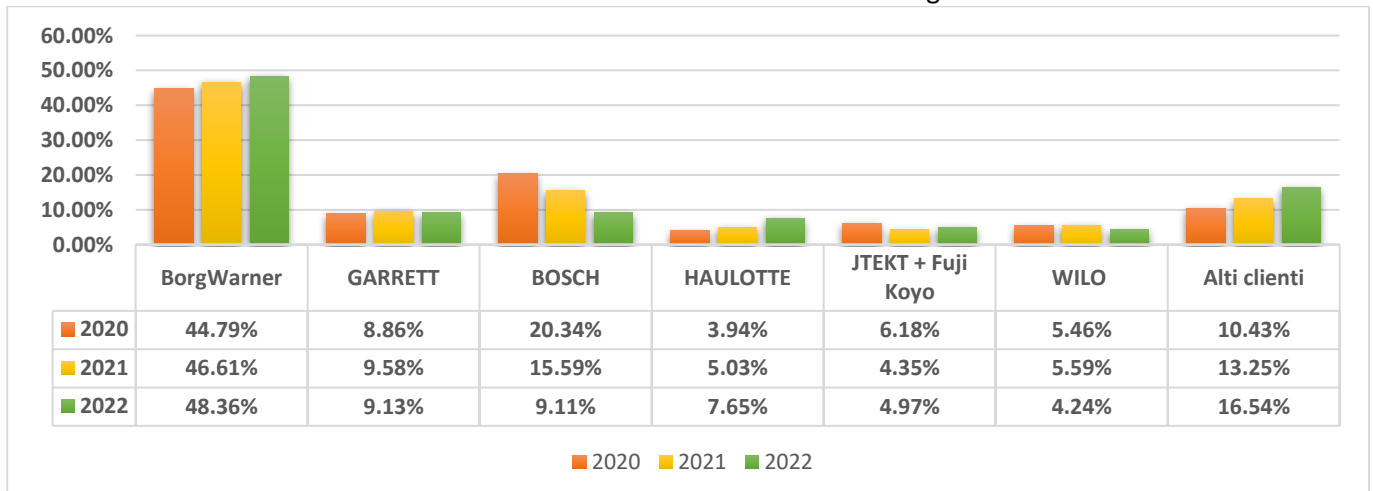
SALES ACTIVITY COMPA

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, 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 fourth quarter, efforts were made to update product selling prices in line with inflation and rising utility costs. During 2022, production capacity was expanded for several important projects for ZF, BOSCH, VCST, HAULOTTE customers, where volumes are continuously increasing.

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

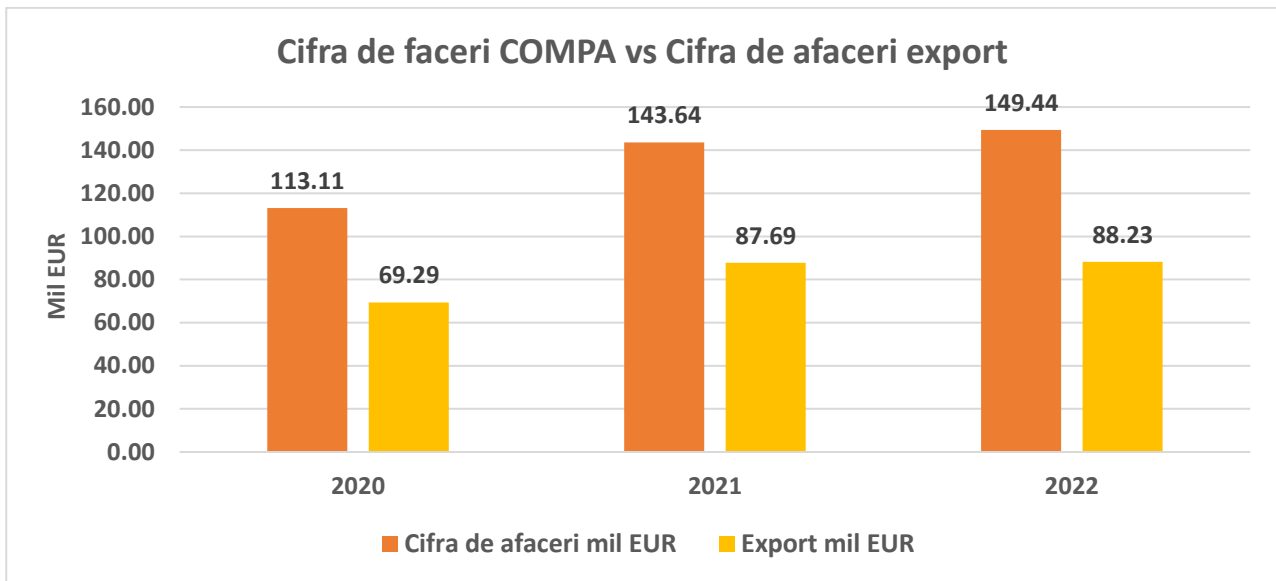


The share of COMPA's main customers in turnover is reflected in the following table:



The products made in COMPA are mainly for export. In the last 3 years export has represented on average 60% of COMPA's turnover.

Evolution of exports in relation to turnover:



During 2022 several new projects were won, both for existing customers (BOSCH, WILO, DAIKIN, VESTAS AIRCOIL) and for new customers (FLEX, ELMET etc). The annual turnover, generated by these projects at maturity, is ~4 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;
- identifying and winning new projects for electric vehicles.

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's 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 2022, achieved, was 30 training hours/employee/year.

8.3 Recruitment and selection policy

In 2022, 1716 job offers (CVs, applications, letters of intent) were submitted. A total of 1213 people took part in interviews (interviews, work samples, psychological tests) to fill vacancies.

Of these, 503 were hired, 85 were rejected for professional reasons at the interview/work tests, 45 were rejected for other reasons (illiteracy, health problems incompatible with the working conditions, etc.) and 580 people gave up the job offered for various reasons (working environment, working hours, salary).

8.4 Wage and social policy

Following negotiations between COMPAs management and trade unions, an increase in the tariff salary was granted for the period from November 2022 to October 2023 by the fixed amount resulting from the addition of 128 lei to each class in the pay scale.

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

From July 2022, all employees have been granted meal vouchers worth 30 lei/day as well as occasional gift vouchers. Also from that period onwards, employees could opt for the holiday bonus in the form of a holiday voucher on request.

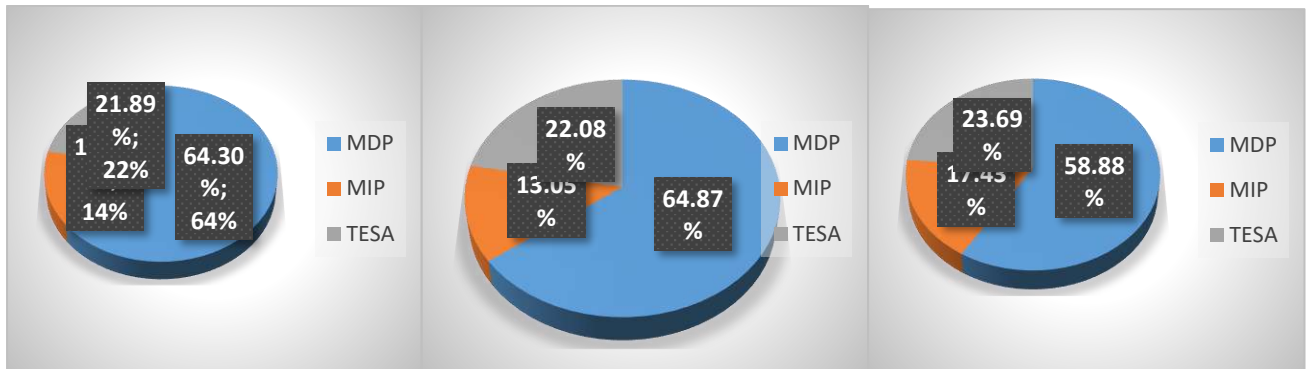
There is an employment relationship between the company management and the employees within the limits of the Labour Code and the Collective Labour Agreement.

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 difficult climate of labour shortages in the labour market, COMPAs has followed 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 restructuring of certain activities. COMPAs has also been involved in the development of local technical education by providing resources for dual education and technical secondary education, organising apprenticeship programmes for new employees, awarding scholarships to students and concluding tuition contracts with them. The need for skilled manpower has also been filled in the last year with staff from India.

The evolution of the number of staff by category during 2022 compared to previous years is shown in the table below.

	2020		2021		2022	
MDP	1225	64,30%	1213	64,87%	1064	58,88%
MIP,D	263	13,81%	244	13,05%	315	17,43%
TESA	417	21,89%	413	22,08%	428	23,69%
TP	1905	100,00%	1870	100,00%	1807	100,00%



Between 2020 and 2022, the number of staff decreased steadily, thus in 2022 compared to 2021 by 3.37% and compared to 2020 by 5.14%, due both to the decrease in orders and to the increase in labour productivity. The reduction in staff occurred in the previous year mainly due to natural losses (resignations, retirements). The evolution of labour productivity during 2022 compared to previous years is shown in the table below.

(thousand lei/pers./year)

ACTIVITIES	2020	2021	2022
COMPAs TOTAL, of which:	381.59	397.08	429.62
Steering sprockets	407.34	388.76	550.15
Windscreen wiper components	427.28	485.86	476.32
Mechano-sudate assemblies	202.81	232.56	328.23
Turbocharger components	715.82	757.25	774.47
Air conditioning components	325.05	367.02	453.95
Valves	2076.31	2594.46	2430.93
Injection system components	1004.76	739.05	670.58
Injector body	432.55	384.12	470.47

4.3. Social responsibility

COMPAs 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.

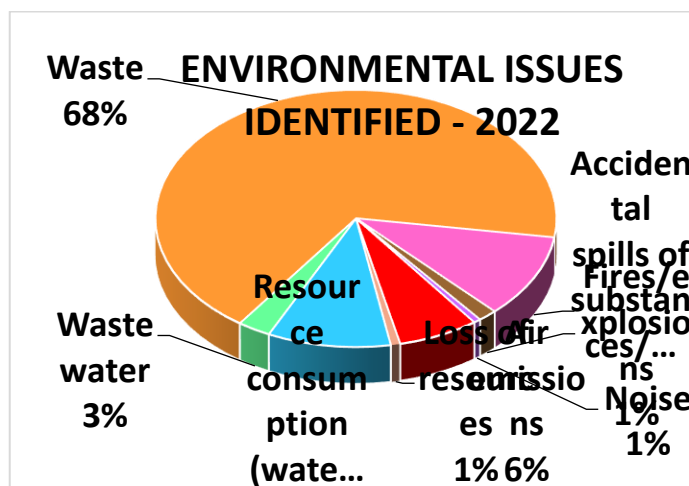
Orientation towards society and the local community through voluntary involvement in providing the necessary support to improve living conditions.

9.1. Environmental aspects

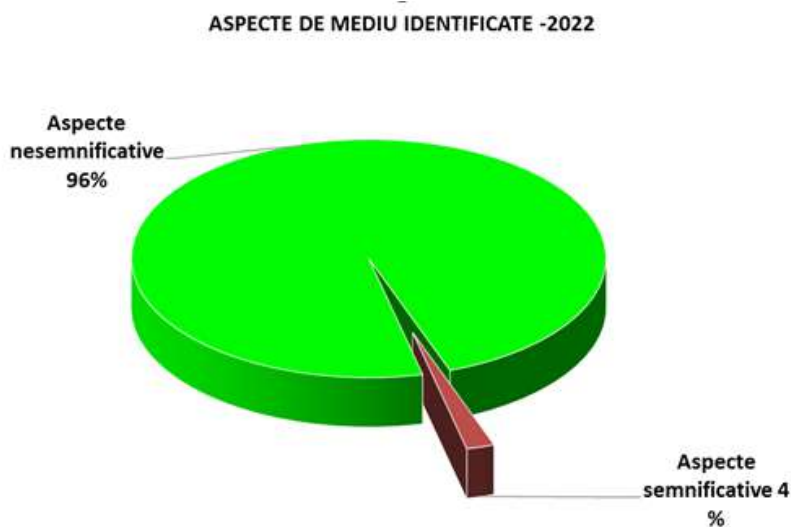
Within the company, environmental aspects determined by the technologies used, the products made and the services offered are identified and evaluated. Thus, the environmental aspects associated with these technologies, products and services take into account, as appropriate, emissions to air, discharges 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 2022 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.



Of these, only 4% 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).



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 2022 are as follows:

<i>Obiectiv</i>	<i>Acțiuni</i>
Reducing waste generation	<ul style="list-style-type: none"> - Reducing the amount of aluminium scrap by recovering the bar ends and reintroducing the bar ends into the process and obtaining four more pieces. - - Reduction of excessive process oil losses by recovering process oil from the retention trays and collection containers and returning it to the process; - - Reuse of plastic and steel waste from SDV manufacturing processes by recovering, processing and reusing it in the production of other parts in the workshop;
Reducing raw material and energy consumption	<ul style="list-style-type: none"> - Reducing packaging consumption by reusing packaging waste from other factories for packaging waste from galvanisation; - - Reduction of compressed air losses; - - Reducing electricity consumption for lighting by replacing current light bulbs with LED bulbs;
Reducing emissions into the atmosphere	<ul style="list-style-type: none"> - - Reduction of dust in the atmosphere by making and installing a dust capture system for grinding; - - Reduction of oil vapour emissions by replacing the current capture systems with a 99.97% efficient plant.
Îmbunătățirea modului de depozitare a substanțelor	<ul style="list-style-type: none"> - Improving the storage of hazardous substances and eliminating fire hazards

periculoase si eliminarea riscurilor de incendiu	
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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 2022, a total of 44 air emission stacks were monitored.

The pollutants monitored were:

- Volatile organic compounds (VOCs);
- Powders;
- Nitrogen oxides (NO_x);
- 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.

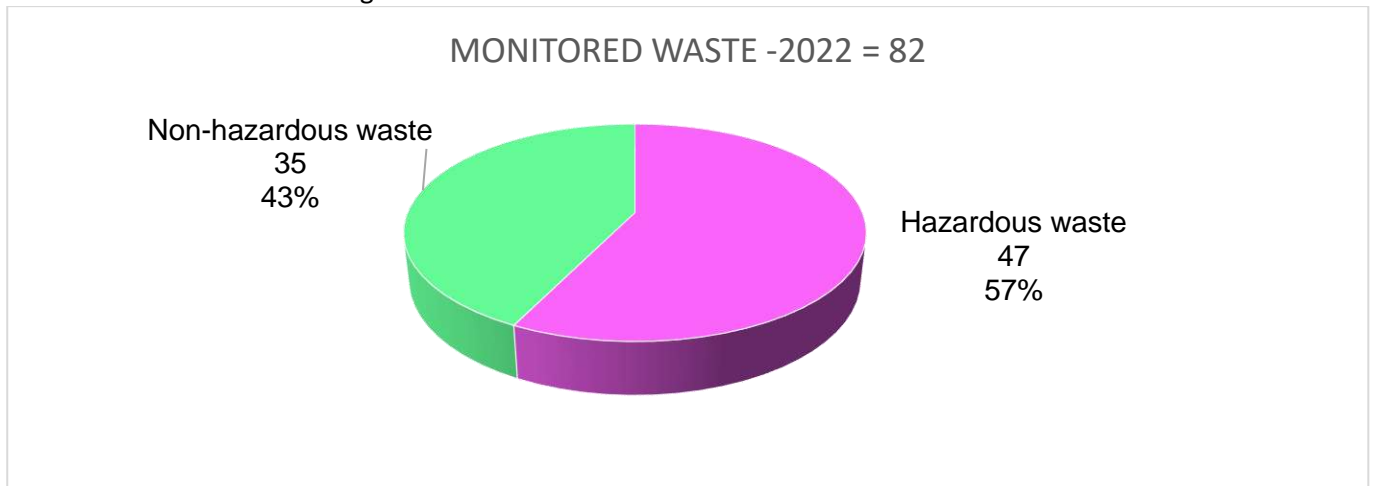
Each waste is identified and coded with a 6-digit code according to the activity from which it originates, in accordance with HG 856-2002 on waste management records. The company keeps a list of all identified waste.

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.

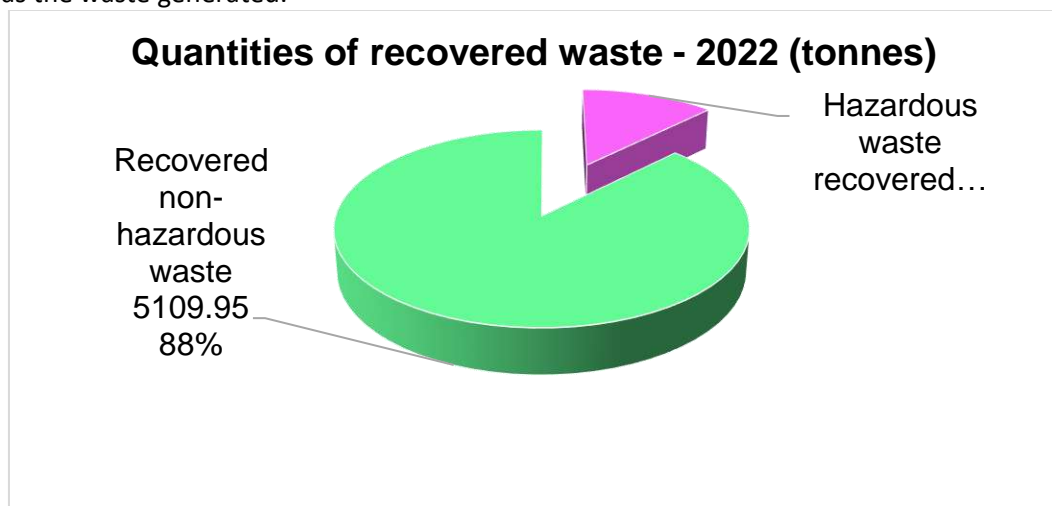
The waste identified in our company is non-hazardous waste or hazardous waste. Each waste is treated according to the waste management procedure.

In 2022 a total of 82 wastes were monitored.

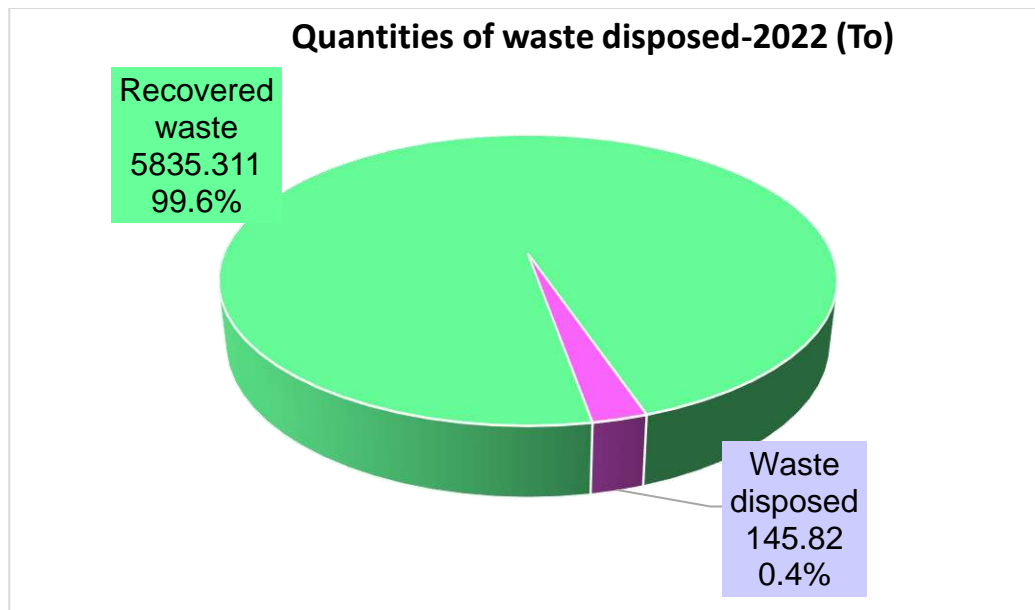
Of the total amount of waste generated 57% is hazardous waste:



Of the total amount of waste recovered, 12% is hazardous waste and 88% 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. RISK MANAGEMENT

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.

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 war in Ukraine. 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 provision of human resources, especially skilled workers, is one of the most serious problems facing companies in the Sibiu area.

In order to mitigate the effects of this risk, Compa has contacted companies qualified to recruit labour from outside Romania, so that at present 46 skilled workers (CNC machine operators and welders) from India are already employed, and other workers from India are being recruited in the future.

For these workers recruited from outside Romania, decent accommodation conditions have been provided and they will be integrated into Compa's manufacturing processes within a short time. In addition to these actions of recruiting foreign staff, the company is making great efforts to stabilise the existing staff and to reduce turnover, adopting measures to attract and retain COMPA staff.

10.2.2. Risks with a general impact on the whole business

Price risk

It has been one of the risks with aggressive action, since 2021 and further in the first part of 2022, due to the explosive increase in utility, methane gas and electricity prices, increases generated mainly by the outbreak of the conflict in Ukraine.

COMPA's efforts to request and obtain from customers the price increases required to compensate for the increases from suppliers, did not materialize immediately, most of COMPA's customers procrastinated the application of these increased prices so that, a large part of these influences from suppliers, were borne by COMPA, with a major impact on the economic results of the company in 2022.

Credit risk

Starting in 2021 and continuing in 2022, the investment program was lower compared to previous years, especially 2019 and 2020, when there was a peak in realized investment costs.

Therefore during the first 9 months of 2022 the credit risk, did not have an impact on the company's activity. The instalments on the investment loan, committed in 2019, have been repaid on time and the credit lines have been accessed as expected.

Liquidity risk

In order to understand and avoid the impact of this risk on the company's business, i.e. to manage liquidity risk, cash flows, access to credit lines, as well as the evolution of receivables collection and inventory levels are constantly monitored.

The resources used to finance investments exceeded investment expenditure, so this surplus of resources had a favourable influence on financial flows.

However, during this period there were situations in which even COMPA's most important customers had periods in which they exceeded the deadline for payment of their invoices, requiring constant monitoring of the process of collecting debts and intervening with customers in order to keep to the payment deadlines laid down in the contracts.

Currency risk

The products manufactured and delivered by COMPA are destined to multinational companies, most of them from outside Romania, but also to Romanian companies affiliated to multinationals.

Under such conditions, almost all the products manufactured and delivered by COMPA are negotiated in Euro, thus avoiding the impact of the exchange rate risk due to the evolution of the RON/EUR exchange rate.

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.).

The change in the minimum wage in 2022 was 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.

Trends in risks and uncertainties in the period ahead:

Starting in the second half of 2021, there has been a sharp jump in energy prices in the EU and worldwide. Fuel prices have risen further as a result of Russia's unprovoked and unjustified aggression against Ukraine, which has also raised concerns about the security of energy supply in the EU. Russia's decision to suspend gas supplies to several EU Member States has further affected the situation.

Recent events, namely the political and military instability in Europe and the world, have had and will continue to have major effects on the world economy as a whole. As a result, the price of oil, but especially of methane gas, will rise unpredictably, with a particularly strong impact on the world economy.

On the other hand, climate change as a result of increasing CO₂ emissions into the atmosphere is causing huge environmental and atmospheric disturbances.

In recent years, a change in the structure of car production has been initiated by increasing the production of electric cars and reducing the production of cars equipped with internal combustion engines.

This rapid change is one of the major risks in COMPA's business, which has a high production exposure for cars with internal combustion engines and diesel engines. In this respect, one of the major concerns of the company's management is the change in manufacturing by increasing non-auto and non-diesel production.

In December 2022, the European Council decided to set an oil price cap for crude oil and for petroleum oils and oils obtained from bituminous minerals originating in or exported from Russia.

The price cap for Russian oil aims to limit the steep price increases caused by extraordinary market conditions and drastically reduce the revenue Russia has been earning from oil since the outbreak of the illegal war of aggression against Ukraine. It will also help stabilise global energy prices while mitigating the negative consequences for third countries' energy supplies.

11. INVESTMENTS, NEW PRODUCTS AND RESEARCH AND DEVELOPMENT ACTIVITY

11.1 INVESTIȚII

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.

The investment activity used funds for:

- purchase of machinery products and capacity increases

Laser pipe cutting machine for welded subassemblies Haulotte customer



Intermediate spindle machining



Two-shaft two-turn lathe for Deckel Client ZF



Extension of the processing line for the Pump Body, client Borg Warner



- upgrading of existing machinery and installations;
- improvements to production premises.
- The funds necessary for the investment activity in the amount of 29.68 million lei were provided from own sources and from European funds. The economic effects through the purchase of new machinery and technological lines are:
 - increase of labour productivity;
 - reduction of repair costs;
 - improvement of the technological flow;
 - increased quality of manufactured parts and reduced rejects;
 - reduction of energy consumption;
 - increase the precision of parts machining;
 - increased machine operational safety;
 - reduction of non-quality costs;
 - increase the efficiency of the activity through operability;

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.

Within the Research and Development Center, established since 2019, where the foundations for the production of products of a high technical and quality level are being laid.

In this R&D Centre, new projects and processes with applicability both within the company and also projects with advanced technology that can be made available to other companies are also carried out.

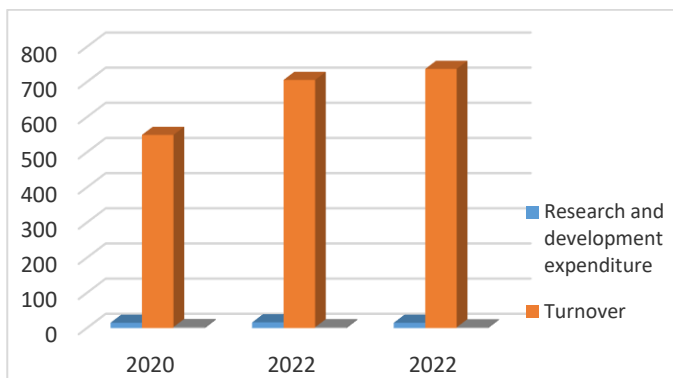
For example, here are a few projects from the R&D Centre:

- development of the process for making the electrodes necessary for electrochemical deburring used in the manufacturing processes of the "GDI pump body".



The evolution of research and development expenses for the period 2020 - 2022 both in absolute terms and as a proportion of turnover is shown below:

Indicators	2020	2022	2022
Research and development expenditure	14.9	16.1	14.9
Turnover	549.3	705.7	737
Weight (row 1/row 2) x 100	2.71	2.28	2.02



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	2020	2021	2022	%	
				2022/2020	2022/2021
Land, buildings and investment property	188,370,728	180,882,237	180,541,656	99.81	95.84
Plant and machinery	212,928,875	233,750,477	238,317,690	101.95	111.92
Other plant, machinery, furniture	516,779	731,794	734,507	100.37	142.13
Tangible fixed assets and investment property in course of construction	83,683,618	35,470,123	13,972,841	39.39	16.70
TOTAL	485,500,000	450,834,631	433,566,694	96.17	89.30

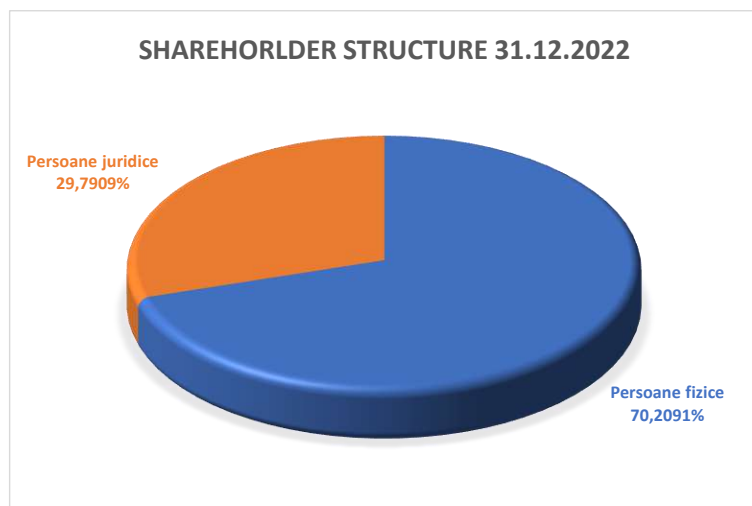
The degree of wear and tear of tangible fixed assets at COMPA shows the following evolution:

INDICATOR NAME	YEAR		
	2020	2021	2022
Construction and investment property of a building nature			
- inventory value	150,717,738	149,351,129	154,551,121
- remaining value	144,522,028	137,033,537	136,692,956
- wear and tear	6,195,710	12,317,592	17,858,165
- degree of wear	4.11	8.25	11.55
Equipment and vehicles			
- inventory value	622,111,886	660,076,885	692,381,826
- remaining value	212,928,875	233,750,477	238,317,690
- wear and tear	409,183,011	426,326,408	454,064,136
- degree of wear	65.77	64.59	65.58
Other tangible fixed assets			
- inventory value	1,670,075	1,920,092	1,958,465
- remaining value	516,779	766,796	734,507
- wear and tear	1,153,296	1,153,296	1,223,958
- degree of wear and tear	69.06	60.06	62.50

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 ROCMPSACNOR9, stock exchange symbol CMP, in the Standard category.



On 31.12.2022 the company had 7.326 shareholders, individuals and legal entities, Romanian and foreign, according to the Consolidated Register received from the Central Depository S.A. Bucharest.

Individuals - 153.532.269 shares

Legal entities - 65.188.769 shares

Change in average selling price and number of shares traded in 2022

Published on TradingView.com, March 07, 2023 14:55:44 EET
BVB: CMP, D D: 0,4560 H: 0,4560 L: 0,4510 C: 0,4510



TradingView

In the reference period, there were a number of 2365 transactions regarding Compa shares, respectively a volume of 17,024,499 shares, in total value of 7,622,520.70 lei. The variation of the average price in the reference period shows a decrease.

13.1. On the distribution of dividends to COMPA shareholders in 2022 for the financial year 2021

The Ordinary General Meeting of Shareholders decided on 28.04.2022 that the net profit for 2021 be distributed as follows:

Destination	lei
TOTAL NET PROFIT, distributed as follows:	15.058.967,18
- Own development sources	12.032.117,85
- Dividends	3.026.849,33

The distribution of the profit to the development fund was considered opportune for the continuation of the company's modernization process, further investments with new, modern, state-of-the-art equipment, for the modernization of existing machines and installations.

The distribution of dividends takes place for the second consecutive year, it is a requirement of the company's shareholders and an obligation towards its shareholders, who support the company's development policy.

The dividend payment date was 14.06.2022. The gross dividend/share was set at 0.0143 lei.

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.

By the decision of the Board of Administration dated 13.12.2022, the exercise by 20 Beneficiaries of the Plan concerning the conferment of the option to acquire shares for free (Stock Option Plan), approved by the decision of the Board of Administration no. 83/04.10.2022 of the right to opt for a number of 6,060,000 shares by signing the Payment Agreement made available by the company Compa.

Through the Decision of the Board of Directors dated 13.12.2022 it is noted that 20 Beneficiaries of the Plan have exercised the option to acquire shares for free (Stock Option Plan) approved by the decision of the Board of Directors no. 83/04.10.2022 of the right to opt for a number of 6,060,000 shares by signing the Payment Agreement made available by the company Compa.

13.3. Relations with shareholders and investors

Shareholders/investors can obtain information about COMPA and the main events on the website www.compa.ro

COMP A has also in 2022 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 2022 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 2022 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 31.12.2022.

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%

14. MANAGEMENT OF THE COMPANY

14.1. Board of the Directors

On April 24, 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 administrator / President of the board of administration
- MICLEA Ioan** - Non-executive administrator
- MAXIM Mircea-Florin** - Non-executive administrator
- BALTEȘ Nicolae** - Independent non-executive administrator
- NEACȘU Vlad-Nicolae** - Independent non-executive administrator

By Decision no. 1A/ 28.04.2021, the Board of Directors approves the election of Mr. Ioan Deac as President of the Board of Directors of Compa S.A. for the 4-year mandate, starting on April, 26th 2021.

By Decision 1B/28.04.2021, the Board of Directors approves the election of Mr. Ioan Miclea as Vice President of the Board of Directors of Compa S.A. for the 4-year mandate, starting on April, 26th 2021.

Audit Committee

By Decision no. 4 of 28.04.2021, the Board of Directors approved, for the period of the new mandate, the election of the member of the Audit Committee. Thus, the Committee consists of the following members:

- BALTEȘ Nicolae** - Independent non-executive administrator/ Chairman of the Audit Committee
- NEACȘU Vlad-Nicolae** - Independent non-executive administrator/ Audit Committee member

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 surname	Age	Qualification	Professional experience	Function	Seniority in function	Share capital holders
DEAC Ioan	73	Engineer –Bachelor’s degree in Machine Building Technology - Cluj Polytechnic Institute - Faculty of Mechanics	47	Chairman of the Board / CEO	32 years	19,0045%
MICLEA Ioan	77	Economist – Bachelor’s degree in Economics –Babes Bolyai university - Cluj Napoca	48	Vice-President of the Board	32 years	18,7562%
MAXIM Mircea-Florin	64	Engineer – Degree in Economic Engineering – University of Agronomic Science and Veterinary Medicine, Bucharest,Romania	39	Non-executive Member of the Board	17 years	0,6383%

Name and surname	Age	Qualification	Professional experience	Function	Seniority in function	Share capital holders
BALTEȘ Nicolae	63	Economist – Bachelor’s degree in Economic Sciences, specialization Finance-Accounting - Academy of Economic Studies Bucharest, Faculty of Finance-Accounting	38	Membru neexecutiv independent CA/ Președinte Comitet de Audit	6 years	0%
NEACȘU VLAD-NICOLAE	41	Economist – Bachelor’s degree in Management – Academy of Economic Studies Bucharest, Faculty of Management	15	Membru CA/ Membru Comitet Audit	2 year	0,002%

7.2 Executive management

In accordance with the provisions of Law no. 31/1990, by Decision no. 2 dated April, 28th 2021, the Board of Directors approved the appointment of Mr. DEAC Ioan as General Manager of Compa S.A. with the delegation of management duties in this regard.

7.3. Management by function

The Directors by functions are responsible for taking all measures related to each one’s field of activity respecting the power granted.

The directors periodically inform the Board of Directors about the operations undertaken to achieve the objectives and indicators entrusted by the Strategic Dashboard, of their inclusion, but also about the fulfillment of other tasks received.

1. DEAC Ioan	CEO
2. BAIĂȘU Dan-Nicolae	Deputy CEO /Commercial Director
3. DUMITRESCU Mihaela	CFO
3. FIRIZA Ioan	Director of Organizational Management and HR
5. ACU Florin - Ștefan	Tehcnical Director
6. MUNTENAȘ Bogdan-Vasile	Logistics Director
7. DUMITRESCU Ștefan Cosmin	Director of Management System and Improvement
8. ȚUICU Liviu-Laurențiu	Director of Quality-Environment
9. ȚUȚUREA Mihai	Production Director
10 FIRIZA Sorin Ioan	Deputy Production Director
11. DRAGOMIR Marius C-tin	Engineer, Head of Maintenance Department
12. JURESCU Adrian	Head of Utilities Department



ORGANIZATIONAL STRUCTURE



Ioan DEAC
Chairman & CEO

INVESTOR RELATIONS
INTERN AUDIT
COUNCILORS - PROJECTS MANAGERS
METROLOGICAL LABORATORY

ORGANIZATIONAL MANAGEMENT & HR



Ioan FIRIZA

Director
Human Resources
Training Center
Occupational Health & Safety

COMMERCIAL



Dan BAIASU

Director
Purchase
Sales & Marketing
Suppliers Development

FINANCE



Mihaela DUMITRESCU

Director
Controlling
Financial - General Accounting

TECHNICAL



Florin ACU

Director
Product Design
Process Design
Research and Development

LOGISTIC



Bogdan MUNTENAS

Director
Production logistics
Purchasing logistics
Warehouse - Internal flow
Customs office
Sales Logistics

QUALITY & ENVIRONMENT



Liviu TUIICU

Director
Product/Process/Environment Control
Product process audit
Measurements, Analysis & Testing

MANAGEMENT SYSTEMS & IMPROVEMENT



Cosmin DUMITRESCU

Director
Systems Documents
Internal Audit
Improvement

PRODUCTION



Mihai TUTUREA
Director



Sorin FIRIZA
Deputy Director

MAINTENANCE



Marius DRAGOMIR
Chief Engineer

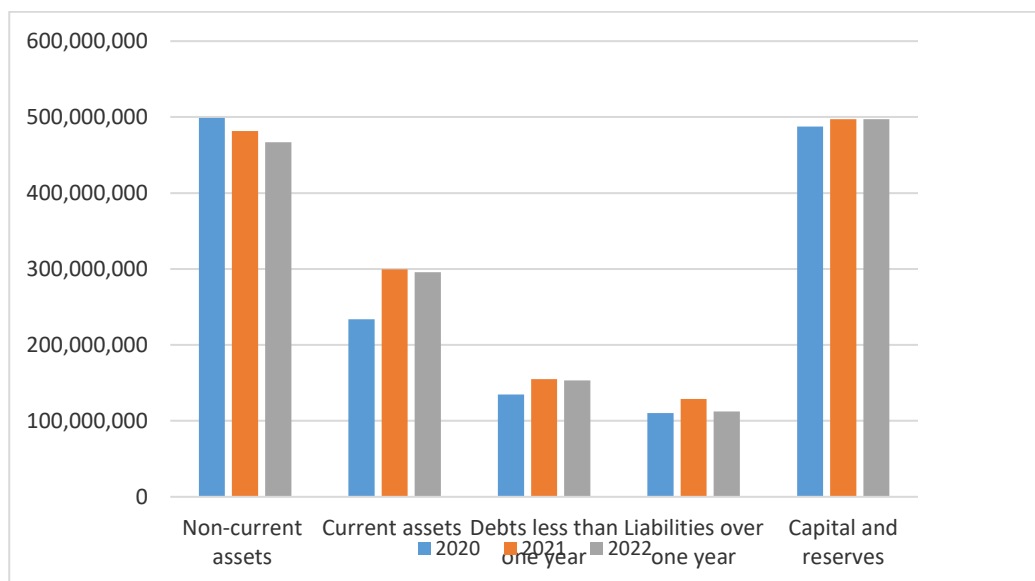


Adrian JURESCU
Manager

15. FINANCIAL STATEMENT

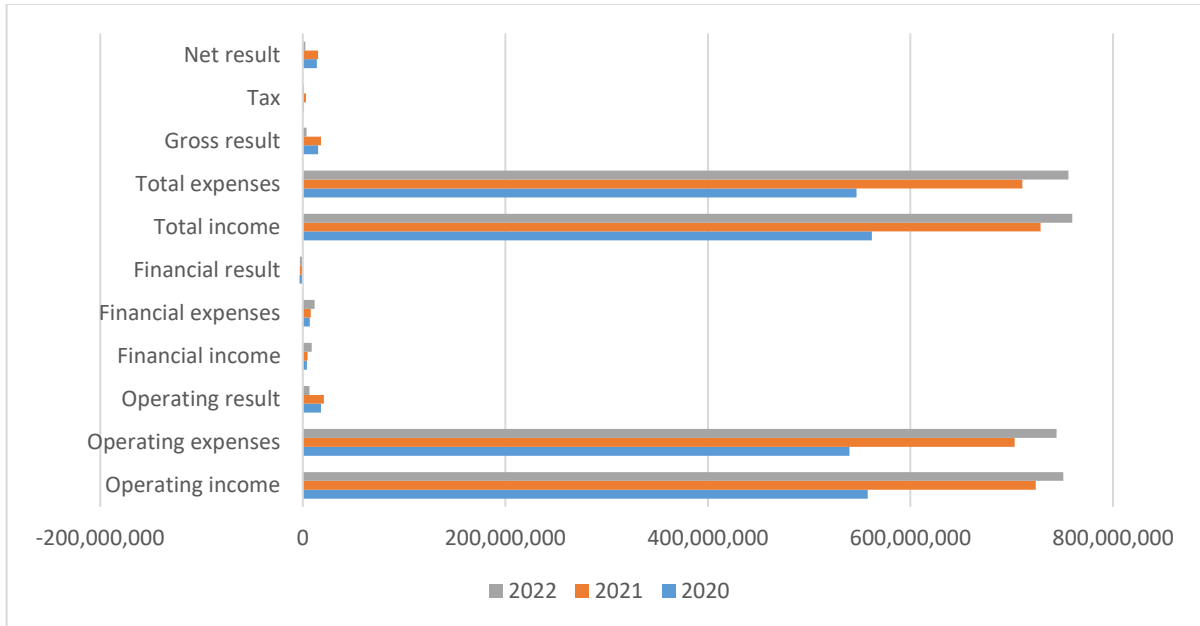
15.1. Main balance sheet items and their evolution over the last three years

Indicator	2020	2021	2022
Non-current assets	499,027,837	481,668,764	466,862,448
Current assets	233,691,089	299,565,637	295,628,562
Debts less than one year	134,925,021	155,179,418	153,119,238
Liabilities over one year	110,156,394	128,710,606	112,265,699
Capital and reserves	487,637,511	497,344,378	497,106,073



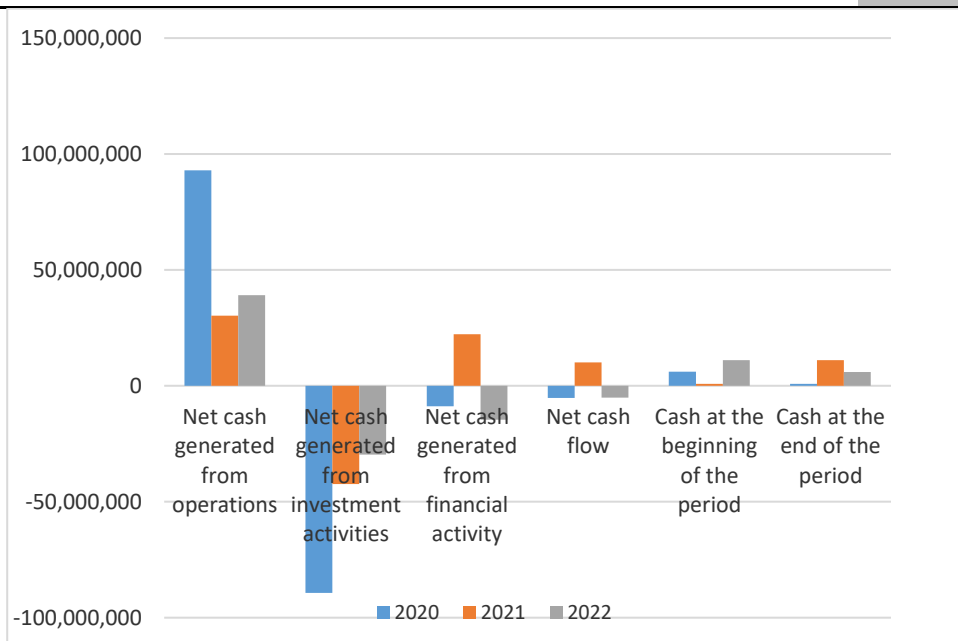
15.2. Statement of income and expenditure 2020-2022:

Indicator	2020	2021	2022
Operating income	557,877,965	723,696,176	751,059,087
Operating expenses	539,805,505	702,764,806	744,424,051
Operating result	18,072,460	20,931,370	6,635,036
Financial income	3,918,926	4,809,591	8,814,374
Financial expenses	7,017,692	7,708,701	11,613,177
Financial result	-3,098,766	-2,899,110	-2,798,803
Total income	561,796,891	728,505,767	759,873,461
Total expenses	546,823,197	710,473,507	756,037,228
Gross result	14,973,694	18,032,260	3,836,233
Tax	1,053,929	2,973,293	1,325,639
Net result	13,919,765	15,058,967	2,510,594



4.4. Cash flow statement

	2020	2021	2022
Net cash generated from operations	92,956,877	30,339,415	39,139,616
Net cash generated from investment activities	-89,322,334	-42,405,742	-29,679,565
Net cash generated from financial activity	-8,826,477	22,246,797	14,542,301
Net cash flow	-5,191,934	10,180,470	-5,082,250
Cash at the beginning of the period	6,079,821	887,887	11,068,357
Cash at the end of the period	887,887	11,068,357	5,986,107



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 31.12.2022

a. Individual position of the financial position for the year ending 31.12.2022

All amounts are in lei unless otherwise specified

	Note	31.12.2022	31.12.2021
Assets :			
Fixed assets:			
Property, plant and equipment	4.1	392,896,269	409,007,936
Investment property	4.2	40,670,425	41,826,695
Intangible fixed assets	5	8,704,798	9,106,443
Other receivables (grants and settlements from joint ventures)	6	0	270,000
Other fixed assets	7	3,875,456	619,346
Financial investments	21	20,715,500	20,715,500
Deferred tax assets	10	0	122,843
Fixed assets - total		466,862,448	481,668,764
Current assets:			
Inventories	8	132,527,113	142,270,307
Trade and other receivables	6	156,083,113	141,019,577
Other receivables (subsidies and settlements from joint ventures)	6	1,032,229	5,207,396
Cash and cash equivalents	9	5,986,107	11,068,357
Current assets - total		295,628,562	299,565,637
Total Assets		762,491,010	781,234,401
Equity:			
Issued capital	11	21,882,104	21,882,104
Share capital adjustments	11	-265,638	-650,415
Reserves	11	384,461,415	372,044,705
Reserves adjustment	11	23,122,057	23,122,057
Retained earnings	11	65,886,960	65,886,960
Current result	11	2,510,594	15,058,967
Distribution of profit	11	-491,419	0
Equity - total		497,106,073	497,344,378
Debts			
		0	0
Long-term debt :			
		0	0
Financial debts	12	89,934,825	102,292,751
Prepaid income (prepaid income, subsidies)	13	22,112,413	26,193,210
Provisions	14	218,461	224,645
Long-term liabilities - total		112,265,699	128,710,606
Current debts:			
Financial debts	12	14,282,405	14,284,425
Trade and similar payables;	13	112,377,533	112,731,018
Debts from contracts with customers	13	2,919,520	9,051,042
Other payables	13	17,702,343	12,997,582
Prepaid income (prepaid income, subsidies)	13	5,837,437	6,115,351
Current liabilities - total		153,119,238	155,179,418
Total debts		265,384,936	283,890,023
Total equity and debt		762,491,010	781,234,401

b. Individual statement of profit or loss and other comprehensive income for the year ended 31.12.2022

All amounts are in lei unless otherwise specified

	<u>Note</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
Income	15	737,001,238	705,725,717
Other income	15	14,057,849	17,970,459
Total income		751,059,087	723,696,176
Change in stocks of finished goods and work in progress	16	-5,827,912	15,728,966
Raw materials and consumables used	16	-483,762,954	-485,594,012
Employee benefits expense	18	-156,275,015	-147,224,797
Depreciation and amortisation expense	4 ,5, 16	-47,282,721	-44,289,663
Services rendered by third parties	16	-42,317,193	-35,200,703
Other expenses	16	-8,958,256	-6,184,596
Total expenses		-744,424,051	-702,764,806
Operating result		6,635,036	20,931,371
Financial income	19	57,459	2,693
Financial expenses	19	-2,182,355	-1,394,313
Other financial gains/losses	19	-673,907	-1,507,490
Net financing costs		-2,798,803	-2,899,110
Profit before tax		3,836,233	18,032,260
(Expenses)/Income on deferred income tax	10	-1,290,684	-1,904,273
Current income tax expense	10	-34,955	-1,069,020
		0	0
Net profit for the period		2,510,594	15,058,967
Other comprehensive income:			
Of which other comprehensive income items not subsequently reclassified to profit or loss:			
Income tax relating to other comprehensive income	10	277,951	282,010
Other comprehensive income, net of tax		277,951	282,010
Total comprehensive income for the year		2,788,545	15,340,977
Unconsolidated result per basic/diluted share	19	0.0115	0.0688

c. Individual statement of changes in equity for the year ended 31.12.2022 - All amounts are in lei unless otherwise specified

Equity element	Share capital	Share capital adjustments	Legal reserves	Legal reserves adjustments	Reserve reevaluare	Other reserves	Other reserves adjustments	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 of the year	0	0	0	0	0	0	0	15,058,967	15,058,967
Other elements of the overall result, of which:	0	0	0	0	0	282,010	0	0	282,010
Income tax related to other elements of the overall result	0	0	0	0	0	282,010	0	0	282,010
Tranzactii cu actionarii, inregistrate direct in capitalurile proprii, din care:	0	-464,987	0	0	0	-2,365,268	0	-2,803,855	-5,634,110
Repurchase of own shares	0	-464,987	0	0	0	0	0	0	-464,987
Losses related to the redemption of own shares	0	0	0	0	0	-2,365,268	0	0	-2,365,268
Profit distribution	0	0	0	0	0	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

Equity element	Share capital	Share capital adjustments	Legal reserves	Legal reserves adjustments	Reserve reevaluare	Other reserves	Other reserves adjustments	Reported result	Total
Balance at 01.01.2022	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
Profit of the year	0	0	0	0	0	0	0	2,510,594	2,510,594
Other elements of the overall result, of which:	0	0	0	0	0	277,951	0	0	277,951
Income tax related to other elements of the overall result	0	0	0	0	0	277,951	0	0	277,951
Tranzactii cu actionarii, inregistrate direct in capitalurile proprii, din care:	0	384,777	0	0	0	12,138,760	0	-15,550,387	-3,026,850
Distribution of shares for free	0	384,777	0	0	0	-384,777	0	0	0
Profit distribution	0	0	0	0	0	12,523,537	0	-15,550,387	-3,026,850
Balance at 31.12.2022	21,882,104	-265,638	4,376,421	22,679,066	83,891,130	296,193,865	442,991	67,906,134	497,106,073

d. Individual cash flow statement for the year ended 31.12.2022

All amounts are in lei unless otherwise specified

Explanations	2022	2021
Cash flows from operating activities:		
Profit before tax	3,836,233	18,032,260
Depreciation and amortization expenses	47,331,376	43,714,910
(Increases) / Decreases in stocks	9,743,194	-50,775,014
(Increases) / Debt decreases	-13,874,479	-4,466,149
Increases / (Debt decreases)	-1,780,245	18,638,819
Adjust other non-monetary items	-6,116,463	5,194,589
Net cash generated from operations	39,139,616	30,339,415
Cash flows from investment activity:		
Acquisitions of tangible assets and real estate investments	-28,531,396	-41,189,336
Acquisitions of intangible assets	-1,148,169	-1,216,406
Net cash generated from investment activities	-29,679,565	-42,405,742
Cash flows from financial activity		
(Increases) / Decreases in bank loans	-12,359,946	23,641,110
Interest rates	-2,182,355	-1,394,313
Net cash generated from financial activity	-14,542,301	22,246,797
Net cash generated from total activity	-5,082,250	10,180,470
Cash and cash equivalents at the beginning of the period	11,068,357	887,887
Cash and cash equivalents at the end of the period	5,986,107	11,068,357

e. NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2022
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 in force during the current period and adopted by the company since 1 January 2022.

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements to IFRS Standards 2018-2020 Cycle. Changes have no effect on transactions and balances. Implementing the new standard brings changes to the presentation of separate financial statements.

3.2. Standards and Interpretations issued by the IASB and adopted by the EU but not yet in force, hence not applied yet

Currently the IFRS adopted by the EU are not significantly different than the regulations adopted by the IASB, except for the following standards, amendments and interpretations which have not been yet validated for applicability:

IFRS 17 „Insurance Contracts” (Effective according with IASB from 1 January 2023) or any time afterwards for annual periods as per the IASB). The Company is carefully considering the implications of this standard over the financial situations and the moment it will become effective.

Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The Company is carefully considering the implications of the amendments over the financial situations and the moment it will become effective.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies. Effective 1 april 2021, or any time afterwards for annual periods as per the IASB, early adoption permitted. An entity must present material information regarding its accounting policies instead of the significant accounting policies. Changes clarify what is a material accounting policy and offer examples when information regarding accounting policies can be significant. The Company is carefully considering the implications of the amendments over the financial situations and the moment it will become effective.

Amendments to IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The Company is carefully considering the implications of the amendments over the financial situations and the moment it will become effective.

Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information. The Company is carefully considering the implications of the amendments over the financial situations and the moment it will become effective.

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

Currently the IFRS adopted by the EU are not significantly different than the regulations adopted by the IASB, except for the following standards, amendments and interpretations which have not been yet validated for applicability:

Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. The Company is carefully considering the implications of the amendments over the financial situations and

the moment it will become effective.

Amendments to IFRS 16 Leases: Lease liability in a Sale and Leaseback. The Company is carefully considering the implications of the amendments over the financial situations and the moment it will become effective.

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 Financial Statements.

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 the 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 2022 is as follows:

Explanations	Land	Construction	Equipment and vehicles	Other tangible fixed assets	Tangible fixed assets in progress	Total
Inventory value						
01-01-21	43,848,700	92,288,442	622,111,886	1,670,075	73,793,326	833,712,429
Entries 2021	0	15,978,486	58,153,988	281,766	37,823,556	112,237,796
Outflows 2021	0	-602,155	-20,188,989	-31,749	76,287,098	-97,109,991
31-12-21	43,848,700	107,664,773	660,076,885	1,920,092	35,329,784	848,840,234
Inputs from acquisitions 2022	0	0	0	0	20,326,263	20,326,263
Internally generated revenues 2022	0	0	0	0	8,119,072	8,119,072
Inputs from commissioning 2022	0	5,196,833	44,728,075	98,847	0	50,023,755
Inputs from transfers from other classes 2022	0	1,248,846	3,614	0	2,109	1,254,569
Receipts from transfers within the same class 2022	0	-3,614	10,800	0	0	7,186
Outflows from transfers within the same class 2022	0	0	-10,800	0	0	-10,800
Outflows from transfers to other classes of fixed assets 2022	0	0	-2,109	0	50,030,528	-50,032,637
Disposals 2022	0	0	0	0	0	0

Disposals of fixed assets 2022	0	0	-12,424,639	-60,474	0	-12,485,113
31-12-21	43,848,700	114,106,837	692,381,826	1,958,465	13,746,700	866,042,528
Depreciation, amortisation	0	0	0	0	0	0
01-01-21	0	6,195,710	409,183,011	1,153,296	0	416,532,017
Expenses 2021	0	6,164,271	36,566,380	66,751	0	42,797,402
Depreciation, amortisation and write-offs 2021	0	-42,389	-19,422,983	-31,749	0	-19,497,121
31-12-21	0	12,317,592	426,326,408	1,188,298	0	439,832,298
Expenditure 2022	0	5,540,573	40,144,854	96,134	0	45,781,561
Depreciation, amortisation and write-downs on transfer entries within the same class 2022	0	0	2,400	0	0	2,400
Depreciation, amortisation and write-offs on transfers within the same class 2022	0	0	-2,400	0	0	-2,400
Depreciation, amortisation and write-offs 2022	0	0	-12,407,126	-60,474	0	-12,467,600
Depreciation, write-downs on disposals 2022	0	0	0	0	0	0
31-12-22	0	17,858,165	454,064,136	1,223,958	0	473,146,259
Remaining value						
01-01-21						417,180,412
31-12-21						409,007,936
31-12-22						392,896,269

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 2022. Depreciation of all fixed assets is determined by the linear method. Non-current assets were reduced in 2022 through sale, disposal and depreciation. The inventory value of fixed assets scrapped in 2022 was 12,485,113 lei and the undepreciated value of thousands of fixed assets scrapped was 17,512 lei.

As at 31.12.2022 the net book value of mortgaged fixed assets in favour of banks was 132,220,924 lei, of which 100,798,180 lei consisted of technological equipment and 31,422,744 lei of buildings and land.

Obligatiile societatii derivand din contracte de achizitii de imobilizari sunt in valoare de 1,671,248 lei.

4.2. REAL ESTATE INVESTMENT

The evolution of real estate investments from 1 January 2021 to 31 December 2022 is as follows:

Explanations	Real estate investments in progress		Total
	Real estate investments	Real estate investments in progress	
01-01-21	58,429,296	9,890,292	41,239,843
Entries 2021	7,910,598	5,616,440	13,527,038
Outflows 2021	-24,653,538	-15,366,393	-40,019,931
31-12-21	41,686,356	140,339	41,826,695

Inputs from acquisitions 2022	0	81,902	81,902
Internally generated revenues 2022	0	4,159	4,159
Inputs from commissioning 2022	753	0	753
Inputs from transfers from other classes 2022	6,773	0	6,773
Outflows from transfers to other classes 2022	-1,248,845	0	-1,248,845
Outflows from transfers within the same class 2022	0	-259	-259
Outflows from transfers to stocks 2022	-753	0	-753
31-12-22	40,444,284	226,141	40,670,425

5. INTANGIBLE FIXED ASSETS

The evolution of intangible assets was as follows:

Explanations	Research and development expenses	Computer programs and software licenses	Total
Cost			
01-01-21	4,714,181	12,781,797	17,495,978
Inputs 2021	1,893,648	4,608,822	6,502,470
Exits 2021	-1,893,648	-3,214,503	-5,108,151
31-12-21	4,714,181	14,176,116	18,890,297
Acquisition receipts 2022	0	1,148,169	1,148,169
Receipts from transfers from other classes of fixed assets 2022	0	681,367	681,367
Outflows from transfers within the same class 2022	0	-681,367	-681,367
31-12-22	4,714,181	15,324,285	18,890,297
Depreciation, amortisation			
01-01-21	0	8,823,958	8,823,958
Expenditure 2021	282,053	677,843	959,896
31-12-21	282,053	9,501,801	9,783,854
Expenditure 2022	552,574	997,240	1,549,814
31-12-22	834,627	10,499,041	11,333,668
Remaining value			
01-01-21			8,672,020
31-12-21			9,106,443
31-12-22			8,704,798

6. TRADE AND OTHER RECEIVABLE

The trade receivables situation is as follows:

Explanations	2022	2021
Receivables from customers not past due	129,537,841	122,443,228
Receivables past due, but no impairment adjustments recorded	20,015,764	9,059,944
Receivables past due but impairment adjustments recorded	494,895	361,522
Impairment adjustments	-494,895	-361,522
Total trade receivables	149,553,605	131,503,172

As at 31 December 2022 and 2021, the ageing of overdue receivables for which there is no impairment adjustments have been recorded are as follows:

Explanations	2022	2021
Expiry between 7 and 90 days	19,466,757	7,677,498
Expiry date exceeded from 91 to 180 days	331,470	1,275,484
Expiry date over 181 to 1 year	217,537	56,084
Due date over 1 year	0	50,878
Total overdue receivables	20,015,764	9,059,944

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

01-01-21	138,064
Accrued adjustments in 2021	310,941
Adjustments reversed in 2021	-87,483
31-12-21	361,522
Accrued adjustments in 2022	464,933
Adjustments reversed in 2022	-331,561
31-12-22	494,894

The Company's commercial policy requires the recording of impairment adjustments for receivables that

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

Explanations	2022			2021		
	Total, of which	Long term	Short term	Total, of which	Long term	Short term
Advances paid to suppliers	3,449,480	0	3,449,480	3,775,137	0	3,775,137
Claims relating to staff	16,485	0	16,485	3,611	0	3,611
Claims related to the consolidated state and local budget	1,439,009	0	1,439,009	4,206,772	0	4,206,772
Sundry debtors	1,524,218	0	1,524,218	1,010,388	0	1,010,388
Impairment adjustments of debtors	-1,127,411	0	-1,127,411	-839,069	0	-839,069
Expenditure in advance	1,227,727	0	1,227,727	1,359,566	0	1,359,566
Grants receivable (European funds projects)	1,032,229	0	1,032,229	5,477,396	270,000	5,207,396
Total other receivables	7,561,737	0	7,561,737	14,993,801	270,000	14,723,801

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

01-01-21	368,925
Accrued adjustments in 2021	278,406
Adjustments reversed in 2021	0
31-12-21	647,331
Accrued adjustments in 2022	191,738
Adjustments reversed in 2022	0
31-12-22	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 31.12.2022.

7. OTHER NON-CURRENT RECEIVABLES

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

Explanations	2022			2021		
	2022			2021		
	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	34,192	34,192	0	15,459	15,459	0
Amounts owed by subsidiaries	3,725,695	3,725,695	0	500,000	500,000	0
Interest on amounts due from subsidiaries	12,569	12,569	0	887	887	0

8. STOCKS

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

Explanations	2022	2021
Raw materials	50,450,835	52,434,507
Adjustments for the depreciation of raw materials	-144,929	-290,176
Materials and packaging	23,156,508	25,566,756
Adjustments for depreciation of materials and packaging	-80,432	-241,851
Semi-finished goods and work in progress	40,768,671	42,857,109
Finished goods and merchandise	18,554,780	22,298,941
Adjustments for impairment of finished goods and merchandise	-178,320	-354,979
Total stocks	132,527,113	142,270,307

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

01-01-21	727,449
Accrued adjustments in 2021	170,731
Adjustments reversed in 2021	-11,174
31-12-21	887,006
Accrued adjustments in 2022	0
Adjustments reversed in 2022	-483,325
31-12-22	403,681

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	2022	2021
Bank accounts in lei	5,935,145	10,864,690
Bank accounts in foreign currency	28,188	112,120
Cash equivalents	309	79,909
Cash in lei	22,465	11,638
Total cash and cash equivalents	5,986,107	11,068,357

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

The Company's current profit tax is determined based on the statutory profit, adjusted with non-deductible expenses and non-taxable income, at a rate of 16% for 2022 and 2021.

As at 31 December 2022 and 2020 the profit tax consists of:

Explanations	2022	2021
Deferred property tax (income)/(revenue)	1,290,684	1,904,273
Current income tax liability	34,955	1,069,020
Total corporate income tax	1,325,639	2,973,293

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

Explanations	2022	2021
Profit before tax	3,836,233	18,032,260
Income tax expense 16%	613,797	2,885,162
Sponsorship expense to be deducted from income tax	34,955	-206,386
Income tax due	648,752	2,678,776
Effect of non-taxable income	-576,200	-232,107
Effect of non-deductible expenses for tax purposes and temporary differences	1,331,714	526,624
Effect of tax exemption on reinvested profits	-78,627	0
Total income tax expense	1,325,639	2,973,293
Actual percentage of income tax	34.56	16.49

The significant components of the current profit tax included in the financial statements at 12.31.2022 and 12.31.2021 are the following:

Explanations	2022	2021
Gross profit	3,836,233	18,032,260
Non-taxable income	-3,601,252	-1,450,667
Non-deductible expenses	53,099,371	43,714,910
Other tax deductions	-	-
Tax profit	52,842,933	52,325,207
Income tax	491,419	7,971,296
Sponsorship amounts	78,627	1,275,407
Tax exemption on reinvested profit	34,955	-206,386
Bonus granted on payment of current income tax	-78,627	0
	0	0
Total current income tax expense	34,955	1,069,020
Effective current income tax rate	0.91	5.93

The evolution of the deferred tax to be recovered in the period 01.01.2021- 31.12.2022 is shown in the table below:

01-01-21	-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
31-12-21	-122,843
Tax postponed through profit and loss account 2022	1,290,684

Deferred tax recognised through other comprehensive income 2022, of which:	-277,951
Deferred tax from revaluation of fixed assets	-277,951
31-12-22	889,890

The significant components of the deferred profit tax recoverable included in the financial statements as of December 31.12.2020 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 2021	Attributable to retained earnings from change in accounting policies 2021	Attributable to other comprehensive income 2021
Revaluation of fixed assets	30,029,697	0	4,804,752	4,804,752	0	0	-282,010
Legal reserves	4,376,421	0	700,227	700,227	0	0	0
Differences in depreciation periods of tangible fixed assets	-32,861,636	-5,257,862	0	-5,257,862	2,010,474	0	0
Other liabilities	-2,312,243	-369,959	0	-369,959	-106,201	0	0
Total	-767,761	-5,627,821	5,504,979	-122,842	1,904,273	0	-282,010

The significant components of the deferred profit tax recoverable included in the financial statements as of December 31.12.2022 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 2022	Attributable to retained earnings from change in accounting policies 2022	Attributable to other comprehensive income 2022
Revaluation of fixed assets	28,265,562	0	4,522,490	4,522,490	0	0	-277,951
Legal reserves	4,376,421	0	700,227	700,227	0	0	0
Differences in depreciation periods of	-24,862,666	-3,978,027	0	-3,978,027	1,279,835	0	0

Type temporary difference	Value of accumulated temporary differences	Accumulated deferred tax claim	Accumulated deferred tax debt	Impozit amănat cumulat net. din care:	Attributable to the profit and loss account 2022	Attributable to retained earnings from change in accounting policies 2022	Attributable to other comprehensive income 2022
tangible fixed assets							
Other liabilities	-2,217,503	-354,800	0	-354,800	10,848	0	0
Total	5,561,814	-4,332,827	5,222,717	889,890	1,290,683	0	-277,951

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 31.12.2022 is as follows:

Explanations	No. Of Shares	% of total share capital
Shareholders (individuals) Romanian and foreign	153,632,281	70.21%
Romanian and foreign shareholders (legal entities)	65,188,757	29.79%
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 15.11.2022 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.

In November 2022, the Allotment Plan for option rights to employees and members of management was completed, following which the option was expressed for a number of 6,060,000 shares.

The fair value of the shares distributed free of charge is 2,581,560 lei.

Following the redemption of own shares and the free distribution to employees of a number of 6,060,000 shares, a total of 444,153 shares remained undistributed.

The Company's equity includes the following:

Explanations	2022	2021
Subscribed and paid-up capital	21,882,104	21,882,104

Own shares	-265,638	-650,415
Losses on redemption of own shares	0	-3,239,570
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	265,652	3,890,000
Other reserves	301,155,241	288,631,704
Adjustment other reserves	442,991	442,991
Current and deferred income tax recognised in equity	-5,227,028	-5,504,979
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	0
Retained earnings from first-time adoption of IAS 29	-648,352	-648,352
Current year profit	2,510,594	15,058,967
Profit distribution	-491,419	0
Total equity	497,106,073	497,344,378

In 2022, Compa used the tax facility regarding the tax exemption on the profit reinvested in technological equipment and, according to legal regulations, distributed the profit to its own sources of development for which the facility was applied, in the amount of 491,419 lei.

The Board of Directors will propose to the OGMS that the net profit be distributed as follows: 20% for dividends, in the amount of 500,774 lei, representing 0.0023 lei/share with voting rights and dividend and 80% for own sources of development, in the amount of 2,009,820 lei.

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 evolution of the Company's indebtedness is as follows:

Explanations	2022	2021
Total debts	283,890,023	283,890,023
Cash and cash equivalents	5,986,107	11,068,357
Net liabilities	277,903,916	272,821,666
Equity	497,106,073	497,344,378
Debt ratio	0.56	0.55

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		2022			2021		
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�t� G�n�rale Rom�nia	Credit line for production	6,979,070	6,979,070	0	6,173,527	6,173,527	0
BRD Group Soci�t� G�n�rale Rom�nia	Credit for investments	4,900,194	3,392,442	1,507,752	6,407,947	4,900,194	1,507,752
ING BANK-SIBIU	Credit line for production	4,358,941	4,358,941	0	4,772,571	4,772,571	0
ING BANK-SIBIU	Credit for investments	4,826,845	3,447,746	1,379,098	6,205,943	4,826,845	1,379,098
Total financial liabilities - EUR		21,065,050	18,178,200	2,886,851	23,559,988	20,673,137	2,886,851

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

Currency - LEI		2022			2021		
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�t� G�n�rale Rom�nia	Credit line for production	34,528,252	34,528,252	0	30,547,230	30,547,230	0
BRD Group Soci�t� G�n�rale Rom�nia	Credit for investments	24,243,222	16,783,769	7,459,453	31,707,160	24,246,652	7,460,508
ING BANK-SIBIU	Credit line for production	21,565,424	21,565,424	0	23,615,158	23,615,158	0
ING BANK-SIBIU	Credit for investments	23,880,331	17,057,380	6,822,952	30,707,627	23,883,711	6,823,917
Total financial liabilities - LEI		104,217,229	89,934,825	14,282,405	116,577,176	102,292,751	14,284,425

As at 31.12.2022 the net book value of mortgaged fixed assets in favour of banks was 132,220,924 lei, of which 100,798,180 lei consisted of technological equipment and 31,422,744 lei of 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 interest margin on loans taken out with banking institutions varies between:

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

Foreign currency debts are valued in lei at the official exchange rate of the BNR on 31.12.2022.

13. TRADE AND OTHER DEBTS

The situation of trade debts and other debts is as follows:

Explanations	2022			2021		
	Total, din care	Termen lung	Termen scurt	Total, din care	Termen lung	Termen scurt
Suppliers	111,691,969	0	111,691,969	112,547,524	0	112,547,524
Advances received from customers	685,564	0	685,564	183,494	0	183,494
Debts from customer contracts	2,919,520	0	2,919,520	9,051,042	0	9,051,042
Debts related to personnel	5,824,473	0	5,824,473	5,809,380	0	5,809,380
Debts to the general consolidated state budget and local budget	11,345,853	0	11,345,853	6,351,650	0	6,351,650
Current income tax liabilities	0	0	0	0	0	0
Dividends payable	390,174	0	390,174	203,982	0	203,982

Sundry creditors	141,843	0	141,843	632,570	0	632,570
Prepaid income	2,098,749	0	2,098,749	1,776,045	235,000	1,541,045
Investment grants from AMPOSDRU and AMPOSCEE contracts	25,829,594	22,090,906	3,738,688	30,476,500	25,902,194	4,574,306
Inventory gains in the nature of fixed assets	21,507	21,507	0	56,016	56,016	0
Total trade and other payables	160,949,246	22,112,413	138,836,833	167,088,203	26,193,210	140,894,99

Foreign currency liabilities are valued in lei at the official exchange rate of the BNR on 31.12.2022.

14. PROVISIONS

Explanations	Provisions for guarantees to customers	Provisions for employee benefits	Other provisions	Total provisions
01-01-21	26,945	108,700	0	135,645
Accrued provisions in 2021	0	0	89,000	89,000
Provisions reversed at 30.09.2022	0	0	0	0
31-12-21	26,945	108,700	89,000	224,645
Accrued provisions in 2022	0	0	2,778,571	2,778,571
Provisions reversed in 2022	0	0	-2,784,755	-2,784,755
31-12-22	26,945	108,700	82,816	218,461

In 2022, 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 31.12.2021.

Provisions have been set up representing expenses for the statutory audit related to the year 2022, for which the invoice will be received in the year 2023.

15. REVENUES AND BUSINESS SEGMENTS

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

Explanations	2022	2021
Total turnover, of which:	737,001,238	705,725,717
Revenue from sales of finished products	722,742,099	683,562,655
Revenue from services rendered	2,768,940	6,018,307
Revenue from sale of goods	8,992,168	13,783,510
Income from other activities (rents, sales of materials, waste, semi-finished goods, packaging)	1,194,038	1,086,822
Income from subsidies related to turnover (projects and partnership contracts AMPOSDRU projects)	1,303,993	1,274,423
Other operating income	14,057,849	17,970,459
Total operating income	751,059,087	723,696,176
Other operating income consists of :		
Explanations	2022	2021
Income from the production of fixed assets	8,123,725	8,294,171
Income from investment grants (AMPOSDRU and AMPOSCEE projects and partnership contracts)	4,550,906	2,914,123
Income from sales of assets	2,753	5,308,391

Other operating income	1,380,465	1,453,774
Total Other operating income	14,057,849	17,970,459

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 2022 was 432.4 million lei, with a share of 58.67% of turnover.

Revenues of about 383.8 million lei come from the top 20 foreign customers, which have a share of 52.08% of the turnover.

Revenues are attributable to activities in Romania.

16. EXPENDITURE BY NATURE

Operating expenses incurred in 2022 and 2021 by nature are shown in the table below:

Explanations	2022	2021
Material expenses	442,290,196	453,750,309
Stock differences	5,827,912	-15,728,966
Energy and water costs	41,472,758	31,843,703
Employee benefits expenses	156,275,015	147,224,797
Value adjustments on fixed assets	47,331,376	43,714,910
Value adjustments on current assets	-48,655	574,754
Expenditure on services provided by third parties	42,317,193	35,200,703
Expenses on other taxes, duties and similar charges	7,234,475	4,012,164
Other operating expenses	1,723,781	2,172,432
Total operating expenses	744,424,051	702,764,806

17. ANALYSIS OF OPERATING RESULT

Explanations	2022	2021
Operating income	751,059,087	723,696,176
Cost of sales	-705,829,822	-666,173,803
Selling and distribution expenses	-1,891,797	-1,639,550
Administrative expenses	-21,769,218	-18,843,231
Research and development expenses	-14,933,214	-16,108,221
Operating result	6,635,036	20,931,371

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	2022	2021
Salaries and allowances	152,083,020	144,637,337
Government subsidies for expenditure on employees	0	-399,016
Insurance and social protection expenditure	4,191,995	2,986,476
Total	156,275,015	147,224,797

19. PIERDERI (CĂȘTIGURI) FINANCIARE

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

Explanations	2022	2021
Foreign exchange gains related to monetary items denominated in foreign currency	-130,650	-2,352,275
Interest losses	-2,124,896	-1,391,620
Other financial gains	-543,257	844,785
Total losses/gains	-2,798,803	-2,899,110

20. EARNINGS PER SHARE

The calculation of earnings per share for the years ended December 31, 2022 and 2021 is shown below:

Explanations	2022	2021
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	2,510,594	15,058,967
Earnings per share (in RON per share) basic / diluted:	0.0115	0.0688

On 15.11.2022 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

The shares were bought back in order to be distributed free of charge to the members of the company's management, in order to gain their loyalty, as well as to reward them for the activity carried out within the Company.

Through the Decisions of the Administrative Council no. 83/04.10.2021 and 85/05.10.2021 was approved the Allocation Plan to employees and members of management, of option rights for the acquisition, free of charge, of a number of 6,500,000 redeemed shares, Stock Option Plan type.

In November 2022, the Allotment Plan for option rights to employees and members of the management was completed, after which the option was expressed for the acquisition of 6,060,000 shares, free of charge. The fair value of the shares distributed free of charge is 2,581,560 lei.

Following the redemption of own shares and the free distribution to employees of a number of 6,060,000 shares, a total of 444,153 shares remained undistributed. These shares do not have voting rights and dividend rights. Also, a number of 649,100 shares, with a nominal value of 64,910 lei, are owned by the affiliated company Recaserv SRL, as a result, these shares do not have voting rights or the right to dividends.

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

Explanations	2022	2021
Total number of shares	218,821,038	218,821,038
Shares without voting rights and dividend	-1,093,253	-7,153,253
Number of shares with voting and dividend rights at year-end	217,727,785	211,667,785
Net profit	2,510,594	15,058,967
Basic / diluted earnings per voting and dividend share (in RON per share):	0.0115	0.0711

21. FINANCIAL INVESTMENTS

Company in which the securities are held	Headquarters	% in share capital	Value of securities	Main object of activity

COMPAS 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	

Transactions carried out in 2022 and 2021 with companies in which COMPAS holds stakes were as follows (amounts include VAT)

Explanations	2022			2021		
	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	14,350,028	497,800	0	16,767,657	453,461
COMPAS IT S.R.L.	0	3,052,778	50,229	0	2,846,123	47,365
RECASERV S.R.L.	0	1,587,105	45,783	0	1,299,848	12,578
ARINI HOSPITALITY S.R.L.	3,738,264	0	10,564	500,887	0	832,699

Mutual payables and receivables as at 31.12.2022 and 31.12.2021 are as follows:

Receivables receivable by COMPAS SA from:

Explicatii	2022	2021
TRANSCAS S.R.L.	78,897	74,615
COMPAS IT S.R.L.	5,048	4,438
RECASERV S.R.L.	18,445	11,067
ARINI HOSPITALITY S.R.L.	3,740,025	507,931

Debts payable by COMPAS SA to:

Explicatii	2022	2021
TRANSCAS S.R.L.	2,488,231	2,574,218
COMPAS IT S.R.L.	773,119	990,550
RECASERV S.R.L.	443,415	339,384
ARINI HOSPITALITY S.R.L.		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.

FIRST AND LAST NAME	QUALIFICATION	FUNCTION
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
NEACȘU Vlad- Nicolae	Economist	Member of C.A. - Member of the Audit Committee

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 major event after the balance sheet date is the continuing war between Ukraine and Russia.

The impact of the war in Ukraine on Compa

Starting in the second half of 2021, there has been a sharp jump in energy prices in the EU and around the world. Fuel prices have risen further as a result of Russia's unprovoked and unjustified aggression against Ukraine, which has also raised concerns about the security of energy supply in the EU. Russia's decision to suspend gas supplies to several EU Member States has further affected the situation.

Indirectly Compa is affected:

- the uncontrolled rise 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 of 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 drop in volumes for certain parts for customers who had factories in Russia or Ukraine and had to close these production units

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

- Validation at an accelerated pace of all supply chain changes generated by the conflict in Ukraine. In situations where the resolution of the problem requires sampling, laboratory testing, process validation with suppliers and customers, representatives of the technical, production and quality departments are tasked to act with priority.
- In order to mitigate or even eliminate supply chain bottlenecks, 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 minimised.
- 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.

Other events occurring after the balance sheet date are described in chapter 3.2.

On behalf of the Board of Directors, by:

President of BoD / Director General,

Ioan DEAC

CFO

Mihaela Dumitrescu

18.STATEMENT OF COMPLIANCE OF FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF DIRECTORS

Individual annual financial statements as at 31.12.2022 have been prepared for:

Entity:	COMPAs S.A.
County:	32 Sibiu
Address:	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 31.12.2022 and confirms the following:

- a) The individual financial statements for the year 2022 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.
- b) The accounting policies used in the preparation of the individual annual financial statements are in accordance with applicable accounting regulations.
- c) The unconsolidated annual financial reports give a true and fair view of the financial position, financial performance and other information relating to the business.
- d) 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

CFO

Mihaela Dumitrescu

NON-FINANCIAL REPORT 2022

COMPA



compa
beyond expectations

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PREAMBLE

Throughout its 130 years of existence, COMPA has consistently progressed technically and technologically, constantly investing in the quality of its products and services. Thus, COMPA is among the first companies with Romanian capital, present in the top 100 of Romanian exporters. The COMPA 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 COMPA 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 physical-chemical laboratory analyzes, cardan service (EDS), training courses.

The top processes applied in COMPA 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 COMPA a successful company with remarkable results in recent years.










The organizational structure adopted by COMPA 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 COMPA 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 COMPA 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 COMPA 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, physical-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.

We are permanently concerned with reducing the carbon footprint and emissions generated by the production activity. In this sense, COMPA installed in 2022 a renewable energy production capacity of 997 KWh. This project was realized by accessing non-refundable funds coordinated by Innovation Norway, which made it possible to install a photovoltaic park within the factory. All this energy is used for the production activity and represents an important step in the goal of becoming carbon neutral. The new photovoltaic park produces 1202.46 Mwh/year, which means a reduction of CO₂ emissions by 318.28 tons/year. Also, we constantly make sure that the energy used is purchased from producers that use renewable sources. In 2022, energy consumption per turnover decreased by 12% compared to 2021, which meant a significant reduction of the carbon footprint.

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 turbofans; 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 physical-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 2022 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).

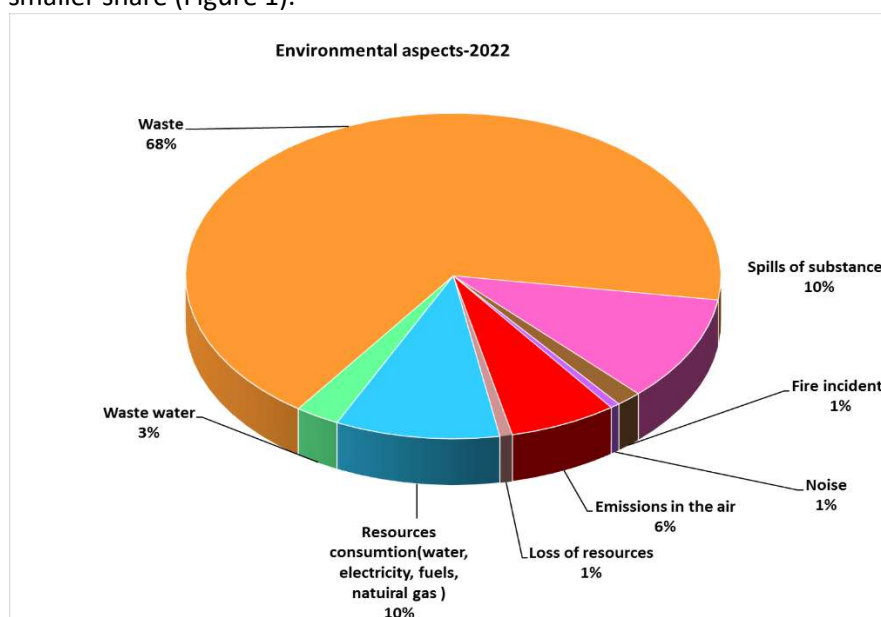


Figure No. 1

Of these, only 4 % 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).

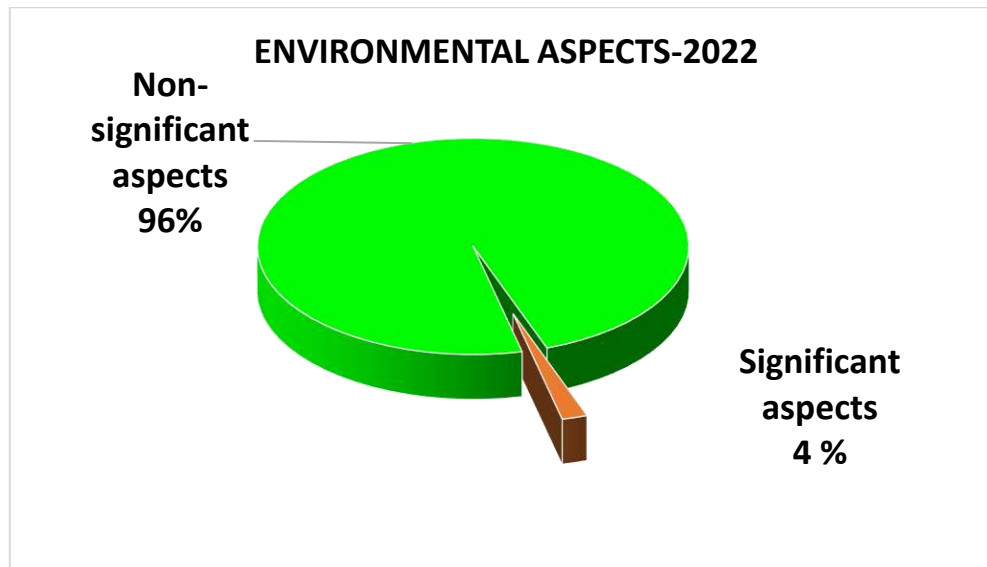


Figure No.2

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 2022 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
 - **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.

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 2022 are the following:

Objective	Actions
Reduction the amount of waste generated	<ul style="list-style-type: none"> - Reducing the amount of aluminum waste by recovering the bar ends and re-introducing the bar ends into the process and obtaining four other parts. - Reduction of excessive processing oil losses by recovering the processing oil from the retention trays and collection containers and re-introducing it into the process; - - The reuse of plastic and steel waste from the manufacturing processes of SDVs by recovering, processing and reusing them to make other parts in the workshop.
Reducing the consumption of raw materials and energy	<ul style="list-style-type: none"> - Reduction of packaging consumption by reusing some packaging waste from other factories for packaging waste from Galvanization; - Reduction of compressed air losses; - Reducing electricity consumption for lighting by replacing current bulbs with LED bulbs.
Reducing the amount of emissions in the atmosphere	<ul style="list-style-type: none"> - Reduction of dust in the atmosphere by making and installing a system for capturing dust from rectification; - Reduction of oil vapor emissions by replacing the current capture systems with a power plant with an efficiency of 99.97%
Improving the storage of hazardous substances and eliminating fire risks	<ul style="list-style-type: none"> - Replacement of the existing polycarbonate wall between the hazardous waste warehouse and the oil warehouse with a fire-resistant BCA wall.

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 analyze 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 2022, a number of 44 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.

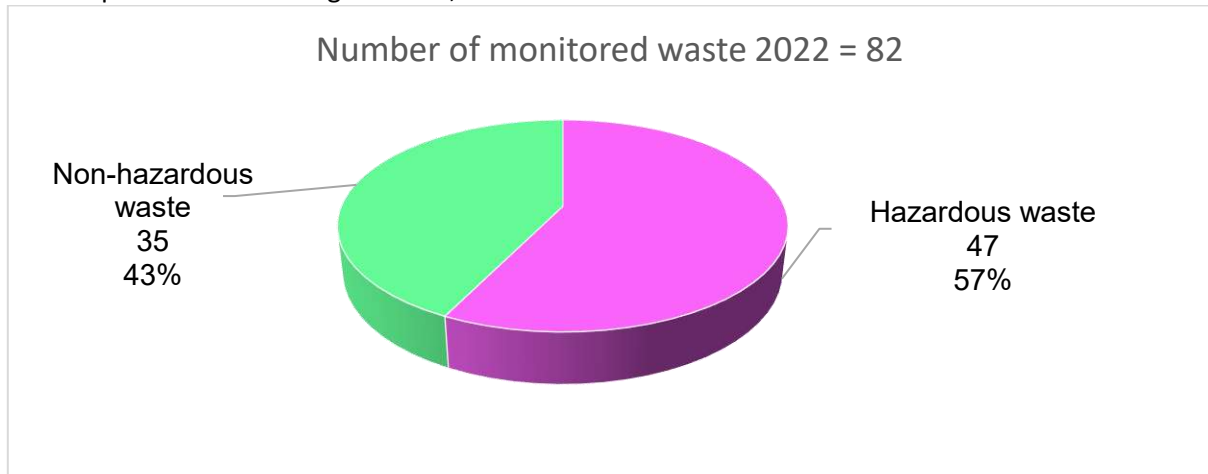
Each waste is identified and coded with a 6-digit code according to the activity from which it comes, in accordance with GD 856-2002 on waste management records. The company has a list of all identified waste.

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.

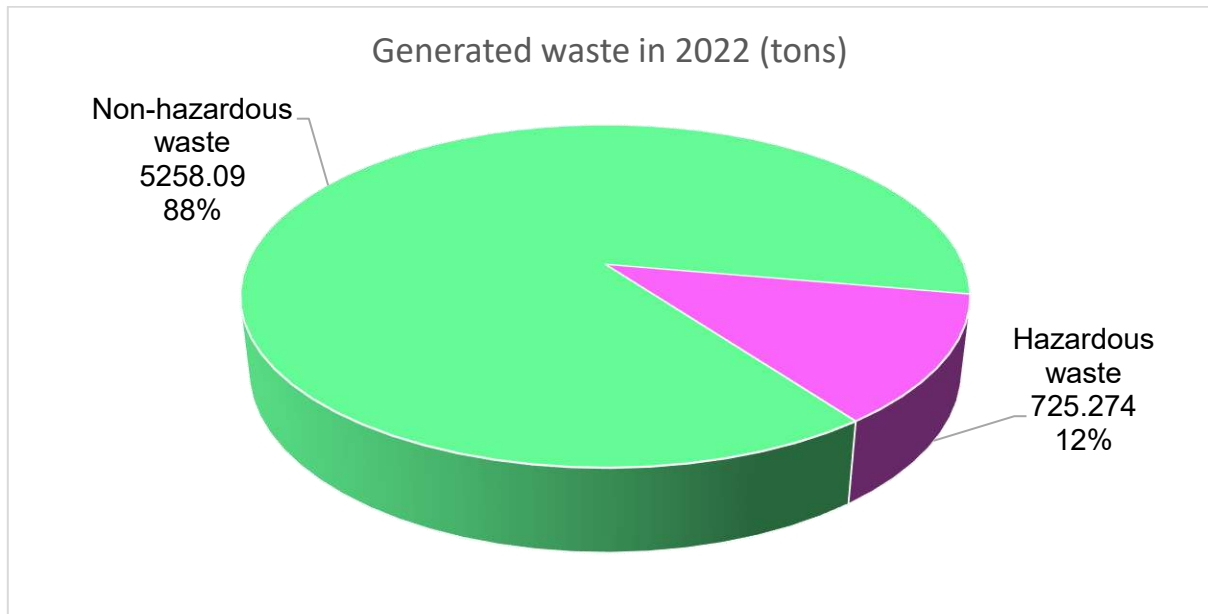
The waste identified in our company is non-hazardous waste and hazardous waste. Each waste is treated according to the waste management procedure.

In 2022, a number of 82 wastes were monitored.

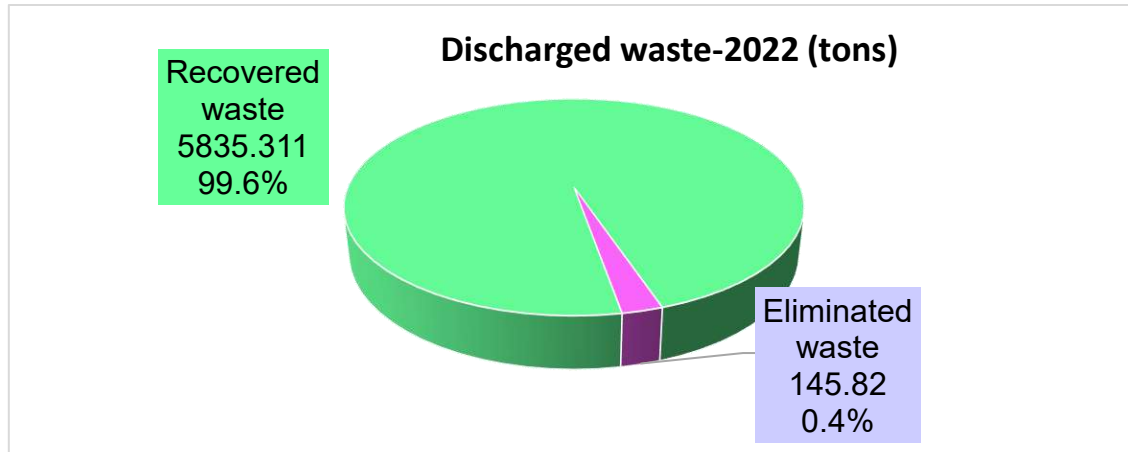
Of the total quantities of waste generated, 57% is hazardous waste:



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:

$EMPI = 35\% NA + 35\% CL + 30\% LAEO$, 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 2022: NA = 94.5%

CL - level of compliance with the applicable compliance obligations = arithmetic mean of the compliance levels with the compliance obligations of the manufactures / directions.

In 2022: 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 2022 LAEO was 96.3%

$EMPI$ was un 2022= $0,35 \times 94.5 + 0.35 \times 100 + 0.3 \times 96.3 = 96.965$

The Environmental Operational Performance Indicator (EOPI) is calculated as follows

$EOPI = 33.3\% IPA + 33.3\% DCM + 33.3\% DC$, where

IPA - 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.

IPA was in 2022= 80%

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.

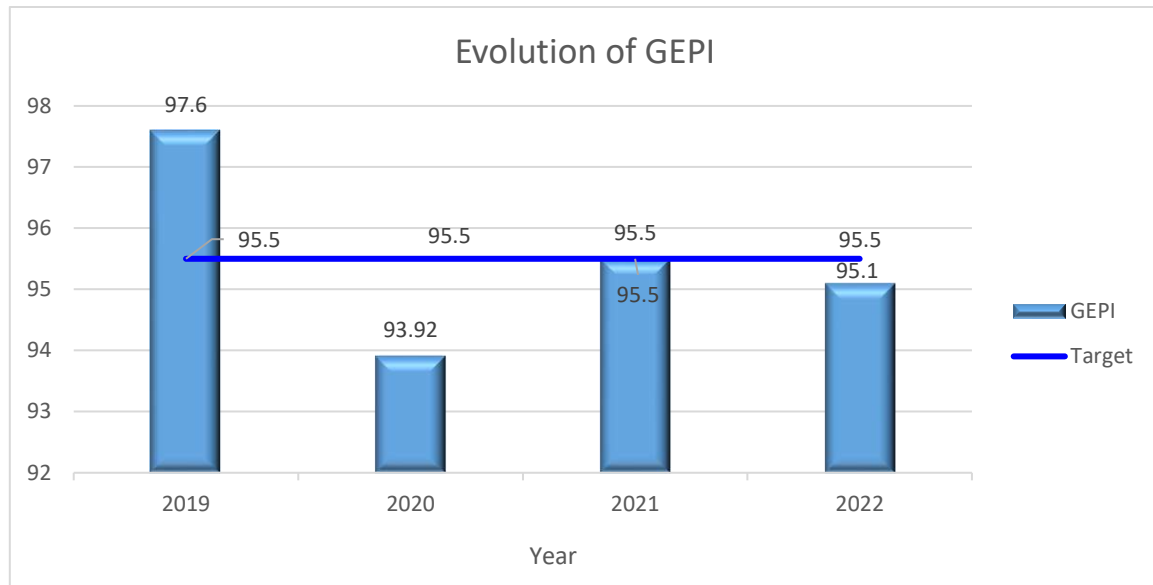
DC - degree of collection, recovery / selective disposal of waste = no. selectively collected waste (recovered / disposed of) / no. total waste generated x 100.

DC=100%

In 2022: EOPI = 93,24

In 2022 $GEPI = 0.5 \times 96.965 + 0.5 \times 93.24 = 95.1 \%$

The evolution of IPMG in the last 4 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 2022 of 94.5%.

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 THE 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 2022:

Electricity = 43,261.613 Kwh, equivalent to 3,720.50 toe (tons of oil equivalent)

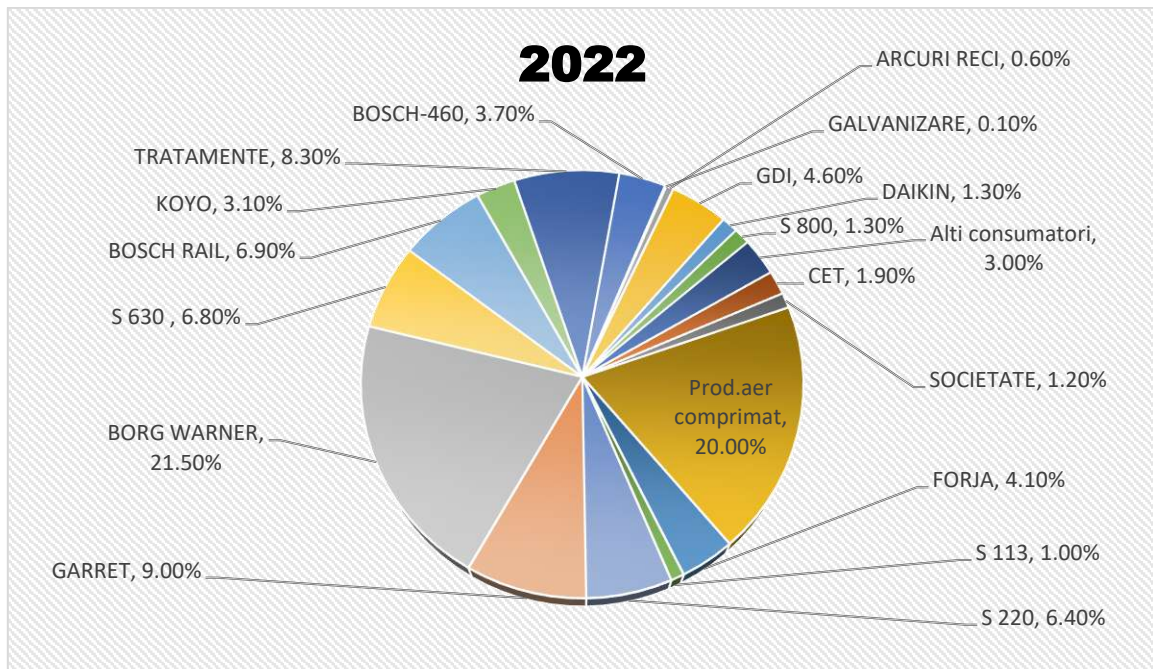
Natural gas = 4,326.808 m3, equivalent to 3,876.33 toe of which:

- technological processes COMPA platform = 547.000 m3, the equivalent of 490.05 toe
- combined production of electricity and heat = 3,779,808 m3, equivalent to 3,386.28 toe
- Thermal energy 113067 Gcal the equivalent of 1130,60 toe
- Compressed air 53968 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 93393 mc

The consumption of these energy resources was released into the atmosphere in 2022

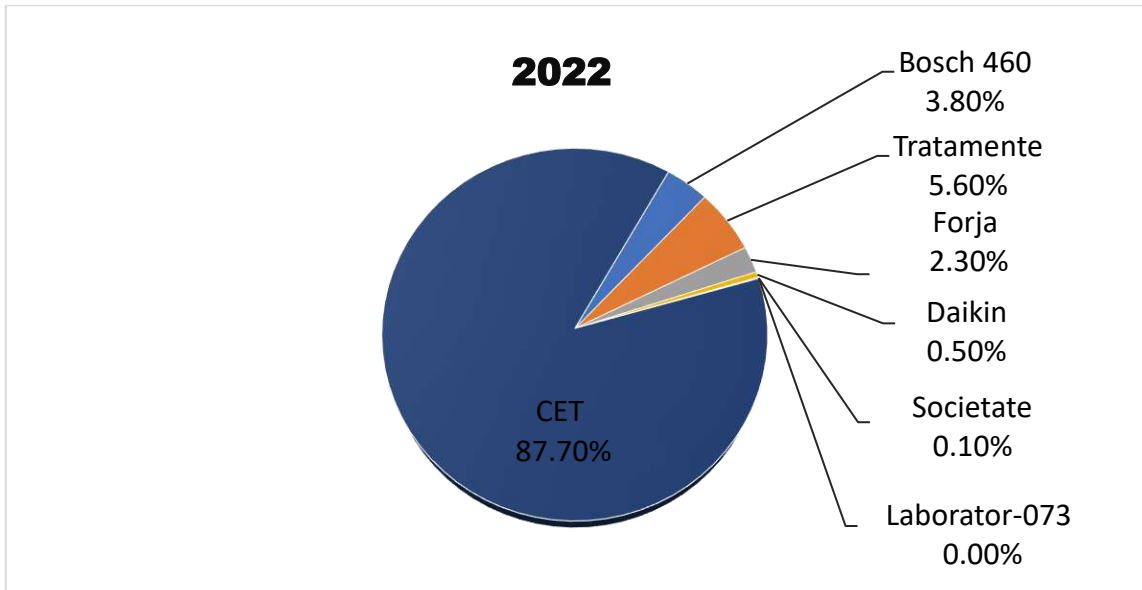
Electricity - In the electricity consumption achieved in 2022, 9935 tons of CO₂ should have been released into the atmosphere, but all the electricity consumed was from hydro sources, it was practically green energy without CO₂ emissions. In addition, by putting the photovoltaic plant into operation in COMPA SA, a quantity of 661126 kwh was produced in 2022, which led to a reduction of CO₂ emissions by 151.84 tons.

Electricity

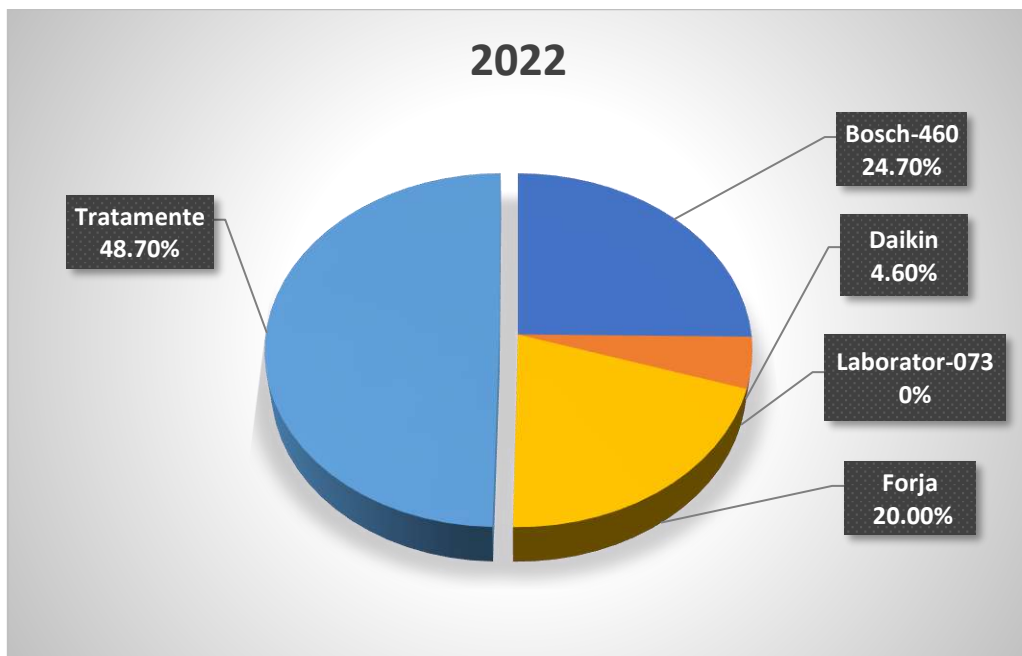


Natural gas for technological consumption and heat production

The structure of total natural gas consumption in COMPA in 2022 is as follows:



Regarding the consumption of natural gas for technological purposes, the structure of consumption in 2022 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

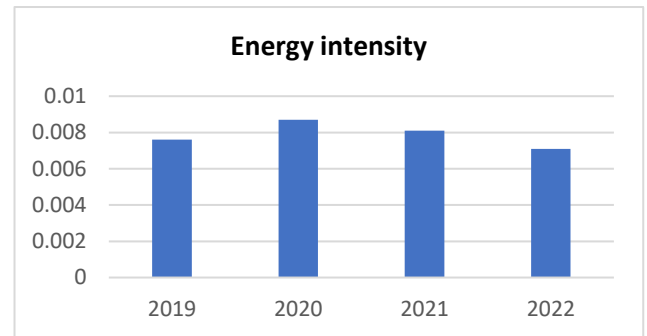
Good management of energy resources also involves establishing specific energy performance indicators with precise targets and clear responsibilities for departments and individuals.

The established indicators are the following:

The energy intensity of the manufacturing processes at COMPA Sibiu, an intensity that is determined by relating the energy consumption recorded by COMPA 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 2019 ----- 0.0076
tons oil equivalent / thousand lei prod. goods
- Energy intensity year 2020 ----- 0.0087
tons of oil equivalent / thousand lei prod. goods (preliminary)
- Energy intensity year 2021 ----- 0.0081
tons of oil equivalent / thousand lei prod. goods (preliminary)
- Energy intensity year 2022 ----- 0.0071
tons of oil equivalent / thousand lei prod. goods



Note: In 2022, there was a decrease in energy intensity by 12% compared to 2021.

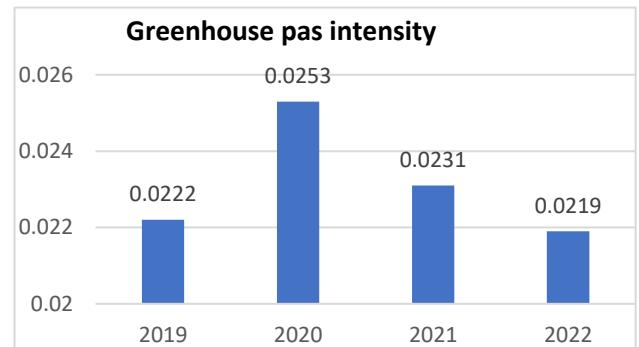
This decrease is justified by:

- assimilation of the new products
- the energy uses 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:

- 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
- greenhouse gas intensity year 2022 ----- 0.0219
tons CO₂ / thousand lei product goods

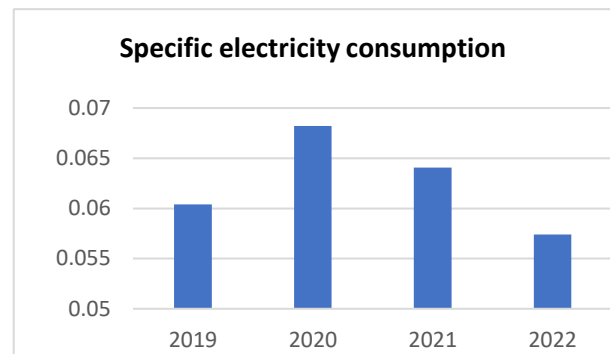


In the case of this indicator, too, there is a decrease in the intensity of greenhouse gases (relative to commodity production) compared to previous years, due to the acquisition starting with September of electricity from hydro sources.

Specific electricity consumption, consumption which is determined by relating the consumption of electricity to the production of goods.

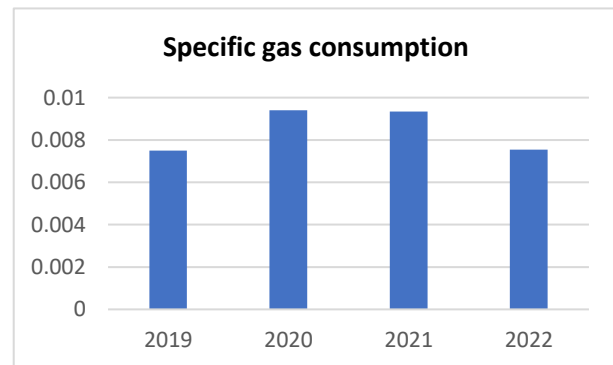
The situation by years is as follows:

Specific consumption year 2019 --- 0.0604 MWh / thousand lei of goods production
 Specific consumption year 2020 ---- 0.0682 MWh / one thousand lei production of goods
 Specific consumption year 2021 ---- 0.0640 MWh / one thousand lei production of goods
 Specific consumption in 2022 ---- 0.0574 MWh / thousand lei of goods production



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 2019 0.00749 MWh / one thousand lei production of goods
 Specific consumption year 2020 0.00940 MWh / one thousand lei production of goods
 Specific consumption year 2021 0.00934 MWh / one thousand lei production of goods
 Specific consumption year 2022 0.00755 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 2022, 10006 Mwh of electricity and 8990 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 2022 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 Gacl / 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 the 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. Taking into account the energy efficiency of the local production of photovoltaic electricity and the opportunity to access non-refundable funds for the installation of such installations, COMPA Sibiu in 2022 realized through the Innovation Norway Program a photovoltaic power plant with an installed power in direct current of 1.126Mwp, respectively an installed power in alternating current of 0.96Mw, the plant will produce a quantity of 1202.46Mwh/year, a fact that will lead to the reduction of electricity purchase costs and to the reduction of emissions of CO₂ with 318.28 tons/year.

III Projects generating energy savings with an impact on the reduction of CO2 emissions, preliminary to be carried out starting with 2022

For the year 2023, the following actions aimed at reducing energy consumption have been started:

- replacement of 2 screw compressors put into operation in 1997
- replacement of 2 power transformers of 20/0.4kw with an installed power of 2000KWA and 1000KWA

The following projects are also under evaluation and finding the possibility of financing with non-reimbursable European funds:

- the transformation of the COMPA cogeneration facility into a trigeneration facility
- modernization of the energy management system.

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).

The war in Ukraine also has a negative influence on the electricity market. This war led to a substantial increase in electricity prices. In order to reduce the impact of the increase in energy prices on the country's economy, the Romanian Government adopted the decision to capping until March 31, 2025 of the price of electricity. Even if the price of electricity will be capped, compared to similar periods last year, the price of electricity invoiced by COMPA has increased by 37%, which will lead to an impact negative of manufacturing costs.

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.

Similar to electricity, due to the substantial increase in the trading price of natural gas on the European market, the Government took measures to cap the trading price of methane gas until March 31, 2025. In the case of methane gas, this capping had a positive impact on production costs, the price of methane gas billed to companies being reduced by about 200% compared to the market price.

CYBER SECURITY

Cyber security is an area of great importance in today's digital age, as cyber threats are increasingly advanced and sophisticated. From cyber-attacks, phishing and cyber-crime, to cyber-espionage and the spread of malware, cyber-security is a major concern for any organization, regardless of its size and nature.

COMP A SA recognized the importance of cyber security and aligned itself with global trends by using modern protection solutions.

Considering the increased level of digital exposure imposed by today's way of working, we had to increase the level of cyber security and the level of information of the company's employees.

To meet these requirements, we have implemented the solution from FortiNET that allows better firewall security as well as real-time access to databases with virus signatures and real-time protection by monitoring Internet traffic. The FortiMail module is also implemented within the solution, which allows the prevention and detection of email-based attacks including spam, phishing, malware, impersonation.

Although the risk of cyber-attacks is increasing, there have been no incidents that have impacted us. To keep risk as low as possible, we keep in touch with application and equipment providers to always have up-to-date solutions with security packages. Considering the need to increase the level of transparency and trust between COMP A S.A. and its partners, TISAX (AL2) was implemented within COMP A S.A., a certified aspect in the audit of November 23, 2022. TISAX is a cyber security standard developed by the industry German car that is recognized globally. This certification demonstrates COMP A SA's commitment to cyber security and compliance with international standards in this matter.

To diversify the strategies of the HR department, we have integrated the Success Factors solution within the company, which will enable finding, training, and managing the workforce, and also feedback with operational data about how people feel, thus creating exceptional experiences for employees. Also, as part of the strategy expansion, we implemented the SAP HCM solution that will allow time management and attendance tracking, standardized payroll processes and organizational management.

With the implementation in COMP A S.A. of the SAP solution (Software solution) we opened the way to new digitization solutions that allow integration with COMP A S.A. customers and suppliers. for better and more efficient collaboration. The automation of logistics, financial, production, human resources processes bring with it greater job satisfaction as well as a greater ability to create better products.

We also started the implementation of the process automation solution from Webcon that allows the automation of the registration of invoices from suppliers through OCR processes.

We are also considering expanding the EDI platform that will create faster and more efficient communication with our partners.



During 2022, COMP A did not have any incidents of cyber-attack or data leakage, nor did it receive any complaints regarding the violation of personal data management rules. Also, no fines, sanctions or warnings were applied as a result of the violation of the regulations in force.

Also implemented is Lansweeper, which is an IT management solution that provides automatic network inventory, monitoring, asset management and more. This solution can help identify vulnerabilities and ensure network security.

In conclusion, COMP A has aligned itself with global trends in cyber security by using modern protection solutions. This approach highlights the company's commitment and concern for cybersecurity, which can help keep the organization's information and assets, as well as those of its customers, safe.

MANAGEMENT AND HUMAN RESOURCES ACTIVITY

1. BUSINESS MODEL

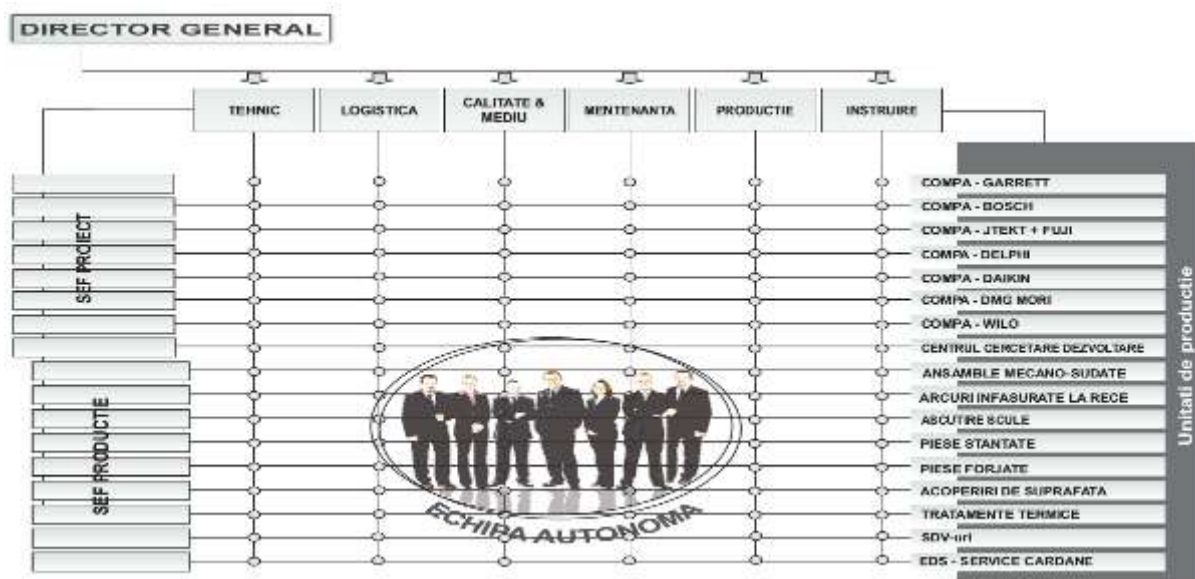
a) The organizational structure

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:

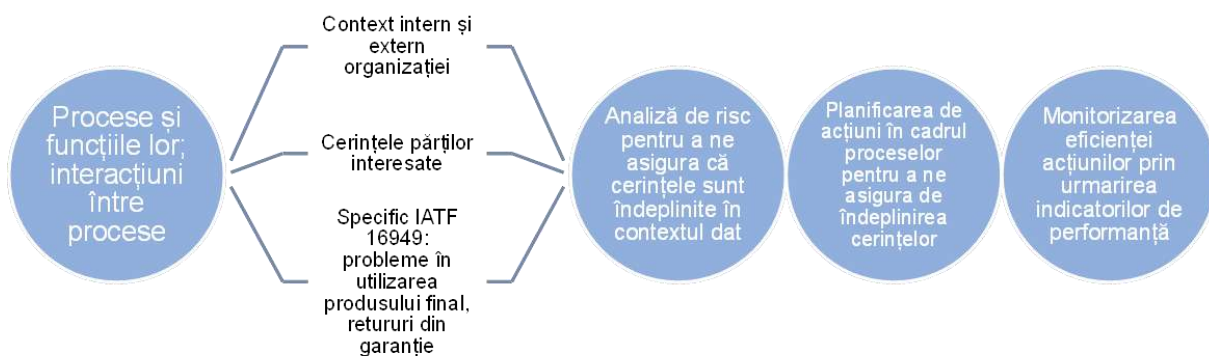
- management processes that refer to the activities of: coordination, analysis and decision, ensuring the necessary resources to carry out activities and improving activities and processes;
- the basic processes corresponding to the realization of the products (sale of products, supply, logistics of 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 COMP A 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 or mismatch between job requirements and educational background educational supply with labor market;
- high staff turnover, mainly due to insufficient motivation of employees and salary not in line with 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;
- difficult communication with staff from abroad.

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 / requalification / 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.

COMPA 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 COMPA employees and contractors will adopt the Social Responsibility considerations described in this policy in their daily work. COMPA 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; COMPA 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; COMPA is committed to providing equal opportunities in all aspects of employment and will not adopt or tolerate illegal behavior in the workplace. COMPA 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; COMPA 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; COMPA 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. COMPA 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. COMPA 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 COMPA.

COMPA 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. COMPA 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.

COMPA 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, COMPA 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, COMPA is one of the main employers in Sibiu County.

3.1. Employment workforce

Total numbers as of December 31, 2020 - 2022

Between 2020 and 2022, COMPA staff decreased in 2022 by 2.33% compared to 2021 and by 2.3% compared to 2020, decreases mainly generated both by the lack of skilled labor and also by the increase of labor productivity.

The reduction of staff was made mainly due to natural losses (resignations, retirements).

	2020	2021	2022
Employees with ILC for an indefinite period	1796	1654	1702
Employees with ILC for a determined period	69	197	104
TOTAL STAFF	1865	1851	1806

3.2. Gender diversity - Share of women in total employment as of December 31, 2020 - 2022

The number of women in the total number of employees, between 2020 and 2022, remained relatively constant, marking only a slight decrease in the past two years, reaching 31.78% at the end of 2022. 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.

	2020	2021	2022
Share of women in total employees (%)	33,6%	31,71%	31,78%

3.3. Age diversity

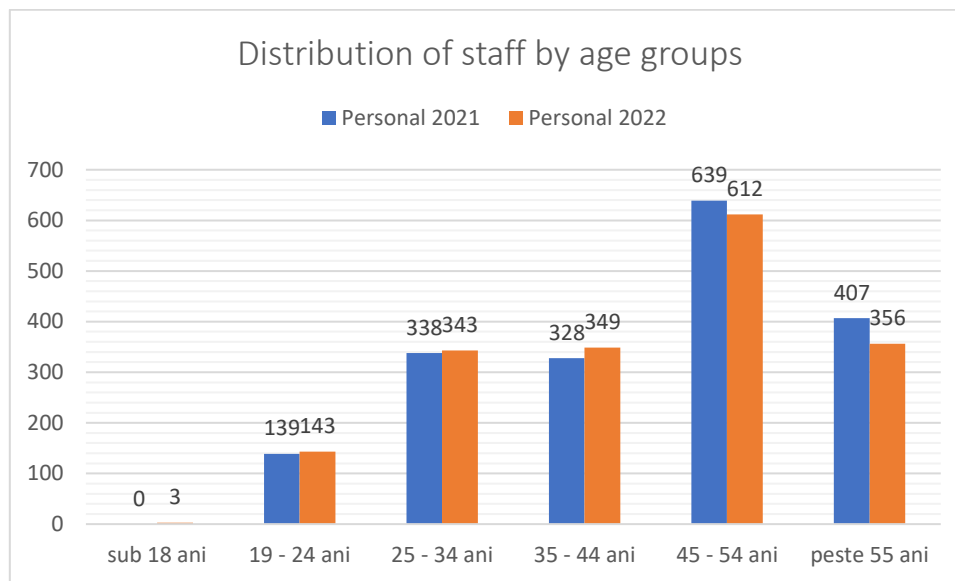
Breakdown by age and occupational category of the total workforce at 31 December 2022

The most representative age category, for both men and women, is the staff aged 45-54.

Age	TOTAL from which:	of	MDP	MIP	TESA execution	TESA management
Under 18	TOTAL, which:	3	3	0	0	0
	Women	1	1	0	0	0
19 - 24 years	TOTAL, which:	143	85	39	19	0
	Women	62	34	19	9	0
25 - 34 years	TOTAL, which:	343	143	84	94	22
	Women	81	26	23	31	1
35 - 44 years	TOTAL, which:	349	158	75	68	48
	Women	106	53	17	30	6
45 - 54 years	TOTAL, which:	612	234	286	59	33
	Women	242	155	50	34	3
Over 55 years	TOTAL, which:	356	188	90	54	24
	Women	82	39	16	25	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.

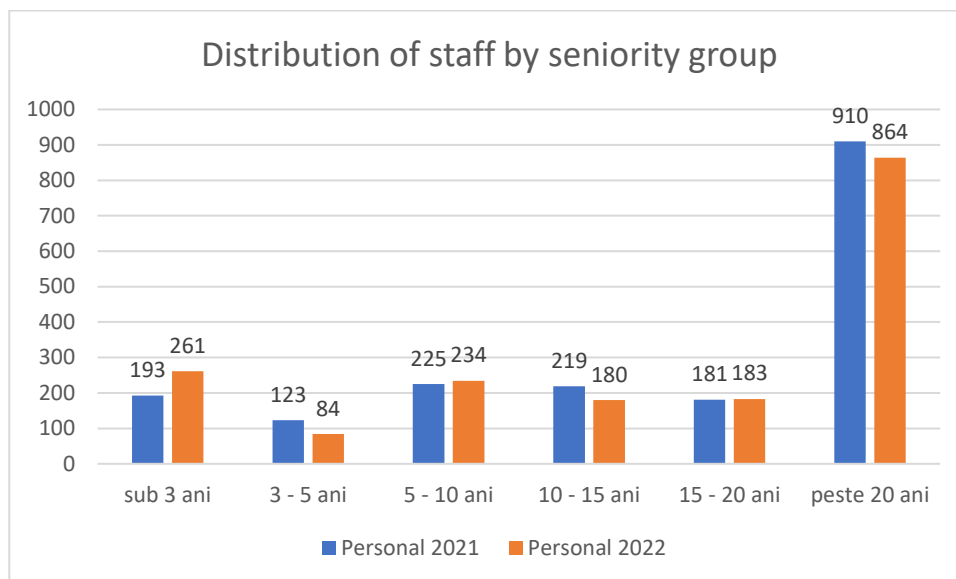
The graph below shows the age distribution of staff in 2022 compared to 2021. The analysis of the evolution shows a decrease of the share of experienced staff, especially of those in the over the age of 45 categories, compensated by an increase of the share of younger staff members.



3.4. Distribution of the total workforce at 31 December 2022 by seniority and occupational categories

The seniority tranche that includes the most employees is that of employees with more than 20 years of experience (864 people - 47.84%).

Seniority / persons	TOTAL from which:	MDP	MIP	TESA execution	TESA management
Under 3 years	TOTAL, of which: 261	183	50	28	0
	Women 83	44	26	13	0
3 - 5 years	TOTAL, of which: 84	46	22	15	1
	Women 35	18	12	5	0
5 - 10 years	TOTAL, of which: 234	102	61	54	17
	Women 73	33	19	19	2
10 - 15 years	TOTAL, of which: 180	81	42	36	21
	Women 49	26	11	11	1
15 - 20 years	TOTAL, of which: 183	81	34	36	32
	Women 63	34	7	19	3
In 20 years	TOTAL, of which: 864	449	231	105	57
	Women 271	153	51	62	5

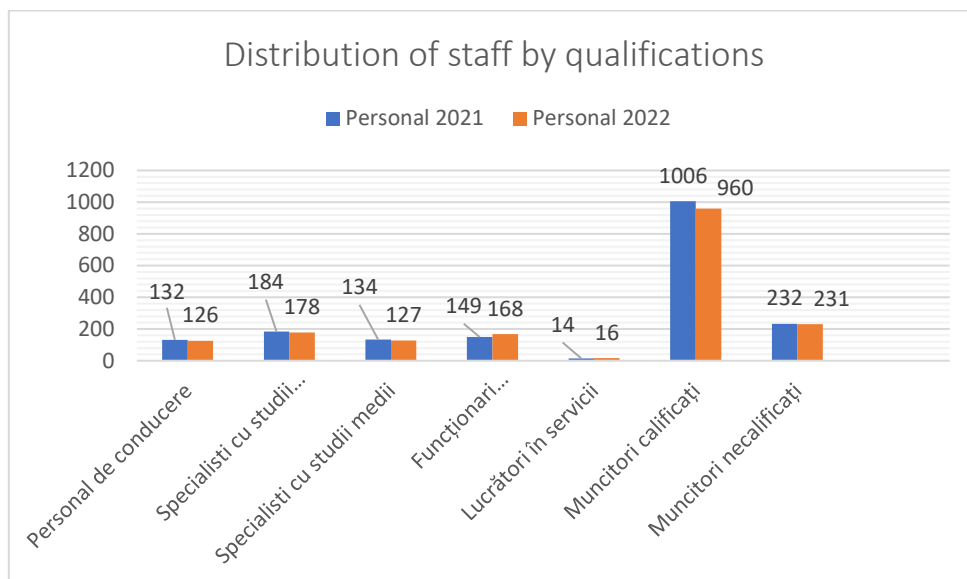


The graph above shows the evolution of staff by seniority in 2022 compared to 2021. The distribution of staff by seniority during 2022 has remained relatively the same as in 2021.

It should be mentioned that in COMPA, 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 2022 by a qualifications structure (according to COR - classification of occupations in Romania)

	TOTAL from which:	Women
Management staff	126	10
Specialists with higher education	178	69
Technicians and other specialists in the technical and accounting field	127	66
Administrative officials	168	149
Service workers	16	1
Skilled and assimilated workers	960	206
Unqualified workers	231	73



3.6. Personnel fluctuation

Analyzing the evolution of staff turnover over the last 3 years, a degradation of this indicator occurred every year due in particular to the lack of labor in the local market and insufficient staff motivation.

	2020	2021	2022
Staff turnover	18.30%	22.16%	25.82%

3.7. People with disabilities on December 31, 2022

Number of disabled workers by staff category and by sex

The number of disabled employees in COMPA, of 22 people, was well below the figure of 4% of the total number of employees (72 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	TOTAL, which	22	15	3	4	0
	Women	8	6	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 women and men.



		TOTAL from which:	MDP	MIP	TESA execution	TESA management
Employed on parental leave	TOTAL, of which	46	25	12	9	0
	Women	41	21	11	9	0

3.9. Continuous training for staff

The personnel training policy targets a continuous development of human capital through the training of skills that support the company's development strategy.

By involving the entire staff in the continuous training process, the goal is to eliminate the gap between the skills required by the position and the existing ones, to ensure integrated, validated, certified personnel at the workplace, to acquire/expand the scope of skills in order to respond to the challenges generated by the new wave of technology development (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-threaders, etc. In 2021, the educational offer was diversified by authorizing the course "Entrepreneurial skills".

So far, 3,168 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		
	2020	2021	2022
NUMERIC CONTROL MACHINE TOOL OPERATOR	17	5	4(apprentices)
WELDER		20	19
METROLOGICAL TECHNICIAN		31	
FORKLIFT DRIVER	33	46	57
ROLLER DRIVER			16
DRILL-THREADER	24	0	1(apprentice)

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		
	2020	2021	2022
Requirements Integrated Quality-Environment-OSH compliant management	1965	1851	1871
IATF 16949: 2016, ISO 14001: 2015 and ISO 45001: 2018			46
FMEA-RFMEA			15
FMEA conf AIAG&VDA		1	1
Product Safety Representative PSR		1	1
8D and 5 Why?	28	39	37

THE TECHNICAL FIELD			
SuccessFactors			131
STAUBLI robot training			3
B&R Automation Studio Training			4
ISCIR AUTHORIZATIONS			
Operators of lifting equipment (forklift operators, cranes, operators, etc.)	225	192	200
RSL-IR Operator			1
RSVTI Operator			1
ANNUAL CERTIFICATION OF SPECIAL PROCESS OPERATORS			
Thermists, galvanizers, painters, welders, brazers, etc.	123	89	85
TRAIN ON CUSTOMERS SITE			
Programming and repairing Chiron 5 axes		4	
POSITION VALIDATION OF NEW EMPLOYEES *			
Number of people trained	213	585	434
Number of training / employee hours	73.117	100.82	91.45

* 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 and 2022. when, at the end of the year, there was a higher than usual value of unplanned absenteeism, due to increasing illnesses among staff. The causes that contributed to the decrease of the indicators in the two years are related to the difficulties in finding professional training providers available to deliver the courses, the restrictions imposed by the COVID 19 pandemic and insufficient resources.

	2020	2021	2022
No. of training hours / employee / year	28.90	27.83	18.70

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, 4 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 2022, a number of 5 apprentices graduated the program. Of these, 4 were certified as operators of numerically controlled machine tools and one person was certified as a driller-threader.

In the future we intend to increase the number of new employees who follow apprenticeship programs and who will obtain qualifications of 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.

Between 2020 and 2022, 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
PROIECTS COMPLETED		
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
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	Qualified employees for a more secure future!	02.09.2019-15.05.2021
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 highly competitive potential. Target Group: -70 students -240 students	Learn for a secure job!	07.06.2018-04.09.2020

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 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. They are initiated in the programming of these equipment.

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.

Annually, around 30 students and more than 100 students can be found on the production lines, laboratories or in the design workshops.



3.14. COMP A and dual education

COMP A 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 COMP A 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 COMP A 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 COMP A
Dual education	39	Machine tool operator with numerical control	3	22
Technological high school education	24	Mechatronics technician	4	0

CLASS X						
Dual education			28	Machine tool operator with numerical control	3	19
Technological education	high school		15	Mechatronics technician	4	8
CLASS XI						
Dual education			31	Machine tool operator with numerical control	3	23
Technological education	high school		31	Mechatronics technician	4	2
CLASS XII						
Technological education	high school		18	Mechatronics technician	2	20

During the three years of study for students in dual education, specialization in machine tool operator with numerical control, 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	160 lei / student
Protection equipment	72 lei / student
Providing a meal / day at the combined practice site	15 lei / day
Necessary supplies during practice	100
Accommodation for dormitory students	200 lei / month
Meal for dormitory students	25 lei / day
Tools	810 lei / year / student
Semi-products	59 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, 76 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.

COMPA 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:

- three fully equipped locksmith stands, equipped with 18 workstations
- a numerically controlled lathe equipped with the necessary SDVs
- two welding simulators are be made available to students
- a 3D printer, 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 COMPA 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.

We also propose that in partnership with "Lucian Blaga" University from Sibiu, technical education institutions and economic agents, we will access funds through the Recovery and Resilience Plan for Romania (PNRR) dedicated to the development in Sibiu of an "Integrated Campus for dual-PRODUAL education".

3.15. Relationship with trade unions

Trade union membership on 31 December 2022

COMPA 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, COMPA 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 59.47%.

	No union	Independent Free Trade Union	Arsenal union	TESA union
Nr. pers. / Union	732	972	75	27
Trade union membership (%)	40.53%	53.82%	4.15%	1.50%

In 2022, company management and the unions signed addendums to the collective labor agreement with respect to the following:

- During the period between November 2022 and October 2023, an increase of the tariff salary with the fixed amount of RON 128 to each payroll grid class.
- With the indexing of the payroll grid, the benefits arising from it (Christmas, Easter, holiday bonus, daily travel allowance, etc.) were indexed.

As of July 2022, all employees were granted meal vouchers worth RON 30 per day as well as gift vouchers on certain occasions.

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;
- 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;
- Re-professionalization 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

In COMPA, a reporting procedure was implemented where reports can be filed by employees, customers, suppliers, shareholders, third parties, etc., with respect to issues concerning corruption, acts of violation of the law and regulations, values, principles and applicable rules in society.

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.

There were no cases of corruption during COMPA 2022, but there is a constant concern in preventing such situations by making staff aware of ethical rules.

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 2022, a number of 266 disciplinary sanctions were applied for various disciplinary offenses, as follows:

Type of disciplinary misconduct	Nr. sanctions applied
Non-compliance with the work schedule	31
Promotion of non-compliant parts	54
Failure to observe the way of working	75
Failure to wear personal protective equipment	3
Other disciplinary offenses (alcohol consumption, attempted theft, smoking in illegal places, circumvention of the access system, etc.)	28
Unmotivated absences	75

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	153
Reduction of the basic salary for a period of 1 - 3 months by 5% - 10%	38
Disciplinary termination of the individual employment contract	75

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)

	2020	2021	2022
No. of work accidents complicated	1	3	2

The organization has established, implements and maintains a process of reporting, investigation and taking concrete actions to control and correct all occurrences.

Accidents at work with temporary incapacity for work were investigated, according to relevant regulations, by a commission which establishes 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

	2020	2021	2022
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	1	1	1
No. of accidents due inadequate workload	0	1	1
Nr. of accidents due to wrong actions of the worker	0	1	0

Accidents at work in 2022 had as causes:

- inadequate training on the handling and positioning of parts on the platform of the interoperable means of transport
- the lack of adequate information regarding the way of working when handling equipment, in order to correct it

c. Slight accidents without ITM or with ITM <3 days

	2020	2021	2022
Head injuries	1	0	0
Eye injuries	0	0	0
Injuries to the trunk	0	0	0
Injuries to the upper limbs	0	0	0
Injuries to the lower limbs	0	0	0
No. of light accidents	1	0	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

	2020	2021	2022
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.

	2020	2021	2022
No. of days temporary incapacity of work	80	187	140
No. of incapacity temporary work	1	3	2

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.

	2020	2021	2022
No. of days incapacity partial permanent	0	0	0
No. of incapacity partial permanent	0	0	0
TOTAL incapacity permanent	0	0	0

Work accidents in 2022 did not have consequences requiring permanent work incapacity

g. Number of fatal accidents: work, road

	2020	2021	2022
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	4
Cogeneration station	noise	4
PA8 and transformation points	electrocution	8
Pressure receptacle storage areas	explosion	0
Noise areas above the permissible limit	hearing loss	292
TOTAL		308

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

	2020	2021	2022
No. of accidents of temporary employees or service providers	0	0	1

The work accident was registered at the company providing services regarding the rehabilitation of a COMPA building.

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

	2020	2021	2022
No. of fires recorded	1	0	1

The causes of the fires were non-compliance with legal regulations regarding smoking and ignition of the electrical installation at the 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

	2020	2021	2022
No. of CSSM meetings	2	2	4

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

	2020	2021	2022
Nr. clinical examinations at employment	395	183	543
Nr. transfer clinical examinations	162	200	150
Nr. exams consult occupational medicine	20	8	13
Nr. of clinical examinations at the resumption of work	-	-	10
Nr. of consultation exams for participation in trainings	-	-	21
Nr. periodic clinical examinations	1943	1767	1631

2) Number of employees declared fit / unfit for employment by the occupational physician

	2020	2021	2022
No. employees declared "conditioned fit" on the job	131	164	131
No. employees declared "unfit" for the job	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

	2020	2021	2022
Nr. pregnant women	23	20	13
Nr. young people under 18	9	17	16

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.)	28	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

COMP A 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.).

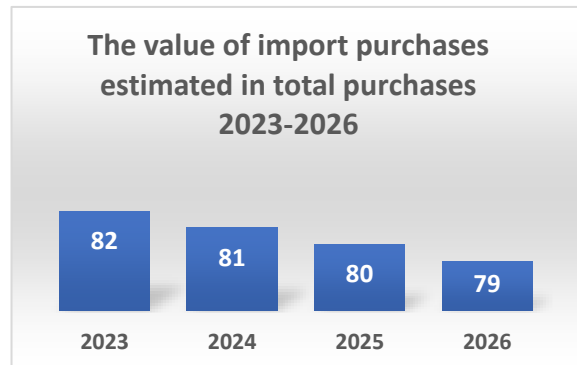
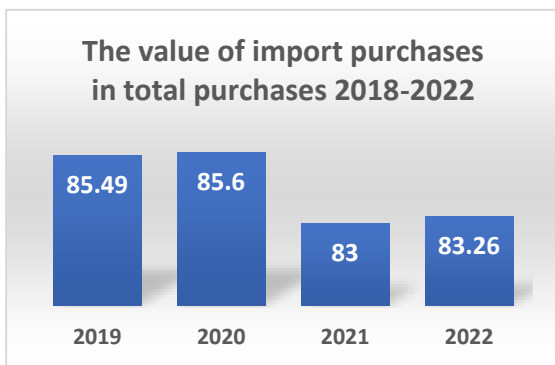
COMMERCIAL ACTIVITY

I. COMP A PURCHASING ACTIVITY



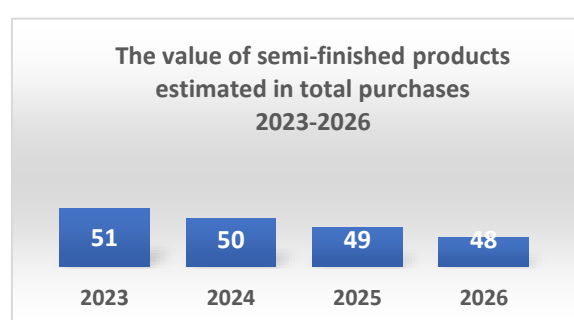
The purchasing activity has developed continuously in recent years, with the development of the company. The company's focus on large customers in the automotive industry but also on those in the non-automotive industry, has led to a considerable expansion of the database of suppliers as well as an increase 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.



1. 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.
- 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.
- The monopoly 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.



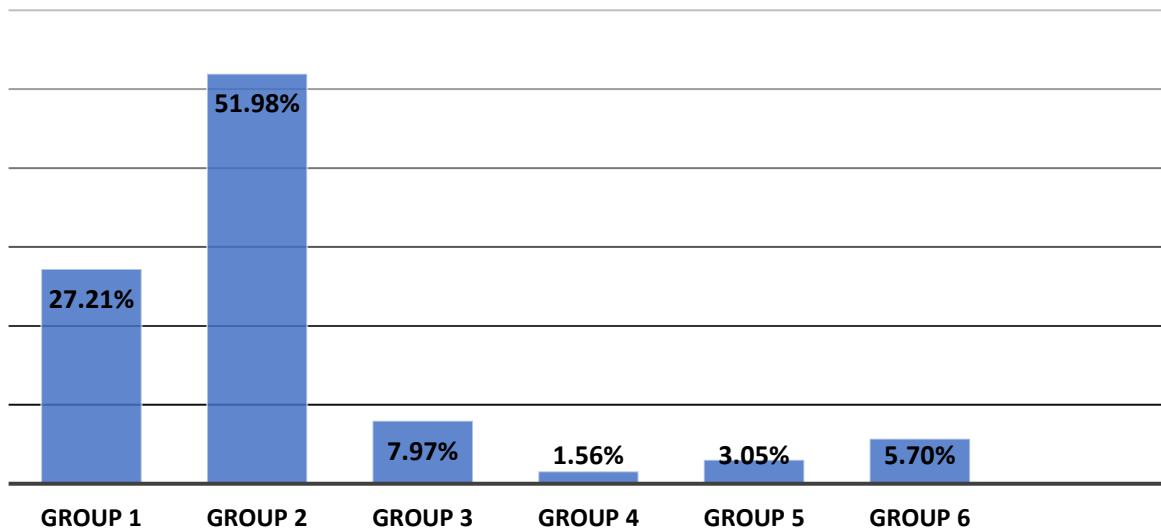
COMPA suppliers must comply with the requirements of quality, environment and social responsibility, COMPA ensures compliance with these aspects by drawing up an audit plan, which seeks to conduct audits of suppliers of raw materials and materials, as well as by annual survey of all suppliers. of products 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

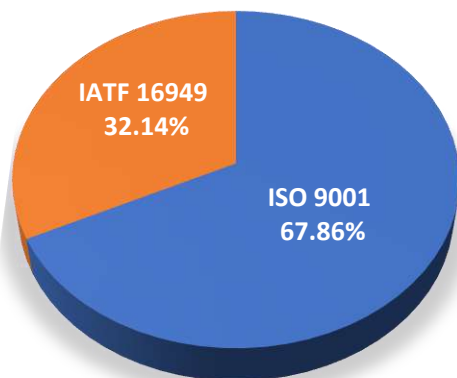
Group 3 - Tools & devices

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.



II. 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.

COMP A 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 COMP A 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, COMP A, 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, corroborated with the war in Ukraine, 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 COMP A 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, COMP A 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, COMP A 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, COMP A 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 Oxigaz
- ✓ Spring Manufacturing
- ✓ Brazing
- ✓ Heat treatments
- ✓ Cathodic, liquid and powder coating
- ✓ Galvanic coatings (Zinc plating, ZnNi)
- ✓ 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 or which could be produced 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 COMP A 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: the Diesel decline where COMP A 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 COMP A.

✓ OPPORTUNITIES:

- Strengthen business relationships with existing customers.
- Identification and development of business with customers in the field of hot forging on specific HATEBUR, where COMP A 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, DAIKIN).
- 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 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. 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



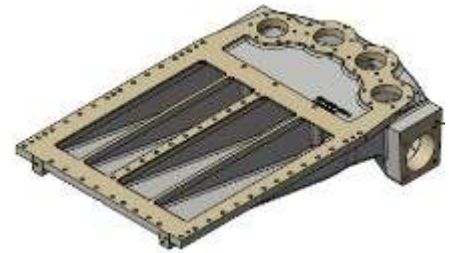
The partnership with DAIKIN started in 2005. The company is one of the world's largest manufacturers of air conditioning systems, and COMPA produces a wide range of copper pipes, through a special brazing process. This customer is delivered annually a number of ~ 185,000 pieces made from 23 different references. And in this relationship with DAIKIN, COMPA has set up a dedicated production workshop. During the year of 2022, DAIKIN expressed its intention to grow the business with COMPA and as such we offered and we won some new projects which will lead to a significant turnover increase in the following years. In this relationship with DAIKIN, COMPA has set up a dedicated production workshop too.



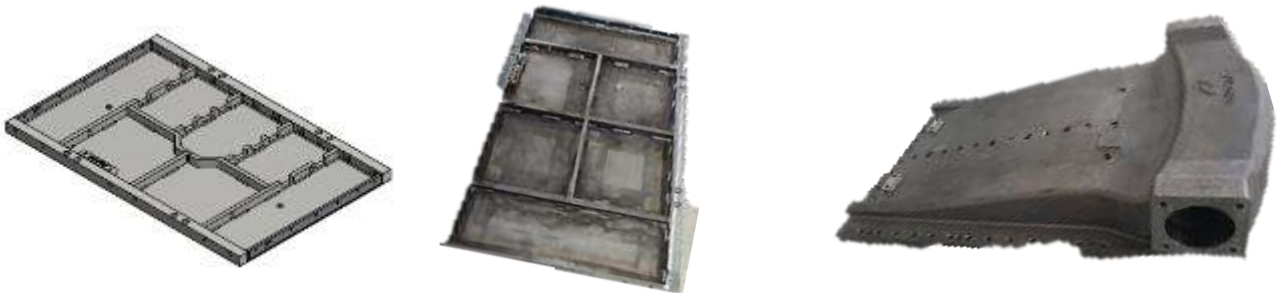
3.3 VESTAS AIRCOIL PROJECT - NEW NON-AUTO PARTNER

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 COMP A 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 phosphated 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 above-mentioned customers are directly following global carbon reduction trends and have strong commitments in this regard.



3.6 RESEARCH & DEVELOPMENT CENTER

The research - development activity, component of the COMPA 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, COMPA 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. COMPA'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 COMP A SA carries out its activity in order to fulfill the general objectives of the company in the Strategic Dashboard.

The production activity within COMP A 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
- Deep drilling
- Tothing
- Running grooves
- Reworking
- EDM processing
- Robot welding
- Processing of parts from strips and sheets by cold forming
- High accuracy wash
- Cataphoretic dyeing
- Electrostatic field painting with water-based paint or powder paint
- Galvanic coatings
- Brazing copper pipes
- Heat treatments
- Electrochemical deburring
- Assembly
- Forging
- Laser cutting
- Oxygen cutting
- 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 2018-2022.

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.

PUNCHED PARTS WORKSHOP 130

Types of machines

Presses from 16t to 400t

Automatic presses Mechanical presses Welding robot

Washing machines Rotofinish Lathe Machine

Guillotine scissors Belt sanders

Manual, eccentric and hydraulic presses

❖ Workshop surface	2679 m ³
❖ <u>Direct working personnell</u>	26
❖ <u>Indirect working personnell</u>	12
❖ Production capacity Dacia gen 1 pump pulley	776.000 pcs/year
❖ Production capacity Dacia gen 2 pump pulley	1.853.000 pcs/year
❖ Production capacity BOS Volkswagen	350.000 pcs/year
❖ Production capacity BOS TOYOTA 9904407195	1.350.000 pcs/year
❖ Production capacity spring holder E6FT5 Z001A23	20.000 pcs/year

INJECTOR MACHINING AND ASSEMBLY WORKSHOP 620

Production area 5000 m²

Number of direct productive workers 232

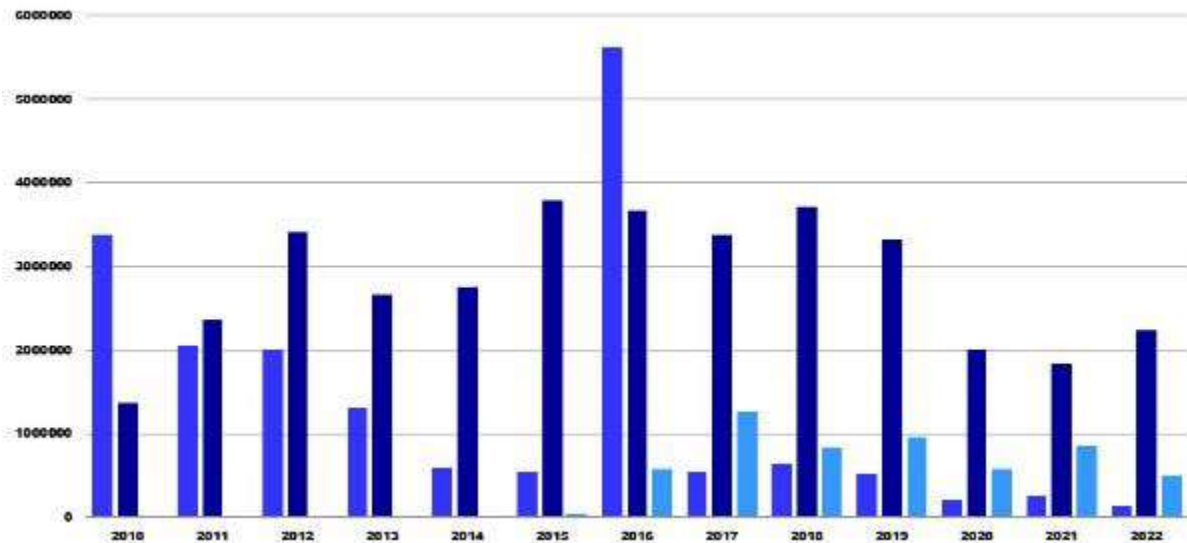
Number of indirect productive workers 74

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

Production volumes



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.

DIRECT INJECTION PUMP BODY MACHING WORKSHOP 640

Production area 1651 m²
 Number of direct productive workers 24
 Number of indirect productive workers 20
 Processing capabilities 2350 pcs / shift
 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

TURNED PARTS AND ABRASIVE DEBURRING WORKSHOPS 630 & 320

	At. 630	At. 320 AFM
Direct workers	180	25
Production area	3216 m ²	781 m ²
Auxiliary areas	706 + 155 m ²	
Capacities	Pcs/day	hours (types)
* NHB	12.000	10
* Nozzle GMC	15.000	35
* Nozzle ZBLN	2400	2
* Nozzle NNC	12000	6
* Nozzle (op.25)	12.000	8
* Nozzle (op.20 & 40)	4.500	5
* Magnetic framework	4400	2
* NHB MX / JCB	1000	6
* Piston guide	750	2
* Spring chamber	750	4
* AFM valve	90.000 pc s&pt. (/week)	14
* AFM Nozzle	7000	4
* ZF intermediate halfshafts	1600	4

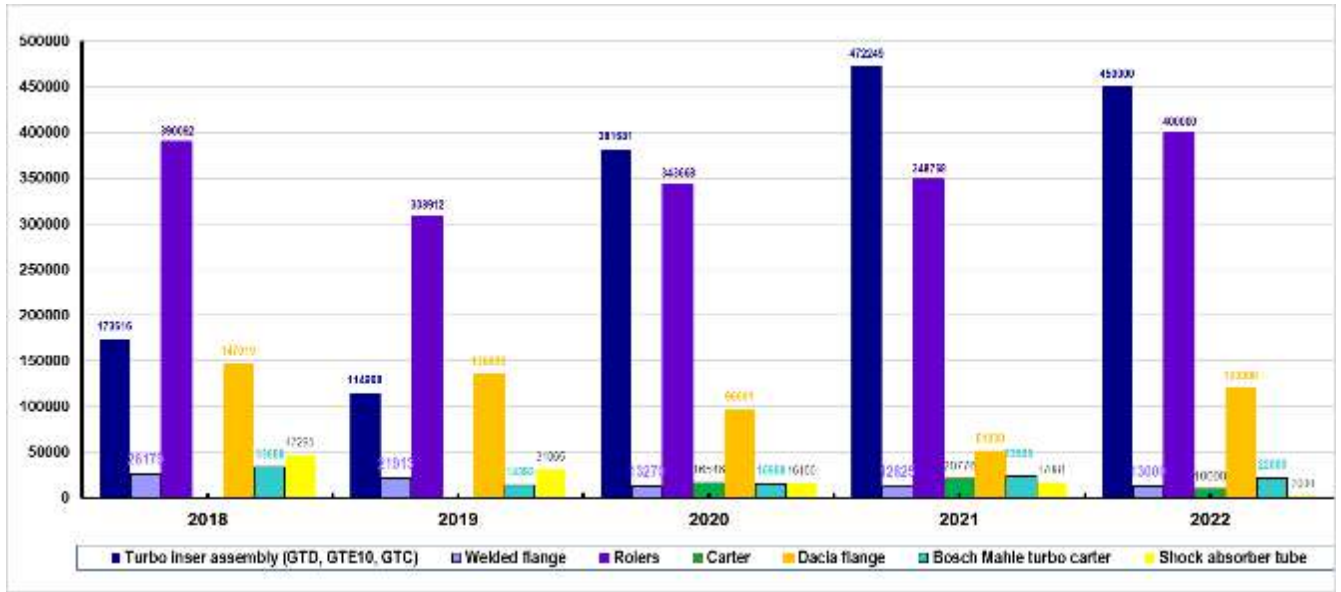
TURBO CHARGER COMPONENT MACHINING AND ASSEMBLY WORKSHOP 750

Production area 4319 m²
 Number of direct productive workers 77
 Number of indirect productive workers 33

CAPACITY	pcs / day	P/Ns
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	Machinery	Manufacturer	SOP
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
Rollers	Numerically controlled machine	Swing	2004
Dacia flange	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



STEERING COLUMN PINION MACHINING AND HEAT TREATMENT WORKSHOP 450 & 760

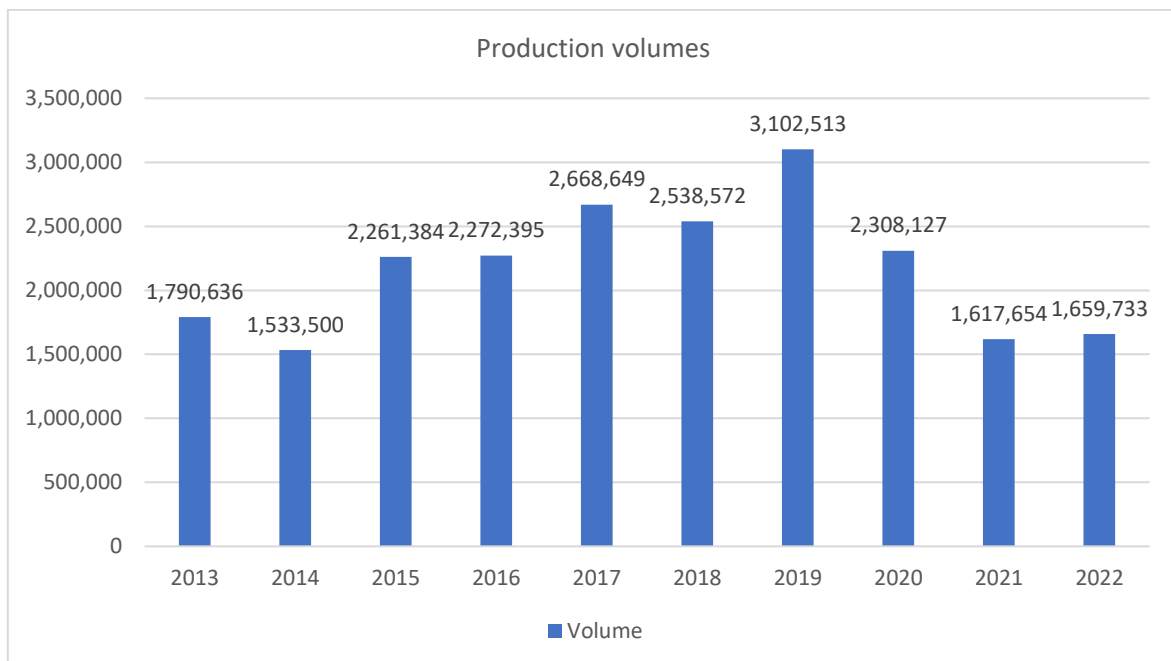
Production area 2600 m² + 1700 m² TT
 Number of direct productive workers 54
 Number of indirect productive workers 18
 EBOS line capabilities 10683 pcs / day
 Finishing line capabilities 10350 pcs / day
 Pinion variants 10
 ZF axis variant 2
 Rack Stopper variant 1

Roughing processes

Line	Machinery	Number	Line	Machinery	Number
D	Disc saw	2		Washing machine	1
	Milling and centering machine	2	Traub	Traub Lathe	2
EP	Mazak QTN 200	2	XNCe	Mazak QTN 200	3
	Braked car	1		Profiroll	1
	Profiroll	1	EPSe	Mazak QTN 200	4
AEP	Mazak QTN 200	2		DMG	2
	Rollex	1	TD	Gleason Pfauter	2
	Press machine	1		Mazak QTN 100	1
MF	Imprint stand	1		Mazak QTN 200	1
	Marking machine	1		Deburring CNC	1
Welding	Welding stand	1	E	EMCO	2

Finishing processes

Line	Machinery	Number	Line	Machinery	Number
XNcf	Galdabini	2	Mg	DMG CTV 160	4
	Tacchella	1	packing	Uniflux	3
	Studer S22	1		Java	2
FP	Studer S22	1		UPA	1
	Gleason Pfauter	4		Washing and drying machine	1
PF	DMG CTV 160	1		Pin mounting machine	1
PHf	Mazak QTN 100	4			
	Studer S22	1			
	Gleason Pfauter	1			
	Mazak VTC 200	1			
	Mazak QTN 250	1			



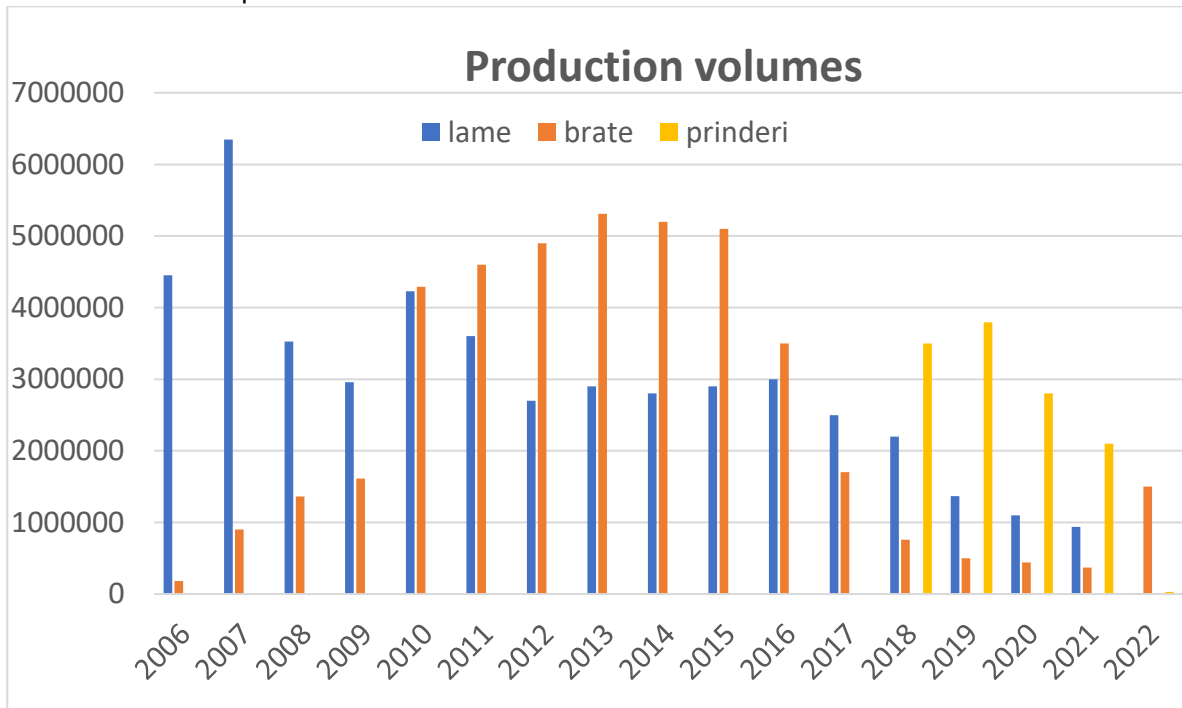
The forecast received from the client as well as the new ongoing projects will ensure the alignment of volumes and turnover starting with 2022 at a similar level prior to 2020.

Heat treatment 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	

WINDSCREEN WIPER WORKSHOP 460

Production area 5031 m²
 Number of direct productive workers 95
 Number of indirect productive workers 34



Machinery	Pcs.	Manufacturer
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

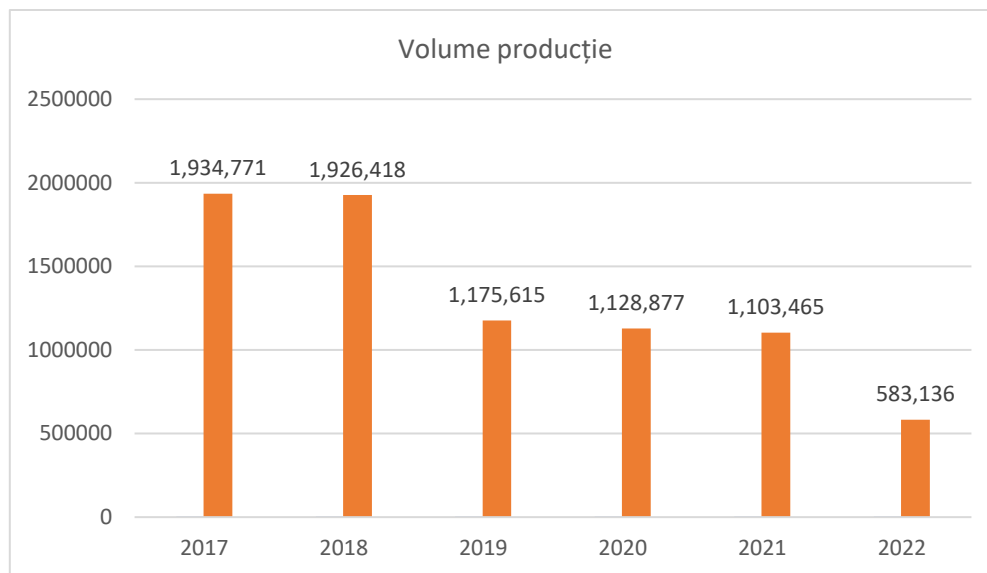
For the future development of this manufacture, a letter of nomination was received from the customer, which will allow the relaunch of the wiper arm manufacture, gradually until reaching a volume of about 4 million pieces annually by 2024.

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.

COMMON RAIL MACHINING WORKSHOP 770

Production area 2160 m²
 Number of direct productive workers 62
 Number of indirect productive workers 15
 Investment in machinery € 10 mil
 Processing capabilities 5000 pcs / day
 P/Ns 24
 Customers FPT, BMW, HMC, Deutz, Iveco, Cummins, Mercedes

Machinery	Pcs.	Manufacturer
Percussion marking stand	10	COMP A SA
Chiron DZ18.2 KW Magnum 4 axis machining center	10	Chiron
Mollart Drillsprint MK4 LD2-750 deep hole drilling	10	Mollart
Deburring stand	10	COMP A SA
Washing machine	2	Mafac
Deep hole endoscope inspection posts	3	COMP A SA



COMMERCIAL VEHICLE STEERING COLUMN VALVE SLIDE MACHINING WORKSHOP 650

Production area	972 m ²
Number of directly productive workers	21
Number of indirectly productive workers	9
Investment in machinery	€ 4 million
P/Ns	12
Customers	Iveco, Mercedes
An SOP	February 2021
Annual capacities	350,000 pcs

Process	Machinery	Manufacturer
Turning	Multispindle turning machine	Index
Marking	DM marking stand	COMP A SA
Gear rolling	Gear rolling machine	Profiroll
Electrochemical deburring	ECM machine	Extrude Hone
Induction hardening	Electric induction hardening machine	Inductoheat
Grinding	Automatic grinding machine	Studer
Micro-crack inspection and demagnetization		Uniflux
Washing	Closed chamber washing machine	Ecoclean
Endoscope internal inspection	Endoscope stand	COMP A SA

QUALITY - ENVIRONMENT ACTIVITY



COMPAs 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 COMPAs products.

For several years now, COMPAs has been certified according with IATF 16949: 2016 and ISO 9001: 2015 standards, and adapted the quality system to customer requirements, needs and expectations.

COMPAs 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 COMPAs invested in new equipment for better process control and to prevent customer complaints. Fig 5, 6, 7, 8



Fig. 1 CMM Zeiss (COMPAs has 20 machines available for complex measurements)



Fig 2. Precise and accurate optical machines

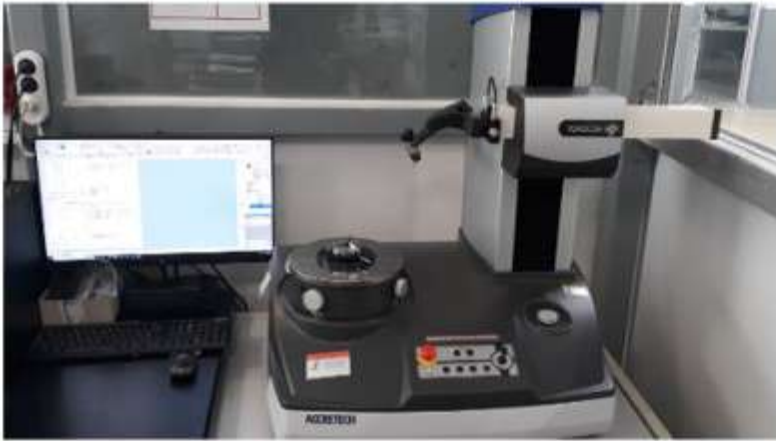


Fig. 3 Accretech form tester (0.5 μ m accuracy)



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.

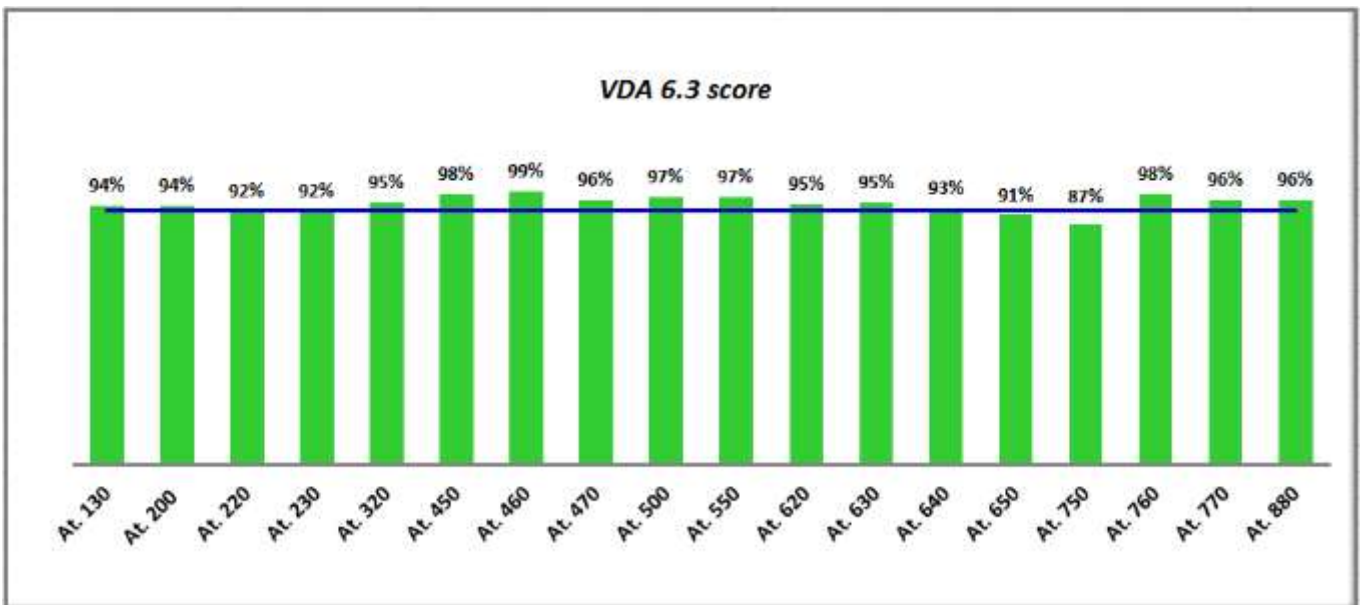
Although 2021 -2022 period has been a difficult, with global crisis caused by pandemic, the results in terms of product safety and quality were maintained. In the table below, one of the most important quality indicator PPM (parts claimed per million delivered) shows a steady trend and it can be observed the remarkable result in automotive business where single digit PPM was achieved during the last two years.

	2019	2020	2021	2022
	Customer PPM			
Automotive	24	8	9	7
Non-automotive	642	336	420	336

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 2022, 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	PSD				
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 PSD 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 2022 (intermediate shaft, NHB PSA and Deckel) due to failure modes not identified during PFMEA analysis.

Repetitive complaints received from final customers caused by unappropriated root cause analysis.

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

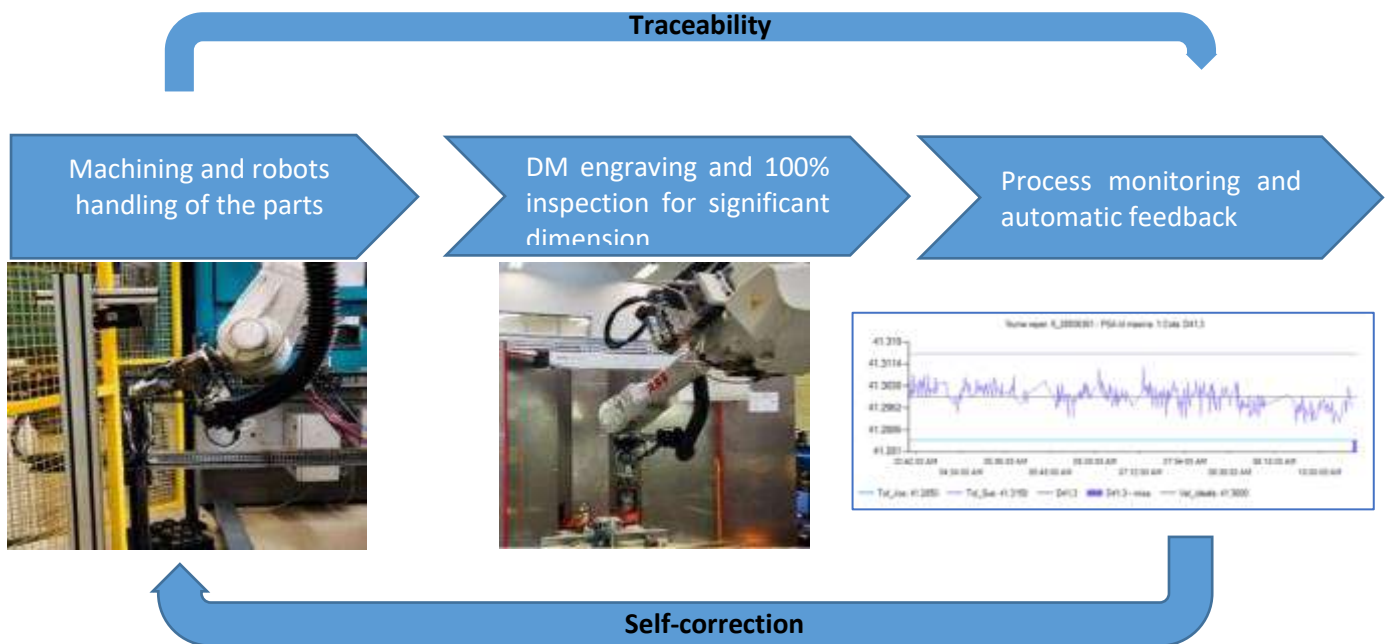
Quality complains not closed in time due to complexity of the issue.

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:

COMPA 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 is to obtain a high level of customer's satisfaction that can determine their loyalty.

LOGISTICS ACTIVITY

The activity of the Logistics Department within COMPA 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 COMPA 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.

Backlogs towards customers

Risk of accidental spillage of liquid hazardous substances / waste into the sewer system due to improper handling or uncontrolled storage

Failure to comply with compliance obligations related to waste management, i.e. delivery of waste for recovery/disposal without compliant documents (transport attachments)

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.

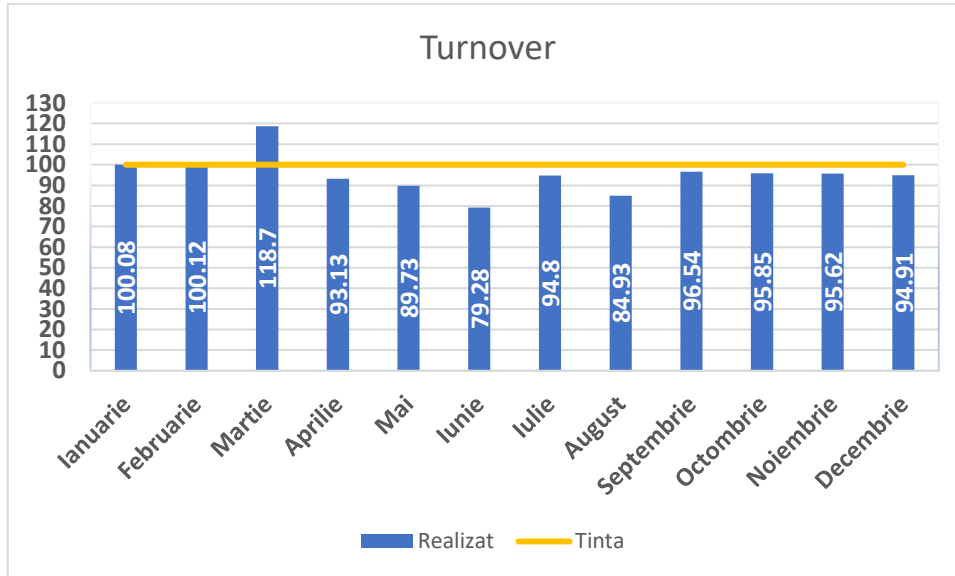
Year 2022 was a more prolific year than the year before but in the same time there were some problems due to the fact of political-economic that affected us but also due to the lack of raw material and components from the market.

As you can see also in the evolution of the below indicators these issues affected us for the whole 2022. Comparing with the year before we can see an improvement of the deliveries, the turnover rate of trade receivables but also a negative trend of turnover. This is why the logistics objectives for 2023 are in this way.

All objectives, related indicators and their target performances were analyzed during the monthly analysis sessions and monitored according to the graphs.

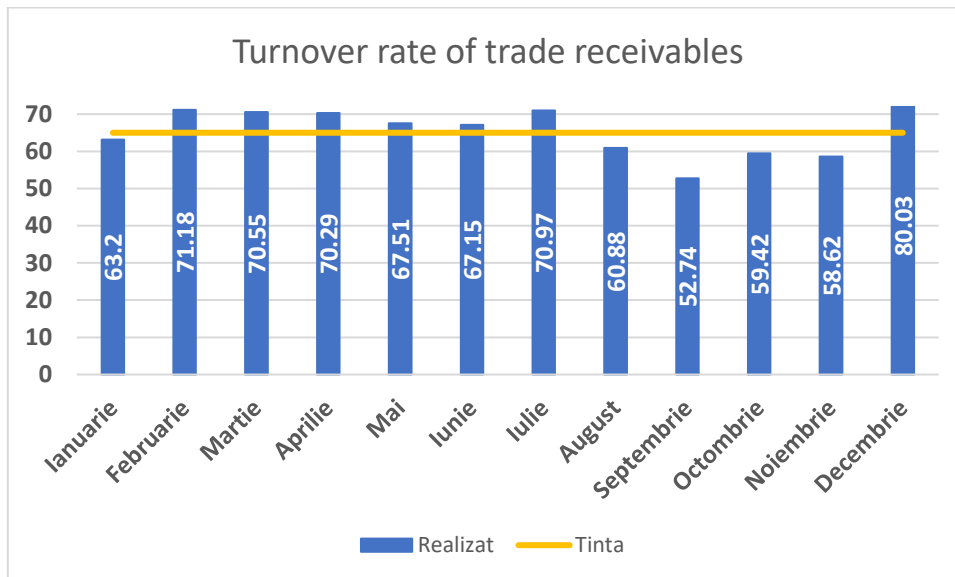
For the indicators that did not have acceptable performances, analysis reports, action plans and changes in the system were established so that their result is a positive one that tends to fit into the proposed target.

D1.1 Turnover



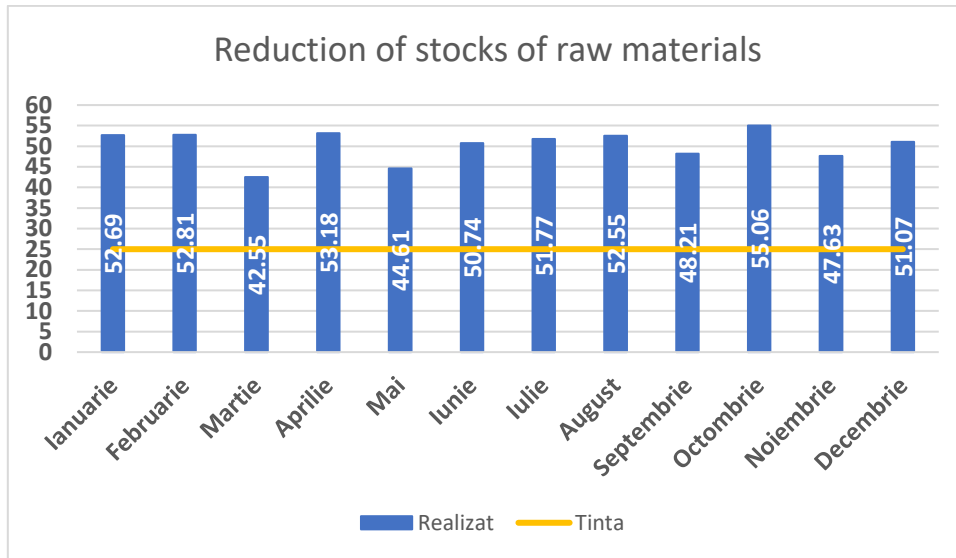
The realization of the turnover had a negative impact in the targeting period during April - December 2022 due to the political-economic situation.

D1.4 Turnover rate of trade receivables

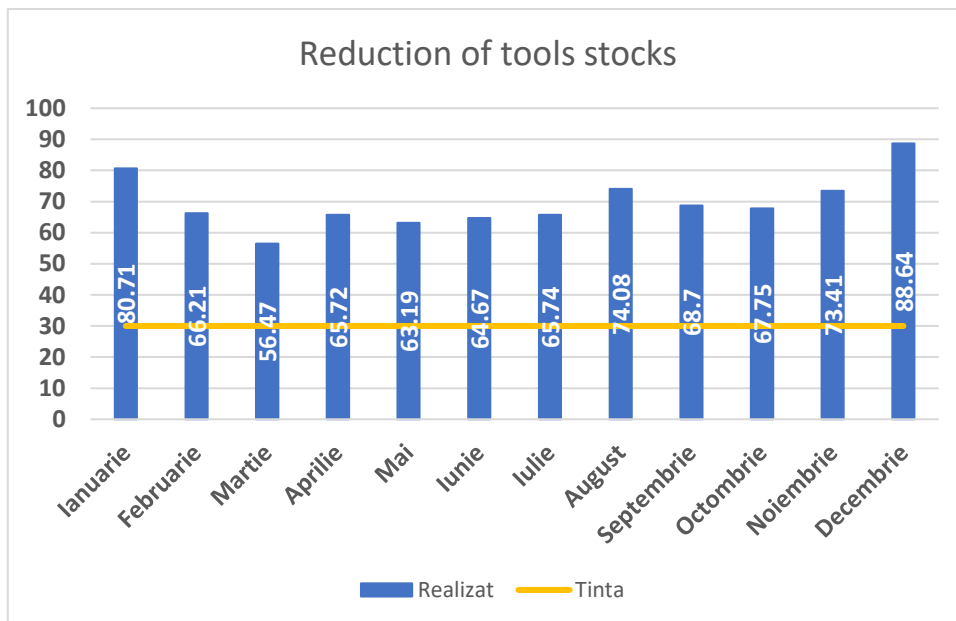


The turnover rate of trade receivables has a positive trend compared to the year before, achieving the establish target for months January, August, September, October and December which means that the current working model for maintaining it in the target is a good one but will need to be improved in 2023 to not exceed the values established.

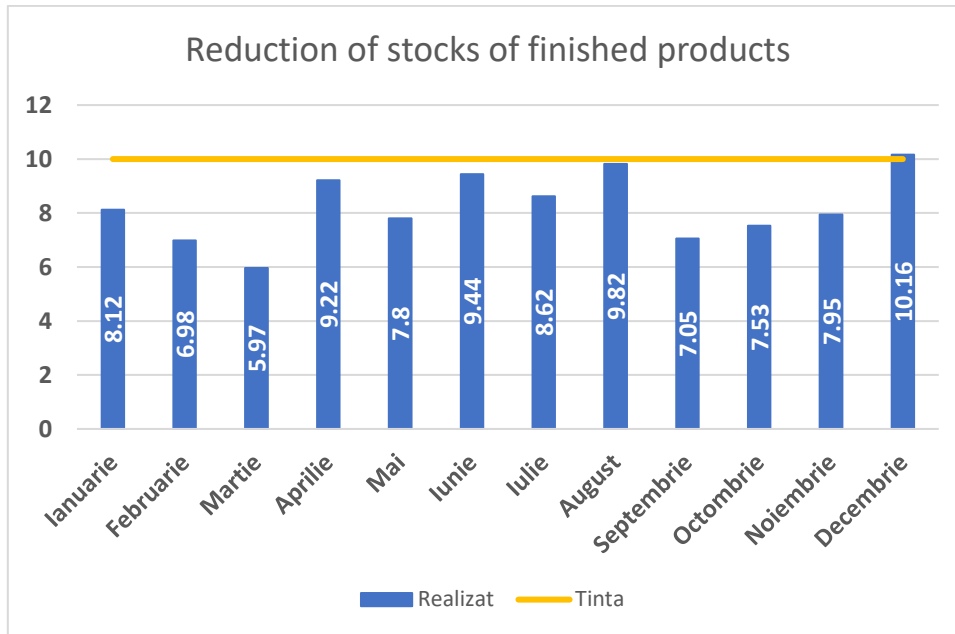
D3.9.1 Reduction of stocks of raw materials, materials



D3.9.2 Reduction of tool stocks



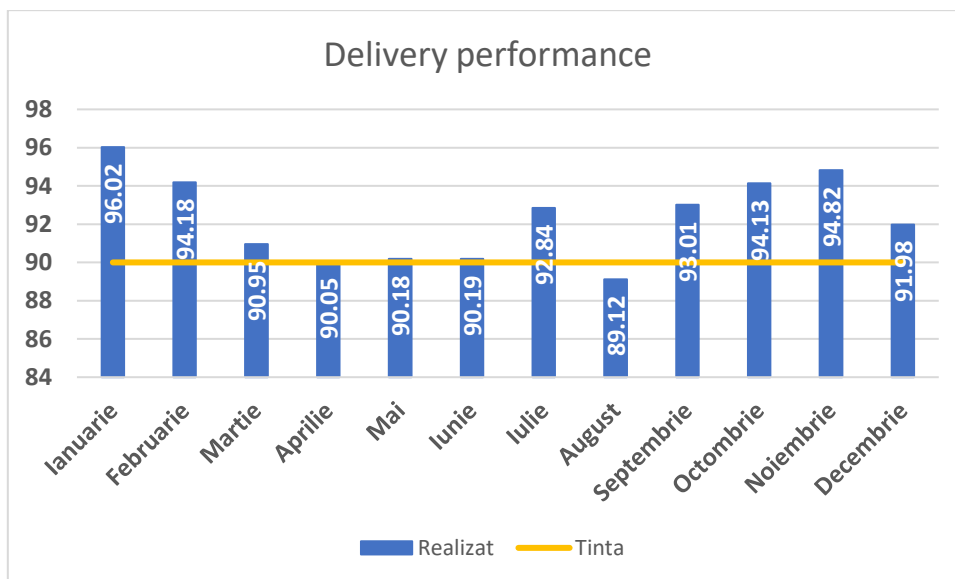
D10.1 Reduction of stocks of finished products



The level of stocks at COMPA in 2022 remains at the same high levels. This level will remain high for the whole year of 2022 due to the fact of raw material problems from the market and we are forced somehow to send big orders towards our suppliers starting with Q2.

Every month we adjust the orders towards our suppliers, we optimize the flow of raw material from the shop floor, the target is to obtain a level close to our target from 2023.

D10.3 Delivery performance



Delivery performance been targeted throughout 2022, excepted August which is an atypically month because of holidays, 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 2023

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 2023, 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 COMPA, 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 2022 (new products; prototypes and homologation)

Percentage of new products in the last two years:

2021 semester I = 1.17%

2021 semester II = 1,17%

2022 semester I = 1,28%

2022 semester II = 0.15%

During 2022, new products were 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:

- Deckel ZF, customer ZF;
- Injector body PSA, customer Borg Warner;
- Pump body for gasoline injection (GDI) Renault, customer Borg Warner;
- Lathe bodywork sprint 32 version 3, 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;
- Components for air conditioning installation, customer Daikin
- Cold coil springs

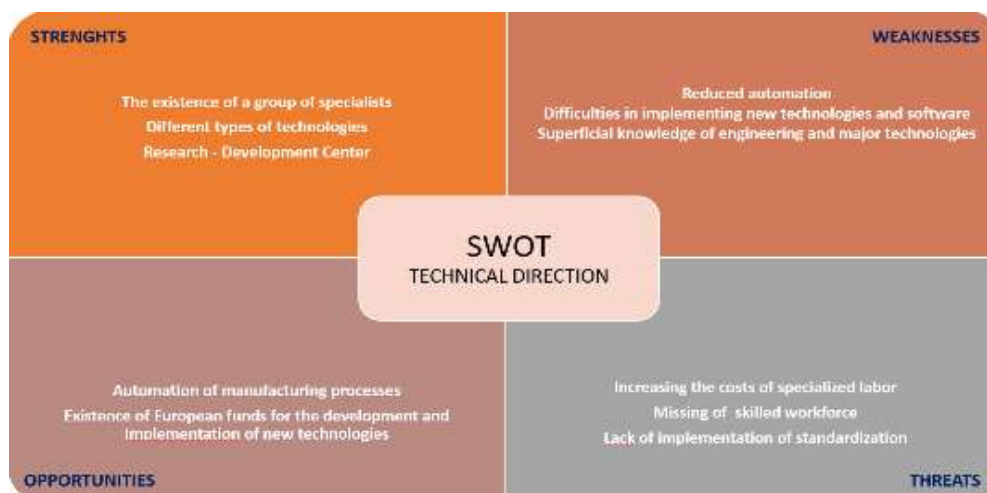
The main activities of Technical Direction go in the following directions:

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 coil 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 2022, 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.
- E. Optimization Nozzle process.

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.

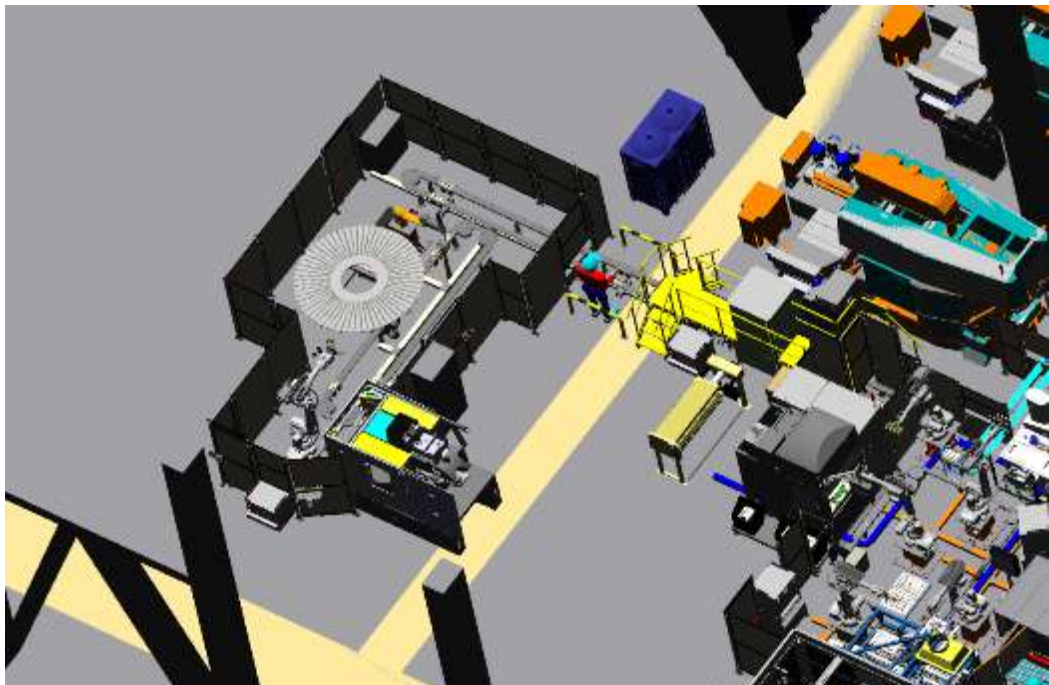
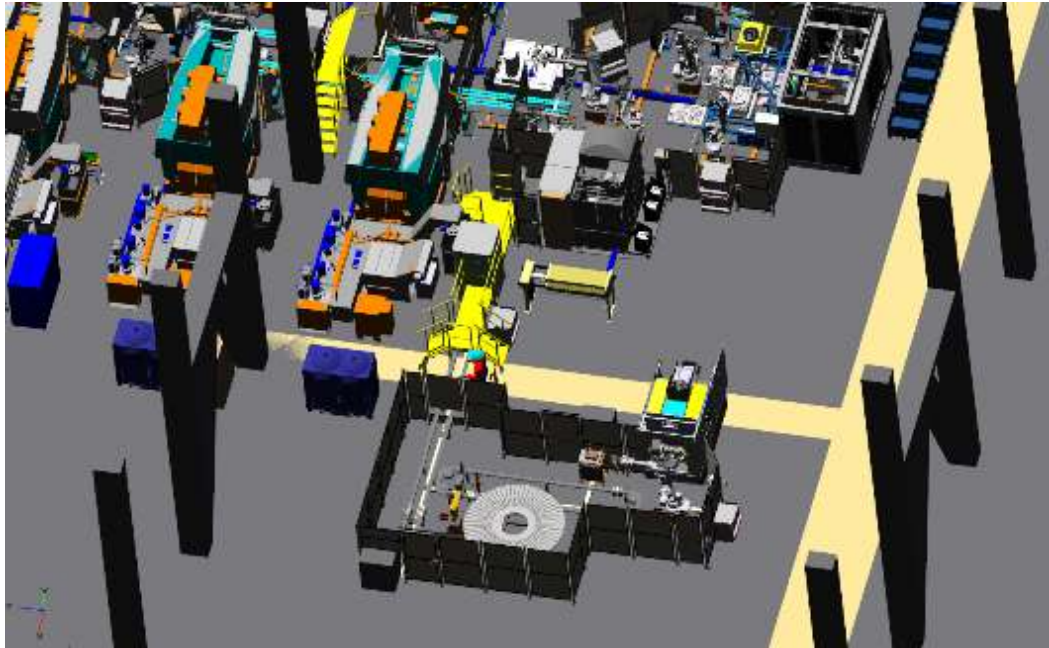
The Research and Development activity is a component of the medium and long term COMPA. It has received significant resources in recent years, becoming the COMPA Development Research Center, designed to test, validate, optimize and validate new technologies and improve existing technologies.

Objectives:

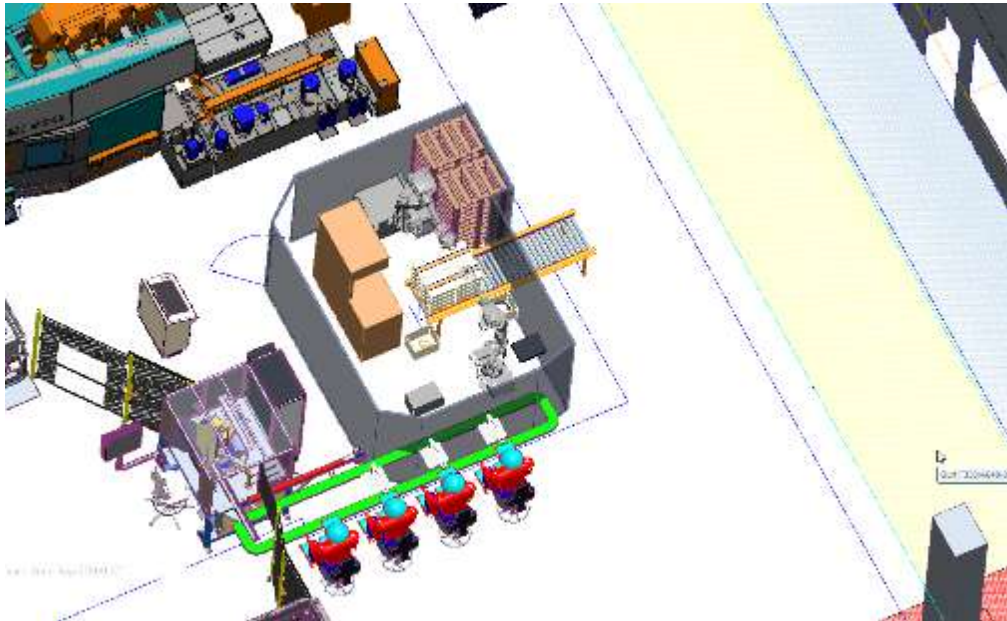
1. Machining:
 1. Achieving negotiated process variables (cycle time, cutting tools, productivity, workers use, etc.) annually for the first 5 processes in which they are not fulfilled.
 2. Annual improvement of PRODUCTIVITY, with at least 3% for the main (5) processes, relative to the turnover.
2. Forging:
 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 emulsify oil 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;
 3. Optimization of manufacturing change (of the reference):
 1. Change of active parts;
 2. Change of reference;
 4. 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 2022, several projects were carried out, which we present below:

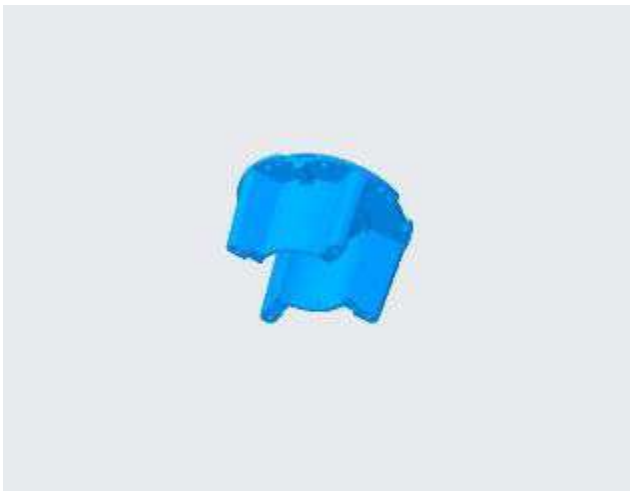
- In workshop 640 –GDI Pump Body, was performed the „Renault Extension” of the additional operation for the new Renault Pump Body reference. The extension is an automated appendix added to the Pump Body manufacturing cell:



- 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

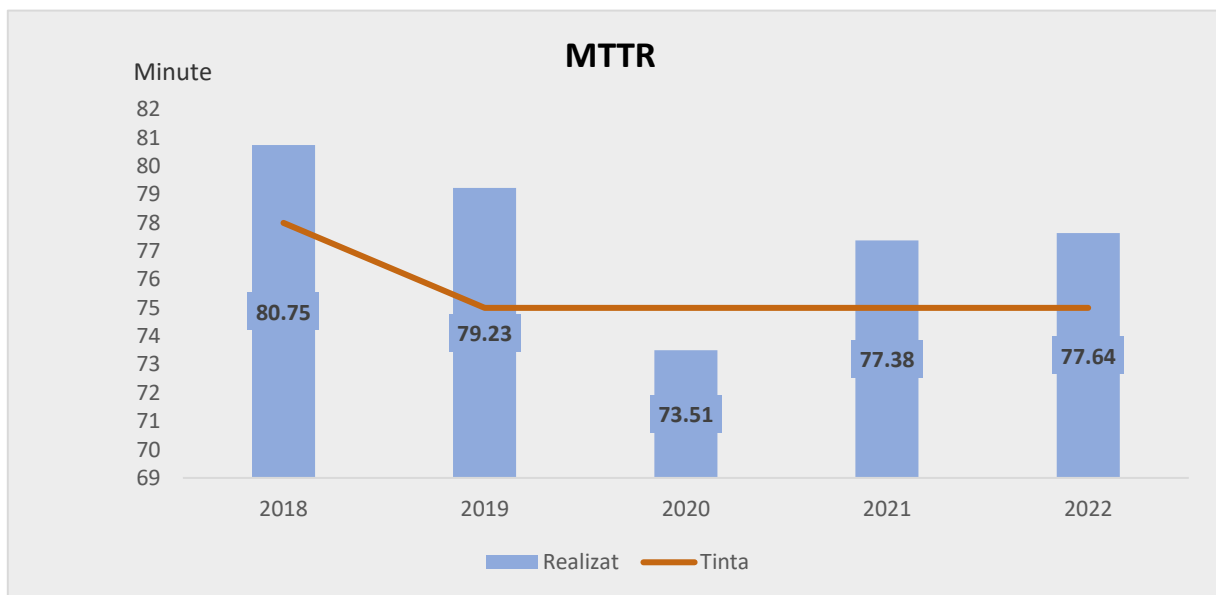
Description of Maintenance Department activities

The Maintenance Department's main objective is to keep the machinery and technological equipment in good working condition at COMPA. Maintenance activity is provided for approximately 1600 production vehicles with a wide variety, given the different production processes existing in COMPA. Among the types of machinery found at COMPA are:

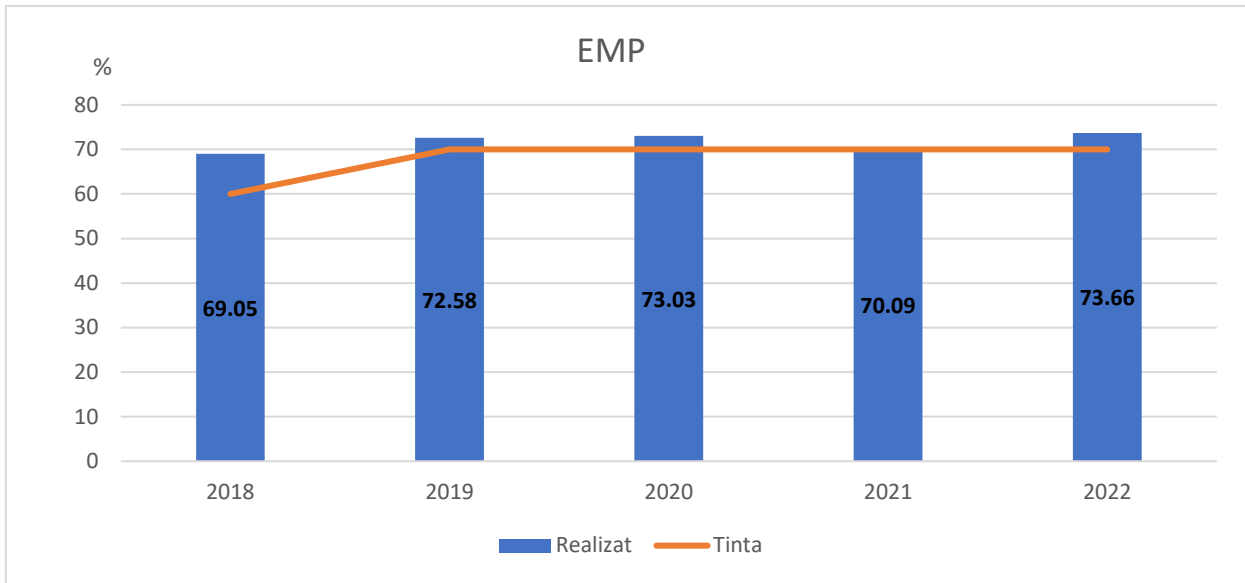
- CNC milling and turning machines by Mazak, Spinner, DMG, Okuma, Chiron, Traub, Index, Wasino, Mikron, Star;
- Vertical CNC drilling machines by Rene Clement and Mollart;
- CNC grinding machines by Studer and Thielenhaus;
- CNC gear milling machines by Gleason Pfauter;
- Profiroll thread rolling machines;
- Laser cutting machines by Mazak and Bystronic;
- Schuller automatic presses;
- ABB welding robots;
- Electrostatic KTL and powder coating Durst painting installations;
- Heat treatment lines;
- Galvanizing and phosphating lines, etc.

The maintenance activities that ensure the planned production on these machines are:

Corrective maintenance monitored by the Total Repair Time Media indicator - MTTR.



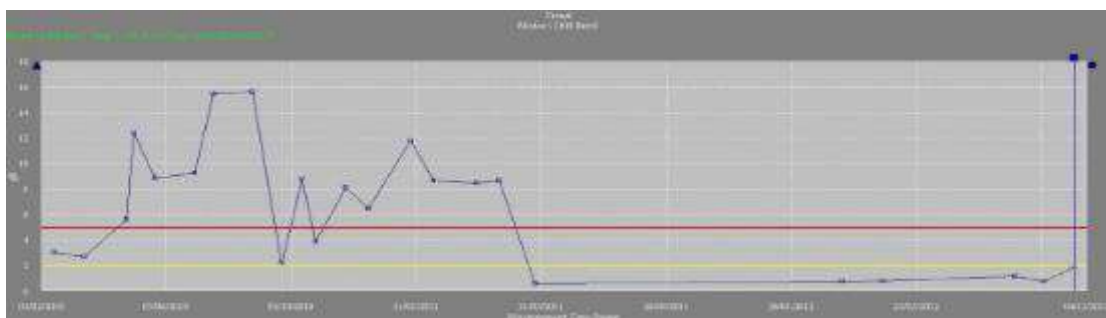
Preventive maintenance monitored by the Preventive Maintenance Efficiency indicator - EMP.

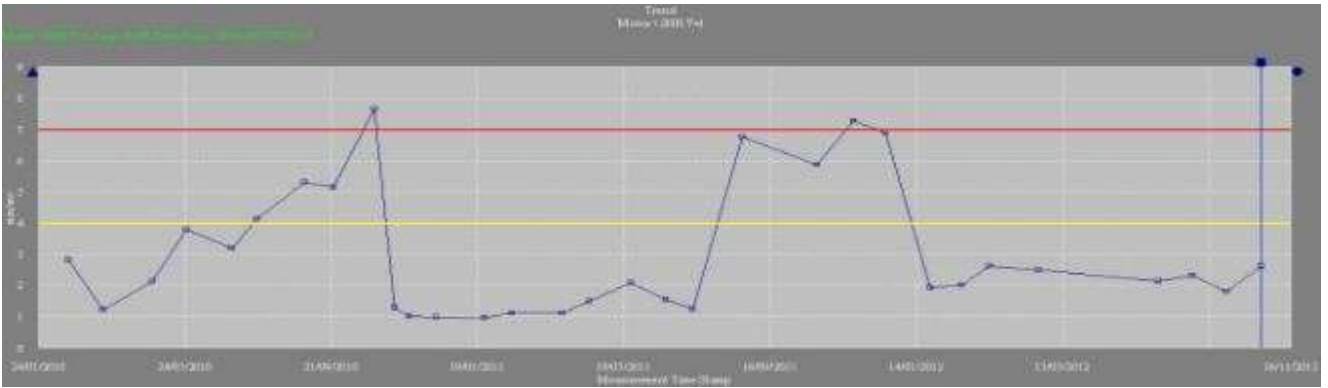


Predictive maintenance for critical machinery and technological equipment, carried out with:
a. The SKF toolkit for analyzing vibrations of moving mechanical assemblies.

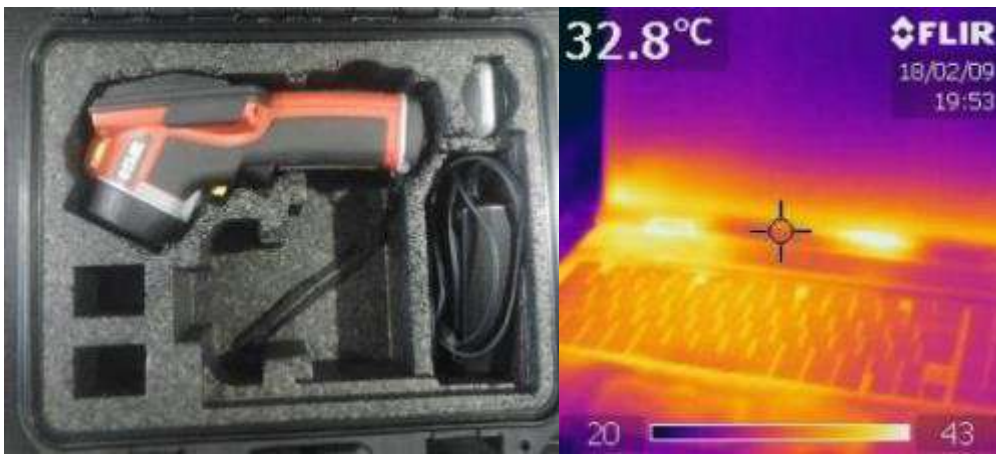


- producing vibration analysis reports in the following format:



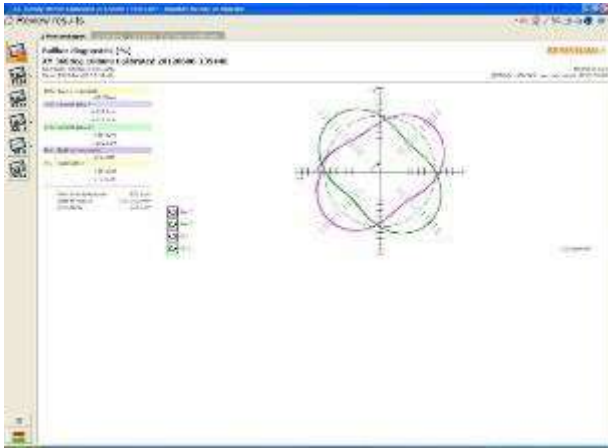


b. Thermographic analysis, carried out with a thermal imaging device.

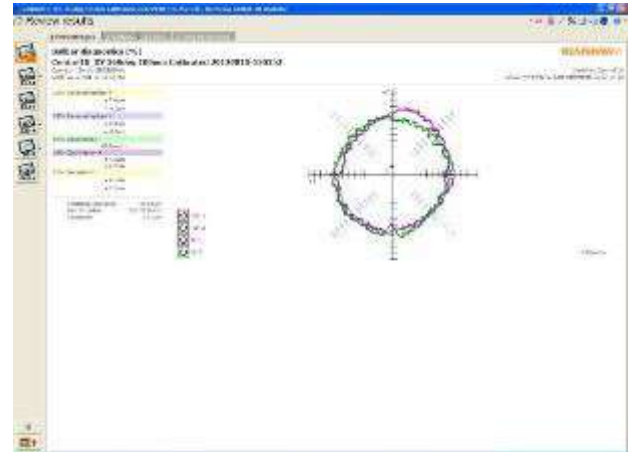


c. Qualitative analysis of the machine tool axis geometry, carried out with the Renishaw QC20 BallBar toolkit.





Problem



Corrected

And services:

Machine retrofitting and modification based on the needs of the parts that need to be processed.

Retrofitting and modification by implementing an additional X-axis on the Mazak VTC 200 machine, carried out internally by the maintenance department team at COMPA.



Repairs of electronic equipment in the Electronics Laboratory, which benefits from the following facilities:

- 11 workbenches equipped with tools and equipment for maintaining automation electronic equipment.



- 1 mechanical bench for dismantling and assembling automation electronic equipment.
- 1 washing and drying line consisting of:
 - 2 washing machines (the first one based on using a solution with microorganisms, the second one based on using alkaline solutions in an ultrasonic field);
 - 2 drying installations (the first one based on hot air circulation, the second one based on a dehumidification system).



- 1 station for soldering and desoldering components using infrared heating, with precise component positioning



- 1 microscope for visual inspection of electronic circuits



- Data acquisition interfaces for diagnosing measurement systems such as encoders and optical rulers, namely the PWM20 and IK215 products from Heidenhain, and the PGT11 from Sick.





- Toolkits for predictive maintenance: the SKF toolkit for vibration analysis, a thermography camera, and the Renishaw QC20 BallBar toolkit.

Activities carried out in the laboratory:

- Repairs of electronic automation equipment regardless of type and manufacturer. Types of repaired equipment include: power supplies, frequency converters, servo drives, measurement systems, optical rulers, encoders, distributed peripheral modules, keyboards, display and operating panels, computers, numerical controls, programmable logic controllers, motors with attached measurement systems (alignments), and others, with the most represented manufacturers being Siemens, Fanuc, Mitsubishi, Rexroth (Bosch), Sew, Danfoss, Yaskawa, Heidenhain, Sick, Staubli, etc.
- Troubleshooting software, parameterization, and loading of programs into equipment.
- Testing of equipment.
- Training for maintainers.
- Organization of workshops with our supplier collaborators.
- Predictive maintenance through vibration measurements, thermographic measurements, and testing of axis geometry.

Repairs and balancing of spindles for machines such as Mazak, Chiron, cylindrical grinders, etc.



Transfer and relocation of machines and production lines. Over time, machines and production lines have been transferred from:

- France - Delphi Blois (see below for a picture of a grinding and deburring line transferred to COMPA from a section that was entirely relocated to COMPA).



- England - Delphi Sudbury,
- Turkey - Borgwarner Izmir (transfer of an entire manufacturing line),
- Romania - Borgwarner Iasi (transfer of two Sermatec electrochemical deburring machines, with the last machine being transferred in 2022),
- Germany - Wilo-Dortmund and
- Bosch Rexroth (see below for a picture of an automatic press for Bosch wiper rods, transferred in 2022)



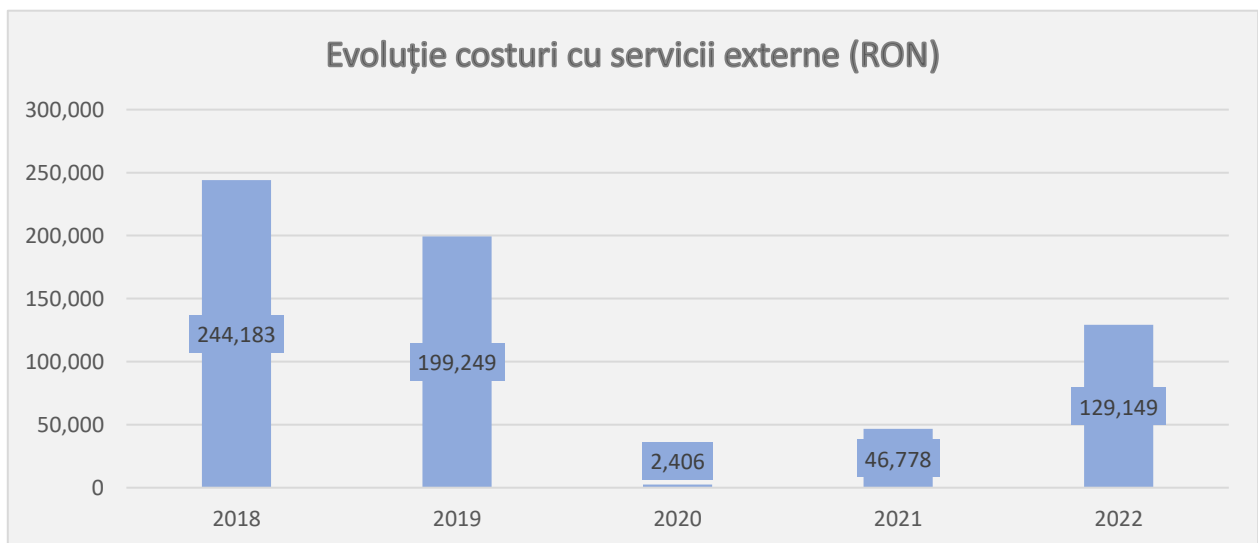
- Italy - DMG (see below for a picture of CNC machining centers from a section in Bergamo that was entirely relocated to COMPA).



Repairs and inspections for lifting and internal transport equipment according to ISCIR regulations.

Activities that have an impact on social and environmental aspects or resource conservation, such as installing air conditioning and filtering systems in COMPA workshops to create a better climate. The Maintenance Department of COMPA SA had an average of 130 employees in 2022.

One result of taking on and executing these services in COMPA can be seen in the following graph:



The Maintenance Department Objectives for 2023

The Maintenance Department objectives regarding maintenance activities are to achieve the established targets for maintenance indicators, namely:

- MTTR - 75 minutes
- EPM - 70%
- Adherence to planned maintenance budgets.

The maintenance department objectives regarding services for the year 2023 are:

- Retrofitting and modification by adding two additional axes (one linear and one rotational) to a Mazak VTC 300 Center with design and execution by COMPA maintenance staff - January 2023
- Completion of commissioning of the transferred line from Wilo-Dortmund - December 2023
- Relocation of the ZF production part workshop to a new location - August 2023
- Refurbishment of the runway for cranes in the Chief Mechanic Hall and installation of a new crane on this runway - May 2023

The quality policies of the Maintenance Department ensure full compliance with explicit requirements and expectations of collaborators, while also considering their implicit expectations, maintaining certifications of the Integrated Management System according to reference standards, and ensuring that products and services provided to collaborators are maintained at the same level of quality throughout their entire use. The department aims to achieve the following objectives:

- Maintaining certifications of the Integrated Management System according to reference standards
- Continuous improvement of collaborator satisfaction levels
- Maintaining maintenance costs in the efficiency zone for carried out activities

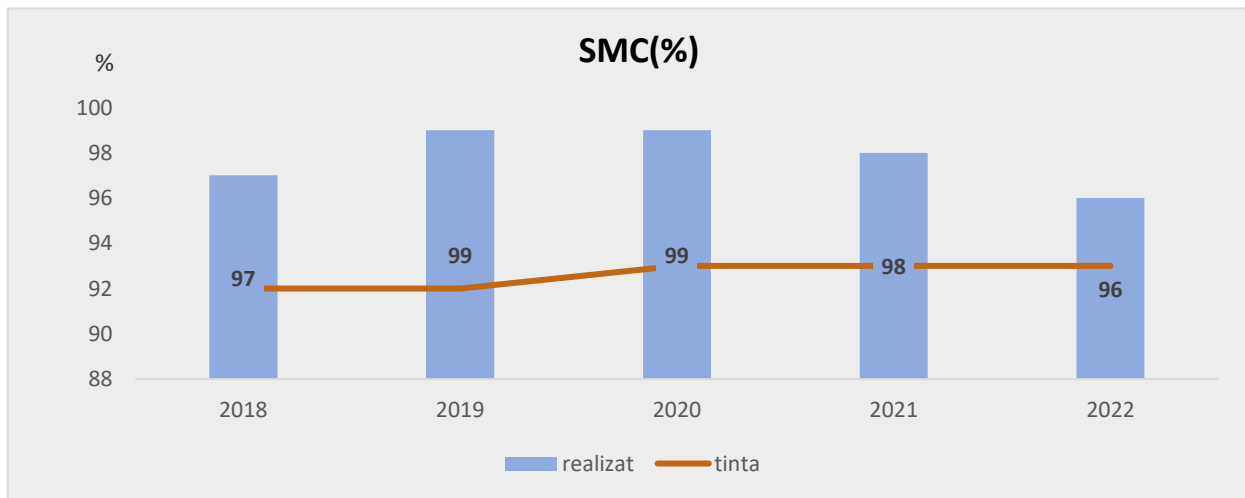
In terms of quality of maintenance activities, the following risks have been identified: Risks with a high initial impact (in case of hypothetical risk occurrence, these would have a major impact). This category includes the risk of audits ending with major non-conformities, which could lead to suspension/cancellation of certifications and loss of contracts. Risks with a medium initial impact (in case of hypothetical risk occurrence, these would have a moderate impact). This category includes the following risks: decreasing effectiveness of the Quality Management System. In case of these risks occurring, activity may be affected by decreased collaborator satisfaction, loss of competitiveness, production losses, etc. Risks are kept under control through implementation and respect of analysis procedures carried out by company management and internal audits; monitoring and measuring customer satisfaction; and fulfilling the training program.

As a result of successful audits, the Maintenance Department did not create any issues in maintaining valid Integrated Management System certifications (according to ISO 9001, ISO 14001, OHSAS 18001, IATF 16949) for the 2018-2022 period in 2022.

The system audits of maintenance activities quality did not identify major non-conformities.

The main key performance indicator in the field of maintenance activity quality is:

Level of aptitude of the SMC



The policies regarding Environment and Health and Occupational Safety aim to identify and control environmental aspects and risks associated with all activities carried out by the organization, in order to ensure compliance with legal requirements and other applicable requirements subscribed to by the organization, prevent pollution and work accidents, occupational illnesses, and respect the rights of interested parties to live in an unpolluted environment.

The Maintenance Department's policy in this area aims to:

- Minimize the amounts of waste generated and manage them safely when their appearance cannot be avoided;
- Reduce the consumption of natural resources;
- Reduce the impact on the environment associated with the maintenance department's current and future activities by gradually replacing some technologies with others that have a reduced environmental impact;
- Prevent the occurrence of emergency situations with an impact on the environment and health and occupational safety by establishing and implementing coherent and effective measures to prevent major accidents involving hazardous substances;
- Adopt a preventive behavior towards environmental pollution to continuously improve environmental performance;
- Ensure an optimal working environment for employees in order to maintain, primarily through preventive activities, the health and safety of employees;
- Continuously monitor the health status of employees and take action to improve their health and prevent accidents and occupational illnesses.

In the field of environmental protection and occupational safety and health, the following risks have been identified:

- Risks with a high initial impact (in the hypothetical case of risk occurrence, they would have a significant impact). This category includes emergency situations with an impact on the environment and occupational safety and health; unsafe waste management; non-preventive behavior, and increased environmental impact due to equipment wear and tear.

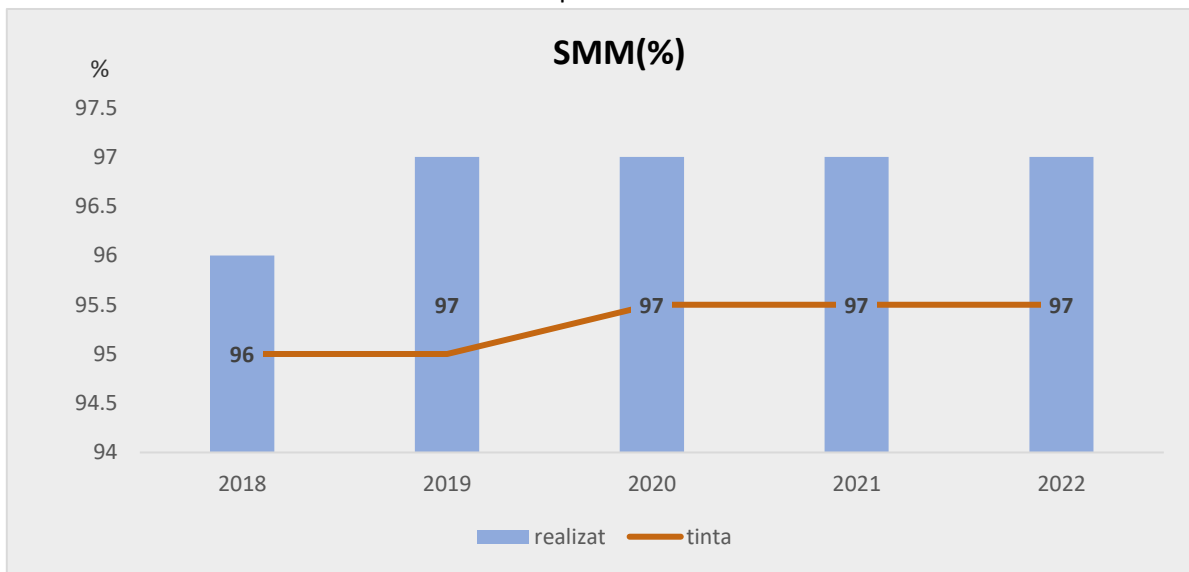
- Risks with a moderate initial impact (in the hypothetical case of risk occurrence, they would have a moderate impact). This category includes unjustified increases in natural resource consumption, lack of measures to monitor employee health, prevent accidents and occupational illnesses.

In the event of these risks occurring, sanctions may be applied for violating environmental norms, endangering the health and safety of employees and interested parties, and restricting production capacity by reducing the number of fit-for-work employees.

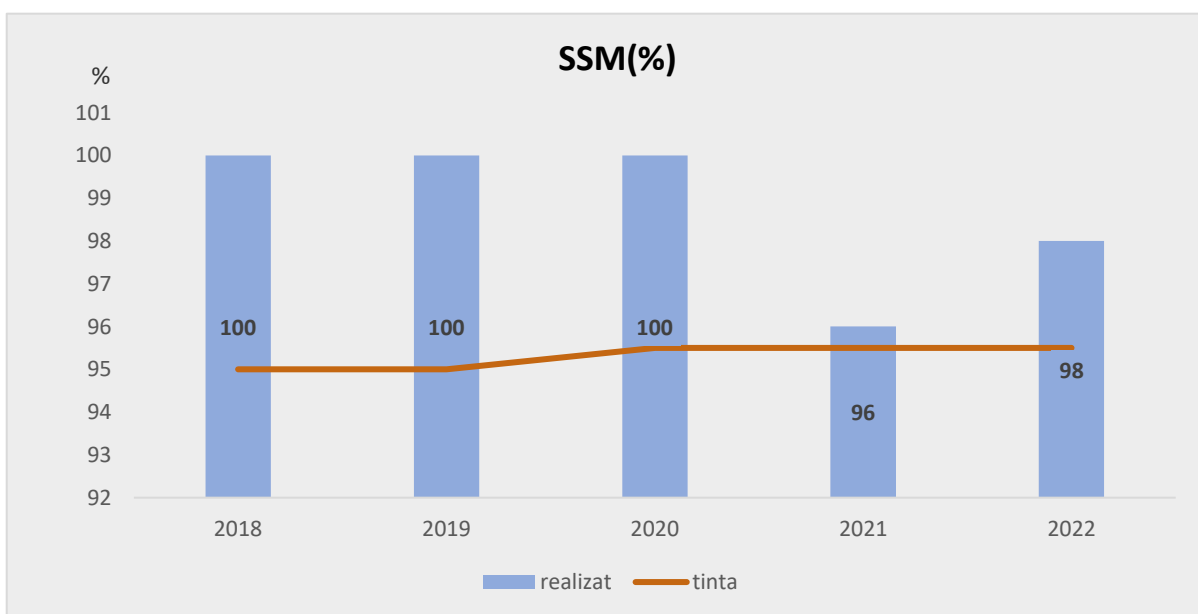
As a result of the measures taken in 2022, all the previously mentioned risks were kept at a low impact level. This effective control of environmental and occupational safety and health risks was possible through the implementation and compliance with waste management procedures, emergency procedures, maintaining an in-house medical cabinet, and periodic specific medical analysis.

The main key performance indicators of the maintenance department in the field of environmental protection and occupational safety and health are:

Level of aptitude of the SMM



Level of aptitude of the SSM



No new cases of occupational diseases, major environmental impacts or incidents with major effects on health and safety have been identified within the department, and audits have not identified any major non-conformities.

The Maintenance Department, through the Human Resources Department, develops and implements an internal regulatory system to organize department activities efficiently by allocating necessary resources, identifying risks and taking necessary measures to eliminate/reduce them to an acceptable level. The most important resource required to achieve objectives are well-trained, motivated, integral and adequately equipped employees. Socially, the department aims to maintain a constructive collaboration with the employees' organizations within the department and other stakeholders, based on relevant legislation, by:

- Supporting constructive union activity and concluding a Collective Labor Agreement specific to the employees of SC COMPA SA;
- Maintaining continuous communication with trade unions on all major aspects of organizational and business development, considering employees as a third party interested in the success of the business;
- Establishing and implementing ways to assist disadvantaged individuals and/or those in special family situations;
- Establishing and implementing various benefits for all employees, based on the potential of the organization and identified needs;
- Monitoring the health of employees through periodic specialized check-ups;
- Supporting employees and their families when facing difficult health situations;
- Covering at least 50% of the cost of spa treatment tickets for employees;
- Providing meal vouchers;
- Supporting disadvantaged individuals and/or communities through sponsorships, as requested by employees of COMPA SA.
- COMPA SA ensures equal opportunities for its current or potential employees by:
 - o Recruiting/promoting staff in a transparent manner, considering the necessary professional competence and experience, as well as the integrity of the candidates;
 - o Ensuring conditions for continuous training and improvement in the professions they work in, but also for environmental protection and occupational health and safety;
 - o Evaluating activities and skills based solely on objective, sustainable, measurable, appropriate, consistently and transparently monitored performance criteria for all employees;
 - o Creating optimal working conditions to stabilize staff.

The risks in this sector are initially moderate (in the hypothetical case of risk occurrence, they would have a moderate impact).

In 2022, the following identified risks remain relevant: decreased retention rate of existing personnel or new hires, and allocation of an insufficient number of professional training hours. In the event of these risks occurring, the company may face increased recruitment costs and decreased quality of maintenance activities and services provided.

Through the measures adopted, most of the identified risks have been kept at a low level, except for the risk of retention of existing and new employees, which is at a moderate level, influenced by the shortage of candidates on the labor market, especially with regard to qualified personnel.

For risk management in this field, measures have been taken to motivate personnel through financial incentives and creating a pleasant working environment, achieving the annual training and professional development plan, implementing a plan for the instruction and integration of new employees. The union organization has a high degree of representation among personnel, is a party to negotiating the collective contract, and is a partner in implementing 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 Lucian Blaga University of Sibiu for conducting a number of practice hours by trainees within the company, and granting scholarships for the best among them, and conducting professional retraining courses through European projects with the participation of qualified personnel from the Maintenance Department.

The main performance indicators achieved in 2022 in this field will be presented by the Human Resources Department.

The description of the policy regarding human rights compliance, risk factors, key performance indicators, and the effect of implementing this policy:

The Maintenance Department of COMPA SA guarantees the respect of human rights, in accordance with legal provisions, for its employees and collaborators, as well as for stakeholders through:

- providing working conditions that respect individual dignity and appropriate job positions in terms of safety and health at work;
- prohibiting any form of intimidation through language, attitude, gestures, or any other form of personal attack;
- eliminating any form of discrimination based on gender/age/race/religion/political beliefs;
- firmly rejecting child exploitation;
- rejecting collaboration with organizations that do not respect human rights.

Violation of human rights can lead to falling under the law, protests from employees or the public, and loss of prestige in society. The risk of violating human rights has a medium initial impact, but through control measures, these risks have been kept at a low level. Provisions related to the respect of human rights have been included in the internal regulations and collective labor agreement.

In 2022, there were no reported cases of intimidation or personal attacks, nor cases of discrimination based on gender/age/race/religion/political beliefs for the personnel within the Maintenance Department.



2022 REPORT FOR – I.C.R. DEPARTMENT

The **Building and Networks Maintenance Department** 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 Indicator refer to:

- the permanent maintenance of the production platform and all the functions of the company in optimal condition.
- solving emergency situations and requests, repairing and maintaining functional parameters of buildings, networks, installations, roads and access roads, which will streamline logistics, allow the production process to be carried out in appropriate conditions and provide staff with optimal security work according to SSM requirements.
- the modernization of the existing work spaces, the utility networks and the setting up of new objectives, which correspond to the company's requirements, in accordance with the legislation in force.

In this regard, the following achievements should be highlighted in the last period:

- at the level of the Unit I production platform, H. COANDA str., in 2022, a number of 444 maintenance works, repairs, modernizations and investments were carried out, of which we mention a few:

- Renovation and remodeling of the interior and exterior of gate 1 at the entrance to COMPA
- Exterior and interior renovation of the entrance gate 2 to COMPA
- Arrangement of dormitory for workers in the rented space (all utilities for 80 places)
- Renovation of the Bosch wiper hall to complete the production line
- Redevelopment of spaces and modular offices, as well as utilities at the ZF Ax Workshop
- Decommissioning of the old internal railway line that was no longer functional.
- Decommissioning of an old thermal point (between blocks) that was no longer functional.
- Electro vanes installed on the compressed air network for a more efficient distribution at At 620.
- Dismantling utility networks from old machines and connecting new machines transferred.
- Dismantling of old equipment and connection to utilities, SERMATEC 2 equipment transferred to At.630
- Connecting (digitalizing) machines from the production departments to the company's data network.

- Connection to coupler furnaces for cleaning the return pipes at the Treatment Workshop.
- Completed automation and alarm systems at the entrance gates to the production halls.
- Insulated pipes and external ACM networks (there are still small portions that are still being worked on)
- Replaced and insulated Estacada heating pipes (area of the Sharpening Workshop)
- Replace the old 129 ml potable water pipe at the monobloc hall - At 620
- Insulating old pipes, cooling water at Workshop 620 - the work continues
- Insulated heating pipes at the DMG Workshop - cloakroom area
- Furnished and installed air conditioning installations, floors 3 and 4 of Pav. Central
- Interior design and renovated offices on Floors 3 and 4 of the Central Pavilion
- Replaced old and damaged storm sewer pipes at the JTEC Workshop
- Repaired skylights and replaced polycarbonate on 75% of the production halls - to be continued
- Repaired and replaced 80% of the total number of drains on the halls - to be continued
- Repaired and replaced waterproofing on sheds and buildings in damaged areas - to be continued
- Repaired epoxy resins at At 620, At 630, At 650, At Bosch - to be continued
- Replaced incandescent lighting fixtures, according to their failure, with LED lighting
- Repaired or replaced gates and access doors and related automation in halls and buildings
- Fixed, replaced and monitored data, telephony, video and GSM access networks

- at the level of the production platform Unit II, B-dul Victoriei Nr. 42-44

- The project of reconversion of the production space into space intended for housing, offices and a 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 dissolved and the buildings and halls were demolished to 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:
- the long periods of supply with materials necessary 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
- Insufficiency of qualified personnel, who can perform the complex, diverse and most of the time urgent works, which are the responsibility of the ICR Department.

Risk management

The supply chain

- The supply chain does not have a major impact on the development of the works that are executed 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 for completing the works
- Short-, medium- and long-term perspectives. For normal supply through SAP, no other measures are required, but for materials that need to be supplied urgently, another, more flexible approach is needed

Remedial measures

- A remedial measure could be to ensure a minimum buffer stock of the 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 an urgent impact and to be checked weekly by the purchasing department and the general director.
- Regarding the lack of staff, in addition to attracting qualified workers from the labor market, the solution of schooling within the society of young people with skills and their job qualification for the jobs of welder, plumber and electrician should also be addressed.

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 Dept. follows the general strategic line of the company and within it has in mind the following phased objectives. (short, medium and long term)

- Clarification of the legal, cadastral and topo situation of the company premises.
- Digitization of drawing data, situation plans and documentation Dep. I.C.R.
- Modernization, maintenance and repair 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 canal networks
- Modernization and repair of data networks, telephony, video, lighting and access gates

The main factors that can affect future development.

-The main factors that can affect future development are related to the general situation of the Romanian economy, of the automotive industry, but also of an internal nature, related to the lack of personnel, especially the qualified one, and the technical equipment 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 activity of registering in the eTerra platform of OCPI Sibiu - the Land Register of all the company's premises has been initiated. All the premises on the platform Unit 1 str H. Coanda are registered and we still have two positions that are being processed and for which I have not yet received the registration.

- The digitization of documentation and data is a necessity and work is being done to update situation plans and drawings - permanently
- The modernization, maintenance and repair of the fences and access gates is 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 connecting alleys, sidewalks and parking lots, which require interventions.
- The maintenance and modernization of buildings, halls, warehouses and warehouses is part of the object of activity and is a permanent concern of the ICR department.
- An architectural project to modernize the central pavilion is completed.
- The Gate 1 and Gate 2 at the entrance to COMPA have been renovated and remodeled and the exterior fence will be renovated.
- The dormitory with 80 places for workers was arranged (rented space)
- Interior design works are carried out in the offices and premises in the production halls.

- The maintenance, repair and renovation of water, air, thermal and sewage networks is also a permanent activity, but it also involves the phased replacement of old or morally worn pipes, especially those of drinking water.
- Modernization and repair of data networks, telephony, video, lighting and access gates is in full swing and is treated as a priority.

5. Permanent monitoring of the results obtained and the workplace policy

- All programs, projects and executed works are permanently monitored at the level of the three heads of workshops as well as by the head of the activity of the I.C.R. department.
- Analysis reports and proposals are made monthly in which the problems that have arisen, the stage of their resolution, those responsible for their follow-up and completion, as well as measures and proposals for the future are highlighted.

The workplace 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 functional materials, as well as distinct and complex activities at each intervention.

6. Environmental problems, health and safety of the workplace

- Information regarding the prevention and control of pollution
- With regard to the prevention and control of pollution, the equipping and installation of the equipment is monitored and action is taken in an emergency regime to stop any damage and to prevent the replacement of defective parts or their remedy and the removal of the causes that could generate events, so that it is not affected the air and the soil so that substances with potential pollution do not reach the sewage network.
- The ICR Department collaborates with the other structures of SC COMPA SA for the implementation of the project, which has been executed, for the production of energy from renewable sources (photovoltaic cells)

Regarding the extraction of mineral resources, the ICR Department carries out the maintenance and repair of fireplaces, pipes related to wells for fire water, which supply the Water Tower with the reservoir for the company's hydrant network.

- Workplace health and safety

- The health and safety of the staff is a constant concern both at the level of society and of the ICR Department. In this regard, at the ICR department, the equipment of the workers with protective and work equipment and the compliance with the labor protection rules are monitored and checked periodically, taking into account the fact that the works are performed at height or in hard-to-reach places such as sewage manholes, is performed in various locations near the machines while they are working and must be done without affecting the continuity of the production processes.

-Regarding the safety of buildings and halls, the ICR Department has generated a program for monitoring the behavior over time, for intervention where necessary and for reporting to the State Construction Inspectorate, to ensure the smooth development of the company's activity.

This current tracking program targets functionality, status and integrity:

- Facades, plinths and walls
- Resistance structure (pillars, beams, caissons)
- Concrete floors (most are covered with epoxy resins)
- Covers, skylights and drain and ventilation openings
- Doors, gates, windows and access roads
- Installations and networks of potable, industrial and cooling water
- Heating, steam and domestic hot water installations

- Compressed air installations
- Plumbing
- Electrical installations, lighting, telephony and data networks
- Fire prevention and alarm installations
- Hydrant installations
- Roads, sidewalks, alleys, platforms and parking lots

All activities were carried out according to the schedule and requirements and there were no delays in terms of tracking, evaluating, maintaining and reporting their status or events that would target or affect the health and safety of the staff.

Starting from these evaluations of their condition and functionality, preventive intervention was carried out through current maintenance works, repairs or modernizations that ensure safe working conditions and health for all the company's personnel.

During the production processes, unforeseen situations occurred that required emergency interventions. They were executed every time in a timely manner, without affecting the good progress of production.

A special attention was given and is given to the sanitary installations related to the social groups, the toilets, showers and changing rooms, which are executed according to norms and standards and permanently maintained at quality parameters through current maintenance works, repairs and renovations.

7 Objectives, targets and responsibilities for the 2023 program

All this fits into the general strategy and planned objectives:

- Clarification of the legal, cadastral and topo situation of the company premises
 - o By the end of 2023, we propose that the legal status of all spaces on the platform Unit I Str. H. The queue should be clarified and entered in eTerra at the OCPI Sibiu Land Registry

Responsible – Forsea Alexandru and Boabes Nicolae
- Digitization of drawing data, situation plans and documentation Dep. I.C.R.
 - o The situation plans and drawings are being worked on so that they are permanently updated.

Responsible - Forsea Alexandru and Neghina Dorin
- Modernization, maintenance and repair of fences and access gates
 - o A project to renovate the gates and fences is being implemented together with the architect.

Responsible - Forsea Alexandru and Stolnicu Emilian
- Modernization and rehabilitation of roads, sidewalks, parking lots and platforms – permanent
 - o They are proposing the phased rehabilitation of two alleys connecting to the main road.
 - o The first in front of the research center and the second in front of the intersection with Hendrickson alley.

Responsible - Forsea Alexandru and Stolnicu Emilian
- Maintenance and modernization of buildings, halls, warehouses and warehouses – permanently
 - o Current works are being done on the buildings and halls and the renovation of the Central Warehouse is in the design phase

Responsible - Forsea Alexandru and Stolnicu Emilian
- Maintenance, repair and renovation of water, air, thermal and channel networks – permanent
 - o Current works, repairs and modernizations and commissioning works are carried out at the workshops.

o Responsible- Forsea Alexandru si Boabes Nicolae
- Modernization and repair of data networks, telephony, video, lighting and access gates
 - o It is a permanent concern, especially when replacing incandescent lighting fixtures with LED lighting fixtures as the current fixtures break down.

Responsible: - Forsea Alexandru and Neghina Dorin

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, 2022, 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:	497.106 thousand lei
- Net profit of the year:	2.511 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, 2022, 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 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, along with a decrease in volumes for certain parts for customers who had factories in Russia or Ukraine and who had to close these production units. 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

- 7 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 2022, 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 2022;
- 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 2022, 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

- 8 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.
- 9 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.
- 10 Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

- 11 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.
- 12 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.

- 13 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.
- 14 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.
- 15 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 2022 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

- 16 We were appointed by the General Meeting of Shareholders on the 22nd of April 2022 to audit the separate financial statements of COMPA S.A. for the period ending on the 31 December 2022.

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 24, 2023



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RAPORT ANUAL CONSOLIDAT 2022

compa  it



TRANS C.A.S.
SRL SIBIU

transport intern si international

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A. RAPORTUL CONSILIULUI DE ADMINISTRATIE

1. INTRODUCERE

1.1. CADRUL LEGAL, SCOPUL ȘI NECESITATEA ÎNTOCMIRII SITUAȚIILOR FINANCIARE ANUALE CONSOLIDATE

Societatea COMPA S.A. Sibiu ale cărei valori mobiliare sunt admise la tranzacționare pe piața reglementată a Bursei de Valori București, aplică Standardele Internaționale de Raportare Financiare (IFRS) începând cu anul 2012.

În conformitate cu reglementările contabile conforme cu Directiva a VII-a a comunității Economice Europene, COMPA S.A. Sibiu (societate – mamă) îndeplinește condițiile conform punctului 12. În baza punctului 3 al acestor reglementări s-au întocmit situațiile financiare anuale consolidate.

Ansamblul de reguli de înregistrare contabilă a operațiunilor economico - financiare de întocmire, aprobare și auditare statutară a situațiilor financiare anuale consolidate ale societăților sunt prevăzute în “Reglementările contabile conforme cu IFRS” aprobate prin OMFP 2844/2018.

Toate aceste acte normative au constituit baza legală necesară elaborării situațiilor financiare consolidate ale Grupului pentru anul încheiat la 31.12.2022.

Raportul anual consolidat al Grupului COMPA are ca obiectiv principal informarea investitorilor și a partenerilor de afaceri ai firmei mamă, cât și ale firmelor afiliate.

Documentele întocmite scot în evidență rezultatele obținute de Grupul COMPA pe anul 2022.

1.2. METODE DE CONSOLIDARE APLICATE

Conform reglementărilor legale, întocmirea situațiilor financiare consolidate se realizează de către entitatea denumită în continuare societate (firmă) – mamă, care deține titluri de participare la o altă entitate, denumită filială sau firmă afiliată.

În acest context, societatea COMPA S.A.Sibiu în calitatea sa de firmă – mamă are controlul, respectiv ponderea participațiilor sale în capitalul social al firmelor afiliate este mai mare de 50% la următoarele entități afiliate:

COMP A I.T. S.R.L.	100,00 %
TRANS C.A.S. S.R.L.	99,00 %
RECASERV S.R.L.	70,00 %
ARINI HOSPITALITY S.R.L	100,00 %

Societatea COMPA S.A. Sibiu, firma – mamă, exercită o putere efectivă, având o influență dominantă, respectiv deține controlul asupra firmelor Grupului. Având în vedere reglementările contabile precum și recomandările existente în acest domeniu, metoda de consolidare utilizată cu aceste firme este “Metoda integrării globale”.

2. SCURT ISTORIC

Deși acest capitol a fost prezentat detaliat în cadrul raportului anual individual COMPA pe anul 2021, considerăm necesar și oportun ca anumite episoade din istoria firmei mamă să fie evidențiate și în Raportul anual consolidat pe anul 2021, al Grupului COMPA.

1886 - Este atestată oficial funcționarea în regim industrial a atelierului de fierărie Jozsef Datky, unde se produceau arcuri lamelare pentru trăsurile vremii dar și a unor piese și unelte obținute prin forjare.

Atelierul s-a dezvoltat astfel încât produsele realizate în cadrul acestei firme de familie au fost regăsite la expozițiile internaționale din cadrul Imperiului Austro - ungar (Viena și Budapesta).

1948 - Este anul în care firmele private, cum a fost și predecesoarea Uzina Elastic, profilată la acea vreme în fabricarea de arcuri în foi, arcuri elicoidale înfășurate la cald sau la rece, au fost naționalizate ca urmare a instalării în România a regimului comunist.

1969 - Se înființează Intreprinderea de piese auto Sibiu (IPAS), prin comasarea a două firme mari, care au funcționat la Sibiu în acel an, respectiv:

- Uzina Automecanica Sibiu, care la rândul său a avut o istorie impresionantă, de la un Arsenal al Artileriei Sibiu, ce asigură repararea și confecționarea armamentului necesar apărării Cetății Sibiului, până la realizarea echipamentelor auto cu tehnologie avansată la data comasării;

- Uzina Elastic sibiu, cu tradiție meșteșugărească de la anul fondării Atelierului Datky pe care a dezvoltat-o permanent, realizând la data comasării o gamă variată și diversificată de arcuri lamelare pentru fabricația de autovehicule realizate în România și a unor game deosebit de variate de arcuri elicoidale, înfășurate la cald și la rece, destinate întregii industrii de material rural (locomotive, vagoane), a industriei constructoare de mașini din toată România.

1991 - Întreprinderea de piese auto Sibiu se transformă în S.C.COMPA S.A.Sibiu, ca urmare a cadrului politic și economic creat prin trecerea României de la un stat totalitar comunist la un stat cu o economie de piață.

1999 - Este anul privatizării firmei mamă, S.C.COMPA S.A. prin cumpărarea pachetului majoritar de acțiuni de Fondul Proprietății de Stat (FPS). Această etapă istorică asigură premisele dezvoltării în condiții de competitivitate și profitabilitate a firmei, de dezvoltare a unor parteneriate de afaceri cu firme reprezentative din industria mondială, pe principii de egalitate și competență, de concurență loială.

2000 - Se pun bazele constituirii Grupului COMPA prin transformarea Serviciului Informatic, care a funcționat în cadrul firmei mamă cu activitatea de proiectare soft și administrare a rețelei interne, într-o societate comercială separată S.C.Compa IT S.R.L., cu capital integral COMPA. Ca urmare a înființării acestei firme într-o unitate economică cu obiect de activitate preponderant în tehnologia informaticii (IT) s-au creat premisele dezvoltării acestui sector de activitate atât pentru realizarea unui sistem informatic integrat al COMPA dar și pentru produse soft destinate altor companii din afara Grupului Compa.

2001- Se înființează cea de a doua firmă afiliată S.C.TRANS C.A.S. S.R.L. Sibiu, societate cu răspundere limitată, cu aport preponderant COMPA, rezultată prin transformarea Bazei de transport existent în cadrul firmei mamă, într-o firmă separată specializată în transport rutier intern și internațional. Prin înființarea acestei firme specializată strict pe activitatea de transport s-au creat condițiile dezvoltării acestor firme, care realizează prestații de transport, nu numai pentru firmă mamă, ci și pentru alte firme din România și din Europa.

Firma s-a dezvoltat foarte mult după înființare investind în achiziția cu precădere a autocamioanelor de mare tonaj (TIR) utilizate pentru transport de materii prime și materiale de la furnizori și transport de produse finite, atât pentru COMPA cât și pentru diverse firme din România dar mai cu seamă cu firme din Europa.

2004 - Se înființează cea de-a treia firmă afiliată, respectiv S.C. RECASERV S.R.L., prin transformarea activității cantinei COMPA într-o firmă separată în care firma COMPA deține poziția de control, fiind asociat majoritar.

2021 - Se înființează firma afiliată ARINI HOSPITALITY S.R.L., aceasta urmând să desfășoare activitate hotelieră, ca urmare a dezvoltării proiectului de construcție a complexului hotelier Ibis-Mercure.

3. INFORMAȚII CU PRIVIRE LA ENTITĂȚILE DIN CADRUL GRUPULUI

Societatea COMPA S.A.

Sediul social	Sibiu, str.Henri Coandă nr.8
Nr.înregistrare în Registrul Comerțului	J32/129/1991
Cod Unic de înregistrare	CUI 788767
Obiectul principal de activitate	2932 "Fabricarea altor piese și accesorii pentru autovehicule și pentru motoare de autovehicule"
Capital social	21.882.103,8 lei
Consiliul de Administratie	Deac Ioan – președinte CA / director general Miclea Ioan – Vice presedinte CA/Administrator Maxim Mircea-Florin – administrator neexecutiv Balteș Nicolae – președinte comitet de audit / administrator NEACȘU Vlad- Nicolae– membru comitet de audit / administrator

Forma de proprietate: COMPA S.A. este o firmă cu capital privat 100%. A fost privatizată în septembrie 1999, prin cumpărarea pachetului majoritar de acțiuni de către Asociația salariaților Compa Sibiu (PAS) care a devenit principalul acționar companiei.

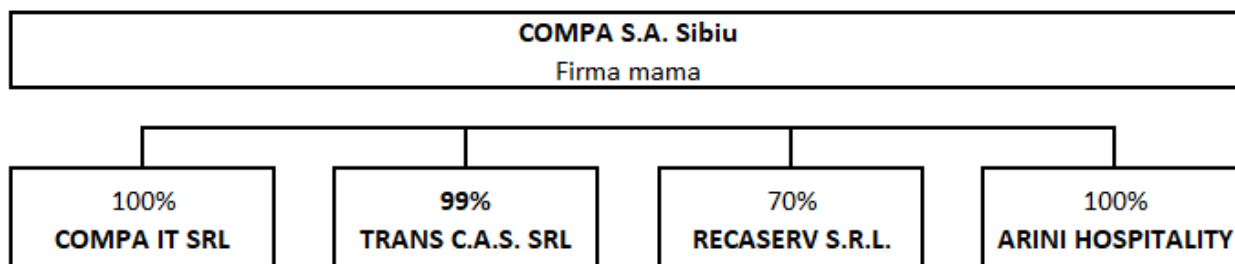
În anul 2018 Asociația salariaților Compa Sibiu (PAS) a fost dizolvată, acțiunile fiind transferate membrilor asociației, în funcție de numărul acțiunilor deținute și cumpărate de fiecare.

Așa cum a fost prezentat în detaliu în cadrul **Raportului anual individual 2022**, firma mamă este organizată pe Centre de profit, unități integrate fără personalitate juridică cu o activitate descentralizată, structurată pentru realizarea produselor destinate unui singur client sau pentru realizarea unor produse similare destinate mai multor clienți, cum sunt: Forja, Tratamentele termice, Galvanizarea, Piese presate – ambutisate, subansamble mecano - sudate.

Investițiile financiare ale firmei mamă COMPA ce constau în titluri de participare respectiv părți sociale, la celelalte 4 firme afiliate, astfel:

Societatea la care se dețin titlurile	Sediul social	Valoarea titlurilor deținute de COMPA	% în capitalul social
COMPA I.T. S.R.L.	Str.Henri Coandă nr.8, Sibiu	200,000	100%
TRANS .C.A.S. S.R.L.	Str.Henri Coandă nr.12, Sibiu	742,500	99%
RECASERV S.R.L.	Str.Henri Coandă nr.51, Sibiu	70,000	70%
ARINI HOSPITALITY S.R.L.	Str.Henri Coandă nr.8, Sibiu	19,703,000	100%
TOTAL		20,715,500	

Schematic, structura Grupului COMPA este:



Conducerea societății mamă COMPA, ca și a întregului Grup Compa este asigurată de Consiliul de Administrație ales de Adunarea generală Ordinară a Acționarilor, pe o perioadă de 4 ani.

Societatea COMPA I.T. S.R.L

Scopul înființării a fost acela de proiectare și implementare a unui *Sistem informatic integrat* pentru firma – mamă, la standardele internaționale existente și care să asigure cerințele impuse de modul de organizare pe centre de profit ale firmei COMPA, precum și de asigurare a unei rețele informatice de calculatoare extinse în întreaga firmă COMPA.

Prin implementarea în societatea mamă a sistemului integrat, societatea COMPA-IT asigură funcționarea la parametrii superiori a acestui sistem elaborează rapoarte și prezintă noile facilități ale sistemului în vederea valorificării la un nivel cât mai înalt al oportunităților pe care le poate oferi acest sistem foarte complex și competitiv.

Sediul social	Sibiu, Str.Henri Coandă Nr.8
Nr.înregistrare în Registrul Comerțului	J32/17/2001,
Cod Unic de înregistrare	CUI 13656016
Obiectul principal de activitate	6201 "Activități de realizare a softului la comandă"
Capital social (lei)	200,000
Acționar unic	Societatea COMPA S.A
Administrator	Acu Florin-Ștefan

Societatea TRANS CAS S.R.L.

Motivul înființării firmei a fost acela de externalizare a activității de transport auto existent inițial în cadrul firmei COMPA, în scopul extinderii și dezvoltării acestei activități diferită de profilul de activitate al firmei COMPA.

O parte din aceste autovehicule sunt proprietatea firmei – mamă COMPA S.A., închiriate, iar o parte sunt proprietatea societății TRANS C.A.S. S.R.L.

TRANS C.A.S. S.R.L. deține în prezent un număr de peste 60 autovehicule, dintre care o pondere importantă o dețin autotractoarele cu remorcă tip Mercedes, cu capacitate de peste 20 tone încărcătură utilă, destinate transportului de materiale și produse finite atât pentru COMPA, cât și pentru alți clienți.

Ponderea semnificativa a transporturilor societății TRANS C.A.S. o dețin transporturile internaționale de mărfuri, în aproape toată Europa.

RAPORT ANUAL CONSOLIDAT - 2022



Sediul social	Sibiu, Str.Henri Coandă Nr.12
Nr.înregistrare în Registrul Comerțului	J32/633/2002
Cod Unic de înregistrare	CUI 14836511
Obiectul principal de activitate	4941 "Transporturi rutiere de mărfuri"
Capital social, din care:	750.000 lei
Acționari: COMPA S.A.Sibiu	742.500 lei
Maxim Mircea Florin și Mihăilă Daniela	7.500 lei
Administrator	Maxim Mircea Florin

Societatea RECASERV S.R.L.

Scopul înființării firmei a fost de externalizare din cadrul firmei – mamă COMPA S.A. a unor activități diferite profilului său de activitate principal, activități cum sunt: alimentație publică realizată prin cantina și microcantinele ce funcționează în incinta firmei COMPA.

Prin înființarea firmei RECASERV S.R.L. s-au asigurat condițiile dezvoltării acestei activități prin completarea cu servicii secundare: catering și servicii de curățenie.

Sediul social	Sibiu, Str.Henri Coandă Nr.51
Nr.înregistrare în Registrul Comerțului	J32/704/2004
Cod Unic de înregistrare	CUI 164408228
Obiectul principal de activitate	5629 "Alte activități de alimentație n.c.a."
Capital social, din care:	100,00 lei
Acționari: COMPA S.A.Sibiu	70%
Boroș Daniela (persoană fizică)	30%
Administrator	BOROȘ Daniela

Societatea ARINI HOSPITALITY S.R.L.

Societatea ARINI HOSPITALITY SRL a fost înființată în ianuarie 2021, aceasta urmând să desfășoare activitate hoteliera, ca urmare a dezvoltării proiectului de construcție a complexului hotelier Ibis-Mercure.

Sediul social	Sibiu, Str.Henri Coandă Nr.8
Nr.înregistrare în Registrul Comerțului	J32/77/2021
Cod Unic de înregistrare	CUI 43581594
Obiectul principal de activitate	5310 "Hoteluri și alte facilități de cazare similare"
Capital social, din care:	19,703,000 lei
Acționari: COMPA S.A.Sibiu	100%
Administrator	BAIASU Dan-Nicolae

4. EVENIMENTE CONSEMNAȚE ÎN ACTIVITATEA GRUPULUI ÎN ANUL 2022

4.1 EVENIMENTE CONSEMNAȚE ÎN PERIOADA DE RAPORTARE

Ca și evenimente importante consemnate în activitatea Compa în anul 2022 putem evidenția întrunirile Consiliului de Administrație al societății Compa S.A (CA), ca urmare a convocării Președintelui CA, astfel:

01.02.2022 – A fost convocat Consiliul de Administrație al Compa S.A. în care s-au analizat și s-au aprobat propunerile departamentului economico-financiar al firmei cu privire la rezultatele inventarierii patrimoniului societății pe anul 2021 și care constau în:

- casarea unor bunuri de natura mijloacelor fixe, majoritatea covârșitoare a acestora fiind analizate integral. S-a constatat faptul că aceste mijloace fixe au un grad de uzură foarte mare și nu mai pot funcționa în parametrii proiectați în cadrul firmei, având și vechime foarte mare;
- preluarea la venituri a unor datorii prescrise față de anumiți creditori, cu deosebire furnizori;
- casarea, înregistrarea minusurilor de inventar, a unor ajustări de depreciere a creanțelor și a altor debite nerecuperate, rezultatele în urma inventarierii patrimoniului firmei pentru anul 2021.

23.02.2022 – În cadrul ședinței Consiliului de Administrație convocat în data de 23.02.2022 au fost analizate și aprobate Rezultatele financiare preliminare pe anul 2021, atât cele individuale aferente firmei Compa, cât și rezultatele financiare preliminare pe anul 2021 aferente Grupului.

24.02.2022 – Un eveniment cu impact major asupra întregii economii mondiale, inclusiv asupra României și desigur asupra activității firmei Compa îl are atacul militar asupra Ucrainei din partea armatei Rusiei. Efectele declanșării acestui conflict armat asupra firmei Compa constau în:

- reducerea volumului comenzilor de la majoritatea clienților
- sincope majore pe lanțul de aprovizionare cu materii prime și materiale, ce constau în schimbarea unor furnizori; situații de forță majoră la diverși furnizori cu implicații pe întregul flux de aprovizionare
- creșterea costurilor ca efect al exploziei prețurilor la: energia electrică, gaz metan, oțeluri, chimicale, piese de schimb etc.
- impact major asupra gradului de profitabilitate al firmei ca urmare: a nerecunoașterii sau (al) acceptării parțiale de către majoritatea clienților a prețurilor, a creșterilor fără precedent a prețurilor la utilități cu escaladarea acestor creșteri de preț de la aproape toți furnizorii.

Aceste efecte majore în costurile Compa, au redus considerabil marja de profit realizată de Compa în Semestrul I a anului 2022.

10.03.2022 – A fost convocată ședința Consiliului de Administrație al Compa S.A. pentru aprobarea propunerii de convocare a Adunării Generale Ordinare a Acționarilor (AGOA) pentru data 28.04.2022 prima convocare (ora 15:00) și 29.04.2022, a doua convocare (ora 15:00) precum și propunerea de convocare a Adunării Generale Extraordinare a Acționarilor (AGEA pentru data de 28.04.2022 prima convocare ora 16:00) și 29.04.2022, a doua convocare (ora 16:00).

Consiliul de Administrație a aprobat ordinea de zi a AGOA convocată în 28/29.04.2022, în care au fost înscrise un număr de 11 puncte (conform convocator) precum și cele 12 puncte incluse în Convocatorul aferent AGEA din 28/29.04.2022.

Consiliul de Administrație întrunit în 10.03.2022 a mai aprobat și următoarele:

- data de 12.04.2022 ca data de referință pentru AGOA și respectiv AGEA din 28/29.04.2022

- numirea d-nului Băiașu Dan Nicolae în funcția de director general adjunct, începând cu data de 01.04.2022. A fost mandatat președintele Consiliului de Administrație – Dl. Deac Ioan să semneze decizia de numire.

16.03.2022 – În ședința Consiliului de Administrație din 16.03.2022 s-a aprobat completarea ordinii de zi a AGOA din 28/29.04.2022 cu încă un punct privind Raportul de remunerare a conducerii societății întocmit pentru anul 2021. Cu acest punct, se suplimentează ordinea de zi a AGOA din 28/29.04.2022 aprobată în ședința CA din 10.03.2022.

23.03.2022 – În cadrul ședinței din data de 23.03.2022, Consiliul de Administrație a aprobat Raportul Anual Individual și Consolidat pentru exercițiul financiar 2021 întocmit potrivit Anexei 15 din Regulamentul ASF nr. 5/2018. Tot în cadrul ședinței CA din 23.03.2022 s-au aprobat Bugetul de Venituri și Cheltuieli pe anul 2022 și Programul de investiții pe anul 2022.

În data de 23.03.2022 a avut loc Adunarea Generală a Asociaților ARINI HOSPITALITY prin care s-a aprobat înființarea unui sediu secundar – punct de lucru la adresa din Sibiu, Bd. Victoriei nr. 42-44, jud, Sibiu pentru societatea Arini Hospitality S.R.L.

28.03.2022 – Având în vedere Hotărârea Consiliului de Administrație nr. 35/ 10.03.2022 (art. 4 și art. 5), în data de 28.03 s-a emis Decizia privind numirea în funcția de Director General Adjunct a d-nului Băiașu Dan-Nicolae. Decizia intră în vigoare începând cu data de 01.04.2022.

28.04.2022 – A avut loc Adunarea Generală Ordinară a Acționarilor (AGOA) cu următoarea ordine de zi:

- alegerea secretarului de ședință dintre acționarii prezenți
- prezentarea, dezbateră și aprobarea situațiilor financiare anuale individuale și a situațiilor financiare consolidate întocmite în conformitate cu Standardele Internaționale de Raportare Financiară pentru exercițiul financiar 2021, pe baza Rapoartelor prezentate de Consiliului de Administrație, însoțite de Raportul auditorului financiar.
- aprobarea propunerii Consiliului de Administrație de repartizare a profitului net al exercițiului financiar anul 2021, în cuantum de 15.058.967,18 lei, astfel:
- la surse proprii de dezvoltare – valoare de 12.032.117,85 lei, astfel:
- pentru acordarea de dividende acționarilor – valoarea de 3.026.849,33 lei cu un dividend brut/ acțiune de 0,0143 lei
- aprobarea datei de 14.06.2022 ca data a plății pentru plata dividendelor
- pronunțarea asupra gestiunii Consiliului de Administrație pentru exercițiul financiar 2021, pe baza rapoartelor prezentate.
- prezentarea, dezbateră și aprobarea Bugetului de Venituri și Cheltuieli pentru anul 2022 și a Programului de investiții pentru anul 2022.
- fixarea și aprobarea remunerației cuvenită membrilor Consiliului de Administrație pentru exercițiul financiar în curs.
- numirea auditorului financiar extern Audit Cont S.R.L. pentru efectuarea Auditului statutar pentru anul 2022.
- aprobarea datei de 20.05.2022 ca dată de înregistrare și a datei de 19.05.2022 ca *ex date*.
- împuternicirea persoanelor fizice pentru îndeplinirea formalităților de publicitate și înregistrare a hotărârilor adunării generale ordinare a acționarilor, inclusiv semnarea acestora.

28.04.2022 – A avut loc Adunarea Generală Extraordinară a Acționarilor (AGEA) cu următoarea ordine de zi:

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- alegerea secretarului de ședință dintre acționarii prezenți.
- aprobarea privind contractarea și/sau prelungirea pentru anul 2022 și anul 2023 până la următoarea AGEA anuală, de credite pentru investiții, linii de credit, leasing, scrisori de garanție bancară, și alte produse financiar bancare, cu încadrarea într-un plafon total cumulată de 40 milioane EUR și constituirea garanțiilor mobiliare și imobiliare aferente cu bunuri din patrimoniul societății.
- delegarea Consiliului de Administrație de către Adunarea Generală Extraordinară a Acționarilor ca începând cu data hotărârii AGEA până la următoarea Adunare Generală Extraordinară din aprilie 2023 să angajeze și/sau să prelungească credite pentru investiții, linii de credit, leasing, scrisori de garanție bancară și alte produse financiar bancare, cu încadrarea în cadrul plafonului total cumulată de 40 milioane EUR aprobat la punctul 2, precum și să constituie garanții mobiliare și imobiliare aferente cu bunuri din patrimoniul societății.
- împuternicirea persoanelor care să reprezinte societatea cu ocazia negocierii și semnării contractelor de credit, de garantare și a oricăror alte documente necesare în vederea aducerii la îndeplinire a hotărârii de la punctul 2 și 3
- delegarea Consiliului de Administrație de către Adunarea Generală Extraordinară a Acționarilor pentru desemnarea reprezentantului societății COMPA S.A. în relația cu Autoritatea de Management/ Autorități finanțatoare și pentru împuternicirea persoanei/ persoanelor care să semneze în numele și pe seama Societății contractele de finanțare care se vor derula începând din anul 2022 și în continuare până la următoarea AGEA din aprilie 2023.
- mandatarea persoanelor împuternicite să semneze în numele și pe seama societății, contractul cu auditorului financiar extern, numit conform hotărârii AGOA nr. 8.
- ratificarea Hotărârii Consiliului de Administrație nr. 115/ 12.11.2021 art. 10, art. 11, art. 12 și art. 13, prin care s-a aprobat.
 - - suplimentarea plafonului de credit în valoare de 8.000.000 euro aprobat potrivit hotărârii AGEA nr. 7/12.11.2020 pentru dezvoltarea de către societatea afiliată Arini Hospitality SRL a Proiectului Hotelier Mercure Sibiu Park Arini & Ibis Styles Sibiu Park Arini, cu suma de 1.500.000 euro din care suma de 3.800.000 lei va fi un credit pe termen scurt de tip revolving pentru finanțare TVA aferent investiției, iar suma de 700.000 euro va suplimenta creditul de investiții în valoare de 8.000.000 euro.
 - - garantarea creditului suplimentar în valoare de 1.500.000 euro care va fi contractat de Arini Hospitality SRL cu bunuri mobile și imobile din patrimoniul societății afiliate Arini Hospitality SRL, inclusiv bunul imobil înscris în cartea funciară Sibiu nr. 131805.
 - - garantarea de către Compa S.A., a creditului suplimentar în valoare de 1.500.000 euro care va fi contractat de Arini Hospitality SRL, fie în calitate de garant, fie în calitate de co-debitor, în cazul în care băncile finanțatoare vor solicita aceasta.
 - - garantarea creditului care va fi contractat de Arini Hospitality SRL pentru finanțarea ajutorului de stat, cu privire la care există aprobare potrivit hotărârii AGEA nr. 80 art. 4/09.09.2021, cu bunuri mobile și imobile din patrimoniul societății afiliate Arini Hospitality SRL, inclusiv bunul imobil înscris în cartea funciară Sibiu nr. 131805
- aprobarea datei de 20.05.2022 ca dată de înregistrare și a datei de 19.05.2022 ca *ex date*.
- împuternicirea persoanelor fizice pentru îndeplinirea formalităților de publicitate și înregistrare a hotărârilor, inclusiv semnarea lor.

28.04.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat:

- constituirea dreptului de servitute de trecere cu auto și piciorul asupra suprafeței de 570 mp teren înscris în CF Sibiu nr. 128907 în suprafață de 2842 mp ca fond servanț în favoarea imobilului înscris în CF Sibiu nr. 128908 în suprafață de 2840 mp ca fond dominant, conform memoriu tehnic și PAD din data de 11.04.2022.

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- constituirea dreptului de servitute de trecere cu auto și piciorul asupra suprafeței de 515 mp din teren înscris în CF Sibiu nr. 128908 în suprafață de 2840 mp ca fond servanț în favoarea imobilului înscris în CF Sibiu nr. 128907 în suprafață de 2842 ca fond dominant, conform memoriu tehnic și PAD din data de 11.04.2022.
- împuternicirea d-nul Ioan Deac – Director General, ca reprezentant legal, să semneze în numele și pe seama Compa S.A. actul notarial și orice alte acte necesare în acest sens.
- mandatarea Președintelui CA, d-nul Ioan Deac și a Vicepreședintelui CA, d-nul Ioan Miclea să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 28.04.2022.

29.04.2022 – A fost emisă Decizia privind numirea în funcția de Director Sisteme de Management și Îmbunătățire a d-nului Dumitrescu Cosmin-Ștefan. Decizia se aplică începând cu data de 01.05.2022.

11.05.2022 – A fost loc ședința Consiliului de Administrație al Compa S.A. prin care:

- s-a luat act de și s-a aprobat Raportul individual și consolidat pe Trim I 2022.
- s-a aprobat mandatarea Directorului General – Ioan Deac și a Directorului Economic – Mihaela Dumitrescu să semneze, în numele și pentru Consiliul de Administrație, Rapoartelor pe Trim. I – 2022.
- s-a aprobat Comunicatul privind plata dividendelor aferente anului 2021 și Procedura de distribuire a dividendelor aferente anului financiar 2021 și mandatarea Președintelui CA, d-nul Ioan Deac și a Vicepreședintelui CA, d-nul Ioan Miclea, să semneze Comunicatul privind plata dividendelor aferente anului financiar 2021 și Procedura de distribuire a dividendelor aferente anului financiar 2021.
- s-a aprobat mandatarea Președintelui CA d-nul Ioan Deac și a Vicepreședintelui CA d-nul Ioan Miclea să semneze hotărârile CA luate în ședința din data de 11.05.2022.

30.05.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat Regulamentul de înregistrare oferte de preț cu privire la cele 20 de apartamente care se vor edifica în construcțiile R3 și R4 și mandatarea Președintelui CA, d-nul Ioan Deac și a Vicepreședintelui CA, d-nul Ioan Miclea să semneze, în numele și pentru Consiliul de Administrație, Regulamentul de înregistrare oferte de preț.

14.06.2022 – S-a demarat acțiunea de plată a dividendelor convenit acționarilor Compa, aferente anului 2021.

17.06.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A prin care s-a aprobat propunerea de Convocare a Adunării Generale Ordinare a Acționarilor la sediul societății din Sibiu, Str. Henri Coandă, nr. 8, pentru data de 27.08.2022, prima convocare, ora 15.00 și 28.07.2022, a doua convocare, ora 15.00, cu următoarea ordine de zi:

- alegerea secretarului de ședință
- prezentarea, dezbateră și aprobarea Bugetului de Venituri și Cheltuieli pe anul 2022 și a Programului de investiții pentru anul 2022 rectificat – varianta iunie 2022
- aprobarea datei de 12.08.2022 ca dată de înregistrare și datei de 11.08.2022 ca *ex date*
- împuternicirea persoanelor fizice care vor îndeplini formalitățile de publicitate și înregistrare a hotărârilor adunării ordinare a acționarilor , inclusiv semnarea acestora.

24.06.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a luat act și aprobat Bugetul de Venituri și Cheltuieli pe anul 2022 și Programul de investiții pentru anul 2022 rectificat – varianta iunie 2022, precum și mandatarea Directorului General, d-nul Ioan Deac și a Directorului Economic, d-na Mihaela Dumitrescu să semneze, pentru și în numele Consiliului de Administrație, Bugetul de Venituri și Cheltuieli și a Programului de investiții pe anul 2022 rectificat – varianta iunie 2022.

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27.07.2022 – A fost convocată Adunarea Generală a Acționarilor (AGOA), care a analizat, dezbătut și aprobat:

- alegerea secretarului de ședință al Adunării Generale Ordinare a Acționarilor dintre acționarii prezenți.
- Bugetul de Venituri și Cheltuieli BVC și Programul de Investiții pentru anul 2022, rectificat – varianta iunie 2022.
- Data de 12.08.2022 ca dată de înregistrare pentru identificarea acționarilor asupra cărora se răsfrâng efectele hotărârilor AGOA.
- Împuternicirea persoanelor fizice care duc la îndeplinire formalitățile de publicitate și înregistrare.

05.08.2022 - A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a luat și s-a aprobat Raportul financiar individual pentru semestrul I – anul 2022 și Raportul financiar consolidat pentru semestrul II – anul 2022, precum și mandatarea Directorului General, d-nul Ioan Deac și a Directorului Economic, d-na Mihaela Dumitrescu să semneze, pentru și în numele Consiliului de Administrație Raportul financiar individual și consolidat pentru semestrul I.

27.09.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat:

- încheierea antecontractelor de vânzare-cumpărare și ulterior a contractelor de vânzare cumpărare cu privire la apartamentele din construcțiile edificate pe terenurile înscrise în CF Sibiu nr. 128912 și 128913 în baza autorizațiilor nr. 435/ 04.10.2021 și nr. 439/04.10.2021 emise de Primăria Sibiu, apartamente pentru care se transmit oferte de preț în cadrul Platformei de ofertare www.arsenalresidence.ro.
- împuternicirea Directorului General – Ioan Deac, a Directorului Economic – Mihaela Dumitrescu și a Directorului General Adjunct – Dan Băiașu să reprezinte societatea cu ocazia semnării antecontractelor de vânzare-cumpărare cu privire la apartamentele menționate mai sus
- împuternicirea Directorului General – Ioan Deac să reprezinte societatea cu ocazia semnării actelor, documentației de apartamentare și contractelor de vânzare cumpărare pentru apartamentele din construcțiile R1 și R2 edificate pe terenurile înscrise în CF Sibiu nr. 128910 și 128911.

25.10.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat:

- majorarea facilității de credit – contract de credit nr. 22/ 31.01.2008 încheiat cu BRD Groupe Societe Generale S.A., de la 12.000.000 Eur la 15.000.000 Eur (la nevoie subplafon de 4.000.000 Eur pentru emitere scrisori de garanție și deschidere acreditive) și prelungirea valabilității contractului de credit nr. 22/ 31.01.2008 până la data de 31.10.2023, precum și aprobarea garantării facilității de credit cu bunurile deja aduse în garanție.
- Împuternicirea Directorului General – Ioan Deac și a Directorului Economic – Mihaela Dumitrescu să reprezinte societatea cu ocazia negocierii și semnării în numele și pentru Compa S.A. a actelor adiționale și a oricăror documente necesare în vederea prelungirii, majorării și garantării facilității de credit – contract de credit 22/31.01.2008 încheiat cu BRD Groupe Societe Generale S.A.

07.11.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat:

- transferul unui număr de 6.280.000 acțiuni care fac obiectul Planului privind conferirea opțiunii de dobândire cu titlu gratuit înregistrat sub nr. 81/ 30.09.2023 în Registrul de Decizii al Societății, aprobat prin hotărârea Consiliului de Administrație nr. 83/04.10.2022, către un număr de 21 de persoane Beneficiari ai Planului, conform listei aprobate prin Hotărârea Consiliului de Administrație nr. 85/05.10.2022, în condițiile în care aceștia își vor exercita dreptul de a opta pentru acțiuni;
- mandatarea Președintelui Consiliului de Administrație- Ioan Deac și a membrului CA – Mircea Maxim să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 07.11.2022;

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- împuternicirea domnișoarei – Pîrvu Oana Sabina, consilier juridic sau a doamnei Băiașu Voichița Maria avocat al Societății, să efectueze toate formalitățile legale pentru înregistrarea, publicare hotărârii adoptate în cadrul ședinței Consiliului de Administrație din data de 07.11.2022.

10.11.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A. prin care s-a aprobat:

- prezentarea și aprobarea Raportului privind situațiile financiare individuale la Trimestrul III anul 2022 și Raportului privind situațiile financiare consolidate la Trimestrul III anul 2022.
- mandatarea Directorului General – Ioan Deac și Directorului Economic – Mihaela Dumitrescu să semneze, în numele și pentru Consiliul de Administrație, Raportul privind situațiile financiare individuale la Trimestrul III anul 2022 și Raportul privind situațiile financiare consolidate la Trimestrul III anul 2022
- mandatarea Președintelui Consiliului de Administrație – Ioan Deac și membrului Consiliului de Administrație - Mircea Maxim să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 10.11.2022.

23.11.2023 – A avut loc ședința Consiliului de administrație al Compa S.A. prin care s-a aprobat:

- contractarea de către societatea afiliată Arini Hospitality S.R.L. (la care Compa S.A. este asociat unic) a unui împrumut bancar sub formă de credit de investiții până la un plafon de 1.800.000 (unmilionoptsutemii) euro;
- garantarea împrumutului bancar menționat la art. 1 cu bunuri mobile și imobile din patrimoniul societății Arini Hospitality, inclusiv imobilul înscris în Cartea Funciară nr. 131805 Sibiu;
- garantarea de către Compa S.A., ca garant și/sau co-debitor, a împrumutului bancar solicitat de Arini Hospitality SRL în temeiul art. 1 de mai sus în situația în care banca finanțatoare va solicita aceasta;
- împuternicirea Directorului General și Directorului Economic să semneze în numele și pe seama societății Compa S.A. contractul de credit și cel de garantare;
- convocarea Adunării Extraordinare a Acționarilor (AGEA) cu următoarea ordine de zi:
 1. Alegerea secretarului de ședință al Adunării Generale Extraordinare a Acționarilor dintre acționarii prezenți
 2. Aprobarea majorării capitalului social al societății afiliate ARINI HOSPITALITY S.R.L., la care Compa S.A. este unic asociat, cu suma de 3.500.000 lei, prin aport în numerar.
 3. Aprobarea delegării Consiliului de Administrație al Compa S.A. să ia deciziile necesare în vederea majorării capitalului social la societatea Arini Hospitality SRL, acesta urmând a hotărî cu privire la orice aspecte în legătură cu majorarea capitalului social, numărul părților sociale și valoarea acestora, actualizare statut, etc.
 4. Ratificarea hotărârii Consiliului de Administrație Compa S.A. din data de 23.11.2022 art. 1 prin care se aprobă contractarea de către societatea afiliată Arini Hospitality S.R.L. (la care Compa S.A. este asociat unic) a unui împrumut bancar sub formă de credit de investiții până la un plafon de 1.800.000 (unmilionoptsutemii) euro.
 5. Ratificarea hotărârii Consiliului de Administrație Compa S.A. din data de 23.11.2022 art. 2 prin care se aprobă garantarea împrumutului bancar menționat la art. 4 cu bunuri mobile și imobile din patrimoniul societății Arini Hospitality, inclusiv imobilul înscris în Cartea Funciară nr. 131805 Sibiu.
 6. Ratificarea hotărârii Consiliului de Administrație Compa S.A. din data de 23.11.2022 art. 3 prin care se aprobă garantarea de către Compa S.A., ca garant și/sau co-debitor, a împrumutului bancar solicitat de Arini Hospitality SRL în temeiul art. 4 de mai sus în situația în care banca finanțatoare va solicita aceasta.
 7. Aprobarea modificării actului constitutiv al Compa S.A. prin adăugarea la pct. IX subpunct 12 a posibilității membrilor Consiliului de Administrație de a participa la ședințele Consiliului de Administrație prin intermediul mijloacelor de comunicare la distanță, astfel încât textul modificat va avea următorul conținut:

IX. ADMINISTRAREA ȘI REPREZENTAREA SOCIETĂȚII

(12) Consiliul de administrație se întrunește cel puțin o dată la 3 luni. Participarea membrilor Consiliului de administrație al societății la ședințele acestuia poate avea loc și prin intermediul mijloacelor de comunicare la

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distanță, videoconferință, teleconferință, e-mail sau fax. Membrii consiliului de administrație vor încheia o asigurare de răspundere profesională.

8. Aprobarea împuternicirii Președintelui Consiliului de Administrație Deac Ioan sau a oricărui alt administrator în caz de imposibilitate a președintelui, să semneze în numele și pe seama Societății actul adițional și actul constitutiv actualizat al Societății în acord cu hotărârea A.G.E.A de la pct. 7.

9. Aprobarea datei de 27.01.2023 ca dată de înregistrare pentru identificarea acționarilor asupra cărora se răsfrâng efectele hotărârilor adunării generale ordinare a acționarilor, în conformitate cu dispozițiile art. 87 din Legea nr.24/2017 privind emitenții de instrumente financiare și operațiuni de piață și a datei de 26.01.2023 ca *ex date* conform dispozițiilor art.176 (1) din Regulamentul ASF nr.5/2018.

10. Împuternicirea persoanelor fizice care vor îndeplini formalitățile de publicitate și înregistrare a hotărârilor adunării ordinare a acționarilor, inclusiv semnarea acestora.

- data de referință pentru AGEA ca fiind data de 21.12.2022

- mandatarea Președintelui Consiliului de Administrație – Ioan Deac și a Vicepreședintelui Consiliului de Administrație – Ioan Miclea să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 23.11.2022.

În data de 23.11.2022 a avut loc ședința AGA Arini Hospitality s-a aprobat contractarea de către societatea Arini Hospitality S.R.L. a unui împrumut bancar sub formă de credit de investiții până la un plafon de 1.800.000 (unmillionoptsutemii) euro și garantarea împrumutului bancar cu bunuri mobile și imobile din patrimoniul societății Arini Hospitality inclusiv imobilul înscris în Cartea Funciară nr. 131805 Sibiu.

07.12.2022 – A avut loc ședința Consiliului de Administrație al Compa S.A prin care s-a aprobat:

- constatarea dreptului de a opta pentru un număr de 6.280.000 acțiuni prin semnarea Acordului de plata pus la dispoziție de societatea Compa de către 21 de Beneficiari ai Planului privind conferirea opțiunii de dobândire de acțiuni cu titlu gratuit (Stock Option Plan) înregistrat sub nr. 81/30.09.2021 în Registrul de Decizii al Societății, aprobat prin hotărârea Consiliului de Administrație nr. 83/04.10.2022.

- împuternicirea domnului Deac Ioan – Director General, domiciliat în Sibiu, str. G-ral Eremia Grigorescu nr. 4, posesor al CI seria SB nr. 954882, emisă la data de 3.12.2020 de SPCLEP Sibiu, cu posibilitatea de substituie de către domnul Băiașu Dan Nicolae - Director General Adjunct, domiciliat în Municipiul Sibiu, Str. Jina nr. 7, județul Sibiu, posesor al CI seria SR nr. 038836, emisă la data de 5.10.2022 de SPLEP Sibiu să semneze în numele și pe seama Societății documentele în cadrul Programului-pilot pentru dezvoltarea consorțiilor regionale pentru învățământ dual aprobat prin OME nr. 6.254/202

- mandatarea Președintelui Consiliului de Administrație – Ioan Deac și a Vicepreședintelui Consiliului de Administrație – Ioan Miclea să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 07.12.2022.

13.12.2022 – A avut loc ședința Consiliului de Administrație prin care s-a aprobat:

- constatarea exercitării de către 20 de Beneficiari ai Planului privind conferirea opțiunii de dobândire de acțiuni cu titlu gratuit (Stock Option Plan) înregistrat sub nr. 81/30.09.2021 în Registrul de Decizii al Societății, aprobat prin hotărârea Consiliului de Administrație nr. 83/04.10.2022 a dreptului de a opta pentru un număr de 6.060.000 acțiuni prin semnarea Acordului de plata pus la dispoziție de societatea Compa.

- transferul pentru cele 6.060.000 acțiuni care fac obiectul Planului privind conferirea opțiunii de dobândire de acțiuni cu titlu gratuit înregistrat sub nr. 81/30.09.2021 în Registrul de Decizii al Societății, aprobat prin hotărârea Consiliului de Administrație nr. 83/04.10.2022, către cei 20 de Beneficiari ai planului.



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- mandatarea Președintelui Consiliului de Administrație – Ioan Deac și a Vicepreședintelui Consiliului de Administrație – Ioan Miclea să semneze hotărârile Consiliului de Administrație luate în ședința convocată pentru data de 13.12.2022.

4.2. EVENIMENTE ULTERIOARE PERIOADEI DE RAPORTARE

31.01.2023 – În ședința Consiliului de Administrație din 31.01.2023 a fost supusă aprobării și s-a aprobat înregistrarea în evidențele contabile pe anul 2021 a rezultatelor inventarierii patrimoniului pe anul 2022, ce constau în:

- casarea unor bunuri de natura mijloacelor fixe
- casarea, înregistrarea minusurilor de inventar, înregistrarea de ajustări de depreciere a creanțelor și a altor debite nerecuperate
- preluarea la venituri a unor datorii prescrise

24.02.2023 – În ședința Consiliului de Administrație din 23.02.2023 s-au prezentat și s-au aprobat rezultatele financiare preliminare individuale și consolidate.

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5. TRANZACȚII INTRA - GRUP ÎN PERIOADA 2020-2022

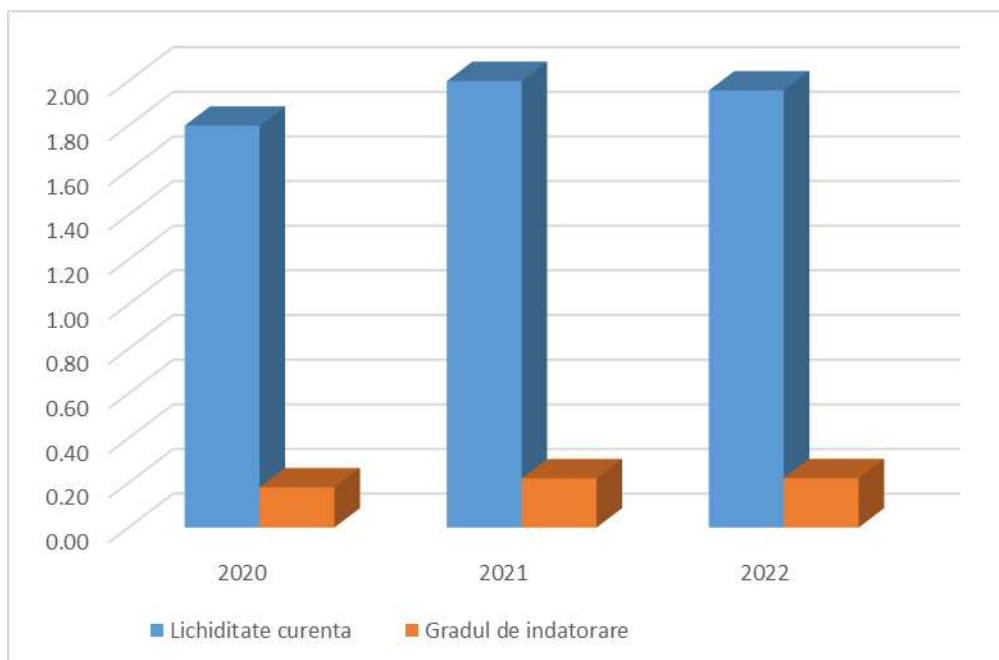
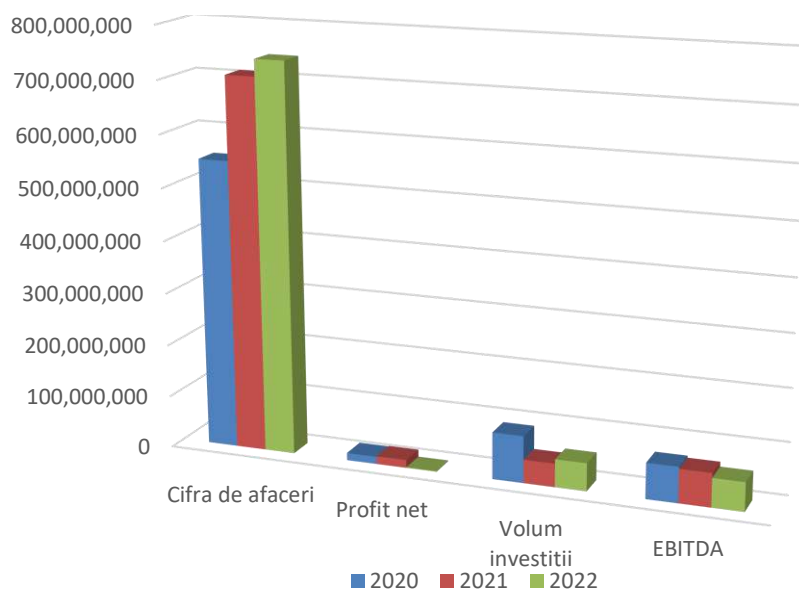
Tranzacțiile efectuate în anii 2022 și 2020 între firmele din cadrul grupului au fost următoarele:

Explicatii	2020			2021			2022		
	IMPRUMUT ACORDAT AFILIATELOR	CUMPARARI DE BUNURI SI SERVICII	VANZARI DE BUNURI SI SERVICII	IMPRUMUT ACORDAT AFILIATELOR	CUMPARARI DE BUNURI SI SERVICII	VANZARI DE BUNURI SI SERVICII	IMPRUMUT ACORDAT AFILIATELOR	CUMPARARI DE BUNURI SI SERVICII	VANZARI DE BUNURI SI SERVICII
TRANSCAS S.R.L.	0	13,123,015	463,161	0	16,767,657	453,461		14,350,028	497,800
COMPA IT S.R.L.	0	2,638,111	42,312	0	2,846,123	47,365		3,052,778	50,229
RECASERV S.R.L.	0	1,100,203	50,566	0	1,299,848	12,578		1,587,105	45,783
ARINI HOSPITALITY S.R.L.	0	0	0	500,887	0	832,699	3,738,264		10,564

Relațiile s-au desfășurat în termeni comerciali de piață liberă, prețul acestora fiind convenit prin negociere, încadrat în nivelele practicate pe piață

6. PRINCIPALII INDICATORI ECONOMIC – FINANCIARI AI GRUPULUI COMPA

Indicator	2020	2021	2022
Cifra de afaceri	550,295,855	709,056,249	741,193,468
Profit net	14,027,877	15,038,228	1,307,687
Volum investitii	89,405,393	44,820,186	53,161,220
EBITDA	68,182,731	64,346,052	55,213,751
Lichiditate curenta	1.80	2.00	1.96
Gradul de indatorare	0.18	0.22	0.22



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7.PRINCIPALII INDICATORI INDIVIDUALI DE EVALUARE GENERALĂ A ACTIVITĂȚII ENTITĂȚILOR DIN CADRUL GRUPULUI

a) COMPA S.A. Sibiu

INDICATORUL	UM	2020	2021	2022
Cifra de afaceri	Lei	547,121,134	705,725,717	737,001,238
Profitul net	Lei	13,919,766	15,058,967	2,510,594
Total active	Lei	732,718,926	781,234,401	762,491,010
Datorii totale	Lei	245,081,415	283,890,023	265,384,936
Număr mediu personal	Pers.	1,495	1,879	1,807

b) COMPA I.T. S.R.L. Sibiu

INDICATORUL	UM	2020	2021	2022
Cifra de afaceri	Lei	2,216,900	2,391,700	2,565,360
Profitul net	Lei	25,072	20,116	16,744
Total active	Lei	1,010,033	1,025,395	1,058,247
Datorii totale	Lei	189,675	184,921	201,029
Număr mediu personal	Pers.	9	9	9

c) TRANS C.A.S. S.R.L. Sibiu

INDICATORUL	UM	2020	2021	2022
Cifra de afaceri	Lei	14,460,846	17,698,303	16,450,779
Profitul net	Lei	191,018	326,323	-296,307
Total active	Lei	8,431,945	6,951,592	6,716,999
Datorii totale	Lei	2,553,980	1,475,300	1,537,015
Număr mediu personal	Pers.	49	49	47

d) RECASERV S.R.L. Sibiu

INDICATORUL	UM	2020	2021	2022
Cifra de afaceri	Lei	1,146,979	1,245,289	1,623,485
Profitul net	Lei	-107,979	169	21,082
Total active	Lei	615,242	643,365	703,663
Datorii totale	Lei	102,658	130,612	169,828

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TRANS C.A.S.
SRL SIBIU
transport intern si international



Număr mediu personal	Pers.	33	25	29
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e) ARINI HOSPITALITY S.R.L. Sibiu

INDICATORUL	UM	2020	2021	2022
Cifra de afaceri	Lei	-	27,639	41,444
Profitul net	Lei	-	-367,347	-944,426
Total active	Lei	-	35,233,541	63,145,760
Datorii totale	Lei	-	15,897,888	44,754,532
Număr mediu personal	Pers.	-	1	2

8. ACTIVELE CORPORALE ALE GRUPULUI

8.1. Imobilizări corporale si investitii imobiliare

În cadrul Grupului există în proprietate următoarele categorii de imobilizări corporale si investitii imobiliare, prezentate în tabelul de mai jos (valoare netă):

EXPLICAȚII	2020	2021	2022
Terenuri și construcții	132,018,634	158,976,083	159,884,348
Echipamente și autovehicule	210,075,798	230,567,673	234,642,043
Alte imobilizări corporale	519,619	734,634	737,347
Imobilizări corporale în curs	78,038,056	41,626,683	43,525,253
Investitii imobiliare	66,242,388	39,749,495	38,586,451
TOTAL IMOBILIZĂRI CORPORALE	486,894,495	471,654,568	477,375,442

8.2. Gradul de uzură al proprietăților Grupului

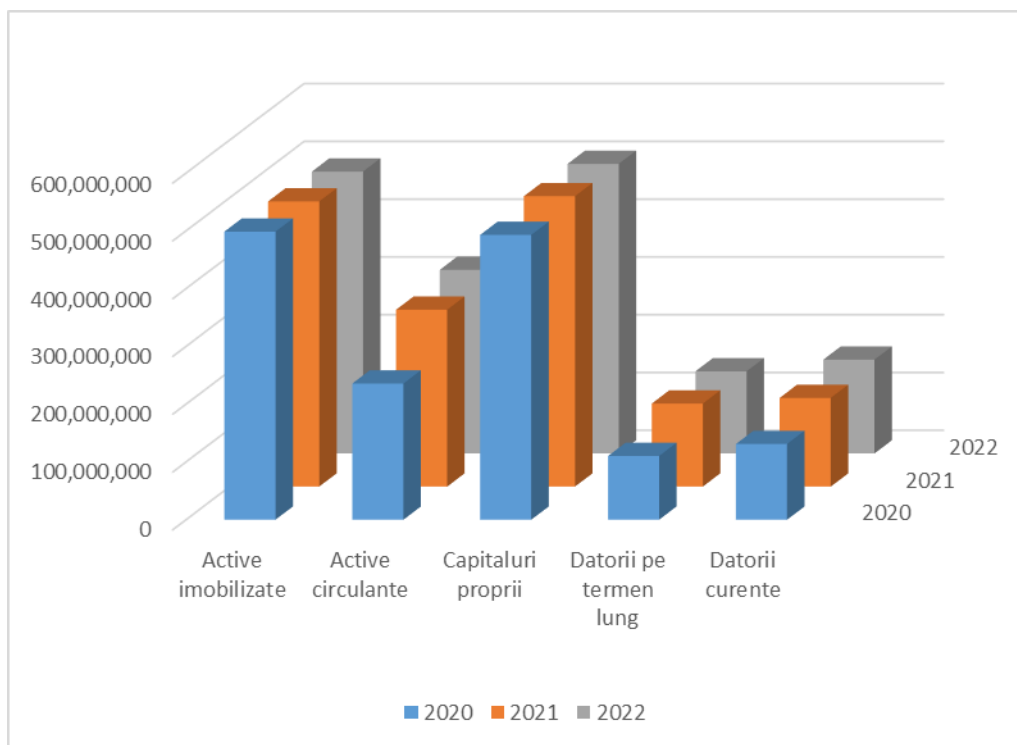
Gradul de uzură a imobilizărilor corporale ale Grupului, în perioada 2020 -2022 este prezentat în tabelul următor:

EXPLICAȚII	2020	2021	2022
Construcții:			
Valoare inventar	94,365,644	118,309,975	124,758,813
Valoare ramasa	88,169,934	105,992,383	106,900,648
Uzură	6,195,710	12,317,592	17,858,165
Grad de uzură (%)	6.57	10.41	14.31
Echipamente și autovehicule			
Valoare inventar	628,916,878	667,062,828	667,062,828
Valoare ramasa	210,075,798	230,568,673	230,568,673
Uzură	418,841,080	436,494,155	436,494,155
Grad de uzură (%)	66.60	65.44	65.44
Alte imobilizări corporale			
Valoare inventar	1,672,915	1,922,932	1,922,932
Valoare ramasa	519,619	734,634	734,634
Uzură	1,153,296	1,188,298	1,188,298
Grad de uzură (%)	68.94	61.80	61.80

Întreaga suprafață de teren inclusă în evidența contabilă este în proprietatea Grupului, fiind intabulată și înscrisă în *Cartea funciară*, neexistând probleme legate de dreptul de proprietate asupra activelor corporale, respectiv a terenurilor, clădirilor și a echipamentelor.

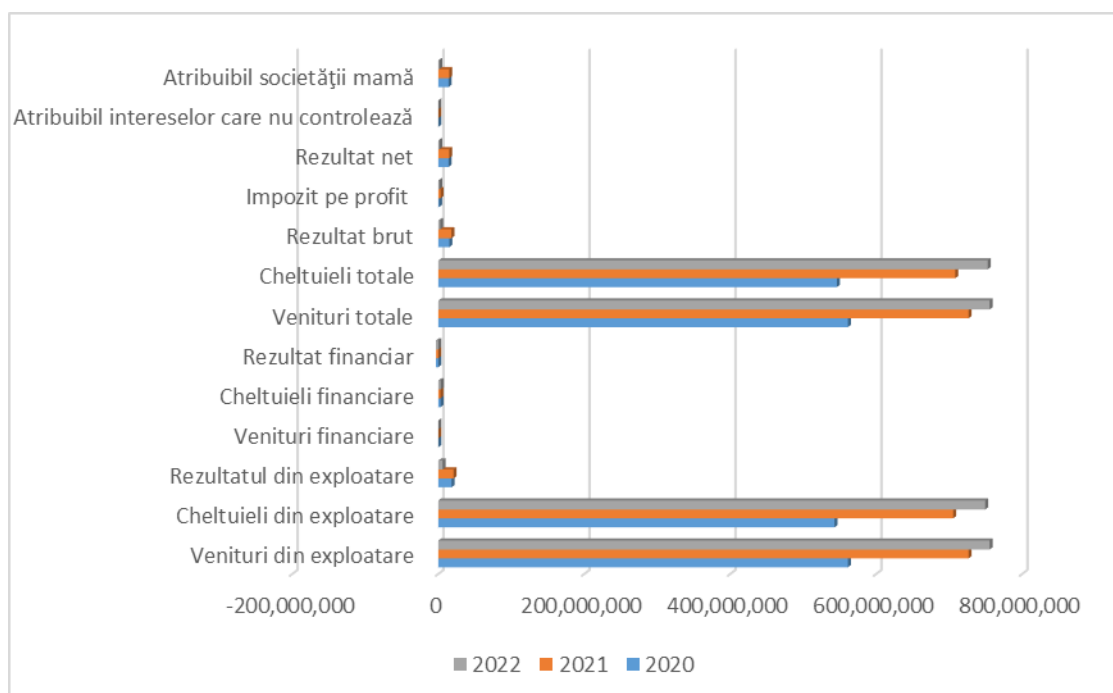
9. SITUAȚIA FINANCIAR-CONTABILĂ A GRUPULUI
9.1. Principalele elemente bilanțiere și evoluția lor în ultimii trei ani

EXPLICAȚII	2020	2021	2022
Active imobilizate	498,646,738	493,637,032	487,915,974
Active circulante	235,719,119	306,122,688	317,857,126
Capitaluri proprii	492,969,097	502,683,179	501,241,967
Datorii pe termen lung	110,328,247	143,673,974	142,191,127
Datorii curente	131,068,513	153,402,568	162,340,006


9.2. Situația veniturilor și cheltuielilor în perioada 2020-2022:

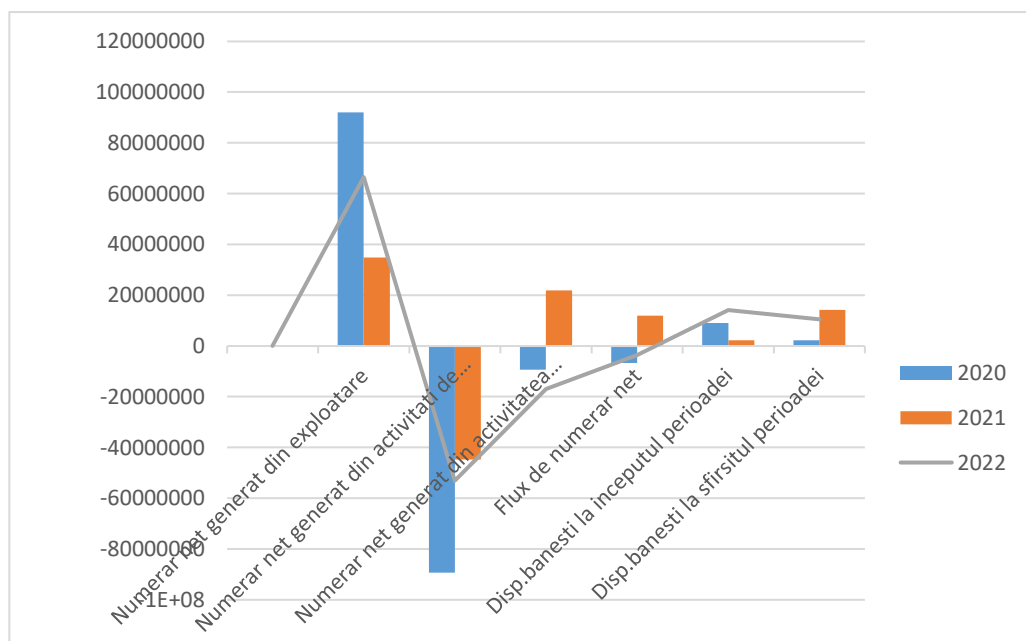
EXPLICAȚII	2020	2021	2022
Venituri din exploatare	561,167,381	726,439,819	755,331,085
Cheltuieli din exploatare	542,920,930	705,427,413	749,356,373
Rezultatul din exploatare	18,246,451	21,012,406	5,974,712
Venituri financiare	8,544	2,714	57,480
Cheltuieli financiare	3,125,286	2,901,966	3,335,639
Rezultat financiar	-3,116,742	-2,899,252	-3,278,159

Venituri totale	561,175,925	726,442,533	755,388,565
Cheltuieli totale	546,046,216	708,329,379	752,692,012
Rezultat brut	15,129,709	18,113,154	2,696,553
Impozit pe profit	1,101,832	3,074,926	1,388,866
Rezultat net	14,027,877	15,038,228	1,307,687
Atribuibil intereselor care nu controlează	-32,197	3,314	3,362
Atribuibil societății mamă	14,060,074	15,034,914	1,304,325



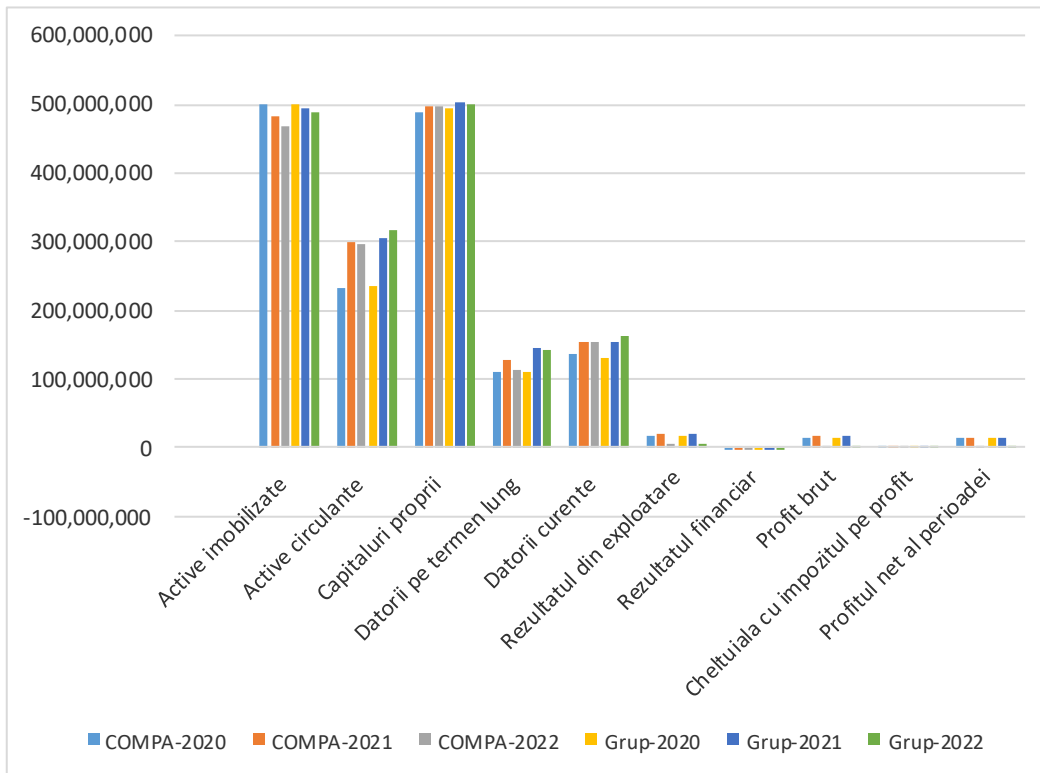
9.3. Situația fluxurilor de numerar în perioada 2020-2022:

Indicator	2020	2021	2022
Numerar net generat din exploatare	92,041,993	34,829,175	66,552,164
Numerar net generat din activitati de investitii	-89,405,393	-44,820,186	-53,161,220
Numerar net generat din activitatea financiara	-9,347,312	21,860,785	-17,059,439
Flux de numerar net	-6,710,712	11,869,774	-3,668,495
Disp.banesti la inceputul perioadei	8,961,682	2,250,970	14,120,744
Disp.banesti la sfirsitul perioadei	2,250,970	14,120,744	10,452,249


9.4. Comparația principalilor indicatori grup – firma mamă în perioada 2020-2022

INDICATORI	COMPA-2020	COMPA-2021	COMPA-2022	Grup-2020	Grup-2021	Grup-2022
Active imobilizate	499,027,837	481,668,764	466,862,448	498,646,738	493,637,032	487,915,974
Active circulante	233,691,089	299,565,637	295,628,562	235,719,119	306,122,688	317,857,126
Capitaluri proprii	487,637,511	497,344,378	497,106,073	492,969,097	502,683,179	501,241,967
Datorii pe termen lung	110,156,394	128,710,606	112,265,699	110,328,247	143,673,974	142,191,127
Datorii curente	134,925,021	155,179,418	153,119,238	131,068,513	153,402,568	162,340,006
Rezultatul din exploatare	18,072,460	20,931,371	6,635,036	18,246,451	21,012,407	5,974,712
Rezultatul financiar	-3,098,764	-2,899,110	-2,798,803	-3,116,741	-2,899,252	-3,278,159
Profit brut	14,973,695	18,032,260	3,836,233	15,129,709	18,113,154	2,696,553
Cheltuiala cu impozitul pe profit	1,053,929	2,973,293	1,325,639	1,101,832	3,074,926	1,388,866
Profitul net al perioadei	13,919,766	15,058,967	2,510,594	14,027,877	15,038,228	1,307,687

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10. SITUATII FINANCIARE CONSOLIDATE PENTRU ANUL ÎNCHEIAT LA 31.12.2022
10.1. Situația consolidată a poziției financiare pentru anul încheiat la 31.12.2022

Toate sumele sunt exprimate în lei, dacă nu se specifică altfel

	Nota	31.12.2022	31.12.2021
Active:			
Active imobilizate:			
Imobilizari corporale	4.1.	438,788,991	431,906,073
Investitii imobiliare	4.2.	38,586,451	39,749,495
Imobilizari necorporale	5	8,819,693	9,258,898
Alte creante (Subventii si decontari din operatiuni in participatie)	6	1,581,768	12,465,269
Alte creante imobilizate	7	139,071	122,718
Creante privind impozitul amanat	10	0	134,578
Active imobilizate - total		487,915,974	493,637,032
Active circulante:			
Stocuri	9	132,879,122	142,448,315
Creante comerciale si alte creante	6	161,948,096	141,646,233
Alte creante (Subventii si decontari din operatiuni in participatie)	6	12,577,659	7,907,396
Numerar si echivalente de numerar	9	10,452,249	14,120,744
Active circulante - total		317,857,126	306,122,688
Total active		805,773,100	799,759,719
Capitaluri proprii :			
Capital emis	11	21,882,104	21,882,104
Ajustari capital social	11	-376,509	-715,325
Rezerve	11	388,034,753	376,063,500
Ajustare rezerve	11	23,150,986	23,150,986
Rezultatul reportat	11	66,992,078	67,058,412
Rezultatul curent	11	1,346,605	15,034,914
Interese minoritare	11	211,950	208,588
Capitaluri proprii - total		501,241,967	502,683,179
Datorii pe termen lung :			
Datorii financiare	12	104,964,984	102,360,850
Venituri in avans (venituri in avans, subventii)	13	37,007,682	41,088,479
Provizioane	14	218,461	224,645
Datorii pe termen lung - total		142,191,127	143,673,974
Datorii curente:			
Datorii financiare	12	18,479,985	14,390,660
Datorii comerciale si similare;	13	116,745,110	110,179,139
Alte datorii	13	18,353,182	13,638,221
Datorii din contracte cu clientii	13	2,919,520	9,051,042
Datorii privind impozitele curente	13	4,773	28,155
Venituri in avans (venituri in avans, subventii)	13	5,837,437	6,115,351
Datorii curente - total		162,340,006	153,402,568
Datorii totale		304,531,133	297,076,541
Total capitaluri proprii si datorii		805,773,100	799,759,720

10.2 Situatia consolidata a profitului sau pierderii si alte elemente ale rezultatului global pentru anul incheiat la 31.12.2022

Toate sumele sunt exprimate în lei, dacă nu se specifică altfel

	<u>Nota</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
Venituri	15	741,193,468	709,056,249
Alte venituri	15	14,137,617	17,383,570
Total venituri		755,331,085	726,439,819
Variatia stocurilor de produse finite si productia in curs de executie			
Variatia stocurilor de produse finite si productia in curs de executie	16	-5,780,868	15,752,740
Materii prime si consumabile utilizate	16	-489,372,100	-489,931,428
Cheltuieli cu beneficiile angajatilor	17	-162,642,592	-152,965,533
Cheltuieli cu amortizarea si deprecierea	16	-47,817,705	-44,838,585
Servicii prestate de terti	16	-34,502,390	-27,763,846
Alte cheltuieli	16	-9,240,718	-5,680,760
Total cheltuieli		-749,356,373	-705,427,413
Rezultatul din exploatare		5,974,712	21,012,407
Venituri financiare			
Venituri financiare	18	57,480	2,714
Cheltuieli financiare			
Cheltuieli financiare	18	-2,517,138	-1,404,949
Alte castiguri/pierderi financiare	18	-818,501	-1,497,017
Costuri nete cu finantarea		-3,278,159	-2,899,252
Profit inainte de impozitare		2,696,553	18,113,154
(Cheltuieli) / Venituri cu impozitul pe profit amanat			
(Cheltuieli) / Venituri cu impozitul pe profit amanat	10	-1,333,391	-1,903,604
Cheltuiala cu impozitul pe profit curent	10	-55,475	-1,171,322
Profitul net al perioadei, din care:		1,307,687	15,038,228
Atribuibil intereselor care nu controleaza		3,362	3,314
Atribuibil societatii mama		1,304,325	15,034,914
Alte elemente ale rezultatului global:			
Din care, alte elemente ale rezultatului global care nu vor fi reclasificate ulterior in profit sau pierdere:	10	277,951	304,014
Alte venituri ale rezultatului global, nete de impozit		277,951	304,014
Total rezultat global al anului, din care:		1,585,638	15,342,242
Atribuibil intereselor care nu controleaza		3,362	3,534
Atribuibil societatii mama		1,582,276	15,338,708
Rezultat neconsolidat pe actiune de baza / diluat		0.0060	0.0687

10.3 Situatia consolidata a modificarilor capitalurilor proprii pentru anul incheiat la 31.12.2022 - Toate sumele sunt exprimate în lei, dacă nu se specifică altfel

Element al capitalului propriu	Capital social	Ajustari ale capitalului social	Pierderi legate de actiuni proprii	Rezerve legale	Ajustari rezerve legale	Rezerve reevaluare	Alte rezerve	Ajustari alte rezerve	Rezultatul reportat	Total atribuibil actionarilor societatii	Interese care nu controleaza	Total
Sold la 01.01.2021	21,882,104	-250,338	-920,264	4,960,129	22,679,066	83,891,130	279,505,201	472,028	80,590,192	492,809,248	159,849	492,969,097
Profitul anului									15,034,914	15,034,914	3,314	15,038,228
Alte elemente ale rezultatului global, din care:	0	0	0	0	0	0	304,014	0	0	304,014		304,014
Impozit pe profit aferent altor elemente ale rezultatului global							304,014	0		304,014		304,014
Tranzactii cu actionarii, inregistrate direct in capitalurile proprii, din care:	0	-464,987	-2,365,268	-2,613	0	0	10,691,063	0	-13,531,780	-5,673,585	45,425	-5,628,160
Rascumparare actiuni proprii		-464,987							0	-464,987		-464,987
Pierderi legate de actiunile proprii			-2,365,268							-2,365,268		-2,365,268
Repartizare profit				-2,613			10,691,063		-13,531,780	-2,843,330	45,425	-2,797,905
Sold la 31.12.2021	21,882,104	-715,325	-3,285,532	4,957,516	22,679,066	83,891,130	290,500,278	472,028	82,093,326	502,474,591	208,588	502,683,179

Element al capitalului propriu	Capital social	Ajustari ale capitalului social	Pierderi legate de actiuni proprii	Rezerve legale	Ajustari rezerve legale	Rezerve reevaluare	Alte rezerve	Ajustari alte rezerve	Rezultatul reportat	Total atribuibil actionarilor societatii	Interese care nu controleaza	Total
Sold la 01.01.2022	21,882,104	-715,325	-3,285,532	4,957,516	22,679,066	83,891,130	290,500,278	472,028	82,093,326	502,474,591	208,588	502,683,179
Profitul anului									1,304,325	1,304,325	3,362	1,307,687
Alte elemente ale rezultatului global, din care:	0	0	0	0	0	0	277,951	0	0	277,951		277,951
Impozit pe profit aferent altor elemente ale rezultatului global							277,951	0		277,951		277,951
Tranzactii cu actionarii, inregistrate direct in capitalurile proprii, din care:	0	338,816	3,285,532	0	0	0	8,407,878	-108	-15,058,968	-3,026,850	0	-3,026,850
Distribuire actiuni cu titlu gratuit		338,816	3,285,532						0	3,624,348		3,624,348
Repartizare profit							8,407,878	-108	-15,058,968	-6,651,198		-6,651,198
Sold la 31.12.2022	21,882,104	-376,509	0	4,957,516	22,679,066	83,891,130	299,186,107	471,920	68,338,683	501,030,017	211,950	501,241,967

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10.4. Situatia consolidata a fluxurilor de numerar pentru anul incheiat la 31.12.2022

Toate sumele sunt exprimate în lei, dacă nu se specifică altfel

Explicatii	2022	2021
Fluxuri de trezorerie din activitati de exploatare:		
Profit inainte de impozitare	2,696,553	18,113,154
Cheltuieli cu amortizarea si deprecierea imobilizarilor	47,862,784	44,838,585
(Cresteri) / Descresteri stocuri	9,569,194	-50,804,128
(Cresteri) / Descresteri creante	-14,088,625	-18,971,599
Cresteri/ (Descresteri datorii)	5,126,028	21,000,735
Ajustare alte elemente nemonetare	15,386,230	20,652,427
Numerar net generat din exploatare	66,552,164	34,829,175
Fluxuri de trezorerie din activitatea de investitii:		
Achizitii de imobilizari corporale si investitii imobiliare	-52,013,051	-43,417,222
Achizitii de imobilizari necorporale	-1,148,169	-1,402,964
Numerar net generat din activitati de investitii	-53,161,220	-44,820,186
Fluxuri de trezorerie din activitatea financiara		
(Cresteri) / Descresteri imprumuturi bancare	-12,359,946	23,255,098
Plati dobanzi	-4,699,493	-1,394,313
Numerar net generat din activitatea financiara	-17,059,439	21,860,785
Numerar net generat din activitatea totala	-3,668,495	11,869,774
Numerar si echivalente de numerar la inceputul perioadei	14,120,744	2,250,970
Numerar si echivalente de numerar la sfarsitul perioadei	10,452,249	14,120,744

10.5. Note explicative la situatiile financiare consolidate pentru anul incheiat la 31.12.2022

1. INFORMATII GENERALE

a) Societatea COMPA - firma mamă

COMPAS este societate pe acțiuni, cu sediul în Sibiu, str.Henri Coandă nr.8, CP 550234

Domeniul de activitate al companiei: proiectarea, producerea și comercializarea componentelor pentru fabricația de autoturisme, autovehicule de transport, autobuze, remorci, tractoare, vagoane, locomotive și diverse utilaje industriale, servicii și asistență tehnică.

Obiectul principal de activitate, conform codului CAEN este 2932 "Fabricarea altor piese și accesorii pentru autovehicule și pentru motoare de autovehicule"

Forma de proprietate a companiei

Societatea COMPA S.A. este privatizată 100% din septembrie 1999. Societatea este listată, acțiunile se tranzacționează la Bursa de Valori București la categoria Standard, simbol CMP.

Evoluția companiei

Prin hotărârea Guvernului nr.1296/13.12.1990 firma a devenit S.C.COMPA S.A., provenind din Intreprinderea de Piese Auto Sibiu (I.P.A.Sibiu). I.P.A. Sibiu a luat ființă în anul 1969 prin unificarea a două unități: Uzina Elastic și Uzina Automecanica Sibiu.

Din anul 1991, COMPA s-a organizat în fabrici / ateliere, constituite pe familii de produse ca centre de cost, care în timp au devenit centre de profit, în scopul unei descentralizări și a facilitării constituirii de joint-ventures.

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Investițiile financiare COMPA S.A. în calitate de societate – mamă, reprezentând titluri de participare deținute în acțiuni sau părți sociale la entitățile comerciale sunt prezentate în tabelul de mai jos:

Societatea la care se dețin titlurile	Sediul social	Valoarea titlurilor deținute de COMPA (lei)	% în capitalul social
COMPAS I.T. S.R.L.	Str.Henri Coandă nr.8, Sibiu, jud.Sibiu	200,000	100.00
TRANS C.A.S. S.R.L.	Str.Henri Coandă nr.12, Sibiu, jud.Sibiu	742,500	99.00
RECASERV S.R.L.	Str.Henri Coandă nr.51, Sibiu, jud.Sibiu	70,000	70.00
ARINI HOSPITALITY SRL	Str.Henri Coandă nr.8, Sibiu, jud.Sibiu	19,703,000	100.00
TOTAL		20,715,500	

Conducerea societății COMPA a fost asigurată de un Consiliu de Administrație format din:

- Deac Ioan – președinte și director general,
- Miclea Ioan – membru CA
- Maxim Mircea-Florin – membru CA
- Balteș Nicolae – membru CA
- NEACȘU Vlad- Nicolae – membru CA

b) Filiale

Societatea COMPA I.T. S.R.L cu sediul social în Sibiu, str.Henri Coandă nr.8,jud.Sibiu. Firma fost înființată în anul 2001, fiind înregistrată la Registrul Comerțului cu nr.J32/17/2001, CUI 13656016.

Scopul înființării a fost acela de proiectare și implementare a unui *Sistem informatic integrat*, pentru firma – mamă, la standardele internaționale existente și care să asigure cerințele impuse de modul de organizare pe centre de profit ale firmei COMPA, precum și de asigurare a unei rețele informatice de calculatoare extinse în întreaga firmă COMPA.

Obiectul de activitate, conform codului CAEN este 6201 – “Activități de realizare a softului la comandă”

Capitalul social al firmei este de 200,000 RON, deținut în totalitate (100%) de către Societatea COMPA S.A. Administratorul firmei este dl. Acu Florin-Ștefan.

Societatea TRANS C.A.S. S.R.L. cu sediul social în Sibiu, str.Henri Coandă nr.12, jud.Sibiu. Firma a fost înființată în anul 2002, fiind înregistrată la Registrul Comerțului cu nr.J32/633/2002, CUI 14836511. Motivul înființării firmei a fost acela de externalizare a activității de transport auto, existent inițial în cadrul firmei COMPA, în scopul extinderii și dezvoltării acestei activități diferite de profilul de activitate al firmei COMPA. TRANS C.A.S. S.R.L. deține în prezent un număr de peste 60 autovehicule, dintre care o pondere importantă o dețin Autotractoarele cu remorcă tip Mercedes, cu capacitate de peste 20 tone încărcătură utilă, destinate transportului de materiale și produse finite atât pentru COMPA cât și pentru alți clienți.

Obiectul principal de activitate al firmei, conform codului CAEN este 4941 “Transporturi rutiere de mărfuri” .

La 31.12.2021 structura acționariatului a fost:

- Societatea COMPA S.A. deține un număr de 29.700 părți sociale, în valoare de 742,500 RON.
- Maxim Mircea Florin și Mihăilă Daniela persoane fizice, dețin în total un număr de 300 părți sociale în valoare de 7,500 RON.

Conducerea firmei este asigurată de Maxim Mircea-Florin – administrator.

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Societatea RECASERV S.R.L. cu sediul social în Sibiu, Str.Henri Coandă nr.51, jud.Sibiu, înființată în anul 2004, fiind înregistrată la Registrul Comerțului cu nr.J32/704/2004, CUI 16408228. Scopul înființării firmei a fost de externalizare din cadrul firmei – mamă (COMPA S.A.) a unor activități diferite profilului său de activitate principal, activități cum sunt: alimentație publică realizată prin cantina și microcantinele ce funcționează în incinta firmei COMPA. Prin înființarea firmei RECASERV S.R.L. cu profil de alimentație publică s-au asigurat condițiile dezvoltării acestei activități prin completarea cu servicii secundare (catering și servicii de curățenie).

Obiectul principal de activitate, conform codului CAEN este 5629 “ Alte activități de alimentație n.c.a.”, constând din servicii de catering pentru salariații din COMPA S.A.și alte firme din Sibiu, organizarea de evenimente cu profil de alimentație publică pentru firme și unități de învățământ din municipiul Sibiu.

Capitalul social al firmei este de 100,000 RON deținut de către:

- Societatea COMPA S.A.Sibiu ,în procent de 70%
- Boroș Daniela, persoană fizică, în procent de 30%

RECASERV S.R.L. Sibiu deține la COMPA S.A.Sibiu un număr de 649.100 acțiuni în valoare de 64.910 RON cumpărate prin tranzacționare la BVB care sunt înregistrate în Situațiile financiare ale firmei la 31.12.2021.

Administratorul firmei este dna Boroș Daniela.

Societatea ARINI HOSPITALITY S.R.L. cu sediul social în Sibiu, Str.Henri Coandă nr.8, jud.Sibiu a fost înființată în anul 2021, fiind înregistrată la Registrul Comerțului cu nr.J32/77/2021, CUI 43581594. Scopul înființării firmei a fost acela de a desfășura activitate hoteliera, ca urmare a dezvoltării proiectului de construcție a complexului hotelier Ibis-Mercure.

Obiectul de activitate, conform codului CAEN este 5510 – “Hoteluri si alte activitati de cazare similare ”

Capitalul social al firmei este de 19,703,000 RON, deținut în totalitate (100%) de către Societatea COMPA S.A. Administratorul firmei este dl. Baiasu Dan-Nicolae.

2. BAZELE ÎNTOCMIRII

Declarația de conformitate

Situațiile financiare au fost întocmite în conformitate cu Standardele Internaționale de Raportare Financiară adoptate de Uniunea Europeană (“UE”) și cu Ordinul Ministrului Finantelor Publice nr. 2844/ 2016.

Grupul a adoptat raportarea conform IFRS începând cu situațiile financiare ale anului 2012.

Bazele evaluării

Situațiile financiare individuale au fost pregătite pe baza costului istoric, cu excepția anumitor imobilizări corporale care sunt evaluate la valoarea reevaluată sau valoarea justă așa cum este explicat în politicile contabile. Costul istoric este în general bazat pe valoarea justă a contraprestației efectuată în schimbul activelor.

Moneda de prezentare și monedă funcțională

Situațiile financiare sunt prezentate în **lei** românești (RON), rotunjite la cel mai apropiat leu, aceasta fiind moneda funcțională a companiei.

Utilizarea estimărilor și judecăților

Pregătirea situațiilor financiare individuale în conformitate cu IFRS adoptate de Uniunea Europeană presupune utilizarea din partea conducerii a unor estimări, judecați și ipoteze ce afectează aplicarea politicilor contabile precum și valoarea raportată a activelor, datoriilor, veniturilor și cheltuielilor. Estimările și judecățile se bazează în general pe informații istorice și orice alte surse considerate reprezentative pentru situațiile întâlnite. Rezultatele efective pot fi diferite față de aceste estimări.

Estimările și ipotezele sunt revizuite periodic. Revizuirile estimărilor contabile sunt recunoscute în perioada

în care estimarea este revizuită și în perioadele viitoare dacă acestea sunt afectate.

Modificarea estimărilor nu afectează perioadele anterioare și nu reprezintă o corectare a unei erori.

Informații despre judecățile critice în aplicarea a politicilor contabile ale Grupului, ale căror efect este semnificativ asupra sumelor recunoscute în situațiile financiare sunt incluse în notele referitoare la:

- **Imobilizările corporale și necorporale – Durata de viață utilă a imobilizărilor corporale**

Imobilizările corporale și necorporale se amortizează pe perioada duratei utile de viață.

Conducerea Grupului folosește raționamentul profesional în determinarea duratei utile de viață, iar dovezile utilizate la determinarea acesteia includ specificațiile tehnice ale utilajelor, informații din contractele comerciale pe care Grupul le are încheiate cu clienții, istoricul produselor vândute, informații din piață legate de produsele Grupului și capacitatea de adaptare a utilajelor.

- **Imobilizări corporale și necorporale – Ajustări pentru deprecierea imobilizărilor corporale.**

Imobilizările necorporale și corporale sunt analizate pentru a identifica dacă prezintă indicii de depreciere la data situațiilor financiare.

Dacă valoarea contabilă netă a unui activ este mai mare decât valoarea lui recuperabilă, o pierdere din depreciere este recunoscută pentru a reduce valoarea netă contabilă a activului respectiv la nivelul valorii recuperabile. Dacă motivele recunoașterii pierderii din depreciere dispar în perioadele următoare, valoarea contabilă netă a activului este majorată până la nivelul valorii contabile nete, care ar fi fost determinată dacă nici o pierdere din depreciere nu ar fi fost recunoscută.

Dovezile care pot determina o depreciere includ o scădere a utilității pentru Grup, uzura fizică excesivă, apariția unor noi tehnologii de producție.

Impozite amânate

Creanțele privind impozitul amânat sunt recunoscute drept active, în măsura în care e probabil că va exista un profit impozabil din care să poată fi acoperite pierderile. Conducerea Grupului folosește raționamentul profesional în determinarea valorii creanțelor privind impozitul amânat care pot fi recunoscute ca active. Deciziile conducerii au la bază informații din contractele comerciale pe care Grupul le are încheiate cu clienții, previziunile legate de piață auto și a componentelor auto.

- **Provizioane**

Provizioanele sunt recunoscute atunci când Grupul are o obligație actuală legală sau implicită generată de un eveniment trecut, este probabil că pentru decontarea obligației să fie necesară o ieșire de resurse încorporând beneficii economice și poate fi realizabilă o estimare fiabilă a valorii obligației. Valoarea recunoscută ca provizion constituie cea mai bună estimare a cheltuielii necesară pentru decontarea obligației actuale la finalul perioadei de raportare.

- **Valoarea recuperabilă a activelor**

Evaluarea pentru deprecierea creanțelor este efectuată individual și se bazează pe cea mai bună estimare a conducerii privind valoarea prezentă a fluxurilor de numerar care se așteaptă a fi primite. Grupul își revizuieste creanțele comerciale și de altă natură la fiecare dată a poziției financiare, pentru a evalua dacă trebuie să înregistreze în contul de profit și pierdere o depreciere de valoare. În special raționamentul profesional al conducerii este necesar pentru estimarea valorii și pentru coordonarea fluxurilor de trezorerie viitoare atunci când se determină pierderea din depreciere. O pierdere din depreciere este recunoscută dacă valoarea contabilă a unui activ sau a unei unități generatoare de numerar depășește valoarea recuperabilă estimată. Aceste estimări se bazează pe ipoteze privind mai mulți factori, iar rezultatele reale pot fi diferite, ducând la modificări viitoare ale ajustărilor.

- **Evaluarea la valoare justă a instrumentelor financiare**

Atunci când valoarea justă a activelor și datoriilor financiare reflectate în situația poziției financiare nu pot fi măsurate pe baza unor prețuri cotate pe piețe active, valoarea lor justă se măsoară folosind tehnici de evaluare, printre care și modelul fluxurilor de numerar actualizate. Ipotezele din aceste modele sunt preluate

din informații de piață disponibile, dar atunci când nu este posibil, sunt necesare raționamente pentru determinarea valorii juste. Raționamentele includ determinarea unor ipoteze cum ar fi riscul de credit și volatilitatea.

3. POLITICI CONTABILE SEMNIFICATIVE

Situațiile financiare consolidate au fost întocmite în conformitate cu Standardele Internaționale de Raportare Financiară adoptate de Uniunea Europeană ("UE")

3.1. Noi standarde și interpretări intrate în vigoare în perioada curentă și adoptate de Grup începând cu data de 1 ianuarie 2022, inclusiv

Amendamente la IFRS 3, IAS 16, IAS 37 și Îmbunătățiri anuale ale IFRS - Ciclul 2018-2020, toate emise pe 14 mai 2020 (în vigoare pentru perioadele anuale începând la sau după 1 ianuarie 2022). Intrarea în vigoare a amendamentelor nu are efect asupra tranzacțiilor și soldurilor. Modificările aduc schimbări prezentării situațiilor financiare.

3.2. Standarde și Interpretări emise de IASB și adoptate de UE, dar care nu sunt încă în vigoare și Grupul nu le aplică timpuriu

În prezent, IFRS adoptate de UE nu diferă semnificativ de regulamentele adoptate de Comitetul de Standarde Internaționale de Contabilitate (IASB) cu excepția următoarelor standarde, amendamente la standardele și interpretările existente, care nu au fost avizate pentru a fi folosite:

IFRS 17 „Contracte de asigurare” (în vigoare conform IASB pentru perioade anuale începând cu sau după 1 ianuarie 2023). Grupul ia în considerare implicațiile standardului, impactul standardului asupra situațiilor financiare și momentul adoptării acestuia.

Amendamente la IAS 12 – “Impozit amanat aferent activelor și datoriilor rezultate dintr-o singură tranzacție”. Grupul analizează implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.

Amendamente la IAS 1 și IFRS Situație practică 2 – “Prezentarea politicilor contabile”. Modificările sunt în vigoare pentru perioadele de raportare anuale care încep la 1 ianuarie 2023 sau după aceasta, fiind permisă aplicarea timpuriu. O entitate va fi obligată să prezinte informațiile sale materiale privind politica contabilă în locul politicilor sale contabile semnificative. Modificările clarifică ce este o politică contabilă materială (importantă) și oferă exemple de cazuri în care informațiile privind politica contabilă pot fi semnificative. Grupul ia în considerare implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.

Amendamente la IAS 8 – “Modificări ale estimărilor contabile și Erori: Definiția estimărilor contabile”. Grupul analizează implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.

Amendamente la IFRS 17 „Contracte de asigurare: Aplicarea inițială a IFRS 17 și IFRS 9 – Informații comparative”. Grupul analizează implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.

3.3. Standarde și Interpretări emise de IASB, dar încă neadoptate de UE

În prezent, IFRS adoptate de UE nu diferă semnificativ de regulamentele adoptate de Comitetul de Standarde Internaționale de Contabilitate (IASB) cu excepția următoarelor standarde, amendamente la standardele și interpretările existente, care nu au fost avizate pentru a fi folosite:

Amendamente la IAS 1 – “Clasificarea datoriilor drept curente sau pe termen lung”. Grupul ia în considerare implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.

Amendamente la IFRS 16 „Datoria care decurge din contractul de leasing la vânzare și leaseback”. Grupul analizează implicațiile amendamentelor, impactul amendamentelor asupra situațiilor financiare și momentul adoptării acestora.



Cu excepția situațiilor descrise mai sus, Grupul prevede ca adoptarea noilor standarde, revizuri și interpretări nu va avea un impact semnificativ asupra situațiilor financiare ale Grupului.

Bazele consolidării

Combinări de întreprinderi

Combinările de întreprinderi sunt contabilizate utilizând metodă de achiziție la data achiziției. Data achiziției este dată la care controlul este transferat cumpărătorului. Controlul reprezintă puterea de a stabili politicile financiare și operaționale ale entității pentru a obține beneficii din activitățile acesteia. La evaluarea controlului Grupul ia în considerare drepturile de vot potențiale care sunt exercitabile în prezent.

Raționamentul profesional este aplicat pentru a determina data achiziției și dacă a avut loc transferul controlului între părți.

Grupul evaluează fondul comercial la valoarea justă a contraprestației transferate inclusiv valoarea recunoscută a intereselor fără control în entitatea achiziționată, minus valoarea netă recunoscută (valoarea justă) a activelor identificabile dobândite și datorii asumate, toate evaluate la data achiziției.

Contraprestația transferată include valoarea justă a activelor transferate, a datorii asumate de către Grup față de acționarii anteriori ai entității achiziționate și a instrumentelor de capitaluri proprii emise de către Grup.

Contraprestația transferată include și valoarea justă a contraprestației contingente.

O datorie contingenta a entității achiziționate este asumată într-o combinație de întreprinderi numai dacă o asemenea datorie reprezintă o obligație prezenta care rezultă dintr-un eveniment anterior iar valoarea sa poate fi evaluată în mod credibil.

Interese care nu controlează

Grupul evaluează interesele fără control ca parte deținută de acționarii minoritari în activele nete identificabile ale entității achiziționate.

Costurile de tranzacționare ale Grupului aferente unei combinații de întreprinderi, precum comisioane pentru intermedierea tranzacției, onorariile pentru serviciile de consultanță juridică, onorariile pentru serviciile de due diligence și alte onorarii pentru servicii profesionale și de consultanță sunt recunoscute în contul de profit sau pierdere atunci când sunt suportate.

Standardul revizuit specifică faptul că modificările participației societății-mamă într-o filială care nu au ca rezultat pierderea controlului trebuie înregistrate ca tranzacții de capitaluri proprii. Conform standardului revizuit, achizițiile de interese fără control sunt contabilizate ca tranzacții cu acționarii în calitatea lor de proprietari și, ca urmare a unor astfel de tranzacții nu se recunoaște fond comercial. Rezultatul acestor tranzacții este recunoscut de Grup în „Alte rezerve”.

Filiale

Subsidiarele reprezintă toate entitățile asupra cărora Grupul detine controlul. Grupul controlează o entitate atunci când detine în totalitate autoritatea asupra entității, este expus și are dreptul la veniturile variabile în baza participației deținute și are capacitatea de a-și aduce autoritatea asupra entității pentru a influența valoarea acestor venituri. Subsidiarele sunt incluse în consolidare începând cu data la care controlul este transferat grupului. Subsidiarele sunt excluse de la consolidare începând cu data la care controlul încetează. Politicile contabile ale filialelor au fost modificate, acolo unde a fost necesar, pentru a fi aliniate cu politicile adoptate de către Grup.

Investiții în entități asociate (investiții contabilizate prin metoda punerii în echivalență)

Entitățile asociate sunt acele entități asupra cărora Grupul exercită o influență semnificativă, dar nu deține controlul asupra politicilor financiare și operaționale ale entităților. Influența semnificativă se presupune că există atunci când Grupul deține între 20% și 50% din drepturile de vot într-o altă entitate. Asocierile în participație sunt acele entități asupra căror activități Grupul exercită control comun stabilit printr-o înțelegere contractuală și necesitând acord unanim pentru luarea deciziilor cu privire la strategiile financiare și operaționale.



Investițiile în entități asociate sunt contabilizate prin metoda punerii în echivalență și sunt recunoscute inițial la cost. Investiția Grupului include fondul comercial identificat la achiziție, net de orice pierderi din depreciere cumulate.

Situațiile financiare consolidate includ cota-parte aferenta Grupului din veniturile, cheltuielile și modificările capitalurilor proprii ale investițiilor contabilizate prin metoda punerii în echivalență, după ajustările de aliniere a politicilor contabile cu cele ale Grupului, de la data la care începe până la data la care încetează influența semnificativă sau controlul comun.

Atunci când cota-parte din pierderi aferenta Grupului depășește participația sa în investiția contabilizată prin metoda punerii în echivalență, valoarea contabilă a participației, inclusiv orice investiție pe termen lung, este redusă la zero, iar recunoașterea pierderilor ulterioare este întreruptă cu excepția cazului în care Grupul are o obligație sau a realizat plăți în numele entității în care a investit.

Angajamente comune:

Un angajament comun este un angajament în care două sau mai multe părți detin controlul comun. Angajamentele comune sunt contabilizate folosind metoda punerii în echivalență. Pe baza metodei punerii în echivalență, investiția într-un aranjament comun este inițial recunoscută la cost, iar valoarea contabilă este majorată sau redusă, pentru a putea recunoaște partea grupului din profiturile sau pierderile ulterioare achiziției și mișcarea altor elemente ale rezultatului global. Atunci când partea grupului din pierderile înregistrate într-o asocieră depășește interesele în asocieră, grupul nu recunoaște pierderi suplimentare, decât în cazul în care există obligații sau a realizat plăți în numele asocierii.

Castigurile nerealizate din tranzacțiile între grup și asocierile sale sunt eliminate în limita interesului grupului în asocieră. Pierderile nerealizate sunt de asemenea eliminate, cu excepția cazului în care tranzacția se dovedește a aduce un prejudiciu activului transferat.

Tranzacții eliminate la consolidare

Soldurile și tranzacțiile în cadrul Grupului, precum și orice profituri sau pierderi nerealizate rezultate din tranzacții în cadrul Grupului sunt eliminate la întocmirea situațiilor financiare consolidate. Profiturile nerealizate aferente tranzacțiilor cu entitățile asociate contabilizate prin metoda punerii în echivalență sunt eliminate în contrapartidă cu investiția în entitatea asociată. Pierderile nerealizate sunt eliminate în același fel ca și câștigurile nerealizate, însă numai în măsura în care nu există indicii de depreciere a valorii.

Conversia în valute străine

La pregătirea situațiilor financiare ale grupului, tranzacțiile în monede, altele decât moneda funcțională a Grupului (valute), sunt recunoscute la cursuri de schimb valutare curente la datele tranzacțiilor. Elementele monetare exprimate într-o monedă străină, la sfârșitul perioadei de raportare, sunt convertite la cursurile valutare de la data respectivă. Elementele nemonetare contabilizate la valoarea justă, care sunt exprimate într-o monedă străină, sunt reconvertite la cursurile curente la dată când valoarea justă a fost stabilită. Elementele nemonetare, care sunt evaluate la cost istoric într-o monedă străină sunt convertite la cursul de la data tranzacției.

Diferențele de schimb valutar rezultate din reconversia elementelor monetare la sfârșitul perioadei de raportare sunt recunoscute în profit sau pierdere.

Instrumente financiare

Active financiare nederivate

Grupul recunoaște împrumuturile și creanțele la data la care sunt generate. Toate celelalte instrumente financiare sunt recunoscute la data tranzacției, care este dată la care Grupul devine parte în prevederile contractuale ale instrumentului. Activele financiare sunt clasificate în împrumuturi și creanțe.

Împrumuturile și creanțele sunt active financiare nederivate cu plăți fixe sau determinabile care nu sunt cotate pe o piață activă, altele decât cele care Grupul intenționează să la vândă imediat sau în viitorul apropiat. Împrumuturile și creanțele (inclusiv creanțele comerciale și de alt fel, balanțe bancare și numerar, etc.) sunt în general deținute cu scopul de a încasa fluxurile de numerar conform contractelor și sunt măsurate la costul amortizat folosind metoda dobânzii efective, minus orice depreciere.

Creanțele comerciale sunt sume care urmează să fie incasate de la clienți pentru produsele vandute și serviciile prestate în cadrul desfășurării activității Grupului. Sunt în general incasate în perioade de scurtă durată și sunt astfel clasificate drept curente. Creanțele comerciale sunt inițial recunoscute la valoarea contraprestației necondiționate, cu excepția situațiilor în care conțin o componentă de finanțare semnificativă, cand sunt recunoscute la valoarea justă.

Recunoaștere și evaluare inițială

Creanțele comerciale sunt recunoscute inițial la data tranzacției. Toate celelalte active financiare și datorii financiare în situația poziției sale financiare atunci când, Grupul devine o parte a prevederilor contractuale ale instrumentului.

Activele financiare (cu excepția situațiilor în care conțin o componentă de finanțare semnificativă) și datoriile financiare se măsoară inițial la valoarea justă. Costurile tranzacției care sunt direct atribuibile la achiziția sau emiterea de active financiare și creanțe financiare (altele decât active financiare și creanțe financiare la valoarea justă prin profit sau pierdere) sunt adăugate la sau deduse din valoarea justă a activelor financiare sau a creanțelor financiare, după caz, la recunoașterea inițială. Costurile tranzacției direct atribuibile la achiziția activelor financiare sau a creanțelor financiare la valoare justă prin profit sau pierdere sunt recunoscute imediat în profitul sau pierderea individuale.

Clasificare și evaluare ulterioară

Active financiare

La recunoașterea inițială, un activ financiar este clasificat ca măsurat la: costul amortizat; valoarea justă prin alte elemente ale rezultatului global; sau valoarea justă prin profit sau pierdere

Activele financiare nu sunt reclasificate ulterior recunoașterii inițiale numai dacă, Grupul își modifică modelul de afaceri pentru gestionarea activelor sale financiare, caz în care toate acele active financiare afectate sunt reclasificate.

Un activ financiar este evaluat la costul amortizat dacă sunt îndeplinite ambele condiții de mai jos și nu este desemnat la valoarea justă prin profit sau pierdere:

- activul financiar este deținut în cadrul unui model de afaceri al cărui obiectiv este de a deține active financiare în vederea colectării de fluxuri de trezorerie contractuale; și
- termenii contractuali ai activului financiar dau naștere, la anumite date, la fluxuri de trezorerie care sunt exclusiv plăți ale principalului și ale dobânzii aferente valorii principalului datorat.

Un activ financiar este evaluat la valoarea justă prin alte elemente ale rezultatului global dacă sunt îndeplinite ambele condiții de mai jos și nu este desemnat la valoarea justă prin profit sau pierdere:

- activul financiar este deținut în cadrul unui model de afaceri al cărui obiectiv se realizează prin colectarea fluxurilor de trezorerie contractuale și vânzarea activelor financiare; și
- termenii contractuali ai activului financiar dau naștere, la anumite date, la fluxuri de trezorerie care sunt exclusiv plăți ale principalului și ale dobânzii aferente valorii principalului datorat.

Toate activele financiare care nu sunt evaluate la costul amortizat sau la valoarea justă prin alte elemente ale rezultatului global sunt evaluate la valoarea justă prin profit sau pierdere.

La recunoașterea inițială, Grupul ar putea desemna irevocabil un activ financiar drept evaluat la valoarea justă prin profit sau pierdere dacă astfel elimină sau reduce semnificativ o inconsecvență de evaluare sau recunoaștere care ar rezulta altfel din evaluarea activelor sau a datoriilor sau recunoașterea câștigurilor și a pierderilor lor pe baze diferite.

Modelul de afaceri al entității pentru gestionarea activelor financiare

Grupul face o evaluare a obiectivului modelului de afaceri în care un activ financiar este deținut la un nivel de portofoliu, deoarece acesta reflectă cel mai bine modul în care se administrează afacerea și se furnizează informații managementului. Informațiile luate în considerare includ:

- politicile și obiectivele declarate pentru portofoliu și funcționarea acestor politici în practică. Acestea includ analizarea dacă strategia conducerii se concentrează pe câștigarea veniturilor din dobânzi contractuale, menținerea unui profil specific al ratei dobânzii, potrivirea duratei activelor financiare cu

durata oricăror datorii sau ieșiri de numerar preconizate sau realizarea fluxurilor de trezorerie prin vânzarea activelor;

- modul în care performanța portofoliului este evaluată și raportată conducerii Grupului;
- riscurile care afectează performanța modelului de afaceri (și activele financiare deținute în cadrul acelui model de afaceri) și modul în care sunt gestionate aceste riscuri;
- frecvența, volumul și calendarul vânzărilor de active financiare în perioadele anterioare, motivele acestor vânzări și așteptările privind activitatea viitoare de vânzări.

Evaluarea dacă fluxurile de numerar contractuale sunt numai plăți de capital și dobânzi

În scopul acestei evaluări, "principalul" este definit ca valoarea justă a activului financiar la recunoașterea inițială. "Dobândă" este definită ca o contraprestație a valorii-timp a banilor și a riscului de credit asociat cu valoarea principalului de încasat într-o anumită perioadă de timp, precum și pentru alte riscuri și costuri de creditare de bază și o marjă de profit.

Pentru a evalua dacă fluxurile de numerar contractuale sunt numai plăți de capital și dobânzi, Grupul ia în considerare termenii contractuali ai instrumentului. Aceasta include evaluarea dacă activul financiar conține un termen contractual care ar putea schimba momentul sau valoarea fluxurilor de numerar contractate astfel încât să nu îndeplinească această condiție

O caracteristică de plată în avans este compatibilă cu criteriul plății numai a principalului și a dobânzii, în cazul în care valoarea plății anticipate reprezintă în mod substanțial sumele neachitate ale principalului și dobânzile aferente sumei restante, care poate include o compensație suplimentară rezonabilă pentru încetarea anticipată a contractului.

Evaluarea ulterioară a activelor financiare

După recunoașterea inițială, Grupul evaluează un activ financiar în conformitate cu punctele la costul amortizat; la valoarea justă prin alte elemente ale rezultatului global; fie la valoarea justă prin profit sau pierdere.

Activele financiare la cost amortizat sunt evaluate ulterior la costul amortizat utilizând metoda dobânzii efective. Costul amortizat este redus prin pierderi din depreciere. Veniturile din dobânzi, câștigurile și pierderile în valută și deprecierea sunt recunoscute în profit sau pierdere. Orice câștig sau pierdere din derecunoaștere este recunoscut în profit sau pierdere.

Deprecierea activelor financiare

Grupul recunoaște ajustări pentru pierdere aferentă pierderilor din credit preconizate pentru:

- activele financiare evaluate la costul amortizat;
- activele aferente contractelor.

Ajustarea pentru pierdere pentru creanțele comerciale și activele aferente contractului sunt întotdeauna evaluate la o valoare egală cu pierderile din credit preconizate pe durata de viață.

Atunci când se stabilește dacă riscul de credit al unui activ financiar a crescut semnificativ de la recunoașterea inițială și la estimarea pierderilor din credit preconizate, Grupul consideră informații rezonabile și justificate care sunt relevante și disponibile fără costuri sau eforturi nejustificate. Acestea includ informații și analize cantitative și calitative, bazate pe experiența istorică a Grupului și includând informații prospective.

Grupul consideră că un activ financiar este în incapacitate de plată atunci când:

- împrumutatul este puțin probabil să-și achite integral obligațiile de credit față de Grup; sau
- activul financiar este trecut de 365 de zile după scadență.

Datele pierderilor din credit preconizate pe întreaga durată a vieții sunt pierderile din credit preconizate care rezultă din toate eventualele evenimente implicite pe durata de viață așteptată a unui instrument financiar.

Pierderile din credit preconizate pe 12 luni, reprezintă partea din pierderile din credit preconizate care rezultă din evenimentele implicite care sunt posibile în termen de 12 luni de la data raportării (sau o perioadă mai scurtă dacă durata de viață a instrumentului este mai mică de 12 luni).

Perioada maximă luată în considerare la estimarea pierderilor din credit preconizate este perioada contractuală maximă pe care Grupul este expusă riscului de credit.

Măsurarea valorilor pierderilor din credit preconizate

Pierderile din credit preconizate reprezintă o estimare probabilă a pierderilor din credite. Pierderile de credit sunt evaluate ca valoarea actualizată a deficitului de numerar (adică diferența dintre fluxurile de numerar datorate entității în conformitate cu contractul și fluxurile de trezorerie pe care Grupul se așteaptă să le primească).

Activelor financiare depreciate ca urmare a riscului de credit

La fiecare dată de raportare, Grupul evaluează dacă activele financiare înregistrate la costul amortizat și activele financiare la valoarea justă prin alte elemente ale rezultatului global sunt afectate de riscul de credit. Un activ financiar este " depreciat ca urmare a riscului de credit " atunci când au avut loc unul sau mai multe evenimente care au un impact negativ asupra fluxurilor de numerar viitoare estimate ale activului financiar.

Dovada că un activ financiar este afectat de credit include următoarele date observabile:

- dificultate financiară semnificativă a debitorului;
- o încălcare a contractului, cum ar fi neîndeplinirea obligațiilor sau depășirea cu 90 de zile a scadenței; sau
- este probabil ca debitorul să intre în faliment sau altă reorganizare financiară;

Prezentarea ajustării pentru pierderile din credit preconizate în situația poziției financiare

Ajustările pentru active financiare, evaluate la costul amortizat, sunt deduse din valoarea contabilă brută a activelor. Pentru activele financiare la valoarea justă prin alte elemente ale rezultatului global, ajustările pentru pierderi sunt înregistrate în contul de profit și pierdere și sunt recunoscute în Alte elemente ale rezultatului global.

Scoaterea în afara bilanțului

Valoarea contabilă brută a unui activ financiar este redusă atunci când Grupul nu are așteptări rezonabile de recuperare a unui activ financiar în întregime sau a unei părți din acesta. Pentru clienții individuali, Grupul are o politică de a elimina valoarea contabilă brută atunci când activul financiar este 3 ani după scadență, pe baza experienței istorice a recuperărilor de active similare. Pentru clienții corporativi, Grupul face o evaluare individuală cu privire la calendarul și valoarea reducerii, în funcție de existența unei așteptări rezonabile de recuperare.

Derecunoastere

Grupul derecunoaște un activ financiar atunci când expira drepturile contractuale la fluxurile de numerar din active sau când Grupul transfera drepturile de a primi fluxurile de numerar contractuale aferente activului financiar într-o tranzacție prin care a transferat în mod semnificativ toate riscurile și beneficiile aferente dreptului de proprietate.

La derecunoașterea unui activ financiar, diferența dintre valoarea contabilă a activului și suma contraprestației primite se recunoaște în profit sau pierdere.

Datorii financiare

Grupul recunoaște o datorie financiară inițial la valoarea sa justa plus, în cazul unei datorii financiare care nu este la valoarea justă prin profit sau pierdere, costurile tranzacției care pot fi atribuite direct achiziției sau emiterii instrumentului financiar.

Grupul clasifică datoriile financiare drept evaluate ulterior la costul amortizat sau la valoarea justă prin profit sau pierdere. O datorie financiară este clasificată ca fiind la FVTPL dacă este clasificată ca fiind deținută pentru tranzacționare, este un instrument derivat sau este desemnată ca atare la recunoașterea inițială. Datoriile financiare la FVTPL sunt evaluate la valoarea justă, iar câștigurile și pierderile nete, inclusiv orice cheltuială cu dobânzile, sunt recunoscute în profit sau pierdere. Alte datorii financiare sunt măsurate ulterior la cost amortizat folosind metoda dobânzii efective. Cheltuielile cu dobânzile și câștigurile și pierderile în valută sunt recunoscute în profit sau pierdere. Orice câștig sau pierdere din derecunoaștere este, de asemenea, recunoscut în profit sau pierdere.

Grupul derecunoaste o datorie financiară atunci când sunt încheiate obligațiile contractuale sau când aceste obligații expiră sau sunt anulate. La derecunoașterea unei datorii financiare, diferența dintre valoarea contabilă a unei datorii financiare și contravaloarea plătită (inclusiv orice active neconsolidate transferate sau datorii asumate) este recunoscută în profit sau pierdere.

Alte datorii financiare includ creditele și împrumuturi, angajamente, linii de credit și datorii comerciale și alte datorii.

Instrumente financiare derivate

Un instrument derivat este un instrument financiar sau un alt contract care intră sub incidența IFRS 9, care întrunește următoarele trei caracteristici: valoarea sa se modifică drept reacție la modificările anumitor rate ale dobânzii, prețului unui instrument financiar, prețului mărfurilor, cursurilor de schimb valutar, indicilor de preț sau ratelor, ratingului de credit sau indicelui de creditare, sau ale altor variabile, cu condiția ca, în cazul unei variabile nefinanciare, aceasta să nu fie specifică unei părți contractuale (uneori denumită „de bază”); nu necesită nicio investiție netă inițială sau necesită o investiție netă inițială care este mai mică decât s-ar impune pentru alte tipuri de contracte care se preconizează să aibă reacții similare la modificările factorilor pieței; și este decontat la o dată viitoare.

Instrumente de capital

Un instrument de capital reprezintă orice contract care creează un drept rezidual asupra activelor unei entități după deducerea tuturor datoriilor sale. Când un instrument de capital propriu al companiei este răscumpărat, suma plătită, care include și costurile direct atribuibile, nete de taxe, este recunoscută ca o deducere din capital. Grupul nu recunoaște câștig sau pierdere în contul de profit și pierdere la achiziția, vânzarea, emisiunea sau anularea instrumentelor de capitaluri proprii.

Imobilizări corporale

Imobilizările corporale sunt evaluate la cost, scăzând amortizarea cumulată și pierderile din depreciere cumulate, cu excepția terenurilor și clădirilor, care sunt evaluate la valoarea reevaluată. Valoarea reevaluată reprezintă valoarea justă a imobilizării la data reevaluării minus orice amortizare cumulată ulterior și orice pierderi cumulate din depreciere. Reevaluarea se realizează pentru întreaga clasă de imobilizări (terenuri, clădiri).

Costul imobilizării include cheltuielile direct atribuibile achiziționării activului. Costul unui activ construit în regie proprie includ costul materialelor și munca directă, alte costuri atribuibile aducerii activelor la locul și în stare de funcționare și estimarea inițială a costurilor de dezasamblare și înlăturare a activului și de restaurare a plasamentului și costurile îndatorării atunci când există o obligație privind aceste cheltuieli.

Atunci când Grupul amortizează separat unele părți ale unui element de imobilizări corporale, ea amortizează de asemenea separat ceea ce rămâne din acel element. Ceea ce rămâne consta în părțile elementului care nu sunt individual semnificative.

Grupul realizează reevaluările cu suficientă regularitate pentru a se asigura că valoarea contabilă nu se deosebește semnificativ de ceea ce s-ar fi determinat prin utilizarea valorii juste la finalul perioadei de raportare. Atunci când o imobilizare este reclasificată ca investiție imobiliară, proprietatea este reevaluată la valoarea justă.

Câștigurile care rezultă în urma reevaluării sunt recunoscute în contul de profit și pierdere doar în măsură existenței unei pierderi din depreciere specifice proprietății respectiv și orice alte câștiguri rămase recunoscute ca alte elemente ale rezultatului global și prezentate în cadrul rezervelor din reevaluare în capital. Orice pierdere este recunoscută imediat în contul de profit și pierdere.

Costurile ulterioare sunt capitalizate doar atunci când este probabil ca respectiva cheltuială să genereze beneficii economice viitoare Grupului. Lucrările de întreținere și reparații sunt cheltuieli ale perioadei.

Terenurile nu se amortizează. Deprecierea este recunoscută pentru a putea scădea din costuri mai puțin valorile reziduale de-a lungul duratei lor de viață utilă, folosindu-se metoda liniară. Duratele de viață utilă estimate, valorile reziduale și metoda de depreciere sunt revizuite de Conducerea Grupului la finalul fiecărei perioade de raportări, ținând cont de efectul tuturor modificărilor estimărilor contabile.

Imobilizările care fac obiectul unui contract leasing financiar sunt depreciate de-a lungul duratei lor de viață utilă pe aceeași bază ca și activele aflate în proprietate sau, acolo unde perioada este mai scurtă, de-a lungul perioadei relevante de leasing.

Duratele estimate de viață utilă pentru anul curent și anii de comparație a grupelor semnificative de imobilizări corporale sunt:

- Clădiri 12-50 ani
- Instalații tehnice și mașini 3-18 ani
- Alte instalații utilaje și mobilier 2-18 ani

Dacă valoarea recuperabilă a unui activ (sau unități generatoare de numerar) este estimată a fi mai mică decât valoarea sa contabilă, valoarea contabilă a activului (sau a unității generatoare de numerar) este redusă la valoarea sa recuperabilă. Deprecierea este recunoscută imediat în profit sau pierdere, dacă activul relevant nu este contabilizat la o valoare reevaluată, caz în care deprecierea este tratată ca reducere a reevaluării.

Imobilizările corporale sunt derecunoscute ca urmare a cedării sau atunci când nu se mai așteaptă beneficii economice viitoare din folosirea în continuare a imobilizării. Orice câștig sau pierdere rezultând din cedarea sau casarea unui element al imobilizării corporale este determinat ca diferența dintre încasările din vânzări și valoarea contabilă a activului și este recunoscut în contul de profitul și pierdere în perioada în care are loc derecunoasterea.

Imobilizări necorporale

Recunoaștere și evaluare

Pentru recunoașterea unui element drept imobilizare necorporală Grupul trebuie să demonstreze că elementul respectiv întrunește următoarele:

(a) definiția unei imobilizări necorporale

- este separabilă, adică poate fi separată sau divizată de entitate și vândută, transferată, autorizată, închiriată sau schimbată, fie individual, fie împreună cu un contract, un activ sau o datorie corespondență; sau
- decurge din drepturi contractuale sau de altă natură legală, indiferent dacă acele drepturi sunt transferabile sau separabile de Grup sau de alte drepturi și obligații.

(b) criteriile de recunoaștere

- este probabil că beneficiile economice viitoare preconizate a fi atribuite imobilizării să revină Grupului; și costul imobilizării poate fi evaluat fiabil.

O imobilizare necorporală este evaluată inițial la cost. Costul unei imobilizări necorporale dobândite separat este alcătuit din:

- a) prețul sau de cumpărare, inclusiv taxele vamale de import și taxele de cumpărare nerambursabile, după scăderea reducerilor și rabaturilor comerciale; și
- b) orice cost de atribuit direct pregătirii activului pentru utilizarea prevăzută.

În anumite cazuri, o imobilizare necorporală poate fi dobândită gratuit, sau pentru o contraprestație simbolică, prin intermediul unei subvenții guvernamentale. Grupul recunoaște inițial atât imobilizarea necorporală, cât și subvenția la valoarea justă.

Costul unei imobilizări necorporale generate intern este suma cheltuielilor suportate de la data la care imobilizarea necorporală a îndeplinit prima oară criteriile de recunoaștere. Nu se pot reîncorporarea cheltuieli recunoscute anterior drept cost. Costul unei imobilizări necorporale generate intern este compus din toate costurile direct atribuibile necesare pentru crearea, producerea și pregătirea activului pentru a fi capabil să funcționeze în maniera intenționată de conducere. Exemple de costuri direct atribuibile sunt:

- a. costurile materialelor și serviciilor utilizate sau consumate pentru generarea imobilizării necorporale;
- b. costurile beneficiilor angajaților provenite din generarea imobilizării necorporale;
- c. taxele de înregistrare a unui drept legal; și
- d. amortizarea brevetelor și licențelor care sunt utilizate pentru a genera imobilizarea necorporală.

Pentru a stabili dacă o imobilizare necorporală generată intern respecta criteriile de recunoaștere, o entitate

împarte procesul de generare a activului în:

- (a) o fază de cercetare;
- (b) o fază de dezvoltare.

Dacă Grupul nu poate face distincția între faza de cercetare și cea de dezvoltare ale unui proiect intern de creare a unei imobilizări necorporale, Grupul tratează cheltuielile aferente proiectului drept cheltuieli suportate exclusiv în faza de cercetare.

Nicio imobilizare necorporală provenită din cercetare (sau din faza de cercetare a unui proiect intern) nu trebuie recunoscută. Cheltuielile cu cercetarea (sau cele din faza de cercetare a unui proiect intern) trebuie recunoscute drept cost atunci când sunt suportate.

O imobilizare necorporală provenită din dezvoltare este recunoscută dacă și numai dacă se pot evalua fiabil cheltuielile atribuibile imobilizării necorporale în cursul dezvoltării sale, fezabilitatea tehnică necesară finalizării imobilizării necorporale astfel încât aceasta să fie disponibilă pentru utilizare sau vânzare, conducerea are intenția și capacitatea de a finaliza imobilizarea necorporală și de a o utiliza sau vinde.

Recunoașterea unor cheltuieli

Cheltuielile cu un element necorporal trebuie recunoscute drept costuri atunci când sunt suportate, cu excepția cazurilor în care fac parte din costul unei imobilizări necorporale care îndeplinește criteriile de recunoaștere.

Evaluare după recunoaștere

Grupul contabilizează imobilizările necorporale prin modelul bazat pe cost.

După recunoașterea inițială, o imobilizare necorporală trebuie contabilizată la costul sau minus orice amortizare cumulată și orice pierderi din depreciere cumulate.

Amortizare

Valoarea amortizabilă a unei imobilizări necorporale cu o durată de viață utilă determinată este alocată pe o bază sistematică de-a lungul duratei sale de viață utilă. Amortizarea începe când activul este disponibil pentru a fi utilizat, adică atunci când se afla în locul și în starea necesare pentru a putea funcționa în maniera intenționată de conducere. Amortizarea încetează la data cea mai timpurie dintre dată la care activul este clasificat drept deținut în vederea vânzării și dată la care activul este derecunoscut.

Imobilizările necorporale sunt amortizate folosind metoda liniară pe o perioadă de 1-5 ani sau pe perioada de valabilitate a drepturilor contractuale sau legale atunci când aceasta este mică decât durata de viață utilă estimată. O imobilizare necorporală cu durata de viață utilă nedeterminată nu se amortizează.

Depreciere

La finalul fiecărei perioade de raportare Grupul revizuieste valorile contabile ale imobilizărilor corporale și necorporale ale sale pentru a stabili dacă există vreun indiciu că acele active s-au depreciat. Dacă există un astfel de indiciu, se estimează valoarea recuperabilă a activului pentru a stabili mărimea deprecierei (dacă există). Valoarea recuperabilă reprezintă cea mai mare valoare dintre valoarea justă minus costurile generate de vânzare și valoarea sa de utilizare.

Imobilizările necorporale cu durate de viață utilă nedefinite și imobilizările necorporale care nu sunt încă disponibile pentru utilizare sunt testate cel puțin anual pentru depreciere și ori de câte ori există un indiciu că activul ar putea fi depreciat.

Derecunoaștere

O imobilizare necorporală este derecunoscută la cedare sau când nu se mai așteaptă beneficii economice viitoare din utilizarea sau cedarea sa.

Investiții imobiliare

O investiție imobiliară este o proprietate imobiliară (un teren sau o clădire - sau o parte a unei clădiri - sau ambele) deținută de Grup mai degrabă pentru a obține venituri din chirii sau pentru creșterea valorii capitalului, sau ambele, decât pentru a fi utilizată pentru producerea sau furnizarea de bunuri sau servicii sau în scopuri administrative sau pentru a fi vândută pe parcursul desfășurării normale a activității.

Costul unei investiții imobiliare cumpărate include prețul său de cumpărare și orice cheltuieli direct atribuibile achiziției. Cheltuielile direct atribuibile includ, de exemplu, onorariile profesionale pentru serviciile juridice, taxele pentru transferul dreptului de proprietate și alte costuri de tranzacționare.

Costul unei investiții imobiliare construite în regie proprie este costul de la data finalizării lucrărilor de construcții sau de amenajare. Până la acea dată, Grupul aplică prevederile IAS 16. La acea dată, proprietatea imobiliară devine investiție imobiliară.

După recunoașterea inițială, Grupul alege modelul valorii juste și evaluează toate investițiile sale imobiliare la valoarea justă.

Un câștig sau o pierdere generat(a) de o modificare a valorii juste a investiției imobiliare se recunoaște în profitul sau în pierderea perioadei în care apare.

Valoarea justă a investiției imobiliare este prețul la care proprietatea imobiliară ar putea fi tranzacționată între părți interesate și aflate în cunoștință de cauză, în cadrul unei tranzacții desfășurate în condiții obiective. Valoarea justă a unei proprietăți imobiliare trebuie să reflecte condițiile de piață la data bilanțului.

Activele pentru care este determinată valoarea justă în situațiile financiare, sunt încadrate în ierarhia valorii juste în funcție de baza utilizată la determinarea valorii juste astfel:

- Nivel 1 - Prețuri de piață neajustate
- Nivel 2 - Date de intrare diferite de prețurile de piață neajustate, dar valoarea justă este observabilă direct sau indirect.
- Nivel 3 - Evaluarea la valoarea justă pe baza datelor de intrare neobservabile

Câștigurile sau pierderile generate din casarea sau cedarea unei investiții imobiliare trebuie determinate ca diferența între încasările nete din cedare și valoarea contabilă a activului și trebuie recunoscute în profit sau pierdere în perioada scoaterii din uz sau cedării

Stocuri

Stocurile sunt evaluate la cea mai mică valoare dintre cost și valoarea realizabilă netă.

Costurile stocurilor sunt stabilite pe principiul primul intrat, primul ieșit și include cheltuielile generate de achiziția stocurilor, producție și alte costuri cu aducerea stocurilor în formă și locația existentă. În cazul produselor finite și producția în curs, costurile includ și o cotă din cheltuielile generale bazate pe capacitatea normală de producție.

Valoarea realizabilă netă reprezintă prețul de vânzare estimat în cursul normal al activității pentru stocuri minus costurile estimate ale finalizării și costurile necesare efectuării vânzării.

Beneficiile angajaților

În cursul normal al activității, Grupul face plăți către fondurile de pensii, sănătate și șomaj ale statului român, în contul angajaților săi. Cheltuielile cu aceste plăți se înregistrează în contul de profit și pierdere în aceeași perioadă cu cheltuielile salariale aferente.

Toți angajații Grupului sunt membri ai planului de pensii al statului român. În cadrul Grupului nu există în desfășurare nici o altă schema de pensii și respectiv nu există alte obligații referitoare la pensii.

Beneficiile pentru rezilierea contractului de muncă se pot plăti atunci când contractul de angajare este încetat din motive neimputabile angajaților. Grupul recunoaște beneficiile pentru rezilierea contractului de muncă atunci când acesta se obligă să rezilieze contractele de muncă ale angajaților actuali.

Provizioane

Provizioanele sunt recunoscute atunci când Grupul are o obligație actuală legală sau implicită generată de un eveniment trecut, este probabil că pentru decontarea obligației să fie necesară o ieșire de resurse incorporând beneficii economice și poate fi realizabilă o estimare fiabilă a valorii obligației.

Valoarea recunoscută ca provizion constituie cea mai bună estimare a cheltuielii necesară pentru decontarea obligației actuale la finalul perioadei de raportare. Atunci când un provizion este măsurat folosind fluxurile de numerar estimate pentru a deconta obligația actuală, valoarea contabilă a acestuia este valoarea actuală a acelor fluxuri de numerar (unde efectul valorii-timp a banilor este semnificativ).

Garanții

Provizioanele pentru costurile estimate ale obligațiilor de garanție conform legislației locale și prevederile

contractuale a vânzării bunurilor sunt recunoscute la data vânzării produselor. Provizionul este bazat pe istoricul garanțiilor și punerea în balanță a tuturor rezultatelor posibile.

Restructurări

Un provizion de restructurare este recunoscut atunci când Grupul a aprobat un plan detaliat și formal pentru restructurare și planul de restructurare ori a fost demarat ori au fost anunțate principalele caracteristici ale planului de restructurare celor afectați de acesta.

Contracte oneroase

Dacă Grupul are un contract oneros, obligația contractuală curentă prevăzută în contract trebuie recunoscută și evaluată ca provizion. Un contract oneros este definit ca fiind un contract în care costurile inevitabile aferente îndeplinirii obligațiilor contractuale depășesc beneficiile economice preconizate a fi obținute din contractul în cauză. Costurile inevitabile ale unui contract reflectă costul net de ieșire din contract, adică valoarea cea mai mică dintre costul îndeplinirii contractului și eventualele compensații sau penalități generate de neîndeplinirea contractului.

Recunoașterea veniturilor

Politicile contabile pentru veniturile Grupului din contractele cu clienții sunt prezentate în nota 15.

Subvenții guvernamentale

Subvențiile guvernamentale reprezintă asistența acordată de guvern sub forma unor transferuri de resurse către Grup în schimbul conformării, în trecut sau în viitor, cu anumite condiții referitoare la activitatea de exploatare a Grupului. Subvențiile exclud formele de asistență guvernamentală cărora nu li se poate atribui în mod rezonabil o anumită valoare, precum și tranzacțiile cu guvernul care nu pot fi distinse de tranzacțiile comerciale normale ale entității.

Subvențiile guvernamentale sunt recunoscute drept venit în cursul perioadelor corespunzătoare cheltuielilor aferente pe care aceste subvenții urmează a le compensa, pe o bază sistematică.

O subvenție guvernamentală care urmează a fi primită drept compensație pentru cheltuieli sau pierderi deja suportate sau în scopul acordării unui ajutor financiar imediat entității, fără a exista costuri viitoare aferente, este recunoscută ca venit în perioada în care devine creanță.

Leasing

Contractele de leasing sunt prezentate drept contracte de leasing financiar atunci când prin condițiile contractului de leasing sunt transferate în mod substanțial toate riscurile și beneficiile aferente dreptului de proprietate utilizatorului.

Toate celelalte contracte de leasing sunt clasificate ca leasing operațional. Inițial activele deținute conform contractelor de leasing financiar sunt recunoscute la valoarea ce mai mică dintre valoarea justă a acestora la începutul contractului de leasing și valoarea actualizată a plăților minime de leasing. Obligația corespunzătoare față de proprietar este inclusă în situația poziției financiare ca obligație asociată leasingului financiar.

Activele deținute în baza contractelor de leasing operațional sunt clasificate ca leasing operațional și nu sunt prezentate în situația poziției financiare.

Plățile aferente leasingului operațional sunt recunoscute drept cheltuieli de-a lungul perioadei de leasing.

Plățile minime de leasing sunt repartizate între cheltuieli cu finanțarea și diminuarea obligației. Cheltuielile financiare sunt recunoscute în profit sau pierdere conform contabilității de angajamente, dacă acestea nu sunt atribuibile direct activelor, caz în care acestea sunt capitalizate în conformitate cu politica generală a Grupului privind costurile împrumuturilor.

Costurile îndatorării

Costurile de îndatorare, atribuibile în mod direct achiziției, construcției sau realizării activelor eligibile, active care necesită o perioadă de timp semnificativă pentru a fi gata pentru utilizare sau vânzare, se adaugă costului acelor active până când activele sunt pregătite în mod semnificativ pentru domeniul de utilizare sau vânzare.

Veniturile din investiția temporară a îndatorării specifice obținute pentru achiziția sau construcția activelor eligibile se deduc din costurile împrumuturilor care se pot capitaliza. Toate celelalte costuri cu îndatorarea

sunt recunoscute în profitul sau pierdere perioadei în care acestea sunt suportate.

Câștigurile sau pierderile din diferențe de curs valutar sunt raportate în suma netă că și câștig sau pierdere în funcție de rezultatul mișcărilor diferențelor de curs.

Impozitul pe profit

Cheltuielile cu impozitul pe venit reprezintă suma impozitelor de plătit în mod curent, precum și a taxelor amânate. Datoriile sau creanțele referitoare la impozitul pe profit aferent perioadei curente și perioadelor anterioare sunt evaluate la suma care urmează să fie plătită sau recuperată către autoritatea fiscală folosind reglementările legale și rata de impozitare în vigoare la data situațiilor financiare. Impozitul pe profit pentru perioada de închidere 31 decembrie 2021 fost 16%.

Impozitul curent și cel amânat sunt recunoscute în contul de profit sau de pierderi cu excepția cazului în care ele se referă la elemente ce sunt recunoscute în alte elemente ale rezultatului global sau direct în capitaluri, caz în care impozitul curent și cel amânat sunt de asemenea recunoscute în alte elemente ale rezultatului global sau direct în capitaluri.

Impozitul curent

Impozitul plătit în mod curent se bazează pe profitul impozabil realizat în decursul anului. Profitul impozabil diferă față de profitul raportat în declarația neconsolidată de venit general din cauza elementelor de venituri sau cheltuieli ce sunt impozitabile sau deductibile în unii ani, precum și elemente ce nu sunt niciodată impozabile sau deductibile. Obligația Grupului în materie de impozite curente este calculată folosind rate de impozitare ce au fost adoptate sau în mare măsură adoptate la sfârșitul perioadei de raportare.

Impozitul amânat

Impozitul amânat se recunoaște pe baza diferențelor temporare apărute între valoarea contabilă a activelor și a datoriilor și bazele fiscale ale activelor și a datoriilor din situațiile financiare.

Datoriile de impozit amânate sunt în general recunoscute pentru toate diferențele impozabile temporare.

Activele privind impozitul amânat sunt recunoscute în măsura în care există probabilitatea realizării în viitor a unui profit impozabil din care să poată fi recuperată diferența temporară.

Diferențele principale rezultă din amortizarea activelor imobilizate și evaluarea activelor la valoare justă.

Activele și datoriile privind impozitul amânat sunt determinate în baza impozitelor ce sunt presupuse a fi aplicate în perioada în care respectiva datorie sau creanța privind impozitul amânat vor fi realizate sau decontate.

Raportarea pe segmente

Un segment de activitate este o componentă a Grupului care se angajează în activități de afaceri din care poate obține venituri și de pe urma cărora poate suporta cheltuieli (inclusiv venituri și cheltuieli aferente tranzacțiilor cu alte componente ale aceleiași societăți), ale cărei rezultate din activitate sunt examinate în mod periodic de către principalul factor decizional operațional al Grupului în vederea luării de decizii referitoare la resursele ce urmează să fie alocate pe segment și a evaluării performanțelor acestuia și pentru care sunt disponibile informații financiare distinctive.

Conducerea societății evaluează în mod regulat activitatea Grupului în vederea identificării segmentelor de activitate pentru care trebuie raportate separat informații. Grupul nu a identificat componente care să fie calificate drept segmente de activitate.

4. 1. IMOBILIZARI CORPORALE

Evoluția imobilizărilor corporale de la 1 ianuarie 2021 la 31 decembrie 2022 este următoarea:

Explicatii	Terenuri	Constructii	Echipamente si autovehicule	Alte imobilizari corporale	Imobilizari corporale in curs	Total
Valoare de inventar						
01-01-21	43,848,700	94,365,644	628,916,878	1,672,915	78,038,056	846,842,193
Intrari 2021	9,135,000	24,546,486	57,682,812	281,766	37,976,571	129,622,635
lesiri 2021	0	-602,155	-19,536,862	-31,749	74,387,944	-94,558,710

31-12-21	52,983,700	118,309,975	667,062,828	1,922,932	41,626,683	881,906,118
Intrari din achizitii 2022					43,807,917	43,807,917
Intrari generate intern 2022					8,119,072	8,119,072
Intrari din puneri in functiune 2022		5,196,833	44,728,075	98,847		50,023,755
Intrari din transferuri de la clase 2022		1,255,619	3,614		2,109	1,261,342
Intrari din transferuri in cadrul aceleiasi clase 2022		-3,614	10,800			7,186
Iesiri din transferuri in cadrul aceleiasi clase 2022			-10,800			-10,800
Iesiri din transferuri la alte clase de imobilizari 2022			-2,109		50,030,528	-50,032,637
Iesiri din vanzari 2022						0
Iesiri din casari 2022			-12,424,639	-60,474		-12,485,113
31-12-22	52,983,700	124,758,813	699,367,769	1,961,305	43,525,253	922,596,840
Amortizare, deprecieri						
01-01-21	0	6,195,710	418,841,080	1,153,296	0	426,190,086
Cheltuieli 2021	0	6,164,271	37,076,058	66,751	0	43,307,080
Amortizare, deprecieri aferente iesiri 2021	0	-42,389	-19,422,983	-31,749	0	-19,497,121
31-12-21	0	12,317,592	436,494,155	1,188,298	0	450,000,045
Cheltuieli 2022	0	5,540,573	40,638,697	96,134	0	46,275,404
Amortizare, deprecieri aferente intrari din transferuri in cadrul aceleiasi clase 2022	0		2,400		0	2,400
Amortizare, deprecieri aferente iesiri din transferuri in cadrul aceleiasi clase 2022	0		-2,400		0	-2,400
Amortizare, deprecieri aferente casari 2022	0		-12,407,126	-60,474	0	-12,467,600
Amortizare, deprecieri aferente vanzari 2022	0				0	0
31-12-22	0	17,858,165	464,725,726	1,223,958	0	483,807,849
Valoare ramasa						
01-01-21						420,652,107
31-12-21						431,906,073
31-12-22						438,788,991

Actiunile corporale reprezentand "Imobilizari corporale in curs" sunt evaluate la cost istoric.

Grupul a ales pentru evaluarea imobilizariilor corporale de natura terenurilor si constructiilor modelul reevaluarii la valoare justa. Constructiile si terenurile au fost reevaluate la 31.12.2019 de catre un evaluator independent autorizat.

In ierarhia valorii juste, reevaluarea cladirilor si terenurilor grupului la valoare justa este clasificata ca si date de nivel 2.

Tehnicile de evaluare utilizate in evaluarea la valoare justa de nivel 2 este metoda compararii preturilor. Preturile comparabile cladirilor si constructiilor din apropiere sunt ajustate in functie de caracteristici specifice, cum ar fi marimea proprietatii, etc. Cele mai importante date de intrare pentru aceasta metoda de evaluare este pretul pe metru patrat.

Nu au existat transferuri intre nivelul la care sunt clasificate evaluarile la valoare justa in cursul anului 2022.

Amortizarea tuturor imobilizariilor corporale se determina prin metoda liniara. Actiunile imobilizate s-au redus in anul 2022 prin vanzare, casare si amortizare. Valoarea de inventar a mijloacelor fixe casate in 2022 a fost de 12,485,113 lei, iar valoarea neamortizata a mijloacelor fixe casate a fost de 17,512 lei.

La 31.12.2021 valoare contabila neta a imobilizariilor ipotecate in favoarea bancilor a fost de 150,104,209 lei, din care 100,798,465 lei constand in echipamente tehnologice si 49,125,744 lei in constructii si terenuri.

Obligatiile grupului derivand din contracte de achizitii imobilizari sunt in valoare de lei 1,671,248 lei.

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4. 2. INVESTITII IMOBILIARE

Evolutia investitiilor imobiliare de la 1 ianuarie 2021 la 31 decembrie 2022 este urmatoarea:

Explicatii	Investitii imobiliare	Investitii imobiliare in curs de executie	Total
01-01-21	56,352,094	9,890,294	41,239,843
Intrari 2021	7,910,598	5,616,440	13,527,038
lesiri 2021	-24,653,538	-15,366,393	-40,019,931
31-12-21	39,609,154	140,341	39,749,495
Intrari din achizitii 2022		81,902	81,902
Intrari generate intern 2022		4,159	4,159
Intrari din puneri in functiune 2022	753		753
Intrari din transferuri de la alte clase de imobilizari 2022	6,773		6,773
lesiri din transferuri la alte clase de imobilizari 2022	-1,255,619	0	-1,255,619
lesiri din transferuri in cadrul aceleiasi clase de imobilizari 2022		-259	-259
lesiri din transferuri la stocuri 2022	-753		-753
31-12-22	38,360,308	226,143	38,586,451

Investitiile imobiliare sunt evaluate la valoarea justa. Un castig sau o pierdere generata de o modificare a valorii juste a investitiei imobiliare se recunoaste in profitul sau in pierderea perioadei in care apare. Activele imobilizate "Investitii imobiliare in curs" sunt evaluate la cost istoric.

5. IMOBILIZARI NECORPORALE

Evolutia imobilizarilor necorporale a fost urmatoarea:

Explicatii	Cheltuieli de cercetare-dezvoltare	Cheltuieli de constituire	Programe informatice si licente soft	Total
Cost				
01-01-21	4,714,181		12,782,727	17,496,908
Intrari 2021	1,893,648	184,687	4,610,693	6,689,028
lesiri 2021	-1,893,648		-3,214,503	-5,108,151
31-12-21	4,714,181	184,687	14,178,917	19,077,785
Intrari din achizitii 2022			1,148,169	1,148,169
Intrari din transferuri de la alte clase de imobilizari 2022			681,367	681,367
lesiri din transferuri in cadrul aceleiasi clase 2022			-681,367	-681,367
31-12-22	4,714,181	184,687	15,327,086	20,225,954
Amortizare, deprecieri				
01-01-21	0	0	8,824,888	8,824,888
Cheltuieli 2021	282,053	33,860	678,086	993,999
31-12-21	282,053	33,860	9,502,974	9,818,887
Cheltuieli 2022	552,574	36,937	997,863	1,587,374
31-12-22	834,627	70,797	10,500,837	11,406,261
Valoare ramasa				
01-01-21				8,672,020
31-12-21				9,258,898
31-12-22				8,819,693

Grupul capitalizeaza costurile de cercetare-dezvoltare datorita faptului ca sunt indeplinite criteriile de recunoastere a acestora ca un element de imobilizare necorporala, si anume:

- este probabil că beneficiile economice viitoare preconizate a fi atribuite imobilizării să revină Grupului;
- costul imobilizării poate fi evaluat fiabil.

6. CREANTE COMERCIALE SI ALTE CREANTE

Situatia creantelor comerciale este urmatoarea:

Explicatii	2022	2021
Creante de la clienti care nu au depasit scadenta	129,918,395	122,639,794
Creante care au depasit scadenta, dar nu s-au inregistrat ajustari pentru depreciere	20,015,764	9,059,944
Creante care au depasit scadenta, dar s-au inregistrat ajustari pentru depreciere	511,311	377,939
Ajustari pentru depreciere	-511,311	-377,939
Total creante comerciale	149,934,159	131,699,738

La 31 decembrie 2022 si 2021 situatia pe vechimi a creantelor care au deposit scadenta si pentru care nu s-au inregistrat ajustari privind deprecierea se prezinta astfel:

Explicatii	2022	2021
Scadenta depasita intre 7 si 90 de zile	19,466,757	7,677,498
Scadenta depasita de la 91 la 180 zile	331,470	1,275,484
Scadenta depasita de la 181 la 1 an	217,537	56,084
Scadenta depasita peste 1 an	0	50,878
Total creante cu scadenta depasita	20,015,764	9,059,944

Grupul a constituit ajustari pentru deprecierea creantelor clienti astfel:

01-01-21	417,224
Ajustari constituite in anul 2021	315,121
Ajustari reversate in anul 2021	-354,406
31-12-21	377,939
Ajustari constituite in anul 2022	464,933
Ajustari reversate in anul 2022	-331,561
31-12-22	511,311

Situatia altor creante detinute de Grup este urmatoarea:

Explicatii	2022			2021		
	Total, din care	Termen lung	Termen scurt	Total, din care	Termen lung	Termen scurt
Avansuri platite catre furnizori	6,357,481	0	6,357,481	3,850,006	0	3,850,006
Creante in legatura cu personalul	16,485	0	16,485	3,611	0	3,611
Creante in legatura cu bugetul consolidat al statului si bugetul local	3,858,099	0	3,858,099	4,410,823	0	4,410,823
Debitori diversi	1,576,733	0	1,576,733	1,059,553	0	1,059,553
Ajustari pentru deprecierea debitorilor	-1,127,411	0	-1,127,411	-839,069	0	-839,069
Cheltuieli in avans	1,332,550	0	1,332,550	1,461,571	0	1,461,571

Subventii de incasat (proiecte fonduri europene)	14,159,427	1,581,768	12,577,659	20,372,665	12,465,269	7,907,396
Total alte creante	26,173,364	1,581,768	24,591,596	30,319,160	12,465,269	17,853,891

Grupul a constituit ajustari pentru deprecierea altor creante astfel:

01-01-21	368,925
Ajustari constituite in anul 2021	278,406
Ajustari reversate in anul 2021	
31-12-21	647,331
Ajustari constituite in anul 2022	191,738
Ajustari reversate in anul 2022	
31-12-22	839,069

Politica comerciala a Grupului impune inregistrarea de ajustari pentru depreciere pentru alte creante care depasesc 365 de zile si pentru acele creante pentru care exista indicii ca sunt incerte. Creantele in valuta sunt evaluate in lei la cursul de schimb oficial al BNR din data de 31.12.2022.

7. ALTE CREANTE IMOBILIZATE

Situatia altor creante imobilizate detinute de Grup este urmatoarea:

Explicatii	2022			2021		
	Total, din care	Termen lung	Termen scurt	Total, din care	Termen lung	Termen scurt
Garantie VAMA pt.vamuire la domiciliu	103,000	103,000	0	103,000	103,000	0
Alte garantii	36,071	36,071	0	19,718	19,718	0
Total alte active	139,071	139,071	0	122,718	122,718	0

8. STOCURI

Structura stocurilor detinute de Grup este prezentata in tabelul de mai jos:

Explicatii	2022	2021
Materii prime	50,451,890	52,609,539
Ajustari pentru deprecierea materiilor prime	-144,929	-290,176
Materiale si ambalaje	23,502,642	25,566,756
Ajustari pentru deprecierea materialelor si ambalajelor	-80,432	-241,851
Semifabricate si productia in curs de executie	40,768,671	42,857,109
Produce finite si marfuri	18,559,600	22,301,918
Ajustari pentru deprecierea produselor finite si marfurilor	-178,320	-354,979
Total stocuri	132,879,122	142,448,316

Grupul a constituit ajustari pentru deprecierea stocurilor astfel:

01-01-21	727,449
Ajustari constituite in anul 2021	170,731
Ajustari reversate in anul 2021	-11,174
31-12-21	887,006
Ajustari constituite in anul 2022	0
Ajustari reversate in anul 2022	-483,325
31-12-22	403,681

9. NUMERAR SI ECHIVALENTE DE NUMERAR

Disponibilitatile banesti si echivalentele de numerar se prezinta astfel:

Explicatii	2022	2021
Conturi bancare in RON	8,024,023	12,774,492
Conturi bancare in valuta	2,331,575	1,152,793
Echivalente de numerar	309	79,909
Casa in RON	83,382	91,177
Casa in valuta	12,960	22,373
Total disponibilitati banesti si echivalente	10,452,249	14,120,744

Grupul detine conturi in lei si valuta la urmatoarele institutii bancare: BRD GROUP SOCIETE GENERALE, BCR, ING BANK, TREZORERIE.

10. IMPOZIT PE PROFIT

Impozitul pe profit curent al Grupului se determina pe baza profitului statutar, ajustat cu cheltuielile nedeductibile si cu veniturile neimpozabile, la o cota de 16% pentru 2022 si 2021.

In anul 2022 Grupul a calculat, pe langa impozit pe profit, si impozit pe venitul microintreprinderilor. La 31 decembrie 2022 si 2021 impozitul pe profit este format din:

Explicatii	2022	2021
Cheituiala/(Venitul) cu impozitul pe profit amanat	1,333,391	1,158,819
Cheituiala cu impozitul pe veniturile microintreprinderilor	16,649	12,503
Cheituiala cu impozitul pe profit curent	38,826	1,903,604
Total impozit pe profit	1,388,866	3,074,926

Reconcilierea numerica intre cheltuiala cu impozitul pe profit si rezultatul inmultirii rezultatului contabil cu procentul de impozitare in vigoare este prezentata mai jos:

Explicatii	2022	2021
Profit inainte de impozitare aferent impozitului pe profit	3,603,248	18,113,154
Profit inainte de impozitare aferent impozitului pe venitul microintreprinderilor	-906,695	-355,344
Cheltuiala cu impozitul pe profit 16%	576,520	2,898,105
Cheituiala cu impozitul pe veniturile microintreprinderilor	16,649	12,503
Chelt.de sponsorizare de dedus din impozitul pe profit	34,955	-206,386
Impozit pe profit datorat	628,124	2,704,222
Efectul veniturilor neimpozabile	-576,200	-786,282
Efectul cheltuielilor nedeductibile fiscal si a diferentelor temporare	1,415,569	1,158,819
Efectul scutirii impozitului pe profitul reinvestit	-78,627	0
Bonificatie acordata la plata imp.profit curent		-1,833
Total cheltuiala cu impozitul pe profit/venit	1,388,866	3,074,926
Procentul efectiv de impozit pe profit/venit	38.54	16.98

Componentele semnificative ale impozitului pe profit curent inclus in situatiile financiare la 31.12.2022 si 31.12.2021 sunt urmatoarele:

Explicatii	2022	2021
Profit brut	3,836,233	18,032,260
Venituri neimpozabile	-3,601,252	-1,450,667
Cheltuieli nedeductibile	53,099,371	43,714,910
Alte deduceri-amortizare fiscala	-52,842,933	-52,325,207
Profit fiscal	491,419	7,971,296
Impozit pe profit	78,627	1,275,407
Sume reprezentand sponsorizari	34,955	-206,386
Scutire impozit pe profitul reinvestit	-78,627	0
Bonificatie acordata la plata imp.profit curent	0	0
Total cheltuiala cu impozitul pe profit curent	38,826	1,903,604
Procentul efectiv de impozit pe profit curent	1.01	10.56

Evolutia impozitului amanat in perioada 01.01.2021-31.12.2022 este prezentata in tabelul de mai jos:

01-01-21	-1,734,168
Impozit amanat prin contul de profit si pierdere 2021	1,903,604
Impozit amanat recunoscut prin alte elemente ale rezultatului global 2021, din care:	-304,014
Impozit amanat din reevaluare imobilizari	-282,010
Impozit amanat din rezerve legale deductibile fiscal	-22,004
31-12-21	-134,578
Impozit amanat prin contul de profit si pierdere 2022	1,333,391
Impozit amanat recunoscut prin alte elemente ale rezultatului global 2022, din care:	-277,951
Impozit amanat din reevaluare imobilizari	-277,951
31-12-22	920,862

Grupul recunoaste creantele privind impozitul amanat deoarece estimeaza ca probabil va exista profit impozabil viitor fata de care pot fi utilizate respectivele creante.

11. CAPITALURI PROPRII

Structura actionariatului la data de 31.12.2022 este urmatoarea:

Explicatii	Nr. Actiuni	% din total capital social
Actionari (persoane fizice) române și străine	153,632,281	70.2091%
Actionari (persoane juridice) române și străine	65,188,757	29.7909%
Numar total de actiuni	218,821,038	100.00%

Actiunile SGrupului a au o valoare nominala de 0,1 RON / actiune, valoarea capitalului social fiind de 21.882.104 lei.

Din luna iunie 1997 actiunile Grupului sunt tranzactionate pe Bursa de Valori Bucuresti, iar din luna iulie 2001 sunt la categoria a II-a.

Incepand cu data de 13.08 2020,Grupul a demarat programul de rascumparare a actiunilor proprii, in conformitate cu Hot.AGA 18 si 19 din data de 27.04.2020.

Dimensiunea programului: rascumpararea de pe piață a unui număr maxim de 15.000.000 acțiuni proprii

Prețul de dobândire a acțiunilor propus este:

- preț minim per acțiune: 0,1 lei
- preț maxim per acțiune: 1 lei

In data de 15.11.2021 acest proces a fost finalizat, avand urmatoarele rezultate:

- -numar actiuni rascumparate: 6,504,153
- -pret mediu de cumparare : 0.5962 lei/actiune

- valoarea totala a actiunilor rascumparate: 3,878,223.52 lei

Actiunile au fost rascumparate in vederea distribuirii cu titlu gratuit catre membrii conducerii grupului, in scopul fidelizarii acestora, precum si al recompensarii pentru activitatea desfasurata in cadrul grupului. Prin Hotararile Consiliului de Administratie nr. 83/04.10.2021 si 85/05.10.2021 a fost aprobat Planul de Alocare catre angajati si membrii ai conducerii, a drepturilor de optiune pentru dobandirea, cu titlu gratuit a unui numar de 6,500,000 actiuni rascumparate, plan de tip Stock Option Plan.

In luna noiembrie 2022 a fost finalizat Planul de Alocare catre angajati si membrii ai conducerii, a drepturilor de optiune, in urma caruia pentru un numar de 6,060,000 actiuni a fost exprimata optiunea .

Valoarea justa a actiunilor distribuite cu titlu gratuit este de 2,581,560 lei.

In urma rascumpararii de actiuni proprii si distribuirii cu titlu gratuit catre angajati a unui numar de 6,060,000 actiuni a ramas un n umar de 444,153 actiuni nedistribuite.

Capitalurile proprii ale Grupului includ urmatoarele:

Explicatii	2022	2021
Capital subscris si varsat	21,882,104	21,882,104
Actiuni proprii	-376,509	-4,000,857
Rezerve din reevaluare	83,891,130	83,891,130
Rezerve legale	4,957,516	4,957,516
Ajustare rezerve legale	22,679,066	22,679,066
Alte rezerve	299,677,526	290,500,386
Ajustare alte rezerve	471,920	471,920
Rezultat reportat	67,034,358	15,034,914
Profit an curent	1,304,325	67,058,412
Repartizarea profitului	-491,419	0
Interese minoritare	211,950	208,588
Total capitaluri proprii	501,241,967	502,683,179

Managementul capitalului

Obiectivele Grupului legate de administrarea capitalului se refera la mentinerea capacitatii Grupului de a-si continua activitatea cu scopul de a furniza compensatii actionarilor si beneficii celorlalte parti interesate, si de a mentine o structura optima a capitalului astfel incat sa reduca costurile de capital si sa sustina dezvoltarea ulterioara a grupului. Nu exista cerinte de capital impuse din exterior. Grupul monitorizează capitalul pe baza gradului de îndatorare. Acest coeficient este calculat ca datorie netă impartita la capitalul total. Datoria neta este calculata ca imprumuturile totale (inclusiv imprumuturile curente si pe termen lung, dupa cum se arata în bilantul contabil), mai puțin numerarul si echivalentul de numerar. Capitalul total administrat este calculat ca si „capitaluri proprii”, dupa cum se arata in situatia pozitiei financiare.

Evolutia gradului de indatorare a Grupului este urmatoarea:

Explicatii	2022	2021
Datorii totale	304,500,159	297,076,541
Numerar si echivalente de numerar	10,452,249	14,120,744
Datorii nete	294,047,910	282,955,797
Capitaluri proprii	501,241,967	502,683,179
Grad de indatorare	0.59	0.56

Grupul si-a propus sa nu depaseasca pragul de 0,99.

12. DATORII FINANCIARE

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Datoriile financiare pe termen lung si scurt in moneda EUR sunt urmatoarele sunt:

Moneda - EUR		2022			2021		
Institutie de credit	Tip imprumut	Total, din care	Termen lung (< 5 ani)	Termen scurt	Total, din care	Termen lung (< 5 ani)	Termen scurt
BRD GROUP SOCIETE GENERALE-ROMANIA	Linie credit pentru productie	6,979,070	6,979,070	0	6,173,527	6,173,527	0
BRD GROUP SOCIETE GENERALE-ROMANIA	Credit pentru investitii	4,900,194	3,392,442	1,507,752	6,407,947	4,900,194	1,507,752
ING BANK-SIBIU	Linie credit pentru productie	4,358,941	4,358,941	0	4,772,571	4,772,571	0
ING BANK-SIBIU	Credit pentru investitii	4,826,845	3,447,746	1,379,098	6,205,943	4,826,845	1,379,098
BANCA TRANSILVANIA SIBIU	Credit pentru investitii	3,037,992	3,037,992	0	0	0	0
BANCA TRANSILVANIA SIBIU	Credit punte ajutor de stat	834,679	0	834,679	0	0	0
BANCA TRANSILVANIA SIBIU	Credit pentru TVA			0	0	0	0
MPULS-Leasing Romania I.F.N. SA	Contracte leasing financiar	13,765	0	13,765	35,233	13,763	21,470
Total datorii financiare-EUR		24,951,485	21,216,191	3,735,293	23,595,220	20,686,900	2,908,320

Datoriile financiare pe termen lung si scurt in moneda LEI sunt urmatoarele:

Moneda - LEI		2022			2021		
Institutie de credit	Tip imprumut	Total, din care	Termen lung (< 5 ani)	Termen scurt	Total, din care	Termen lung (< 5 ani)	Termen scurt
BRD GROUP SOCIETE GENERALE-ROMANIA	Linie credit pentru productie	34,528,251	34,528,251	0	30,547,230	30,547,230	0
BRD GROUP SOCIETE GENERALE-ROMANIA	Credit pentru investitii	24,243,205	16,783,769	7,459,436	31,707,160	24,246,652	7,460,508
ING BANK-SIBIU	Linie credit pentru productie	21,565,424	21,565,424	0	23,615,158	23,615,158	0
ING BANK-SIBIU	Credit pentru investitii	23,880,331	17,057,380	6,822,952	30,707,627	23,883,710	6,823,918
BANCA TRANSILVANIA SIBIU	Credit pentru investitii	15,030,160	15,030,161	0	0	0	0
BANCA TRANSILVANIA SIBIU	Credit punte ajutor de stat	4,129,499	0	4,129,499	0	0	0
BANCA TRANSILVANIA SIBIU	Credit pentru TVA	0	0	0	0	0	0

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IMPULS-Leasing Romania I.F.N. SA	Contracte leasing financiar	68,099	0	68,099	174,334	68,101	106,233
Total datorii financiare-LEI		123,444,969	104,964,985	18,479,985	116,751,510	102,360,851	14,390,660

La 31.12.2021 valoare contabila neta a imobilizarilor ipotecate in favoarea bancilor a fost de 150,104,209 lei, din care 100,798,465 lei constand in echipamente tehnologice si 49,125,744 lei in constructii si terenuri.

De asemenea, pentru garantarea creditelor angajate s-au constituit garantii mobiliare asupra creantelor, garantii mobiliare asupra echipamentelor si dotarilor viitoare aferente Proiectului Complex hotelier Arini Hospitality, garantii imobiliare asupra constructiei viitoare constand din complexul hotelier Ibis-Mercure, proiect aflat in derulare in prezent, garantii mobiliare asupra universalitatii creantelor rezultate din activitatea hoteliera ce va fi desfasurata de firma Arni Hospitality SRL.

In cadrul contractului de imprumut incheiat intre firma Arini Hospitality si Banca Transilvania pentru finantarea proiectului Complex hotelier Ibis-Mercure, firma mama Compa SA este codebitor.

Marja de dobanda a creditelor angajate la institutiile bancare variaza intre: 1% p.a. – 9.1% p.a.

Datoriile in valuta sunt evaluate in lei la cursul de schimb oficial al BNR din data de 31.12.2022.

13. DATORII COMERCIALE SI ALTE DATORII

Situatia datoriilor comerciale si a altor datorii este urmatoarea:

Explicatii	2022			2021		
	Total, din care	Termen lung	Termen scurt	Total, din care	Termen lung	Termen scurt
Furnizori	116,059,440	0	116,059,440	109,995,480	0	109,995,480
Avansuri incasate de la clienti	685,670	0	685,670	183,660	0	183,660
Datorii din contracte cu clientii	2,919,520	0	2,919,520	9,051,042	0	9,051,042
Datorii in legatura cu personalul	6,069,510	0	6,069,510	6,047,522	0	6,047,522
Datorii la bugetul general consolidat al statului si bugetul local	11,751,643	0	11,751,643	6,754,122	0	6,754,122
Datorii cu impozitul pe profit curent	4,773	0	4,773	28,155	0	28,155
Dividende de plata	390,174	0	390,174			203,982
Creditori diversi	141,855	0	141,855	632,595	0	632,595
Venituri in avans	2,098,749	0	2,098,749	1,776,045	235,000	1,541,045
Subventii pentru investitii din contracte AMPOSDRU SI AMPOSCEE	40,724,863	36,986,175	3,738,688	45,371,769	40,797,463	4,574,306
Plusuri de inventar de natura imobilizarilor	21,507	21,507	0	56,016	56,016	0
Total datorii comerciale si alte datorii	180,867,704	37,007,682	143,860,022	179,896,406	41,088,479	139,011,909

Datoriile in valuta sunt evaluate in lei la cursul de schimb oficial al BNR din data de 31.12.2022.

14. PROVIZIOANE

Situatia provizioanelor la 31.12.2022 este prezentata in tabelul de mai jos:

Explicatii	Provizioane pentru garantii acordate clientilor	Provizioane pentru beneficiile angajatilor	Alte provizioane	Total provizioane
01-01-21	26,945	108,700	0	135,645
Ajustari constituite in anul 2021	0	0	89,000	89,000
Ajustari reversate in anul 2021	0	0	0	0
31-12-21	26,945	108,700	89,000	224,645

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Ajustari constituite in anul 2022	0	0	2,778,571	2,778,571
Ajustari reversate in anul 2022	0	0	-2,784,755	-2,784,755
31-12-22	26,945	108,700	82,816	218,461

In anul 2021 grupul nu a constituit provizioane suplimentare pentru garantii acordate clientilor si pentru beneficiile angajatilor, considerand ca nu au intervenit modificari fata de situatia existenta la 31.12.2022. Au fost constituite provizioane reprezentand cheltuieli cu auditul statutar aferent anului 2022, pentru care se va primi factura in anul 2023.

15. VENITURI SI SEGMENTE DE ACTIVITATE

Structura veniturilor realizate de Grup este urmatoarea:

Explicatii	2022	2021
Cifra de afaceri totala, din care:	741,193,468	709,056,249
Venituri din vanzari de produse finite	722,660,262	683,516,845
Venituri din prestari de servicii	7,139,330	9,600,425
Venituri din vanzarea marfurilor	9,217,038	13,884,813
Venituri din alte activitati (chirii, vanzari de materiale, deseuri, semifabricate, ambalaje)	872,845	779,743
Venituri din subventii aferente cifrei de afaceri (proiecte si contracte parteneriat proiecte AMPOSDRU)	1,303,993	1,274,423
Alte venituri operationale	14,137,617	17,383,570
Total venituri din exploatare	755,331,085	726,439,819

Alte venituri operationale sunt formate din:

Explicatii	2022	2021
Venituri din productia de imobilizari	8,123,725	8,294,171
Venituri din subventii pentru investitii (proiecte si contracte parteneriat proiecte AMPOSDRU si AMPOSCEE)	4,550,906	2,914,123
Venituri din vanzari de active	2,753	5,308,391
Alte venituri din exploatare	1,460,233	866,885
Total Alte venituri operationale	14,137,617	17,383,570

Segmente de activitate

Conducerea Grupului evalueaza in mod regulat activitatea acestuia in vederea identificarii segmenelor de activitate pentru care trebuie raportate separat informatii. Grupul isi desfasoara activitatea in Romania. Veniturile grupului prezentate mai sus sunt in intregime atribuite tarii de domiciliu. Activele imobilizate, altele decat instrumentele financiare, creantele privind impozitul amanat, creantele privind beneficiile post angajare si drepturile care rezulta din contracte de asigurare sunt localizate in Romania in totalitate. Grupul nu are astfel de active imobilizate localizate in alte tari. Veniturile sunt atribuibile activitatii din Romania.

16. CHELTUIELI DUPA NATURA

Cheltuielile din exploatare realizate in anii 2022 si 2021 dupa natura lor sunt prezentate in tabelul de mai jos:

Explicatii	2022	2021
Cheltuieli materiale	447,899,342	-15,752,740
Diferente de stoc	5,780,868	458,087,725
Cheltuieli cu energia si apa	41,472,758	31,843,703
Cheltuieli cu beneficiile angajatilor	162,642,592	152,965,533
Ajustari de valoare privind imobilizarile	47,862,784	44,223,425
Ajustari de valoare privind activele circulante	-45,079	615,161
Cheltuieli cu serviciile prestate de terti	34,502,390	27,654,953
Cheltuieli cu alte impozite, taxe si varsaminte asimilate	7,493,824	4,266,498

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Alte cheltuieli de exploatare	1,746,893	1,523,155
Total cheltuieli din exploatare	749,356,372	705,427,413

17. ANALIZA REZULTATULUI DIN EXPLOATARE

Explicatii	2022	2021
Venituri din exploatare	755,331,085	726,439,819
Costul vanzarilor	-708,572,688	-668,426,755
Cheltuieli de vanzare si distributie	-1,904,331	-1,672,341
Cheltuieli administrative	-23,946,140	-19,220,096
Cheltuieli de cercetare-dezvoltare	-14,933,214	-16,108,221
Rezultat din exploatare	5,974,712	21,012,407

18. CHELTUIELI CU BENEFICIILE ANGAJATILOR

Cheltuielile cu beneficiile angajatilor includ salarii, indemnizatii si contributii la asigurarile sociale. Beneficiile pe termen scurt sunt recunoscute drept cheltuieli pe masura ce serviciile sunt prestate.

Explicatii	2022	2021
Salarii si indemnizatii	158,269,327	150,237,790
Subventii guvernamentale pentru cheltuielile cu salariatii	0	-399,016
Cheltuieli cu asigurarile si protectia sociala	4,373,265	3,126,759
Total	162,642,592	147,224,797

19. PIERDERI (CASTIGURI) FINANCIARE

Structura pierderilor (castigurilor) financiare este prezentata mai jos:

Explicatii	2022	2021
Castiguri din diferente de curs valutar legate de elementele monetare exprimate in valuta	-207,251	-2,322,958
Pierderi din dobanzi	-2,459,658	-1,402,235
Alte castiguri financiare	-611,250	825,941
Total pierderi / castiguri	-3,278,159	-2,899,252

20. CASTIG PE ACTIUNE

Calculul castigului pe actiune pentru anii incheiati la 31 decembrie 2022 si 2021 poate fi sumarizat astfel:

Explicatii	2022	2021
Numar de actiuni la inceputul anului	218,821,038	218,821,038
Actiuni emise in cursul anului	0	0
Numar de actiuni la finalul anului	218,821,038	218,821,038
Profitul net	1,307,687	15,038,228
Castig pe actiune (in RON pe actiune) de baza / diluat:	0.0060	0.0687

In data de 15.11.2021 procesul de rascumparare a actiunilor proprii, demarat in 13.08.2020, in conformitate cu Hot.AGA 18 si 19 din data de 27.04.2020, a fost finalizat, avand urmatoarele rezultate:

- numar actiuni rascumparate: 6,504,153
- pret mediu de cumparare : 0.5962 lei/actiune
- valoarea totala a actiunilor rascumparate: 3.878.223,52 lei

Actiunile au fost rascumparate in vederea distribuirii cu titlu gratuit catre membrii conducerii grupului, in scopul fidelizarii acestora, precum si al recompensarii pentru activitatea desfasurata in cadrul grupului.

Prin Hotararile Consiliului de Administratie nr. 83/04.10.2021 si 85/05.10.2021 a fost aprobat Planul de Alocare catre angajati si membrii ai conducerii, a drepturilor de optiune pentru dobandirea, cu titlu gratuit a unui numar de 6,500,000 actiuni rascumparate, plan de tip Stock Option Plan.

In luna noiembrie 2022 a fost finalizat Planul de Alocare catre angajati si membrii ai conducerii, a drepturilor de optiune, in urma caruia pentru un numar de 6,060,000 actiuni a fost exprimata optiunea pentru dobandirea, cu titlu gratuit a acestora. Valoarea justa a actiunilor distribuite cu titlu gratuit este de 2,581,560 lei.

In urma rascumpararii de actiuni proprii si distribuirii cu titlu gratuit catre angajati a unui numar de 6,060,000 actiuni a ramas un numar de 444,153 actiuni nedistribuite. Aceste actiuni nu au drept de vot si drept la dividend. De asemenea, un numar de 649,100 de actiuni, avand o valoare nominala de 64,910 lei, sunt detinute de societatea afiliata Recaserv SRL, ca urmare nici aceste actiuni nu au drept de vot si drept la dividende.

Calculul castigului/actiune cu drept de vot si drept la dividend este urmatorul:

Explicatii	2022	2021
Numar de actiuni total	218,821,038	218,821,038
Actiuni fara drept de vot si dividend	-1,093,253	-7,153,253
Numar de actiuni cu drept de vot si drept la dividend la finalul anului	217,727,785	211,667,785
Profitul net	1,307,687	15,038,228
Castig pe actiune cu drept de vot si drept la dividend (in RON pe actiune) de baza / diluat:	0.0060	0.0710

21. PARTI AFILIATE

Entitatile afiliate ale COMPA SA sunt urmatoarele:

Parti afiliate	Sediul social	% in capitalul social	Valoarea titlurilor	Obiectul pricipal de activitate
COMPA IT SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	200,000	Activitati de realizare a soft-ului la comanda
TRANS CAS SRL	Str.Henri Coanda, nr.12, Sibiu, jud.Sibiu	99.00	742,500	Transport rutier de marfuri
RECASERV SRL	Str.Henri Coanda, nr.51, Sibiu, jud.Sibiu	70.00	70,000	Activitati de alimentatie (catering)pentru evenimente
ARINI HOSPITALITY SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	19,703,000	Hoteluri și alte facilități de cazare similare
TOTAL			20,715,500	

Entitatile afiliate S.C. COMPA S.A. Sibiu s-au constituit in timp, ca urmare a necesitatii externalizarii din COMPA S.A. a unor activitati specifice cum sunt: proiectare soft, transport auto intern si international; alimentatie publica, activitate hoteliera, externalizari infaptuite pentru eficientizarea acestor activitati precum si pentru a se putea beneficia de unele facilitati acordate de stat unor activitati (activitatea IT; licente transport etc).

Tranzactiile efectuate in anii 2022 si 2021 intre firmele din cadrul grupului au fost urmatoarele:

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Explicatii	2022			2021		
	IMPRUMUT ACORDAT AFILIATELOR	CUMPARARI DE BUNURI SI SERVICII	VANZARI DE BUNURI SI SERVICII	IMPRUMUT ACORDAT AFILIATELOR	CUMPARARI DE BUNURI SI SERVICII	VANZARI DE BUNURI SI SERVICII
SOCIETATEA LA CARE SE DETIN TITLURILE						
TRANSCAS S.R.L.		14,350,028	497,800	0	16,767,657	453,461
COMPACT IT S.R.L.		3,052,778	50,229	0	2,846,123	47,365
RECASERV S.R.L.		1,587,105	45,783	0	1,299,848	12,578
ARINI HOSPITALITY S.R.L.	3,738,264		10,564	500,887	0	832,699

Datoriile si creantele reciproce inregistrate la 31.12.2022 si 31.12.2021 sunt urmatoarele:

Creante de incasat de COMPACT SA de la:

Explicatii	2022	2021
TRANSCAS S.R.L.	78,897	74,615
COMPACT IT S.R.L.	5,048	4,438
RECASERV S.R.L.	18,445	11,067
ARINI HOSPITALITY S.R.L.	3,740,025	507,931

Datorii de achitat de COMPACT SA catre:

Explicatii	2022	2021
TRANSCAS S.R.L.	2,488,231	2,574,218
COMPACT IT S.R.L.	773,119	990,550
RECASERV S.R.L.	443,415	339,384
ARINI HOSPITALITY S.R.L.		0

Soldurile restante nu sunt garantate. Nu s-au instituit garantii si nici nu s-au primit garantii pentru creantele

Conducerea Grupului

Lista administratorilor Grupului :

NUMELE ȘI PRENUMELE	CALIFICARE	FUNCȚIA
DEAC Ioan	Inginer	Președinte C.A.
MICLEA Ioan	Economist	Membru CA
MAXIM Mircea Florin	Inginer	Membru CA
BALTEȘ Nicolae	Economist	Membru CA - Președinte Comitet de audit
NEAȚU Vlad- Nicolae	Economist	Membru CA - membru în Comitetul de audit

22. BENEFICII ANGAJATI

Grupul efectuează plăți în numele angajaților proprii către sistemul de pensii al statului român, asigurările de sănătate și fondul de șomaj, în decursul derulării activității normale. Toți angajații Societății sunt membri și de asemenea au obligația legală de a contribui (prin intermediul contribuțiilor sociale) la sistemul de pensii al statului român (un plan de contribuții determinate al Statului). Toate contribuțiile aferente sunt recunoscute în rezultatul perioadei în care sunt efectuate.

Grupul se obligă prin contractul colectiv de muncă să ofere beneficii la rezilierea contractului de muncă atunci când contractul de muncă încetează din motive neimputabile angajaților. Beneficiile sunt în valoare de 0,5 - 5 salarii de încadrare, în funcție de vechimea în angajaților în Grup.

De asemenea, conform reglementărilor legale și contractului colectiv de muncă angajații care se pensionează pentru limită de vârstă au dreptul la o indemnizație de sfârșit de carieră în valoare de un salariu de mediu de încadrare, corespunzător funcției ocupate la data pensionării, ajustat cu un procent corespunzător cu vechimea angajaților.

23. INSTRUMENTE FINANCIARE SI MANAGEMENTUL RISCULUI

este descris la Cap.10 din Raportul Anual individual 2022

24. DATORII CONTINGENTE SI ANGAJAMENTE

Grupul COMPA este obiectul unui număr de acțiuni în instanță rezultate în cursul normal al desfășurării activității.

Conducerea Societății consideră, că în afara sumelor deja descrise în aceste situații financiare ca provizioane sau ajustări pentru deprecierea activelor (descrise în notele la aceste situații financiare), alte acțiuni în instanță nu vor avea efecte negative semnificative asupra rezultatelor economice și asupra poziției financiare ale Societății.

În România, există un număr de agenții autorizate să efectueze controale (audituri).

Aceste controale sunt similare de natura auditurilor fiscale efectuate de autoritățile fiscale din multe țări, dar se pot extinde nu numai asupra aspectelor fiscale ci și asupra altor aspecte juridice și de reglementare în care agenția respectivă poate fi interesată. Este probabil ca Grupul să continue să fie supusă periodic unor astfel de controale pentru încălcări sau presupuse încălcări ale legilor și regulamentelor noi și a celor existente.

Deși Grupul poate contesta presupusele încălcări și penalitățile aferente atunci când conducerea este de părere că este îndreptățită să acționeze în acest mod, adoptarea sau implementarea de legi și regulamente în România ar putea avea un efect semnificativ asupra Societății.

Sistemul fiscal din România este în continuă dezvoltare, fiind supus multor interpretări și modificări constante, uneori cu caracter retroactiv. Termenul de prescriere al controalelor fiscale este de 5 ani.

Legislația fiscală din România conține reguli privind prețurile de transfer între persoane afiliate încă din anul 2000. Cadrul legislativ curent definește principiul „valorii de piață” pentru tranzacțiile între persoane afiliate, precum și metodele de stabilire a prețurilor de transfer. Ca urmare, este de așteptat că autoritățile fiscale să inițieze verificări amănunțite ale prețurilor de transfer, pentru a se asigura că rezultatul fiscal și/sau valoarea în vamă a bunurilor importate nu sunt distorsionate de efectul prețurilor practice în relațiile cu persoane afiliate. Grupul nu poate cuantifica rezultatul unei astfel de verificări.

25. EVENIMENTE ULTERIOARE DATEI BILANTULUI

În ședința Consiliului de administrație din data 24.02.2023 au fost prezentate și aprobate situațiile financiare preliminare consolidate la 31.12.2022.

Evenimentul major produs după data bilanțului îl reprezintă continuarea războiului dintre Ucraina și Rusia.

Impactul Războiului din Ucraina asupra activității Compa

Începând cu a doua jumătate a anului 2021, s-a înregistrat un salt brusc al prețurilor energiei în UE și în întreaga lume. Prețul combustibililor a crescut și mai mult ca urmare a agresiunii neprovocate și nejustificate a Rusiei împotriva Ucrainei, care a generat, de asemenea, preocupări legate de securitatea aprovizionării cu energie în UE. Decizia Rusiei de a suspenda livrările de gaze către mai multe state membre ale UE a afectat și mai mult situația.

În mod indirect firma Compa este afectată de:

- creșterea necontrolată a prețurilor la toate categoriile de materiale cu un impact major asupra costurilor firmei Compa și implicit a profitabilității firmei
- creșterea costului transportului materialelor ca urmare a schimbării furnizorilor actuali din Europa, cu furnizori aflați în afara zonele de conflict (Japonia, China SUA, etc.) cu impact asupra costurilor de fabricație ale produselor Compa
- o scădere de volume pentru anumite repere destinate clienților care aveau fabrici în Rusia sau Ucraina și care au fost nevoiți să închidă aceste unități de producție

Măsurile luate de managementul Compa pentru gestionarea cazurilor care apar în această situație de criză

- Validarea într-un ritm accelerat a tuturor schimbărilor pe lanțul de aprovizionare generate de conflictul din Ucraina. În situațiile în care soluționarea problemei impune realizarea de probe, încercări de laborator, validări de procese împreună cu furnizorii și clienții, reprezentanții departamentelor tehnice, de producție și de calitate au sarcina de a acționa cu prioritate.
- Pentru atenuarea sau chiar eliminarea sincopelor apărute pe lanțul de aprovizionare, departamentele: producție, calitate, logistică de la nivelul fiecărui sector de producție vor acționa pentru reducerea ciclului de fabricație și de logistică astfel încât impactul asupra clientului final să fie redus cât mai mult posibil.
- Orice întârziere manifestată în imposibilitatea realizării din varii motive a programelor stabilite pentru fiecare caz, va fi adus la cunoștință Topmanagementului Compa pentru a adopta măsuri excepționale în această situație de criză

Compa fiind o societate care are valori mobiliare tranzacționate pe o piață reglementată și situații financiare în conformitate cu Standardele Internaționale de Raportare Financiară (IFRS) trebuie să respecte cerința de raportare în format electronic unic european (**European Single Electronic Format – ESEF**).

Astfel, conform cadrului normativ european, am întocmit în perioada 1-15 martie 2023 situații financiare consolidate care țin cont de faptul că acestea trebuie să fie marcate utilizând limbajul eXtensible Business Reporting Language (XBRL), conform taxonomiei IFRS – ESEF.

Pentru anul financiar 2022 pe lângă situațiile financiare primare, a devenit obligatorie și etichetarea notelor la bilanț.

In numele Consiliului de Administrație, prin:

Președinte CA / Director General,
Ioan DEAC

Director Economic
Mihaela Dumitrescu




11. DECLARAȚIA DE CONFORMITATE A SITUAȚIILOR FINANCIARE**DECLARAȚIA****CONSILIULUI DE ADMINISTRAȚIE**

Consiliul de Administrație își asumă răspunderea pentru întocmirea **situațiilor financiare consolidate** ale Grupului, pentru exercițiul financiar încheiat la data de 31.12.2022 și confirmă următoarele:

- a) Situațiile financiare consolidate pentru anul 2022 sunt întocmite în conformitate cu Standardele Internaționale de Raportare Financiară, așa cum au fost adoptate de Uniunea Europeană.
- b) Politicile contabile utilizate la întocmirea raportărilor financiare anuale consolidate sunt în conformitate cu reglementările contabile aplicabile.
- c) Raportările financiare anuale consolidate oferă o imagine fidelă a poziției financiare, a performanței financiare și a celorlalte informații referitoare la activitatea desfășurată.

Prezenta declarație este în conformitate cu prevederile art.30 din Legea contabilității nr.82/1991.

Presedinte CA / Director General,

Ioan DEAC



Director Economic

Mihaela Dumitrescu



CONSOLIDATED NON-FINANCIAL REPORT 2022

COMPA



compa
beyond expectations

compa  **it**



TRANS C.A.S.
SRL SIBIU

transport intern si international

ARINI HOSPITALITY

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COMPA GROUP

COMPA SA Sibiu, a prestigious brand of the Romanian industry, has gained its reputation over time due to the quality and diversity of its products, car and railway subassemblies, technological equipment, springs and car trailers. Formed by the merger of two companies: Sibiu Automecanica Plant and Elastic Factory Sibiu, COMPA becomes one of the most powerful car-building economic units in the country and continues the industrial tradition of the forerunners by harmoniously combining the experience of the forerunners with the new advances in technology and management. The first of the two companies - Automated Plant comes from the Sibiu Artillery Arsenal whose development is due and overlaps with the historical development of the city of Sibiu. The second enterprise - Factory Elastic has deep roots in the craft tradition of the fortress, being from the century 19th as a blacksmith's workshop, which later developed into a body shop and later into a factory for springs and forged products. A milestone in the development of the company is the year 1969 when, through the unification of the two factories, a new economic entity is born, the Sibiu Auto Parts Company (IPAS).

In 1970, following the contracting of the "MAN" license for trucks and buses, the Sibiu Auto Parts Company entered a national development program and started a very diversified production of automotive components, manufactured under various licenses: shock absorbers, appliances brake, cab subassemblies, cardan transmissions, steering boxes, springs, becoming the main supplier of components for the Romanian automotive industry. In 1991 the company was transformed into a joint stock company with the name of S.C. COMPA S.A.

Throughout its 130 years of existence, the COMPA Group has steadily progressed technically and technologically, constantly investing in the quality of its products and services. COMPA Group is among the first companies with Romanian capital, present in the top 100 of Romanian exporters. COMPA Group map covers 23 countries on 3 continents. The top processes applied in the projects of the COMPA Group, widely integrate CNC equipment (centers with numerical control) associated with defect detection procedures and statistical control methods that allow constant quality assurance. Use of modern cutting technologies, use of laser for cutting or control, metal or film coatings, heat treatments, robotic cells,

COMPA Group collaborates with renowned partners in the automotive and non-automotive industries, the company's focus has recently been on increasing turnover in the non-automotive field by attracting and developing projects in this regard. Major projects such as the construction of cabins for a reputable numerically controlled machine manufacturer, the manufacture of industrial pumps for one of the world's largest manufacturers of high-tech pumps and pump systems for residential and commercial construction, water management and other industries. The manufacture of parts for the shipbuilding industry or for air conditioning installations or equipment for lifting people and materials are just some of the company's successful examples in this direction. 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 for the steering box were also assimilated, products that are outside the diesel sphere and are of the future. 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 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 for the steering box were also assimilated, products that are outside the diesel sphere and are of the future.

Another strategic direction that the COMP A Group places great emphasis on is development as an integrated supplier, offering customers complex products and assemblies that involve the use of as many existing processes as possible within the COMP A Group. 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.

The non-financial statement for 2021 contains information through which the management of COMP A Group communicates, in a transparent manner, to the stakeholders represented by business partners, employees, investors, the local community and other stakeholders, the actions taken to improve the quality system of environmental management, health and occupational security as well as corporate governance.

COMP A together with the other three companies within the COMP A Group constantly acts in the field of continuous improvement of product and service quality, environmental protection, occupational health and safety, human resources, social responsibility, business ethics and integrity and the prevention / fight against corruption. .

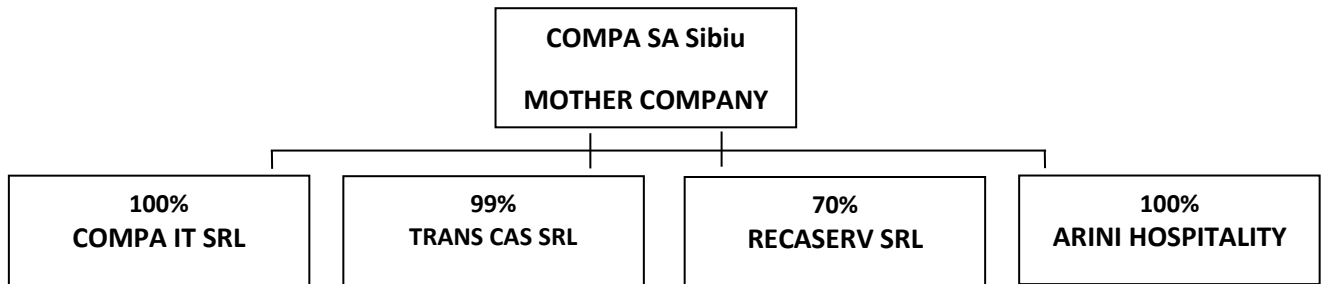
In the period 2000-2004, COMP A underwent an organizational restructuring in order to better adapt to the changes produced by the fulfillment of the strategic objectives. As a direct consequence, some ancillary activities were detached from the object of COMP A's activity, being outsourced. This was a successful model that allowed outsourced companies to focus on providing superior quality in the core field. Following the outsourcing, the COMP A Group was set up, which means the parent company, COMP A, from which the following emerged:

1. COMP A S.A.

It is a company with 100% private capital. It was privatized in September 1999, by buying the majority stake in the COMP A Sibiu Employees Association (PAS), which became the company's main shareholder. In 2018, the COMP A Sibiu Employees Association (PAS) was dissolved, the shares being transferred to the members of the association, depending on the number of shares held and purchased by each. COMP A SA is the mother company, organized on Profit Centers, integrated units without legal personality with a decentralized activity, structured for the realization of products for a single customer or for the realization of similar products for several customers, such as: Forging, Heat Treatments, Galvanization, Pressed - stamped parts, mechanical - welded subassemblies, etc



The structure of the COMPA Group



The management of the mother company COMPA, as well as of the entire COMPA Group is ensured by the Board of Directors elected by the Ordinary General Meeting of Shareholders, for a period of 4 years.

Social headquarters	Sibiu, Str. Henri Coandă no.8
The main object of activity	2932 "Manufacture of other parts and accessories for motor vehicles and their engines"
Social capital	21,882,103.8 lei
Fiscal value	547,121,134 lei
Number of employees	1851

2. COMPA I.T. S.R.L.

It was established in 2000 for the purpose of designing and implementing an integrated IT system for the parent company and third parties, at international standards. The company offers IT solutions, services and software maintenance. By implementing the integrated system in the parent company, COMPA-IT ensures the operation of this system at higher parameters, prepares reports and presents the new facilities of the system in order to capitalize at the highest possible level of opportunities that this very complex system can offer. and competitive.



Social headquarters	Sibiu, Str.Henri Coandă Nr.8
The main object of activity	6201 "Custom software development activities"
Share capital (lei)	200,000 lei
Fiscal value	2,216,900 lei
Shareholder	COMPA SA company
Number of employees	9

3. TRANS C.A.S. S.R.L.

Founded in 2002, by outsourcing the car transport activity within COMPA, the company offers freight and passenger transport services domestically and internationally. Some of the owned vehicles are the property of the parent company COMPA SA, rented, and some of them are the property of TRANS CAS SRL.

TRANS CAS SRL currently owns a number of over 60 vehicles, of which an important share is held by Mercedes-type trailer trucks, with a capacity of over 20 tons payload, intended for the transport of materials and finished products for both COMPA and other customers. The overwhelming share of TRANS CAS's transport is held by international freight transport in almost all of Europe.



Social headquarters	Sibiu, 12 Henri Coandă Street
The main object of activity	4941 "Freight transport by road"
Share capital, of which:	1,500,000 lei
Shareholders: COMPA SA Sibiu	1,498,450 lei
Fiscal value	14,460,846 lei
Number of employees	48

4. RECASERV S.R.L.

It was established in 2004 by outsourcing within the parent company activities such as: public catering made through the canteen and micro-canteens operating within the company COMPA, catering and cleaning services.



Social headquarters	Sibiu, Str. Henri Coandă No.51
The main object of activity	5629 "Other food service activities nec"
Share capital, of which:	100,000 lei
Shareholders: COMPA SA Sibiu	70%
Boroş Daniela (individual person)	30%
Fiscal value	1,146,979 lei
Number of employees	27

5. ARINI HOSPITALITY SRL

ARINI HOSPITALITY SRL is an SPV (special purpose vehicle), with the sole shareholder of COMPA SA. Established in 2021 in order to manage the construction and development of the MERCURE SIBIU PARK ARINI Hotel Complex.

Due to the fact that the specificity of the hotel business is totally different from the automotive components production activity of the main company, COMPA management decided that it is much easier to manage by a new company having as main object of activity that of - Hotels and other accommodation facilities similar CAEN code 5510. This is how ARINI HOSPITALITY was born.

The company wants to enter the hotel market as a player in partnership with ACCOR with which it has concluded a hotel management contract. ACCOR is an international augmented hospitality group specializing in the hospitality industry, a world market leader with unique experiences in over 5,100 hotels in 110 countries with over 300,000 employees. The group has acquired hospitality expertise for more than 50 years, through a portfolio of 39 hotel brands.

Social headquarters	Sibiu, 8 Henri Coandă Street
The main object of activity	5510 "Hotels and similar accommodation"
Share capital, of which:	19,703,000 lei
Shareholders: COMPA SA Sibiu	19,703,000 lei

EMPLOYMENT

Between 2020 and 2022, the total staff of Group COMPA decreased in 2022 by 2.33% compared to 2021 and by 2.3% compared to 2020, decreases generated mainly by the reduction of orders to the "parent company" but also by increasing labor productivity.



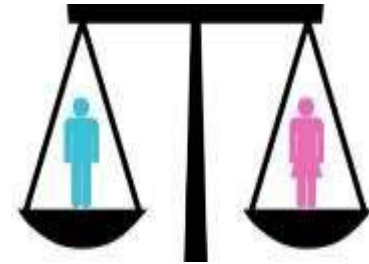
Staff on 31 December	2020	2021	2022	2022/ 2021	2022 / 2020
COMPA SA	1865	1851	1806	97,57%	96,84%
COMPA IT SRL	9	9	9	100,00%	100,00%
TRANSCAS SRL	49	48	45	93,75%	91,84%
RECASERV SRL	22	27	30	111,11%	136,36%
TOTAL GROUP	1945	1935	1890	97,67%	97,17%

GENDER DIVERSITY

(Share of women in total employment as of December 31, 2022)

Within the COMPA Group, the share of female employees represents approximately one third, a share due mainly to technological changes but also to the trust given in the area of responsibilities and coverage with skills.

Share of women in total employees (%)	2022
COMPA SA	31,78%
COMPA IT SRL	22,2%
TRANSCAS SRL	13,33 %
RECASERV SRL	90,0%
TOTAL GRUP	32,17%



TOTAL STAFF DISTRIBUTION

(As of December 31, 2022 on a qualifications structure (according to COR and by gender))

Analyzing the structure of qualifications within the COMPA Group, it is found that the share differs from one company of the Group to another, depending on the specifics of the activities carried out.

Thus, if at COMPA IT SRL the dominant weight is of the personnel with higher education, at COMPA SA and at TRANSCAS SRL the main category is that of qualified workers, instead at RECASERV SRL the weight is held by unskilled workers.

Qualifications structure of COR	COMPA SA	COMPA IT SRL	TRANSCAS SRL	RECASERV SRL	TOTAL GRUP	
1. Leading staff	TOTAL, of which	126	1	1	1	129
	Women	10	0	0	1	11
2. Specialists with higher education	TOTAL, of which	178	7	7	0	192
	Women	69	1	5	0	75
3. Technicians and other specialists in the technical and accounting field	TOTAL, of which	127	1	0	1	129
	Women	66	0	0	0	66
4. Administrative officials	TOTAL, of which	168	0	0	0	168
	Women	149	0	0	0	149
5. Service workers	TOTAL, of which	16	0	0	6	22
	Women	1	0	0	4	5
6. Skilled and assimilated workers	TOTAL, of which	960	0	36	0	996
	Women	206	0	0	0	206
7. Unskilled workers	TOTAL, of which	231	0	1	22	254
	Women	73	0	1	22	96

MEASURES APPLIED TO PROTECT THE ENVIRONMENT



COMPAS Group promotes and recommends throughout the supply chain the promotion of voluntary activities for the protection of the environment, biodiversity, the natural environment, the conservation of energy and non-recoverable natural resources, reducing the amount of waste generated and improving the means of transport of materials and products. COMPAS Group also promotes and recommends the reduction and efficiency of packaging for products to be delivered to the entire COMPAS Group, especially the use of reusable packaging, the use of substitutes for disposable wooden pallets, and the implementation of the design and use of environmentally friendly packaging.

COMPAS Group is working diligently to further integrate environmental sustainability into all aspects of its supply chain functions. COMPAS Group, together with its suppliers, maintains 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 protective masks in response to the COVID-19 pandemic, COMPAS Group, together with a local partner, has replaced disposable masks with reusable face masks. Thus, the environmental impact of this type of waste has been considerably reduced).

COMPAS Group has regulated hazardous substances and mixtures that regulate and determine the purchase, transport, handling, storage, use and management of hazardous substances and mixtures, in order to ensure environmental protection, employee safety and to control and minimize the risk of accidents in which involve hazardous substances and mixtures. In this regard, COMPAS Group aligns and transmits throughout the supply chain alignment with the requirements in terms of quality, environment and health and safety at work on the products supplied, such as the content of elements and chemicals, product components and quantity and hazardous effects. of the elements and chemicals contained, the safety data sheets,



Achieving the set objectives is done by adhering to ISO 45001 and ISO 14001, as well as adopting the United Nations Practices and Objectives for Sustainable Development - <https://www.un.org/sustainabledevelopment/>

COMPAS Group also aligns and requires all its Suppliers to comply with a number of principles and requirements in the field of quality, environment and health and safety at work by adhering to and implementing policies and regulations that address the following issues:

- REACH 1907/2006 (Regulation, Evaluation and Authorization of Chemicals) - <https://echa.europa.eu/legislation>
- CLP 1272/2008 (Classification, Labeling and Packaging of substances and mixtures) - <https://echa.europa.eu/legislation>
- Conflict Minerals - <https://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/>

The handling and storage of dangerous substances is carried out in compliance with the mandatory measures governing the activity of purchase, transport, handling, storage, use and management of dangerous substances and mixtures within the Group. This ensures the protection of the environment, the safety of employees and the control / minimization of the risk of accidents involving hazardous substances and mixtures.

The storage of various dangerous chemicals 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. The companies within the Group have the support provided by the managers of COMPAS SA The persons who handle, use, store and transport dangerous substances / mixtures are trained and know the measures to be taken in case of emergency situations.

Annually, environmental management programs plan targets to reduce flue gas consumption from technological processes in order to reduce flue gas emissions (carbon emissions). The flue gases (CO, dust) from the technological processes and from the electrothermal power plant are annually measured, in emission, in the chimney, by an accredited laboratory.

MEASURES APPLIED TO PROTECT OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is an integral part of COMPA Group's mission to improve the quality of life. COMPA Group makes a sustained effort to achieve an organizational culture of occupational health and safety and performance in this field.

COMPA Group adopts 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 Group applies a Business Conduct Guide, which describes a progressive work policy towards employees, suppliers, partners and local communities. This policy includes ethical recruitment practices, diversity, anti-harassment, discrimination, support for women's rights and equal pay, individual confidentiality, reporting and anti-retail policies. The use of child labor, forced labor or trafficking in human beings in any form is not tolerated - including slave labor, imprisonment, corporal punishment in its operations or in the supply chain. This policy of the COMPA Group is transmitted throughout the supply chain through the COMPA Supplier's Guide of Conduct.



COMPA Group complies with the laws on safety, individual security, prohibitions on trafficking in human beings and the use of minors, together with the laws ensuring freedom of association and the rights to collective bargaining, and to comply with the relevant regulations on minimum wage and overtime, including overtime, as appropriate, and provide decent living conditions.

COMPA Group respects the right of employees to join or not to join a union of their choice and the right to collective bargaining, without any form of retaliation, intimidation or harassment. Adopts policies and practices that guarantee that employees can freely associate at work in accordance with applicable laws and regulations, ensure that employee representatives are elected freely, without interference from management, and that they are recognized by management in accordance with applicable law.

Freedom of association can be suggestively exemplified in the table below.

From the presented data it results that the percentage of personnel belonging to a union is 58.99%. The Group's management undertakes to adopt an impartial position towards trade unions and their representatives

	Staff on 31 December	No. employees affiliate to a union	Union members (%)
COMP A SA	1806	1074	59,47%
COMP A IT SRL	9	0	0%
TRANSCAS SRL	45	15	26,67 %
RECASERV SRL	30	26	86,67%
TOTAL GROUP	1890	1115	58,99%

In 2022, company management and the unions signed addendums to the collective labor agreement with respect to the following:

- During the period between November 2022 and October 2023, an increase of the tariff salary with the fixed amount of RON 128 to each payroll grid class.

- With the indexing of the payroll grid, the benefits arising from it (Christmas, Easter, holiday bonus, daily travel allowance, etc.) were indexed.

As of July 2022, all employees were granted meal vouchers worth RON 30 per day as well as gift vouchers on certain occasions. Also, from that period the employees were able to opt for receiving the holiday bonus in the form of a holiday voucher, upon request.

The Group integrates the principles of Social Responsibility through the conduct of a management based on the principles of leadership and vigilant approach in relation to the impact of decisions on companies, the environment and economic factors.

PROCEDURE FOR RECEIVING AND RESOLVING COMPLAINTS

Within the Group, there is a system for resolving employee complaints that regulates how they can address the management of affiliated companies, petitions made in their own name. The petitions concern social issues related to work. The system stipulates how these petitions are registered, distributed for settlement and sending the answers to the petitioners.



COMBATING CORRUPTION AND BRIBERY

In COMPA Group there is implemented a procedure regarding the possibility of reporting by employees, customers, suppliers, shareholders, third parties, etc., of acts of corruption, acts of violation of laws and regulations, values, principles and norms applicable in society.



The procedure regulates the way of receiving, examining and resolving reports, the rights and obligations of the persons carrying out reports on law violations, as well as their protection measures for these persons.

COMMUNITY INVOLVEMENT

To increase the impact on the local community, the COMPA Group works with protected unit type entities as well as ECOVADIS certified suppliers. An example in this direction is given by the print fleet of the COMPA Group, which includes 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, labor and human rights, ethics but also the impact of sustainable procurement). COMPA Group also works with suppliers in both the top CSR Romania 2020 and the top CSR Europe. (CSR - Corporate Social Responsibility).

COMPA Group is actively involved in the community to which it belongs, with a history of over 130 years, COMPA has been permanently present in the consciousness of the community of which it is part and which it constantly supports in various ways:

- Providing the technical and technological support necessary for professional and specialized training in pre-university and university education.
- Supporting sports competitions: cycling, car, cross country, etc.
- Contributions to the provision of resources for projects in the field of public health, culture and cults.



1. COMPA SA

PREAMBLE

Throughout its 130 years of existence, COMPA has consistently progressed technically and technologically, constantly investing in the quality of its products and services. Thus, COMPA is among the first companies with Romanian capital, present in the top 100 of Romanian exporters. The COMPA 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 COMPA 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 physical-chemical laboratory analyzes, cardan service (EDS), training courses.

The top processes applied in COMPA 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 COMPA a successful company with remarkable results in recent years.










The organizational structure adopted by COMPA 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 COMPA 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 COMPA 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 COMPA 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, physical-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.

We are permanently concerned with reducing the carbon footprint and emissions generated by the production activity. In this sense, COMPA installed in 2022 a renewable energy production capacity of 997 KWh. This project was realized by accessing non-refundable funds coordinated by Innovation Norway, which made it possible to install a photovoltaic park within the factory. All this energy is used for the production activity and represents an important step in the goal of becoming carbon neutral. The new photovoltaic park produces 1202.46 Mwh/year, which means a reduction of CO2 emissions by 318.28 tons/year. Also, we constantly make sure that the energy used is purchased from producers that use renewable sources. In 2022, energy consumption per turnover decreased by 12% compared to 2021, which meant a significant reduction of the carbon footprint.

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 turbofans; 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 physical-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 2022 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).

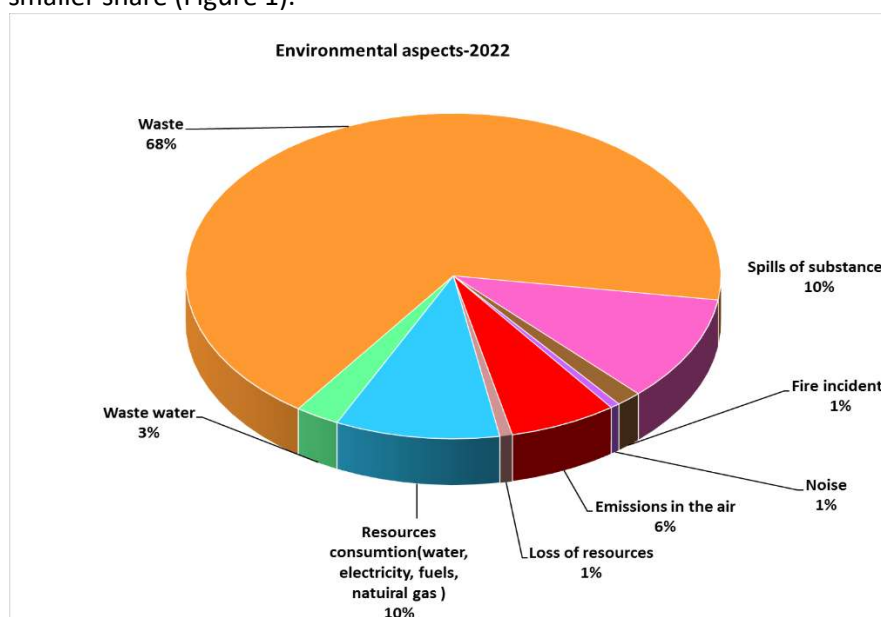


Figure No. 1

Of these, only 4 % 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).

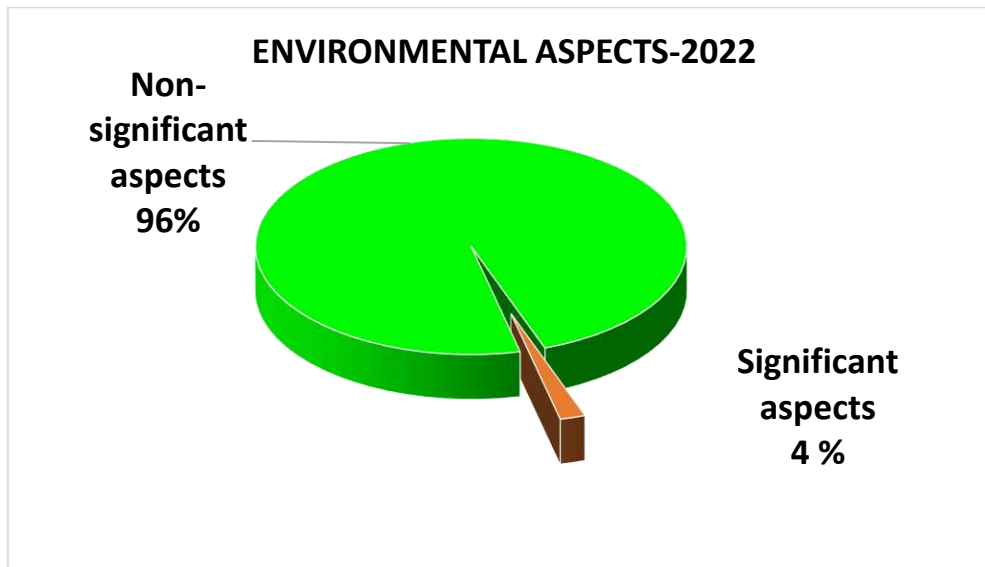


Figure No.2

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 2022 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
 - **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.

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 2022 are the following:

Objective	Actions
Reduction the amount of waste generated	<ul style="list-style-type: none"> - Reducing the amount of aluminum waste by recovering the bar ends and re-introducing the bar ends into the process and obtaining four other parts. - Reduction of excessive processing oil losses by recovering the processing oil from the retention trays and collection containers and re-introducing it into the process; - - The reuse of plastic and steel waste from the manufacturing processes of SDVs by recovering, processing and reusing them to make other parts in the workshop.
Reducing the consumption of raw materials and energy	<ul style="list-style-type: none"> - Reduction of packaging consumption by reusing some packaging waste from other factories for packaging waste from Galvanization; - Reduction of compressed air losses; - Reducing electricity consumption for lighting by replacing current bulbs with LED bulbs.
Reducing the amount of emissions in the atmosphere	<ul style="list-style-type: none"> - Reduction of dust in the atmosphere by making and installing a system for capturing dust from rectification; - Reduction of oil vapor emissions by replacing the current capture systems with a power plant with an efficiency of 99.97%
Improving the storage of hazardous substances and eliminating fire risks	<ul style="list-style-type: none"> - Replacement of the existing polycarbonate wall between the hazardous waste warehouse and the oil warehouse with a fire-resistant BCA wall.

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 analyze 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 2022, a number of 44 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.

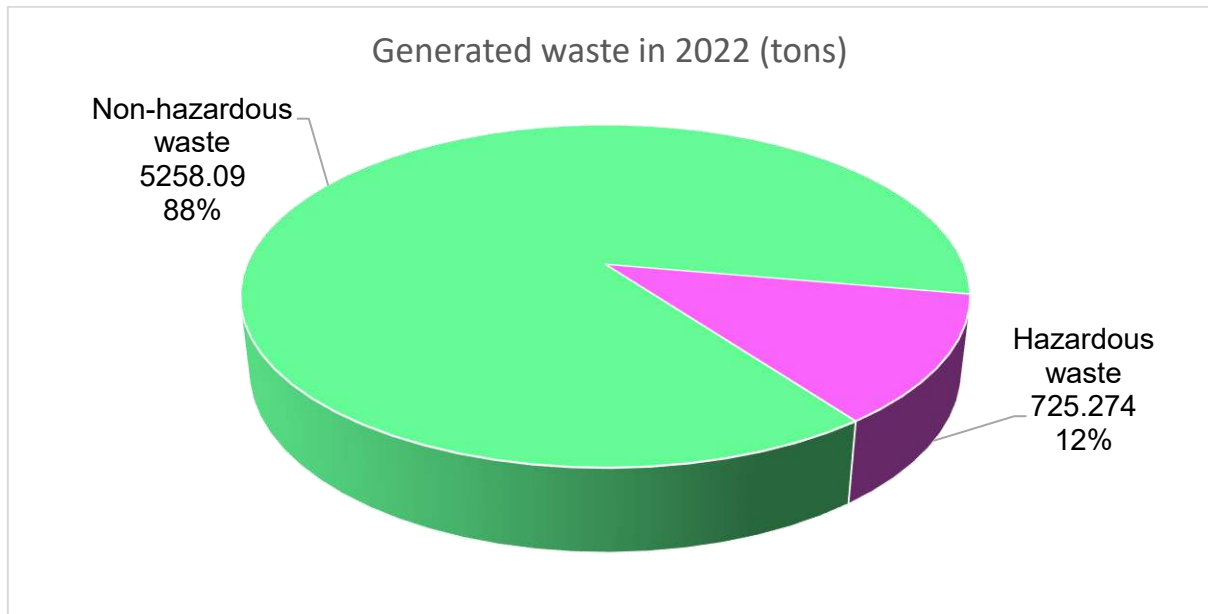
The waste identified in our company is non-hazardous waste and hazardous waste. Each waste is treated according to the waste management procedure.

In 2022, a number of 82 wastes were monitored.

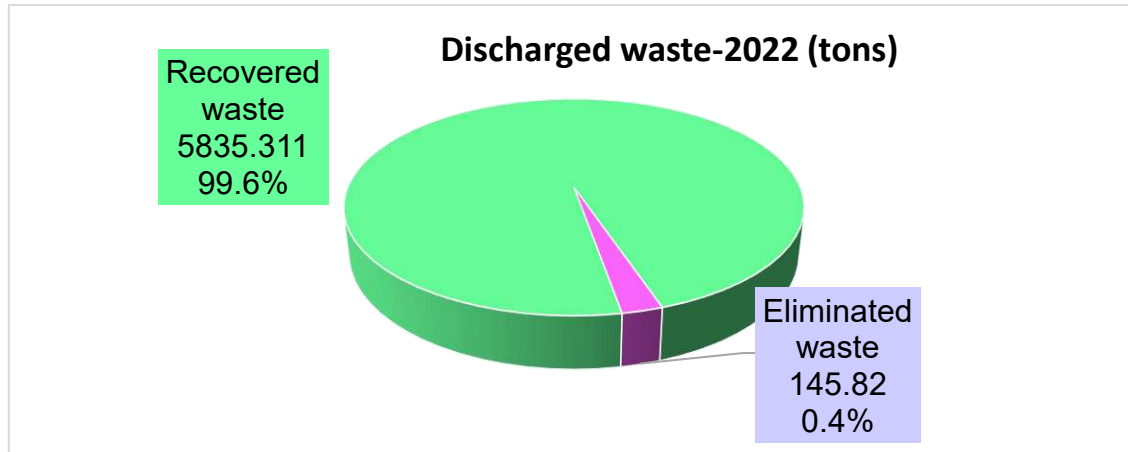
Of the total quantities of waste generated, 57% is hazardous waste:



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% CL + 30% LAEO, 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 2022: NA = 94.5%

CL - level of compliance with the applicable compliance obligations = arithmetic mean of the compliance levels with the compliance obligations of the manufactures / directions.

In 2022: 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 2022 LAEO was 96.3%

EMPI was un 2022= 0,35 x 94.5+0.35x100+ 0.3x 96.3=96.965

The Environmental Operational Performance Indicator (EOPI) is calculated as follows

EOPI = 33.3% IPA + 33.3% DCM + 33.3% DC, where

IPA - 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.

IPA was in 2022= 80%

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.

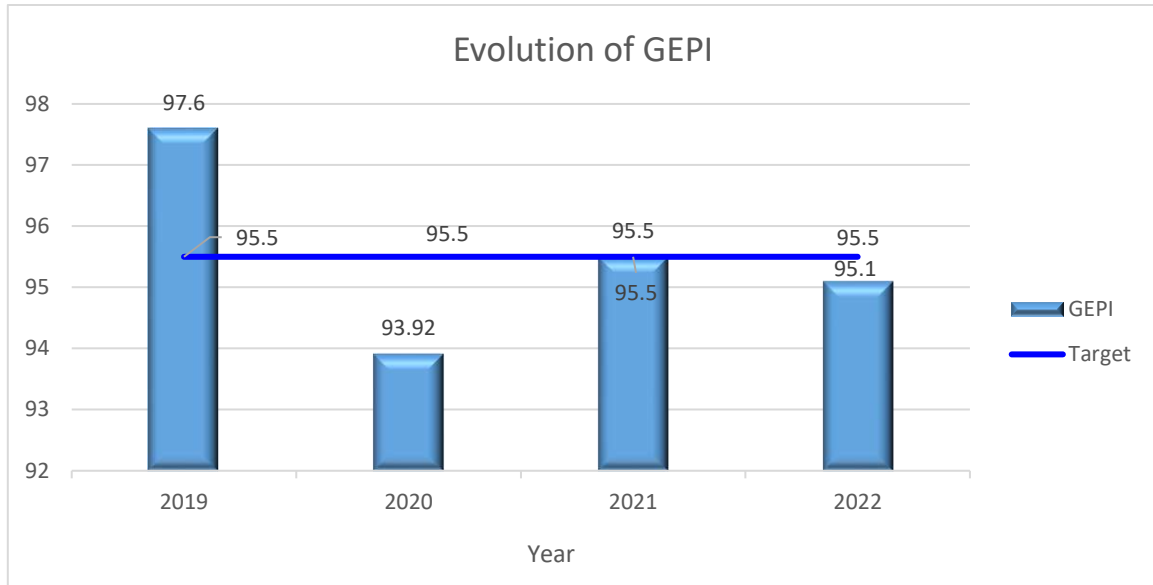
DC - degree of collection, recovery / selective disposal of waste = no. selectively collected waste (recovered / disposed of) / no. total waste generated x 100.

DC=100%

In 2022: EOPI = 93,24

In 2022 GEPI =0.5*96.965+0.5*93.24=95.1 %

The evolution of IPMG in the last 4 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 2022 of 94.5%.

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 THE 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 2022:

Electricity = 43,261.613 Kwh, equivalent to 3,720.50 toe (tons of oil equivalent)

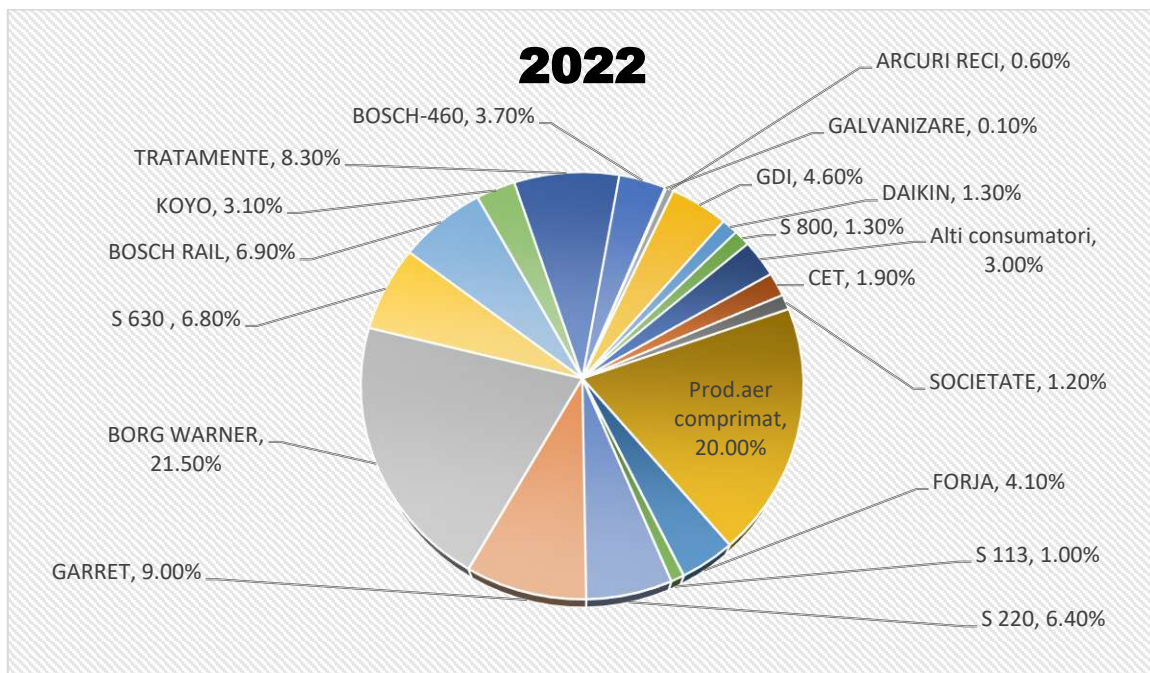
Natural gas = 4,326.808 m3, equivalent to 3,876.33 toe of which:

- technological processes COMPA platform = 547.000 m3, the equivalent of 490.05 toe
- combined production of electricity and heat = 3,779,808 m3, equivalent to 3,386.28 toe
- Thermal energy 113067 Gcal the equivalent of 1130,60 toe
- Compressed air 53968 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 93393 mc

The consumption of these energy resources was released into the atmosphere in 2022

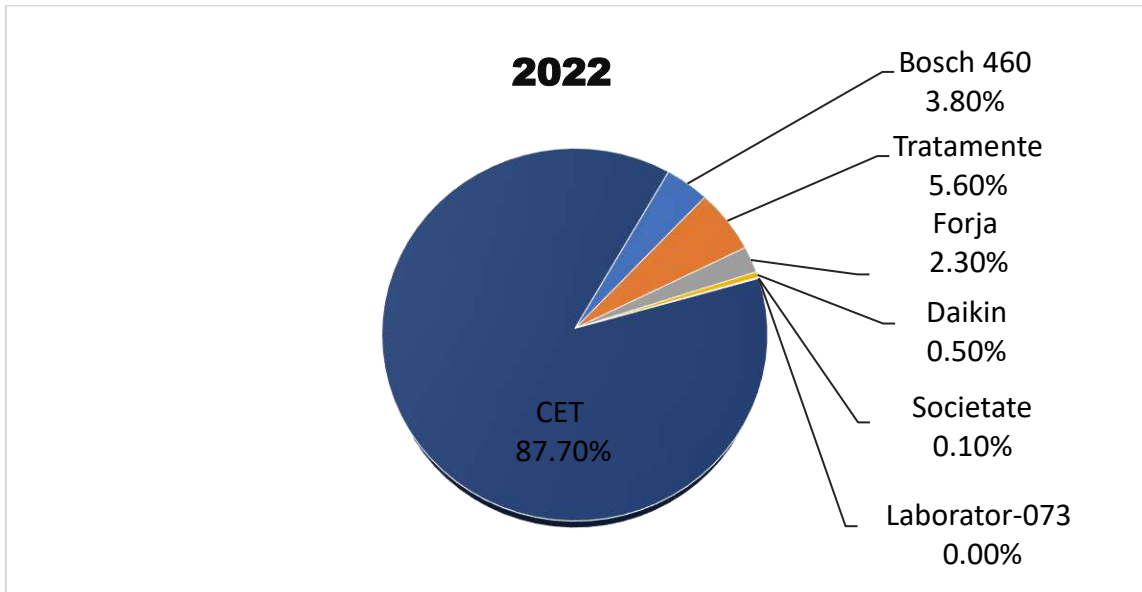
Electricity - In the electricity consumption achieved in 2022, 9935 tons of CO₂ should have been released into the atmosphere, but all the electricity consumed was from hydro sources, it was practically green energy without CO₂ emissions. In addition, by putting the photovoltaic plant into operation in COMPA SA, a quantity of 661126 kwh was produced in 2022, which led to a reduction of CO₂ emissions by 151.84 tons.

Electricity

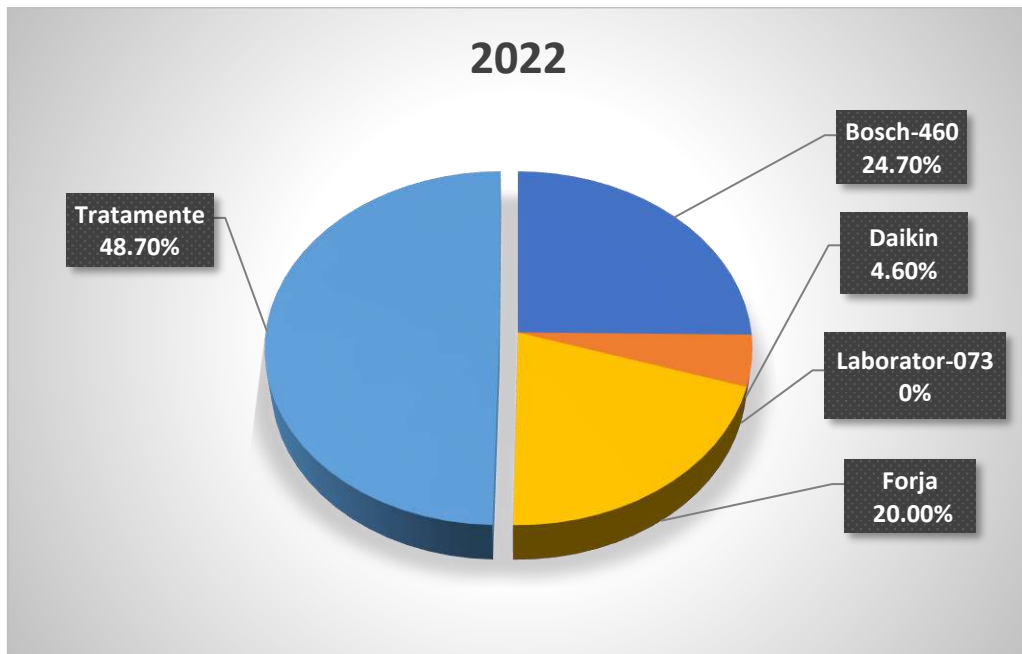


Natural gas for technological consumption and heat production

The structure of total natural gas consumption in COMPA in 2022 is as follows:



Regarding the consumption of natural gas for technological purposes, the structure of consumption in 2022 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

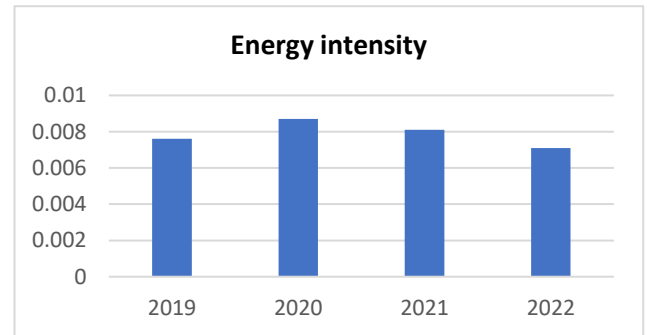
Good management of energy resources also involves establishing specific energy performance indicators with precise targets and clear responsibilities for departments and individuals.

The established indicators are the following:

The energy intensity of the manufacturing processes at COMPA Sibiu, an intensity that is determined by relating the energy consumption recorded by COMPA 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 2019 ----- 0.0076
tons oil equivalent / thousand lei prod. goods
- Energy intensity year 2020 ----- 0.0087
tons of oil equivalent / thousand lei prod. goods (preliminary)
- Energy intensity year 2021 ----- 0.0081
tons of oil equivalent / thousand lei prod. goods (preliminary)
- Energy intensity year 2022 ----- 0.0071
tons of oil equivalent / thousand lei prod. goods



Note: In 2022, there was a decrease in energy intensity by 12% compared to 2021.

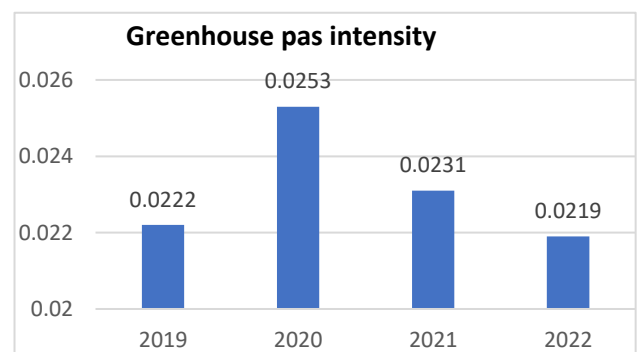
This decrease is justified by:

- assimilation of the new products
- the energy uses 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:

- 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
- greenhouse gas intensity year 2022 ---- 0.0219
tons CO₂ / thousand lei product goods

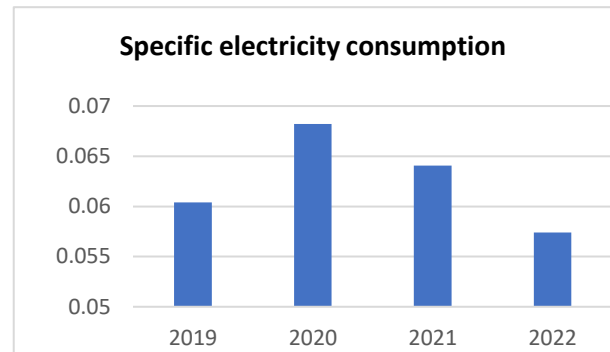


In the case of this indicator, too, there is a decrease in the intensity of greenhouse gases (relative to commodity production) compared to previous years, due to the acquisition starting with September of electricity from hydro sources.

Specific electricity consumption, consumption which is determined by relating the consumption of electricity to the production of goods.

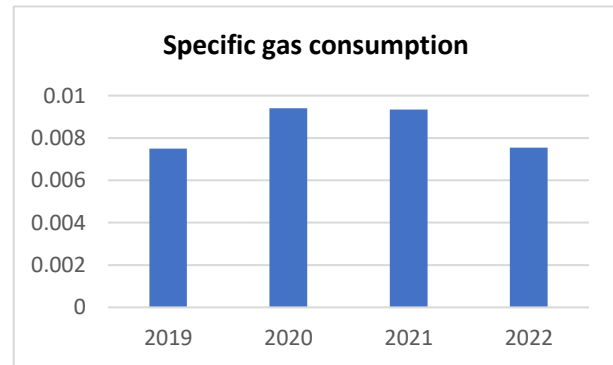
The situation by years is as follows:

Specific consumption year 2019 --- 0.0604 MWh / thousand lei of goods production
 Specific consumption year 2020 ---- 0.0682 MWh / one thousand lei production of goods
 Specific consumption year 2021 ---- 0.0640 MWh / one thousand lei production of goods
 Specific consumption in 2022 ---- 0.0574 MWh / thousand lei of goods production



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 2019 0.00749 MWh / one thousand lei production of goods
 Specific consumption year 2020 0.00940 MWh / one thousand lei production of goods
 Specific consumption year 2021 0.00934 MWh / one thousand lei production of goods
 Specific consumption year 2022 0.00755 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) COMPAs 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 2022, 10006 Mwh of electricity and 8990 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 2022 in COMPAs 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 COMPAs Sibiu

In 2013-2014 COMPAs 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 COMPAs Sibiu".

This project allowed the implementation of extensive measures to improve the energy infrastructure of COMPAs 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 the 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. Taking into account the energy efficiency of the local production of photovoltaic electricity and the opportunity to access non-refundable funds for the installation of such installations, COMPA Sibiu in 2022 realized through the Innovation Norway Program a photovoltaic power plant with an installed power in direct current of 1.126Mwp, respectively an installed power in alternating current of 0.96Mw, the plant will

produce a quantity of 1202.46Mwh/year, a fact that will lead to the reduction of electricity purchase costs and to the reduction of emissions of CO₂ with 318.28 tons/year.

III Projects generating energy savings with an impact on the reduction of CO₂ emissions, preliminary to be carried out starting with 2022

For the year 2023, the following actions aimed at reducing energy consumption have been started:

- replacement of 2 screw compressors put into operation in 1997
- replacement of 2 power transformers of 20/0.4kw with an installed power of 2000KWA and 1000KWA

The following projects are also under evaluation and finding the possibility of financing with non-reimbursable European funds:

- the transformation of the COMPA cogeneration facility into a trigeneration facility
- modernization of the energy management system.

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).

The war in Ukraine also has a negative influence on the electricity market. This war led to a substantial increase in electricity prices. In order to reduce the impact of the increase in energy prices on the country's economy, the Romanian Government adopted the decision to capping until March 31, 2025 of the price of electricity. Even if the price of electricity will be capped, compared to similar periods last year, the price of electricity invoiced by COMPA has increased by 37%, which will lead to an impact negative of manufacturing costs.

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.

Similar to electricity, due to the substantial increase in the trading price of natural gas on the European market, the Government took measures to cap the trading price of methane gas until March 31, 2025. In the case of methane gas, this capping had a positive impact on production costs, the price of methane gas billed to companies being reduced by about 200% compared to the market price.

CYBER SECURITY

Cyber security is an area of great importance in today's digital age, as cyber threats are increasingly advanced and sophisticated. From cyber-attacks, phishing and cyber-crime, to cyber-espionage and the spread of malware, cyber-security is a major concern for any organization, regardless of its size and nature.

COMP A SA recognized the importance of cyber security and aligned itself with global trends by using modern protection solutions.

Considering the increased level of digital exposure imposed by today's way of working, we had to increase the level of cyber security and the level of information of the company's employees.

To meet these requirements, we have implemented the solution from FortiNET that allows better firewall security as well as real-time access to databases with virus signatures and real-time protection by monitoring Internet traffic. The FortiMail module is also implemented within the solution, which allows the prevention and detection of email-based attacks including spam, phishing, malware, impersonation.

Although the risk of cyber-attacks is increasing, there have been no incidents that have impacted us. To keep risk as low as possible, we keep in touch with application and equipment providers to always have up-to-date solutions with security packages. Considering the need to increase the level of transparency and trust between COMP A S.A. and its partners, TISAX (AL2) was implemented within COMP A S.A., a certified aspect in the audit of November 23, 2022. TISAX is a cyber security standard developed by the industry German car that is recognized globally. This certification demonstrates COMP A SA's commitment to cyber security and compliance with international standards in this matter.

To diversify the strategies of the HR department, we have integrated the Success Factors solution within the company, which will enable finding, training, and managing the workforce, and also feedback with operational data about how people feel, thus creating exceptional experiences for employees. Also, as part of the strategy expansion, we implemented the SAP HCM solution that will allow time management and attendance tracking, standardized payroll processes and organizational management.

With the implementation in COMP A S.A. of the SAP solution (Software solution) we opened the way to new digitization solutions that allow integration with COMP A S.A. customers and suppliers. for better and more efficient collaboration. The automation of logistics, financial, production, human resources processes bring with it greater job satisfaction as well as a greater ability to create better products.

We also started the implementation of the process automation solution from Webcon that allows the automation of the registration of invoices from suppliers through OCR processes.

We are also considering expanding the EDI platform that will create faster and more efficient communication with our partners.



During 2022, COMP A did not have any incidents of cyber-attack or data leakage, nor did it receive any complaints regarding the violation of personal data management rules. Also, no fines, sanctions or warnings were applied as a result of the violation of the regulations in force.

Also implemented is Lansweeper, which is an IT management solution that provides automatic network inventory, monitoring, asset management and more. This solution can help identify vulnerabilities and ensure network security.

In conclusion, COMP A has aligned itself with global trends in cyber security by using modern protection solutions. This approach highlights the company's commitment and concern for cybersecurity, which can help keep the organization's information and assets, as well as those of its customers, safe.

MANAGEMENT AND HUMAN RESOURCES ACTIVITY

1. BUSINESS MODEL

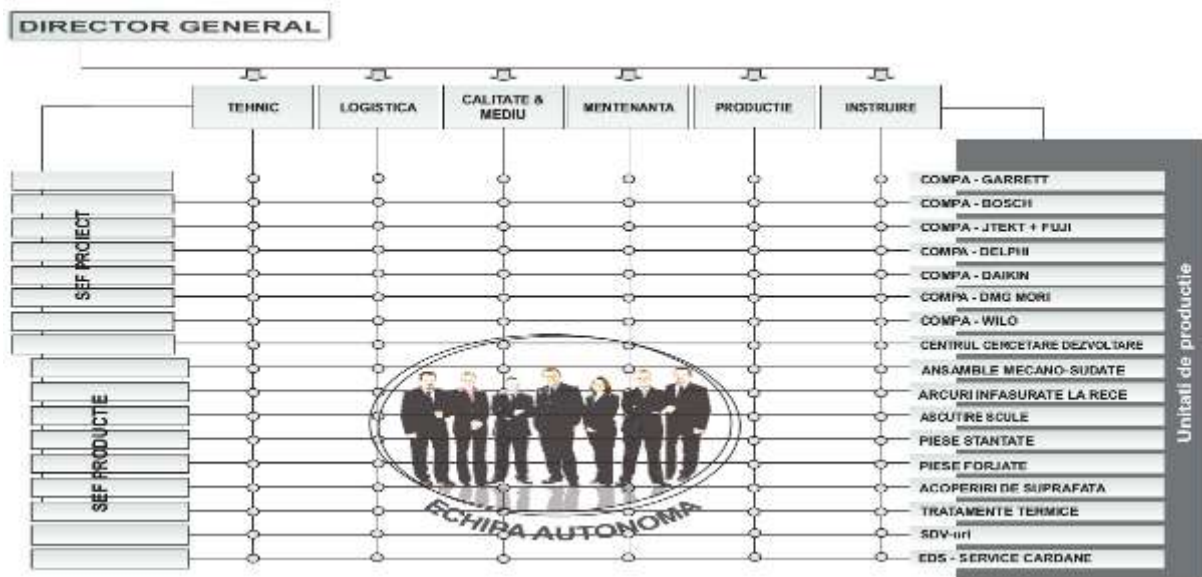
a) The organizational structure

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:

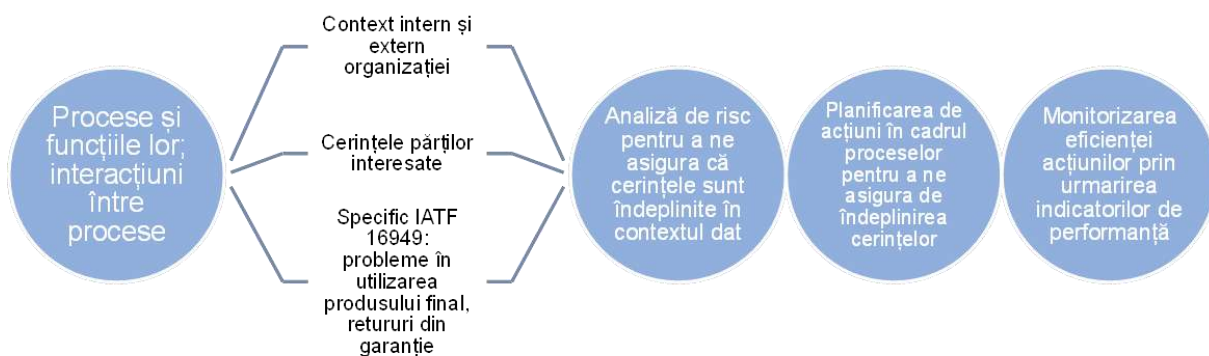
- management processes that refer to the activities of: coordination, analysis and decision, ensuring the necessary resources to carry out activities and improving activities and processes;
- the basic processes corresponding to the realization of the products (sale of products, supply, logistics of 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 or mismatch between job requirements and educational background educational supply with labor market;
- high staff turnover, mainly due to insufficient motivation of employees and salary not in line with 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;
- difficult communication with staff from abroad.

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 / requalification / 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.

COMPA 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 COMPA employees and contractors will adopt the Social Responsibility considerations described in this policy in their daily work. COMPA 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; COMPA 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; COMPA is committed to providing equal opportunities in all aspects of employment and will not adopt or tolerate illegal behavior in the workplace. COMPA 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; COMPA 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; COMPA 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. COMPA 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. COMPA 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 COMPA.

COMPA 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. COMPA 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.

COMPA 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, COMPA 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, COMPA is one of the main employers in Sibiu County.

3.1. Employment workforce

Total numbers as of December 31, 2020 - 2022

Between 2020 and 2022, COMPA staff decreased in 2022 by 2.33% compared to 2021 and by 2.3% compared to 2020, decreases mainly generated both by the lack of skilled labor and also by the increase of labor productivity.

The reduction of staff was made mainly due to natural losses (resignations, retirements).

	2020	2021	2022
Employees with ILC for an indefinite period	1796	1654	1702
Employees with ILC for a determined period	69	197	104
TOTAL STAFF	1865	1851	1806

3.2. Gender diversity - Share of women in total employment as of December 31, 2020 - 2022

The number of women in the total number of employees, between 2020 and 2022, remained relatively constant, marking only a slight decrease in the past two years, reaching 31.78% at the end of 2022. 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.

	2020	2021	2022
Share of women in total employees (%)	33,6%	31,71%	31,78%

3.3. Age diversity

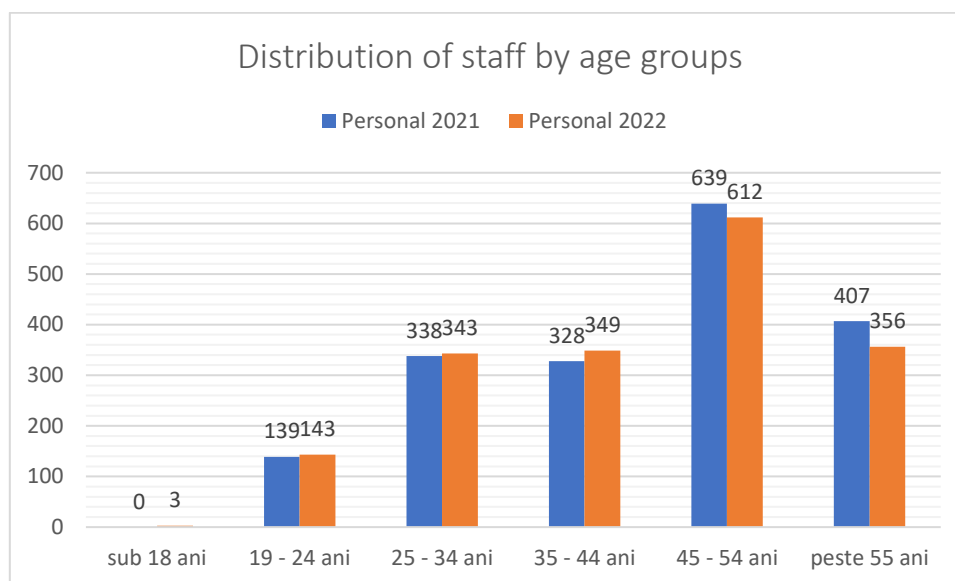
Breakdown by age and occupational category of the total workforce at 31 December 2022

The most representative age category, for both men and women, is the staff aged 45-54.

Age	TOTAL from which:	of	MDP	MIP	TESA execution	TESA management
Under 18	TOTAL, which:	3	3	0	0	0
	Women	1	1	0	0	0
19 - 24 years	TOTAL, which:	143	85	39	19	0
	Women	62	34	19	9	0
25 - 34 years	TOTAL, which:	343	143	84	94	22
	Women	81	26	23	31	1
35 - 44 years	TOTAL, which:	349	158	75	68	48
	Women	106	53	17	30	6
45 - 54 years	TOTAL, which:	612	234	286	59	33
	Women	242	155	50	34	3
Over 55 years	TOTAL, which:	356	188	90	54	24
	Women	82	39	16	25	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.

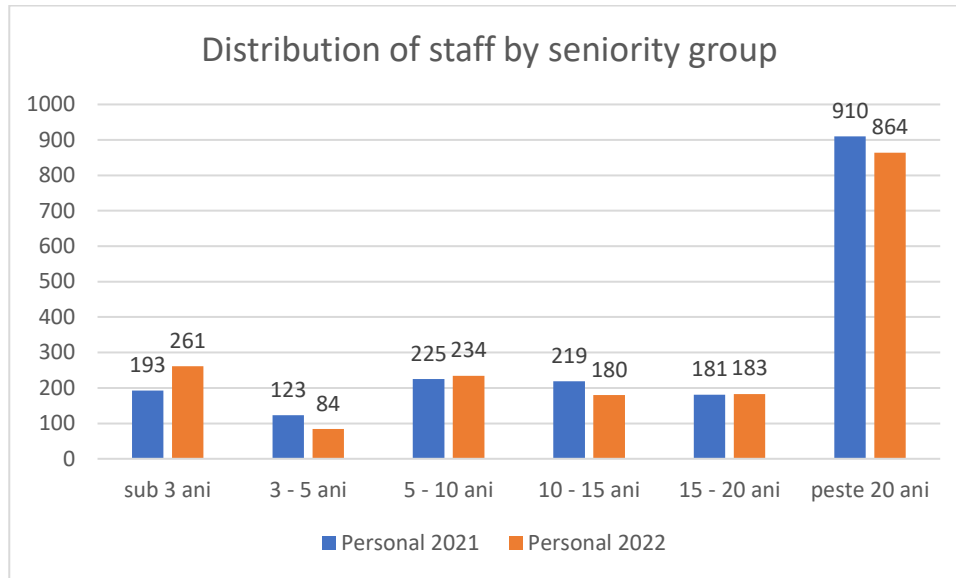
The graph below shows the age distribution of staff in 2022 compared to 2021. The analysis of the evolution shows a decrease of the share of experienced staff, especially of those in the over the age of 45 categories, compensated by an increase of the share of younger staff members.



3.4. Distribution of the total workforce at 31 December 2022 by seniority and occupational categories

The seniority tranche that includes the most employees is that of employees with more than 20 years of experience (864 people - 47.84%).

Seniority / persons	TOTAL from which:	MDP	MIP	TESA execution	TESA management
Under 3 years	TOTAL, of 261	183	50	28	0
	Women 83	44	26	13	0
3 - 5 years	TOTAL, of 84	46	22	15	1
	Women 35	18	12	5	0
5 - 10 years	TOTAL, of 234	102	61	54	17
	Women 73	33	19	19	2
10 - 15 years	TOTAL, of 180	81	42	36	21
	Women 49	26	11	11	1
15 - 20 years	TOTAL, of 183	81	34	36	32
	Women 63	34	7	19	3
In 20 years	TOTAL, of 864	449	231	105	57
	Women 271	153	51	62	5

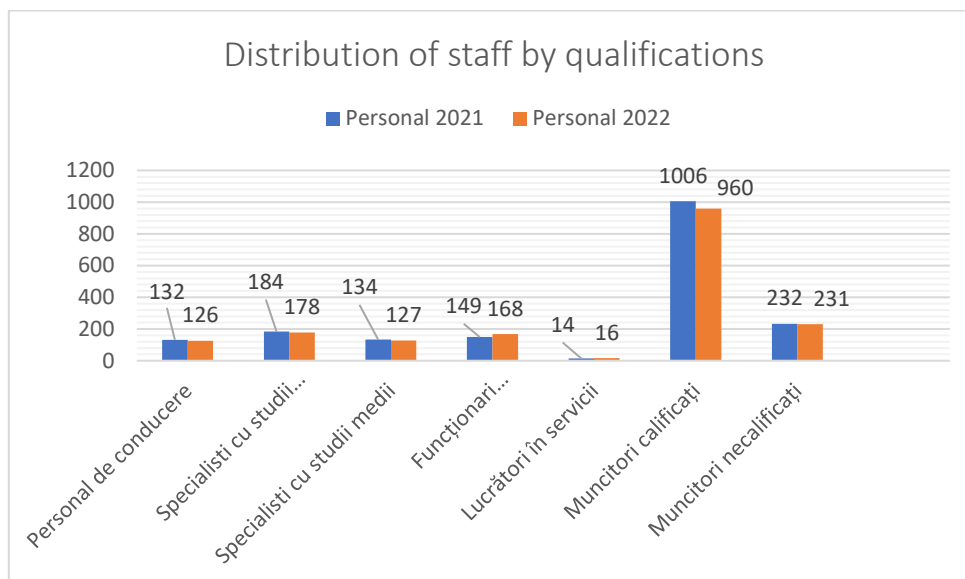


The graph above shows the evolution of staff by seniority in 2022 compared to 2021. The distribution of staff by seniority during 2022 has remained relatively the same as in 2021.

It should be mentioned that in COMPA, 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 2022 by a qualifications structure (according to COR - classification of occupations in Romania)

	TOTAL from which:	Women
Management staff	126	10
Specialists with higher education	178	69
Technicians and other specialists in the technical and accounting field	127	66
Administrative officials	168	149
Service workers	16	1
Skilled and assimilated workers	960	206
Unqualified workers	231	73



3.6. Personnel fluctuation

Analyzing the evolution of staff turnover over the last 3 years, a degradation of this indicator occurred every year due in particular to the lack of labor in the local market and insufficient staff motivation.

	2020	2021	2022
Staff turnover	18.30%	22.16%	25.82%

3.7. People with disabilities on December 31, 2022

Number of disabled workers by staff category and by sex

The number of disabled employees in COMPAs, of 22 people, was well below the figure of 4% of the total number of employees (72 people) required by law, despite the efforts that COMPAs makes to attract people with disabilities.

Also, for the amount related to the difference in jobs in which no disabled persons are employed, COMPAs 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	TOTAL, which	22	15	3	4	0
	Women	8	6	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 women and men.

		TOTAL from which:	MDP	MIP	TESA execution	TESA management
Employed on parental leave	TOTAL, of which	46	25	12	9	0
	Women	41	21	11	9	0

3.9. Continuous training for staff

The personnel training policy targets a continuous development of human capital through the training of skills that support the company's development strategy.

By involving the entire staff in the continuous training process, the goal is to eliminate the gap between the skills required by the position and the existing ones, to ensure integrated, validated, certified personnel at the workplace, to acquire/expand the scope of skills in order to respond to the challenges generated by the new wave of technology development (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-threaders, etc. In 2021, the educational offer was diversified by authorizing the course "Entrepreneurial skills".

So far, 3,168 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		
	2020	2021	2022
NUMERIC CONTROL MACHINE TOOL OPERATOR	17	5	4(apprentices)
WELDER		20	19
METROLOGICAL TECHNICIAN		31	
FORKLIFT DRIVER	33	46	57
ROLLER DRIVER			16
DRILL-THREADER	24	0	1(apprentice)

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		
	2020	2021	2022
Requirements Integrated Quality-Environment-OSH compliant management	1965	1851	1871
IATF 16949: 2016, ISO 14001: 2015 and ISO 45001: 2018			46
FMEA-RFMEA			15
FMEA conf AIAG&VDA			1
Product Safety Representative PSR		1	1

8D and 5 Why?	28	39	37
THE TECHNICAL FIELD			
SuccessFactors			131
STAUBLI robot training			3
B&R Automation Studio Training			4
ISCIR AUTHORIZATIONS			
Operators of lifting equipment (forklift operators, cranes, operators, etc.)	225	192	200
RSL-IR Operator			1
RSVTI Operator			1
ANNUAL CERTIFICATION OF SPECIAL PROCESS OPERATORS			
Thermists, galvanizers, painters, welders, brazers, etc.	123	89	85
TRAIN ON CUSTOMERS SITE			
Programming and repairing Chiron 5 axes		4	
POSITION VALIDATION OF NEW EMPLOYEES *			
Number of people trained	213	585	434
Number of training / employee hours	73.117	100.82	91.45

* 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 and 2022. when, at the end of the year, there was a higher than usual value of unplanned absenteeism, due to increasing illnesses among staff. The causes that contributed to the decrease of the indicators in the two years are related to the difficulties in finding professional training providers available to deliver the courses, the restrictions imposed by the COVID 19 pandemic and insufficient resources.

	2020	2021	2022
No. of training hours / employee / year	28.90	27.83	18.70

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, 4 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 2022, a number of 5 apprentices graduated the program. Of these, 4 were certified as operators of numerically controlled machine tools and one person was certified as a driller-threader.

In the future we intend to increase the number of new employees who follow apprenticeship programs and who will obtain qualifications of 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.

Between 2020 and 2022, 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
PROJECTS COMPLETED		
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
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	Qualified employees for a more secure future!	02.09.2019-15.05.2021
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 highly competitive potential. Target Group: -70 students -240 students	Learn for a secure job!	07.06.2018-04.09.2020

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 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. They are initiated in the programming of these equipment.

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.

Annually, around 30 students and more than 100 students can be found on the production lines, laboratories or in the design workshops.



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		39	Machine tool operator with numerical control	3	22
Technological education	high school	24	Mechatronics technician	4	0
CLASS X					
Dual education		28	Machine tool operator with numerical control	3	19
Technological education	high school	15	Mechatronics technician	4	8
CLASS XI					
Dual education		31	Machine tool operator with numerical control	3	23
Technological education	high school	31	Mechatronics technician	4	2
CLASS XII					
Technological education	high school	18	Mechatronics technician	2	20

During the three years of study for students in dual education, specialization in machine tool operator with numerical control, 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	160 lei / student
Protection equipment	72 lei / student
Providing a meal / day at the combined practice site	15 lei / day
Necessary supplies during practice	100
Accommodation for dormitory students	200 lei / month
Meal for dormitory students	25 lei / day
Tools	810 lei / year / student
Semi-products	59 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, 76 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.

COMPA 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:

- three fully equipped locksmith stands, equipped with 18 workstations
- a numerically controlled lathe equipped with the necessary SDVs
- two welding simulators are be made available to students
- a 3D printer, 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 COMPA 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.

We also propose that in partnership with "Lucian Blaga" University from Sibiu, technical education institutions and economic agents, we will access funds through the Recovery and Resilience Plan for Romania (PNRR) dedicated to the development in Sibiu of an "Integrated Campus for dual-PRODUAL education".

3.15. Relationship with trade unions

Trade union membership on 31 December 2022

COMPA 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, COMPA 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 59.47%.

	No union	Independent Free Trade Union	Arsenal union	TESA union
Nr. pers. / Union	732	972	75	27
Trade union membership (%)	40.53%	53.82%	4.15%	1.50%

In 2022, company management and the unions signed addendums to the collective labor agreement with respect to the following:

- During the period between November 2022 and October 2023, an increase of the tariff salary with the fixed amount of RON 128 to each payroll grid class.

- With the indexing of the payroll grid, the benefits arising from it (Christmas, Easter, holiday bonus, daily travel allowance, etc.) were indexed.

As of July 2022, all employees were granted meal vouchers worth RON 30 per day as well as gift vouchers on certain occasions.

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.

COMP A 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;
- 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;
- Re-professionalization 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 COMP A 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

In COMPA, a reporting procedure was implemented where reports can be filed by employees, customers, suppliers, shareholders, third parties, etc., with respect to issues concerning corruption, acts of violation of the law and regulations, values, principles and applicable rules in society.

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.

There were no cases of corruption during COMPA 2022, but there is a constant concern in preventing such situations by making staff aware of ethical rules.

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 2022, a number of 266 disciplinary sanctions were applied for various disciplinary offenses, as follows:

Type of disciplinary misconduct	Nr. sanctions applied
Non-compliance with the work schedule	31
Promotion of non-compliant parts	54
Failure to observe the way of working	75
Failure to wear personal protective equipment	3
Other disciplinary offenses (alcohol consumption, attempted theft, smoking in illegal places, circumvention of the access system, etc.)	28
Unmotivated absences	75

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	153
Reduction of the basic salary for a period of 1 - 3 months by 5% - 10%	38
Disciplinary termination of the individual employment contract	75

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)

	2020	2021	2022
No. of work accidents complicated	1	3	2

The organization has established, implements and maintains a process of reporting, investigation and taking concrete actions to control and correct all occurrences.

Accidents at work with temporary incapacity for work were investigated, according to relevant regulations, by a commission which establishes 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

	2020	2021	2022
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	1	1	1
No. of accidents due inadequate workload	0	1	1
Nr. of accidents due to wrong actions of the worker	0	1	0

Accidents at work in 2022 had as causes:

- inadequate training on the handling and positioning of parts on the platform of the interoperable means of transport
- the lack of adequate information regarding the way of working when handling equipment, in order to correct it

c. Slight accidents without ITM or with ITM <3 days

	2020	2021	2022
Head injuries	1	0	0
Eye injuries	0	0	0
Injuries to the trunk	0	0	0
Injuries to the upper limbs	0	0	0
Injuries to the lower limbs	0	0	0
No. of light accidents	1	0	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

	2020	2021	2022
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.

	2020	2021	2022
No. of days temporary incapacity of work	80	187	140
No. of incapacity temporary work	1	3	2

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.

	2020	2021	2022
No. of days incapacity partial permanent	0	0	0
No. of incapacity partial permanent	0	0	0
TOTAL incapacity permanent	0	0	0

Work accidents in 2022 did not have consequences requiring permanent work incapacity

g. Number of fatal accidents: work, road

	2020	2021	2022
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	4
Cogeneration station	noise	4
PA8 and transformation points	electrocution	8
Pressure receptacle storage areas	explosion	0
Noise areas above the permissible limit	hearing loss	292
TOTAL		308

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

	2020	2021	2022
No. of accidents of temporary employees or service providers	0	0	1

The work accident was registered at the company providing services regarding the rehabilitation of a COMPA building.

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

	2020	2021	2022
No. of fires recorded	1	0	1

The causes of the fires were non-compliance with legal regulations regarding smoking and ignition of the electrical installation at the 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

	2020	2021	2022
No. of CSSM meetings	2	2	4

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

	2020	2021	2022
Nr. clinical examinations at employment	395	183	543
Nr. transfer clinical examinations	162	200	150

	2020	2021	2022
Nr. exams consult occupational medicine	20	8	13
Nr. of clinical examinations at the resumption of work	-	-	10
Nr. of consultation exams for participation in trainings	-	-	21
Nr. periodic clinical examinations	1943	1767	1631

2) Number of employees declared fit / unfit for employment by the occupational physician

	2020	2021	2022
No. employees declared "conditioned fit" on the job	131	164	131
No. employees declared "unfit" for the job	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

	2020	2021	2022
Nr. pregnant women	23	20	13
Nr. young people under 18	9	17	16

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.)	28	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

COMPA 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.).

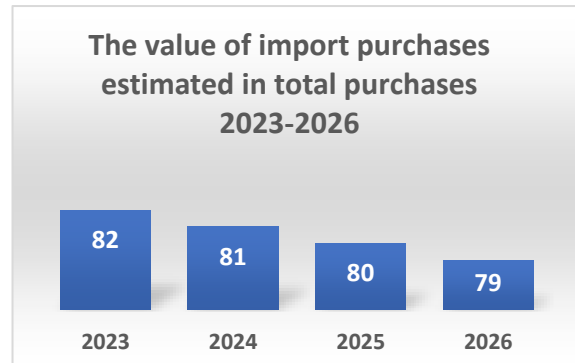
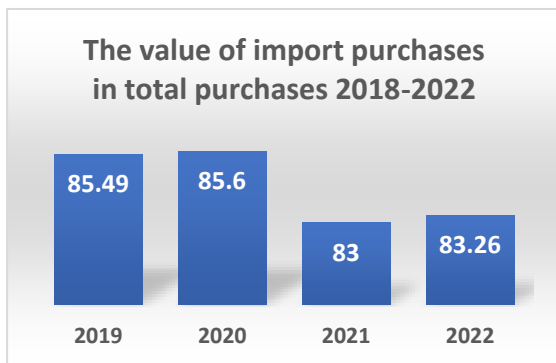
COMMERCIAL ACTIVITY

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.

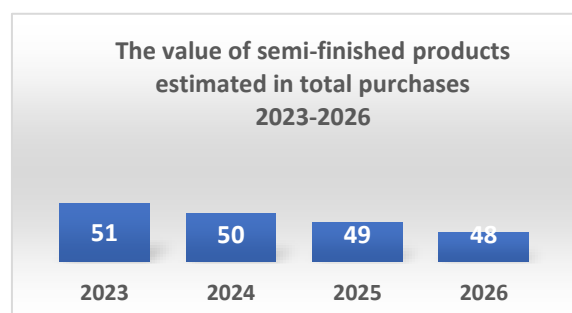
However, the company's strategy is to increase the share of domestic procurement in order to minimize transport costs and ensure better integration of suppliers. This has not been possible in the past, as the high degree of specialization of most of the products supplied has made it impossible to insure 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 COMPA 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.
- 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.
- The monopoly 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 COMPA.
- 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 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. 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.



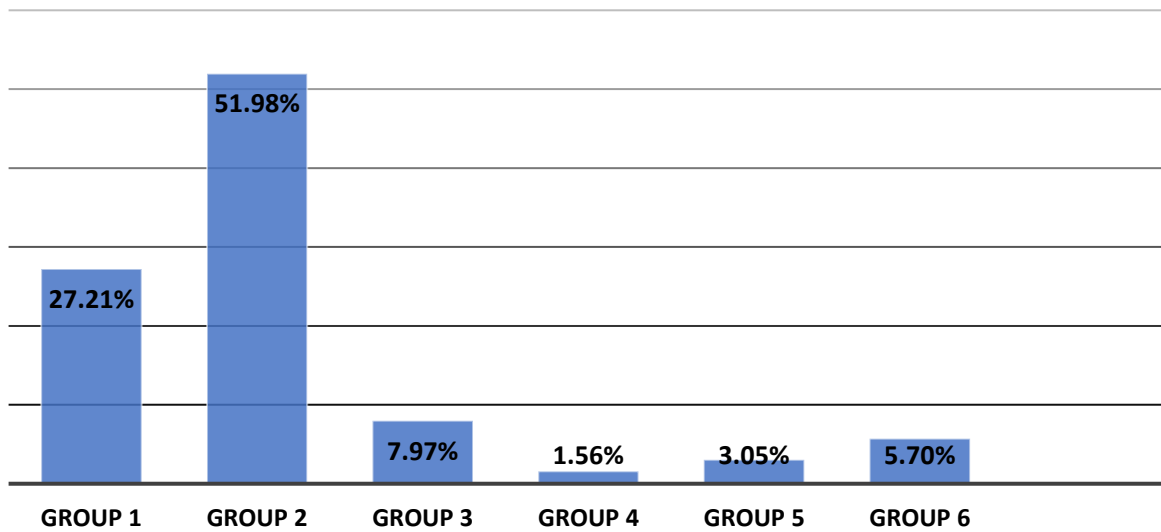
COMPA suppliers must comply with the requirements of quality, environment and social responsibility, COMPA ensures compliance with these aspects by drawing up an audit plan, which seeks to conduct audits of suppliers of raw materials and materials, as well as by annual survey of all suppliers. of products 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

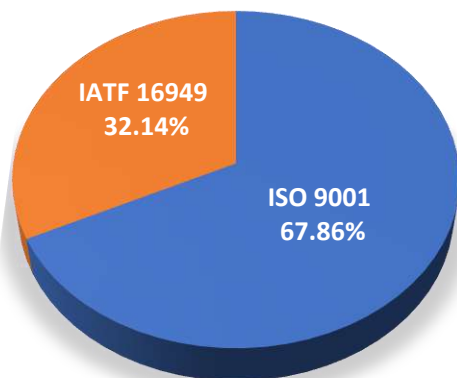
Group 3 - Tools & devices

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.



II. 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, corroborated with the war in Ukraine, 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 Oxigaz
- ✓ Spring Manufacturing
- ✓ Brazing
- ✓ Heat treatments
- ✓ Cathodic, liquid and powder coating
- ✓ Galvanic coatings (Zinc plating, ZnNi)
- ✓ 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 or which could be produced 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 COMP A 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: the Diesel decline where COMP A 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 COMP A.

✓ OPPORTUNITIES:

- Strengthen business relationships with existing customers.
- Identification and development of business with customers in the field of hot forging on specific HATEBUR, where COMP A 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, DAIKIN).
- 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 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. 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



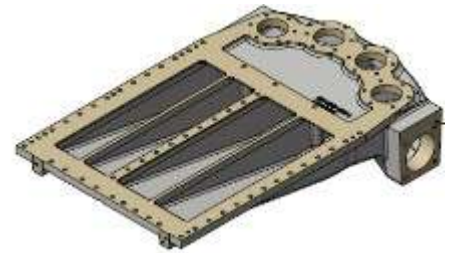
The partnership with DAIKIN started in 2005. The company is one of the world's largest manufacturers of air conditioning systems, and COMPA produces a wide range of copper pipes, through a special brazing process. This customer is delivered annually a number of ~ 185,000 pieces made from 23 different references. And in this relationship with DAIKIN, COMPA has set up a dedicated production workshop. During the year of 2022, DAIKIN expressed its intention to grow the business with COMPA and as such we offered and we won some new projects which will lead to a significant turnover increase in the following years. In this relationship with DAIKIN, COMPA has set up a dedicated production workshop too.



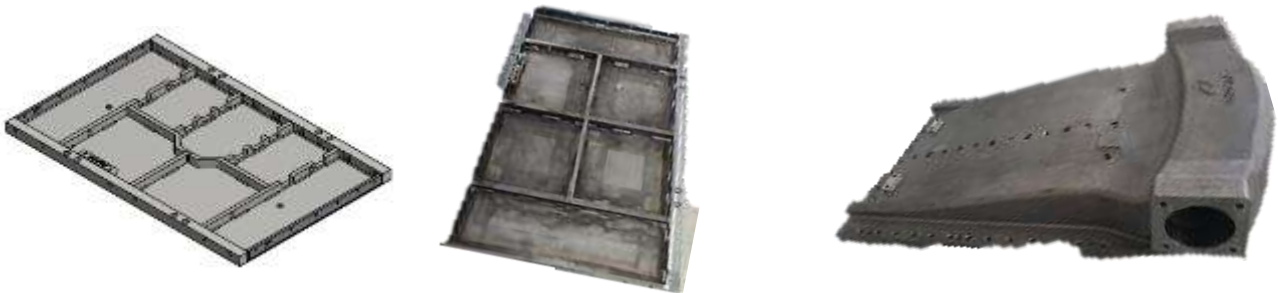
3.3 VESTAS AIRCOIL PROJECT - NEW NON-AUTO PARTNER

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 COMP A 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 phosphated 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 above-mentioned customers are directly following global carbon reduction trends and have strong commitments in this regard.



3.6 RESEARCH & DEVELOPMENT CENTER

The research - development activity, component of the COMPA 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, COMPA 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. COMPA'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 COMP A SA carries out its activity in order to fulfill the general objectives of the company in the Strategic Dashboard.

The production activity within COMP A 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
- Deep drilling
- Tothing
- Running grooves
- Reworking
- EDM processing
- Robot welding
- Processing of parts from strips and sheets by cold forming
- High accuracy wash
- Cataphoretic dyeing
- Electrostatic field painting with water-based paint or powder paint
- Galvanic coatings
- Brazing copper pipes
- Heat treatments
- Electrochemical deburring
- Assembly
- Forging
- Laser cutting
- Oxygen cutting
- 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 2018-2022.

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.

PUNCHED PARTS WORKSHOP 130

Types of machines

Presses from 16t to 400t

Automatic presses Mechanical presses Welding robot
 Washing machines Rotofinish Lathe Machine
 Guillotine scissors Belt sanders
 Manual, eccentric and hydraulic presses

❖ Workshop surface	2679 m ³
❖ <u>Direct working personnell</u>	26
❖ <u>Indirect working personnell</u>	12
❖ Production capacity Dacia gen 1 pump pulley	776.000 pcs/year
❖ Production capacity Dacia gen 2 pump pulley	1.853.000 pcs/year
❖ Production capacity BOS Volkswagen	350.000 pcs/year
❖ Production capacity BOS TOYOTA 9904407195	1.350.000 pcs/year
❖ Production capacity spring holder E6FT5 Z001A23	20.000 pcs/year

INJECTOR MACHINING AND ASSEMBLY WORKSHOP 620

Production area 5000 m²

Number of direct productive workers 232

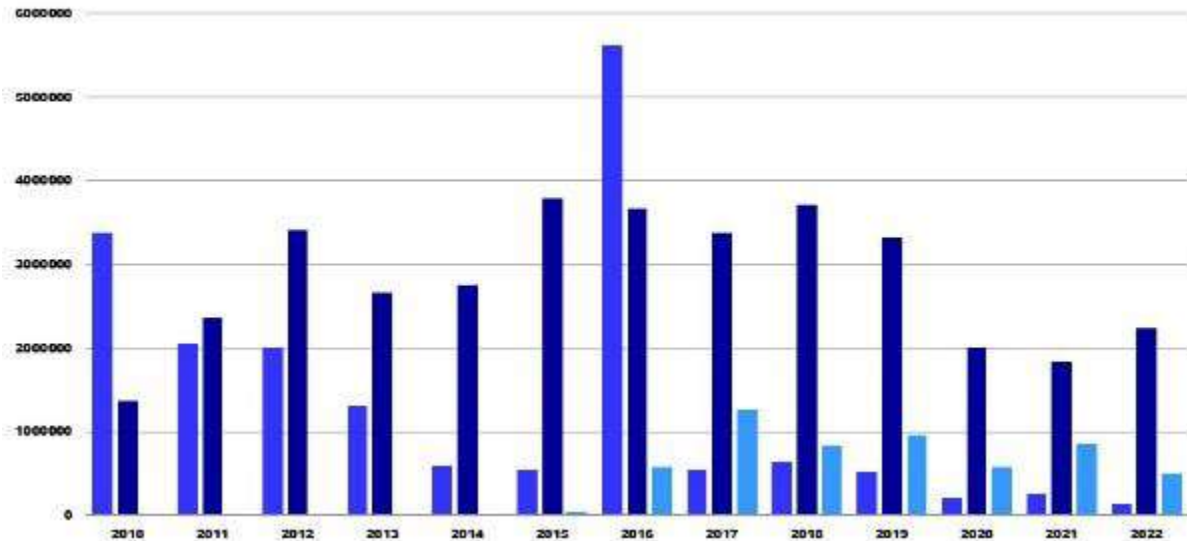
Number of indirect productive workers 74

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

Production volumes



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.

DIRECT INJECTION PUMP BODY MACHING WORKSHOP 640

Production area 1651 m²
 Number of direct productive workers 24
 Number of indirect productive workers 20
 Processing capabilities 2350 pcs / shift
 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

TURNED PARTS AND ABRASIVE DEBURRING WORKSHOPS 630 & 320

	At. 630	At. 320 AFM
Direct workers	180	25
Production area	3216 m ²	781 m ²
Auxiliary areas	706 + 155 m ²	
Capacities	Pcs/day	hours (types)
* NHB	12.000	10
* Nozzle GMC	15.000	35
* Nozzle ZBLN	2400	2
* Nozzle NNC	12000	6
* Nozzle [op.25]	12.000	8
* Nozzle [op.20 & 40]	4.500	5
* Magnetic framework	4400	2
* NHB MX / JCB	1000	6
* Piston guide	750	2
* Spring chamber	750	4
* AFM valve	90.000 pc s&pt. (/week)	14
* AFM Nozzle	7000	4
* ZF Intermediate halfshafts	1600	4

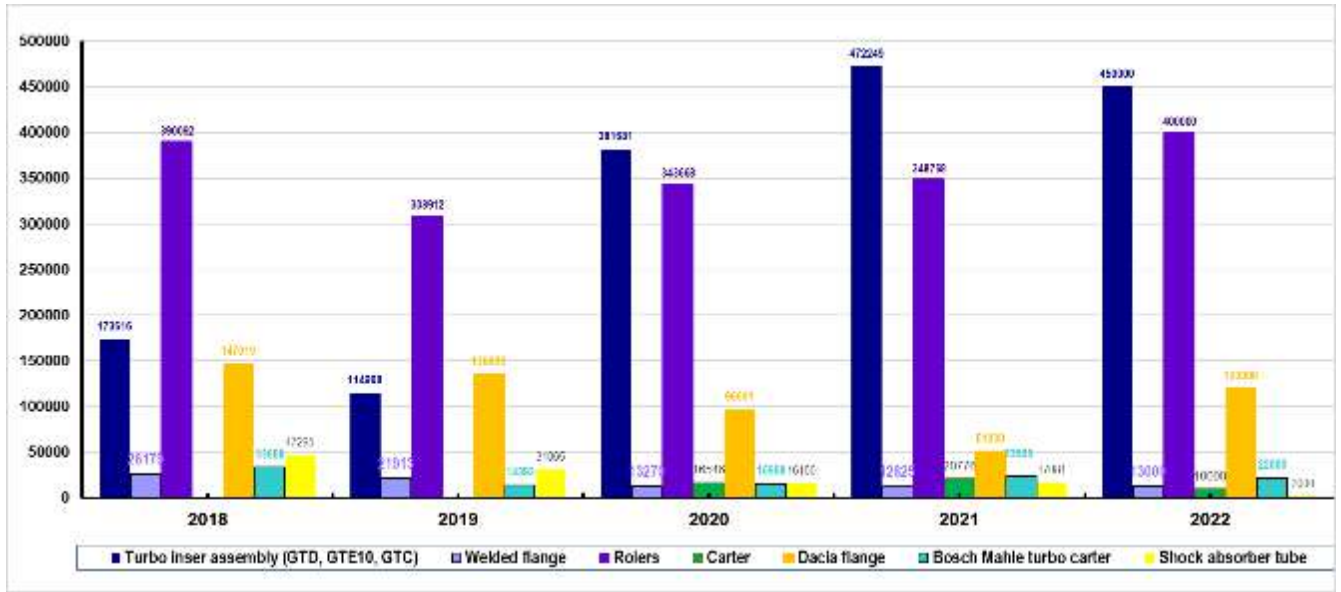
TURBO CHARGER COMPONENT MACHINING AND ASSEMBLY WORKSHOP 750

Production area 4319 m²
 Number of direct productive workers 77
 Number of indirect productive workers 33

CAPACITY	pcs / day	P/Ns
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	Machinery	Manufacturer	SOP
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
Rollers	Numerically controlled machine	Swing	2004
Dacia flange	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



STEERING COLUMN PINION MACHINING AND HEAT TREATMENT WORKSHOP 450 & 760

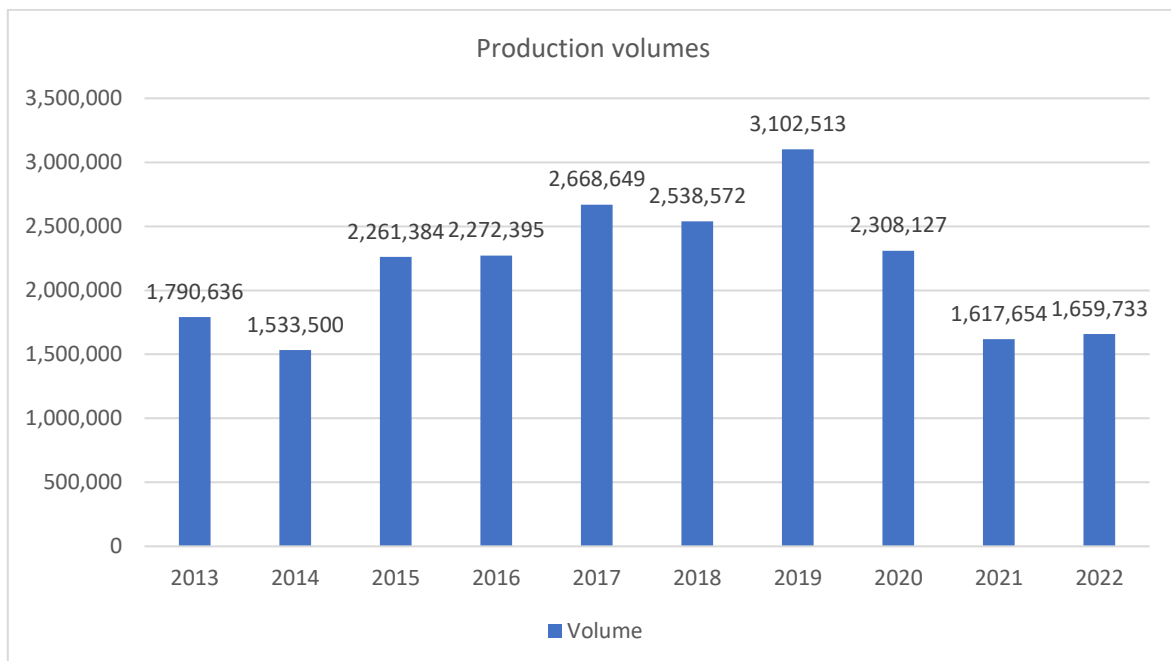
Production area 2600 m² + 1700 m² TT
 Number of direct productive workers 54
 Number of indirect productive workers 18
 EBOS line capabilities 10683 pcs / day
 Finishing line capabilities 10350 pcs / day
 Pinion variants 10
 ZF axis variant 2
 Rack Stopper variant 1

Roughing processes

Line	Machinery	Number	Line	Machinery	Number
D	Disc saw	2		Washing machine	1
	Milling and centering machine	2	Traub	Traub Lathe	2
EP	Mazak QTN 200	2	XNCe	Mazak QTN 200	3
	Braked car	1		Profiroll	1
	Profiroll	1	EPSe	Mazak QTN 200	4
AEP	Mazak QTN 200	2		DMG	2
	Rollex	1	TD	Gleason Pfauter	2
	Press machine	1		Mazak QTN 100	1
MF	Imprint stand	1		Mazak QTN 200	1
	Marking machine	1		Deburring CNC	1
Welding	Welding stand	1	E	EMCO	2

Finishing processes

Line	Machinery	Number	Line	Machinery	Number
XNcf	Galdabini	2	Mg	DMG CTV 160	4
	Tacchella	1	packing	Uniflux	3
	Studer S22	1		Java	2
FP	Studer S22	1		UPA	1
	Gleason Pfauter	4		Washing and drying machine	1
PF	DMG CTV 160	1		Pin mounting machine	1
PHf	Mazak QTN 100	4			
	Studer S22	1			
	Gleason Pfauter	1			
	Mazak VTC 200	1			
	Mazak QTN 250	1			



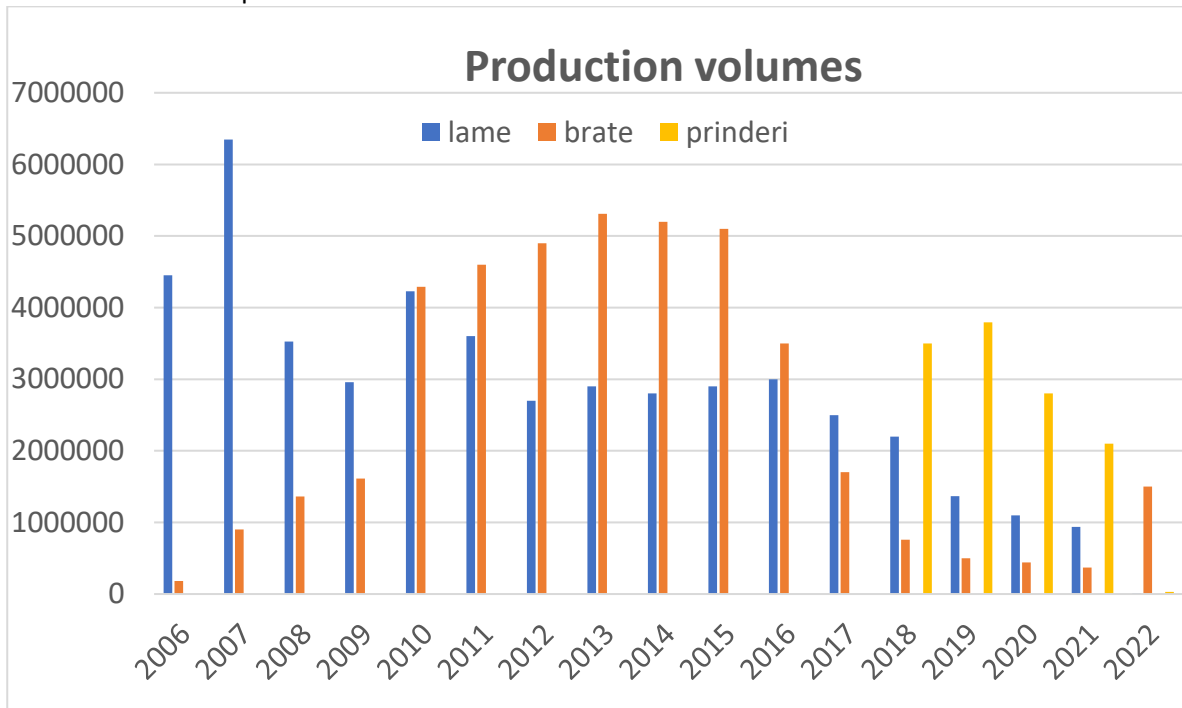
The forecast received from the client as well as the new ongoing projects will ensure the alignment of volumes and turnover starting with 2022 at a similar level prior to 2020.

Heat treatment 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	

WINDSCREEN WIPER WORKSHOP 460

Production area 5031 m²
 Number of direct productive workers 95
 Number of indirect productive workers 34



Machinery	Pcs.	Manufacturer
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

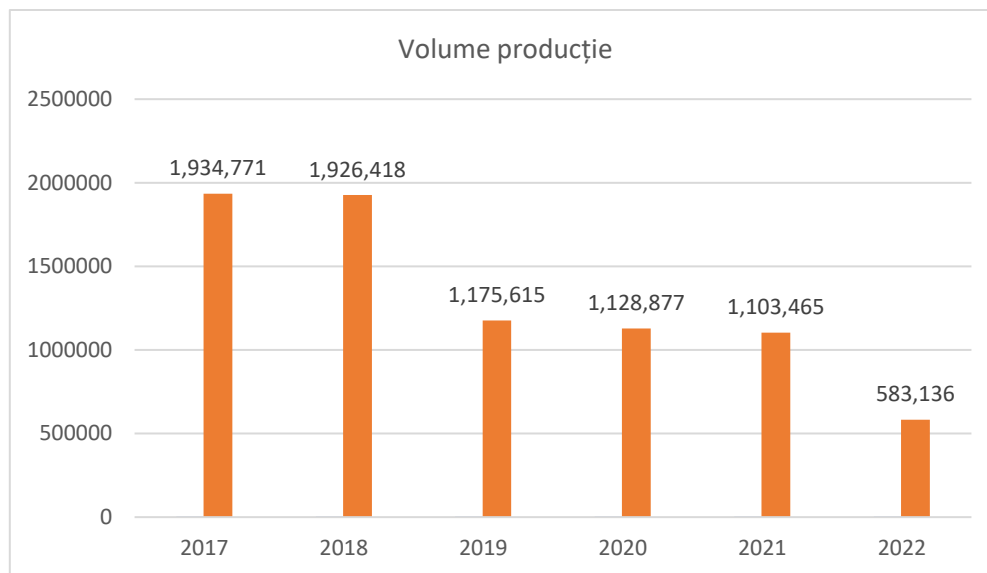
For the future development of this manufacture, a letter of nomination was received from the customer, which will allow the relaunch of the wiper arm manufacture, gradually until reaching a volume of about 4 million pieces annually by 2024.

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.

COMMON RAIL MACHINING WORKSHOP 770

Production area 2160 m²
 Number of direct productive workers 62
 Number of indirect productive workers 15
 Investment in machinery € 10 mil
 Processing capabilities 5000 pcs / day
 P/Ns 24
 Customers FPT, BMW, HMC, Deutz, Iveco, Cummins, Mercedes

Machinery	Pcs.	Manufacturer
Percussion marking stand	10	COMP A SA
Chiron DZ18.2 KW Magnum 4 axis machining center	10	Chiron
Mollart Drillsprint MK4 LD2-750 deep hole drilling	10	Mollart
Deburring stand	10	COMP A SA
Washing machine	2	Mafac
Deep hole endoscope inspection posts	3	COMP A SA



COMMERCIAL VEHICLE STEERING COLUMN VALVE SLIDE MACHINING WORKSHOP 650

Production area 972 m²
 Number of directly productive workers 21
 Number of indirectly productive workers 9
 Investment in machinery € 4 million
 P/Ns 12
 Customers Iveco, Mercedes
 An SOP February 2021
 Annual capacities 350,000 pcs

Process	Machinery	Manufacturer
Turning	Multispindle turning machine	Index
Marking	DM marking stand	COMP A SA
Gear rolling	Gear rolling machine	Profiroll
Electrochemical deburring	ECM machine	Extrude Hone
Induction hardening	Electric induction hardening machine	Inductoheat
Grinding	Automatic grinding machine	Studer
Micro-crak inspection and demagnetization		Uniflux
Washing	Closed chamber washing machine	Ecoclean
Endoscope internal inspection	Endoscope stand	COMP A 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.

COMP 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.

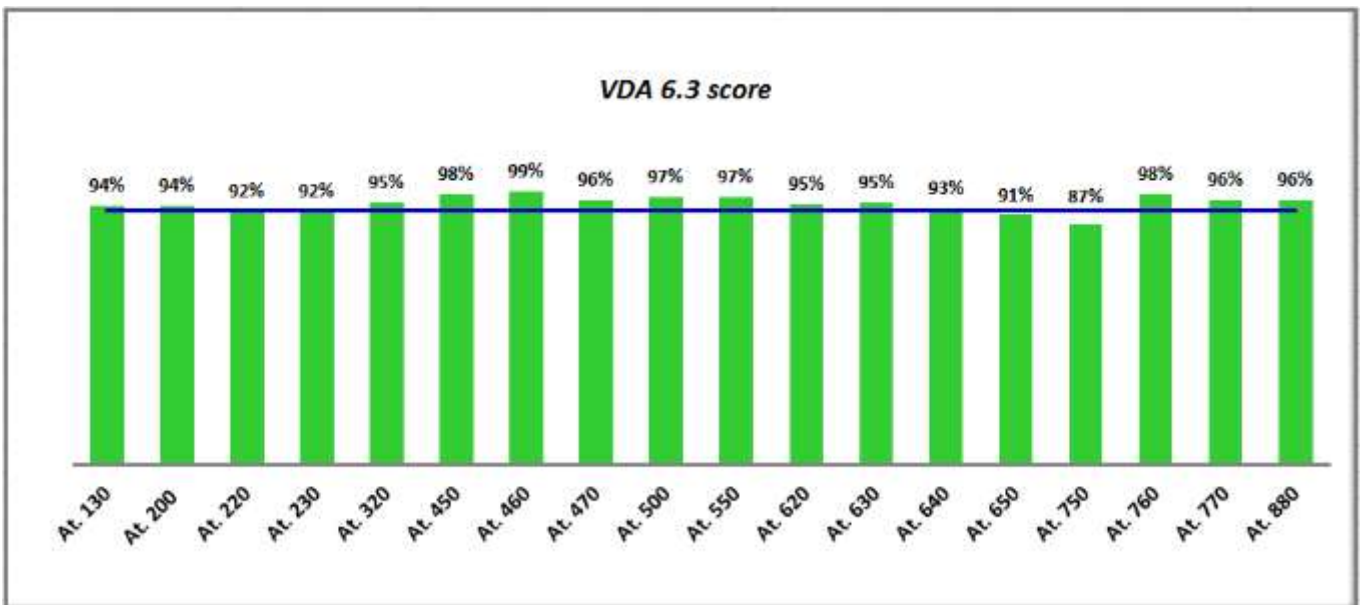
Although 2021 -2022 period has been a difficult, with global crisis caused by pandemic, the results in terms of product safety and quality were maintained. In the table below, one of the most important quality indicator PPM (parts claimed per million delivered) shows a steady trend and it can be observed the remarkable result in automotive business where single digit PPM was achieved during the last two years.

	2019	2020	2021	2022
	Customer PPM			
Automotive	24	8	9	7
Non-automotive	642	336	420	336

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 2022, 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	PSD				
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 PSD 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 2022 (intermediate shaft, NHB PSA and Deckel) due to failure modes not identified during PFMEA analysis.

Repetitive complaints received from final customers caused by unappropriated root cause analysis.

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

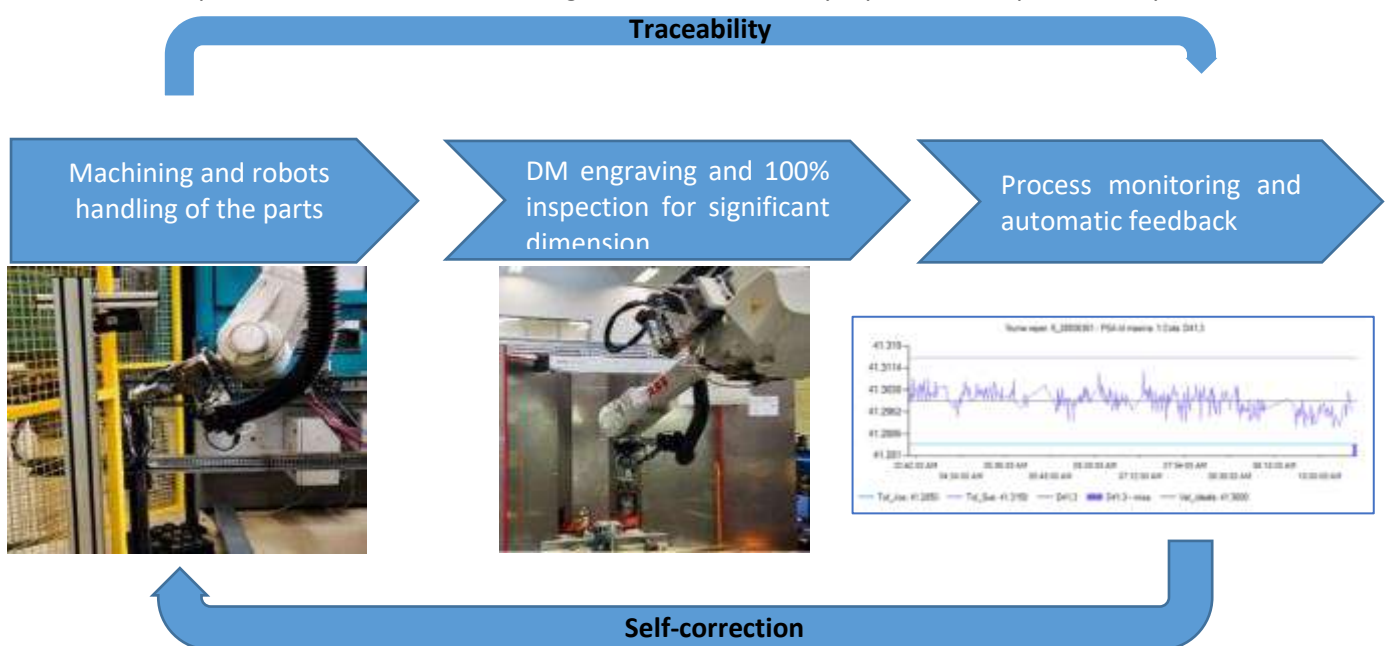
Quality complains not closed in time due to complexity of the issue.

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:

COMPA 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 is to obtain a high level of customer's satisfaction that can determine their loyalty.

LOGISTICS ACTIVITY

The activity of the Logistics Department within COMPA 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 COMPA 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.

Backlogs towards customers

Risk of accidental spillage of liquid hazardous substances / waste into the sewer system due to improper handling or uncontrolled storage

Failure to comply with compliance obligations related to waste management, i.e. delivery of waste for recovery/disposal without compliant documents (transport attachments)

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 COMPASA.

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.

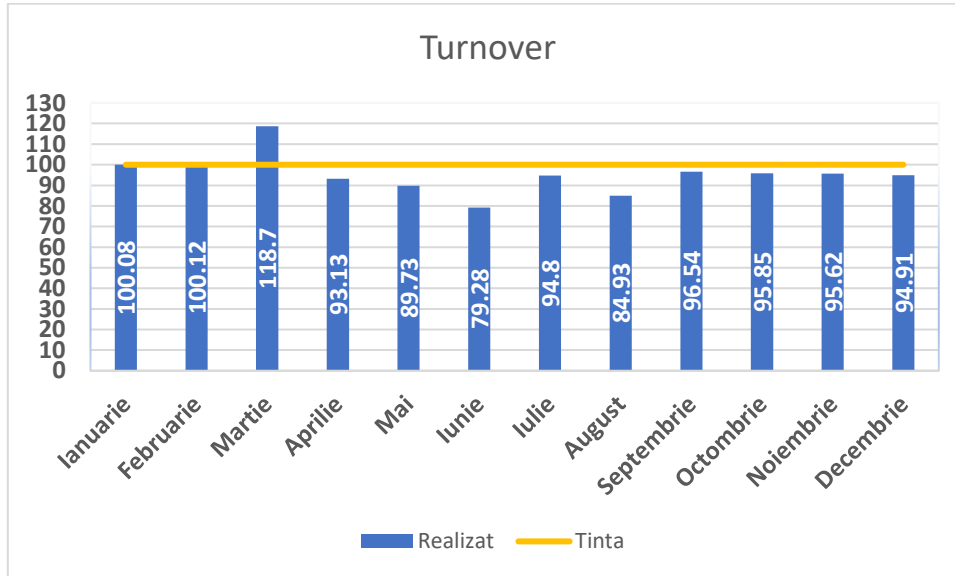
Year 2022 was a more prolific year than the year before but in the same time there were some problems due to the fact of political-economic that affected us but also due to the lack of raw material and components from the market.

As you can see also in the evolution of the below indicators these issues affected us for the whole 2022. Comparing with the year before we can see an improvement of the deliveries, the turnover rate of trade receivables but also a negative trend of turnover. This is why the logistics objectives for 2023 are in this way.

All objectives, related indicators and their target performances were analyzed during the monthly analysis sessions and monitored according to the graphs.

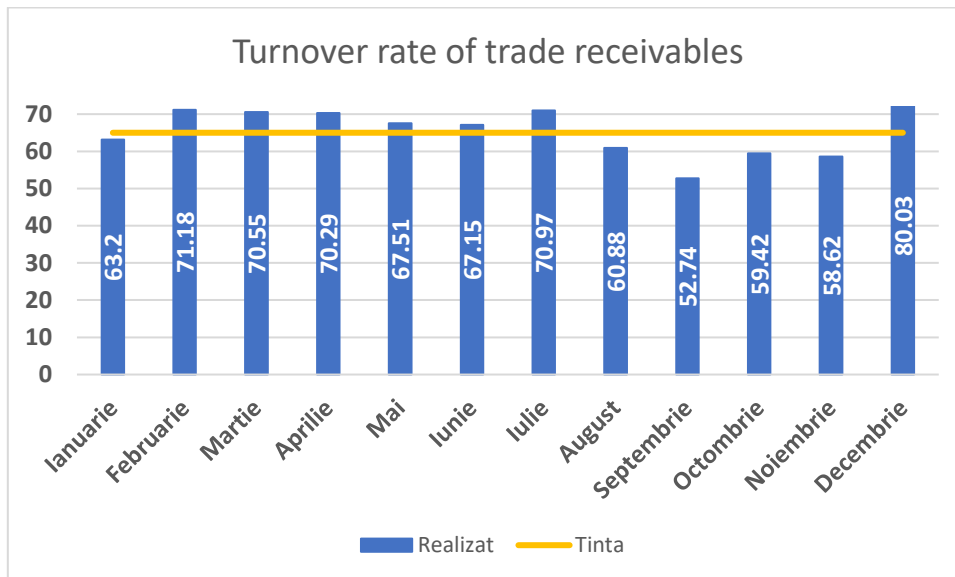
For the indicators that did not have acceptable performances, analysis reports, action plans and changes in the system were established so that their result is a positive one that tends to fit into the proposed target.

D1.1 Turnover



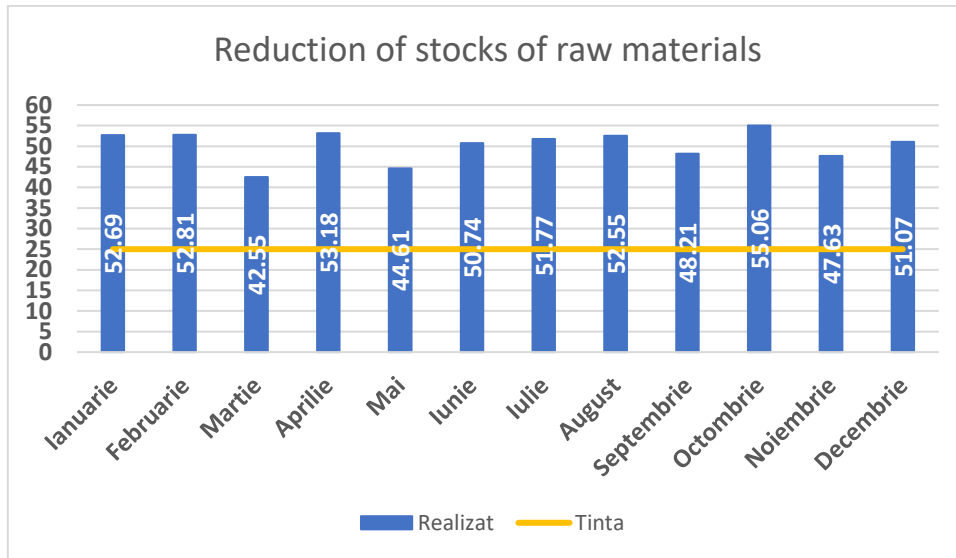
The realization of the turnover had a negative impact in the targeting period during April - December 2022 due to the political-economic situation.

D1.4 Turnover rate of trade receivables

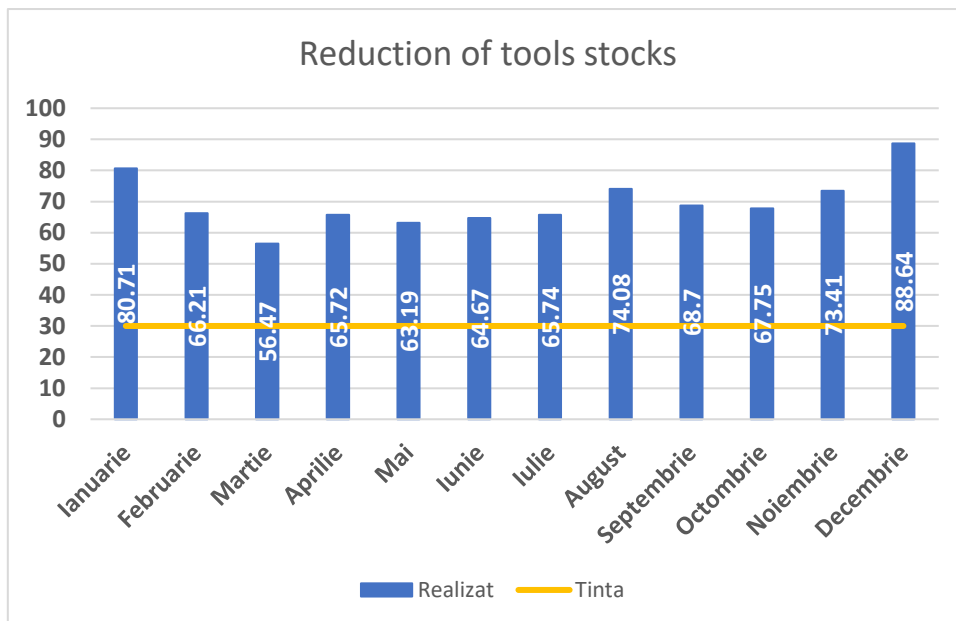


The turnover rate of trade receivables has a positive trend compared to the year before, achieving the establish target for months January, August, September, October and December which means that the current working model for maintaining it in the target is a good one but will need to be improved in 2023 to not exceed the values established.

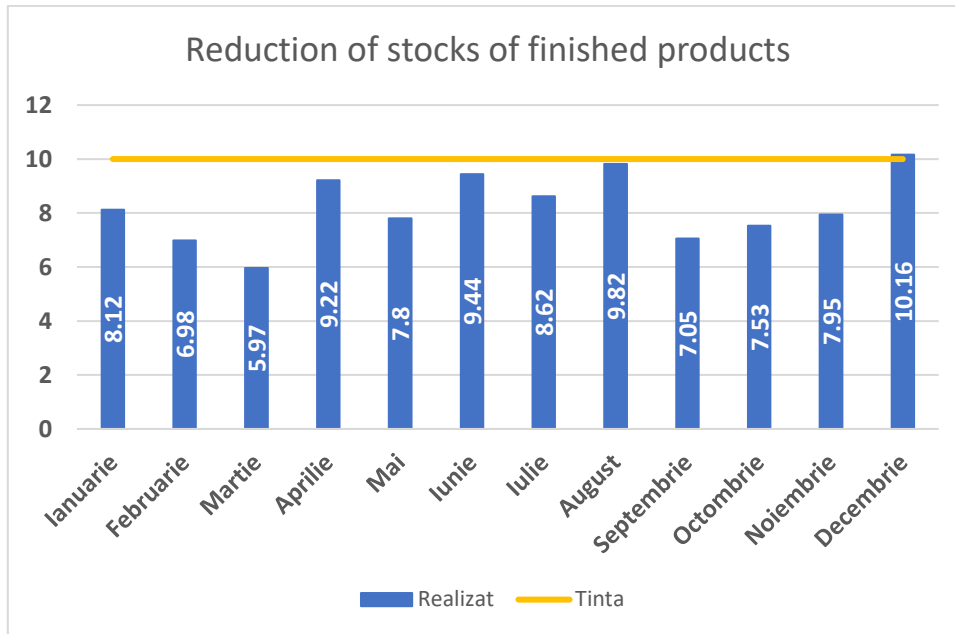
D3.9.1 Reduction of stocks of raw materials, materials



D3.9.2 Reduction of tool stocks



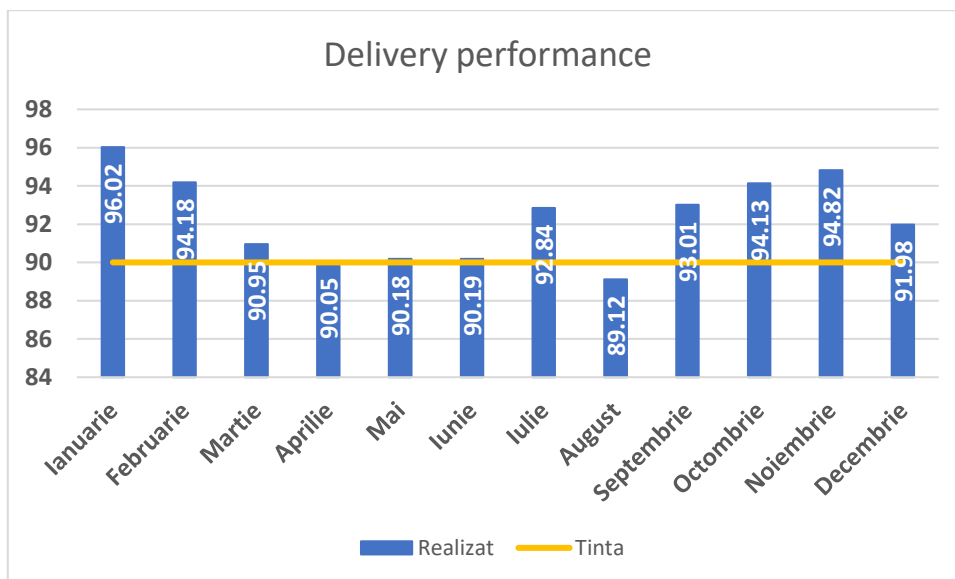
D10.1 Reduction of stocks of finished products



The level of stocks at COMPA in 2022 remains at the same high levels. This level will remain high for the whole year of 2022 due to the fact of raw material problems from the market and we are forced somehow to send big orders towards our suppliers starting with Q2.

Every month we adjust the orders towards our suppliers, we optimize the flow of raw material from the shop floor, the target is to obtain a level close to our target from 2023.

D10.3 Delivery performance



Delivery performance been targeted throughout 2022, excepted August which is an atypically month because of holidays, 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 2023

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 2023, 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 COMPA, 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 2022 (new products; prototypes and homologation)

Percentage of new products in the last two years:

2021 semester I = 1.17%

2021 semester II = 1,17%

2022 semester I = 1,28%

2022 semester II = 0.15%

During 2022, new products were 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:

- Deckel ZF, customer ZF;
- Injector body PSA, customer Borg Warner;
- Pump body for gasoline injection (GDI) Renault, customer Borg Warner;
- Lathe bodywork sprint 32 version 3, 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;
- Components for air conditioning installation, customer Daikin
- Cold coil springs

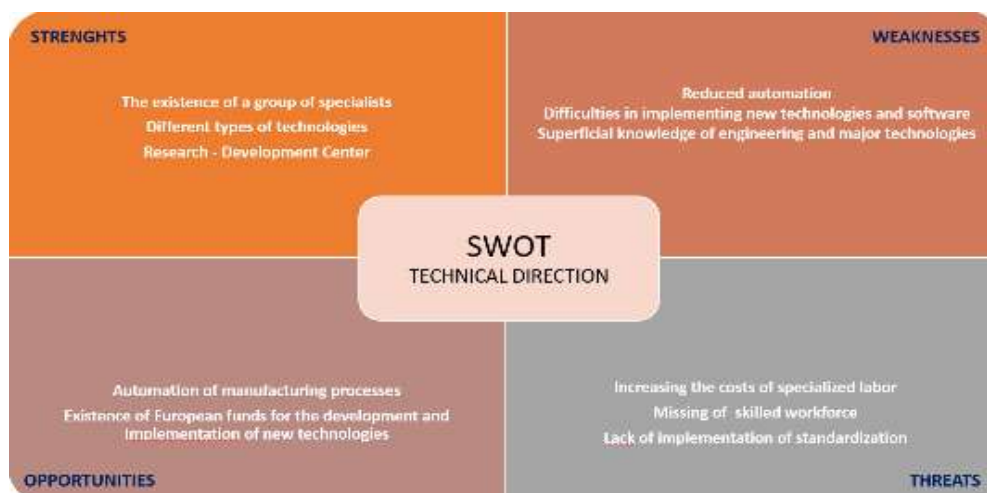
The main activities of Technical Direction go in the following directions:

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 coil 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 2022, 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.
- E. Optimization Nozzle process.

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.

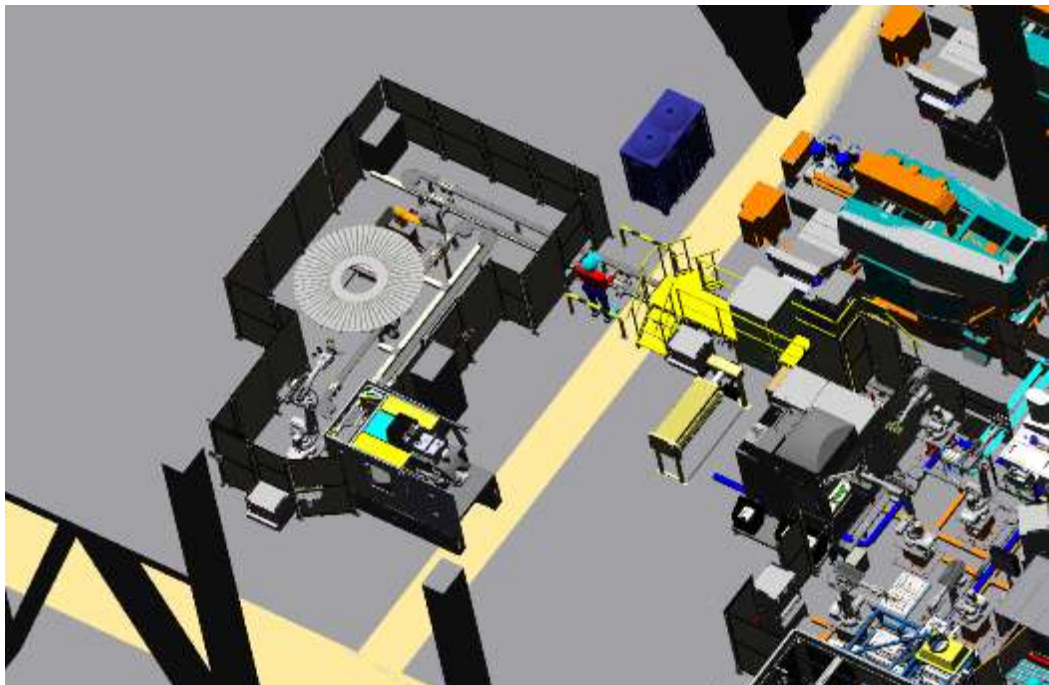
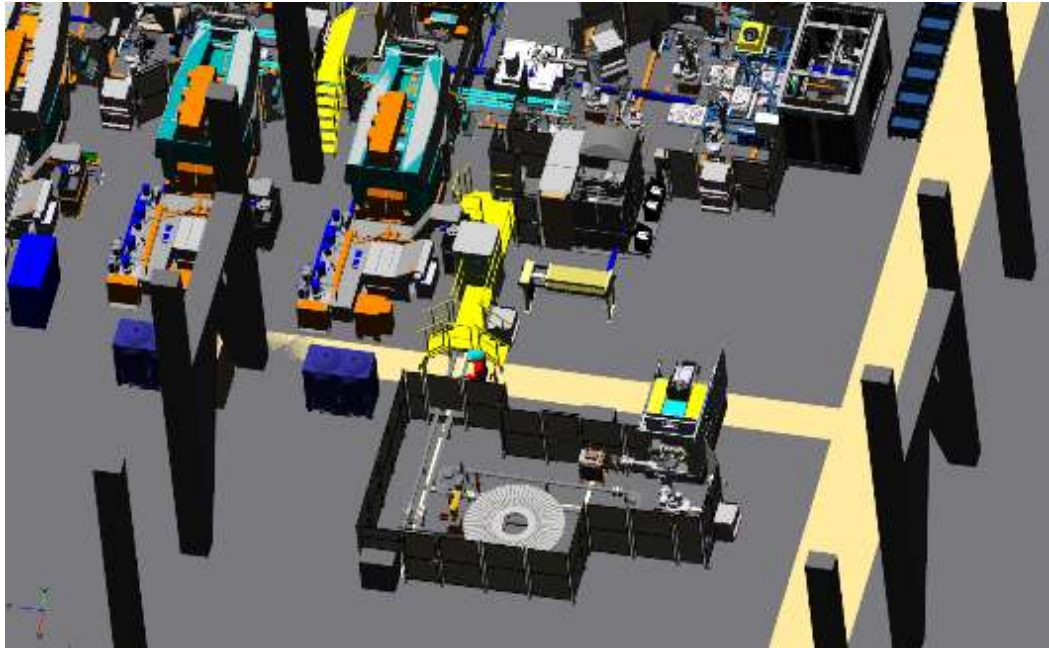
The Research and Development activity is a component of the medium and long term COMPA. It has received significant resources in recent years, becoming the COMPA Development Research Center, designed to test, validate, optimize and validate new technologies and improve existing technologies.

Objectives:

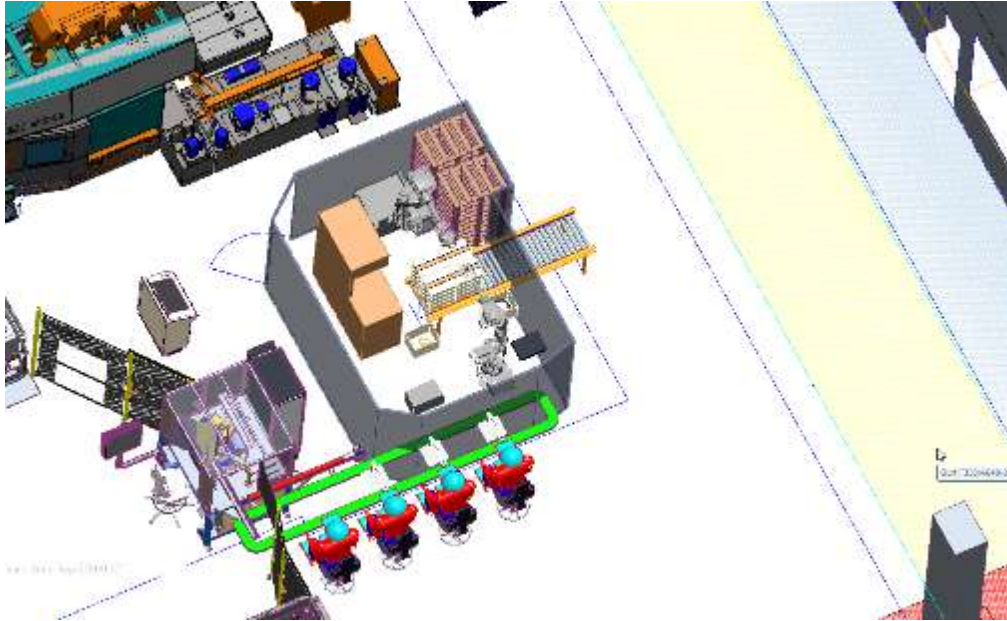
1. Machining:
 1. Achieving negotiated process variables (cycle time, cutting tools, productivity, workers use, etc.) annually for the first 5 processes in which they are not fulfilled.
 2. Annual improvement of PRODUCTIVITY, with at least 3% for the main (5) processes, relative to the turnover.
2. Forging:
 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 emulsify oil 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;
 3. Optimization of manufacturing change (of the reference):
 1. Change of active parts;
 2. Change of reference;
 4. 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 2022, several projects were carried out, which we present below:

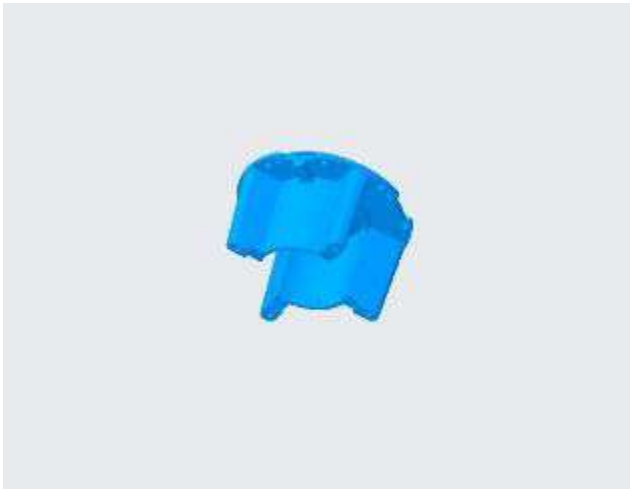
- In workshop 640 –GDI Pump Body, was performed the „Renault Extension” of the additional operation for the new Renault Pump Body reference. The extension is an automated appendix added to the Pump Body manufacturing cell:



- 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

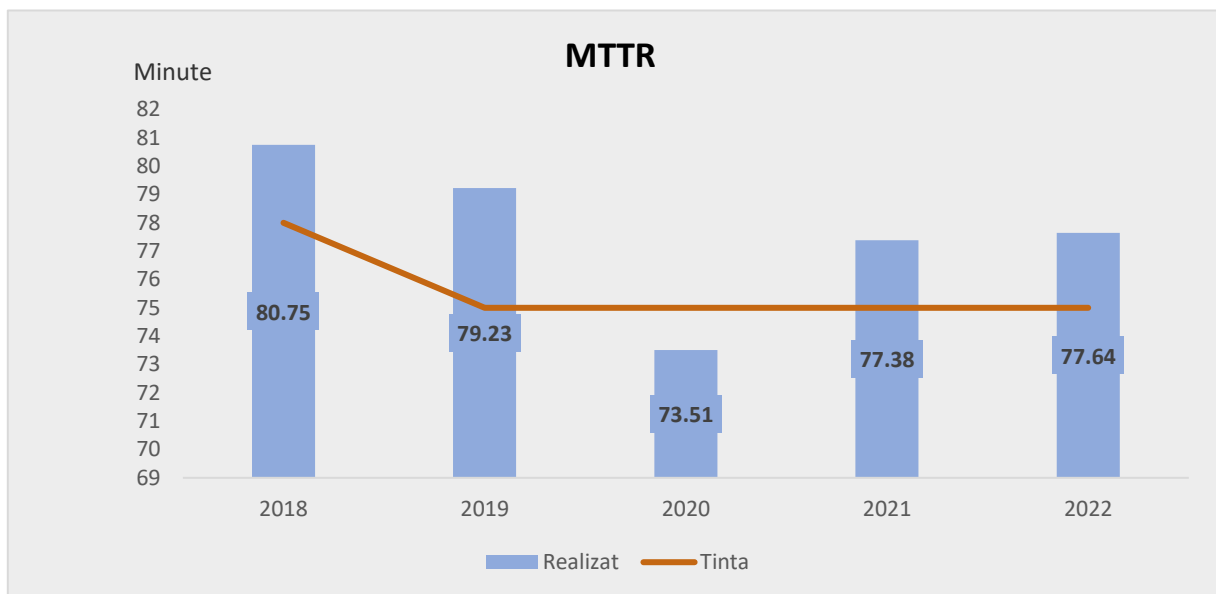
Description of Maintenance Department activities

The Maintenance Department's main objective is to keep the machinery and technological equipment in good working condition at COMPA. Maintenance activity is provided for approximately 1600 production vehicles with a wide variety, given the different production processes existing in COMPA. Among the types of machinery found at COMPA are:

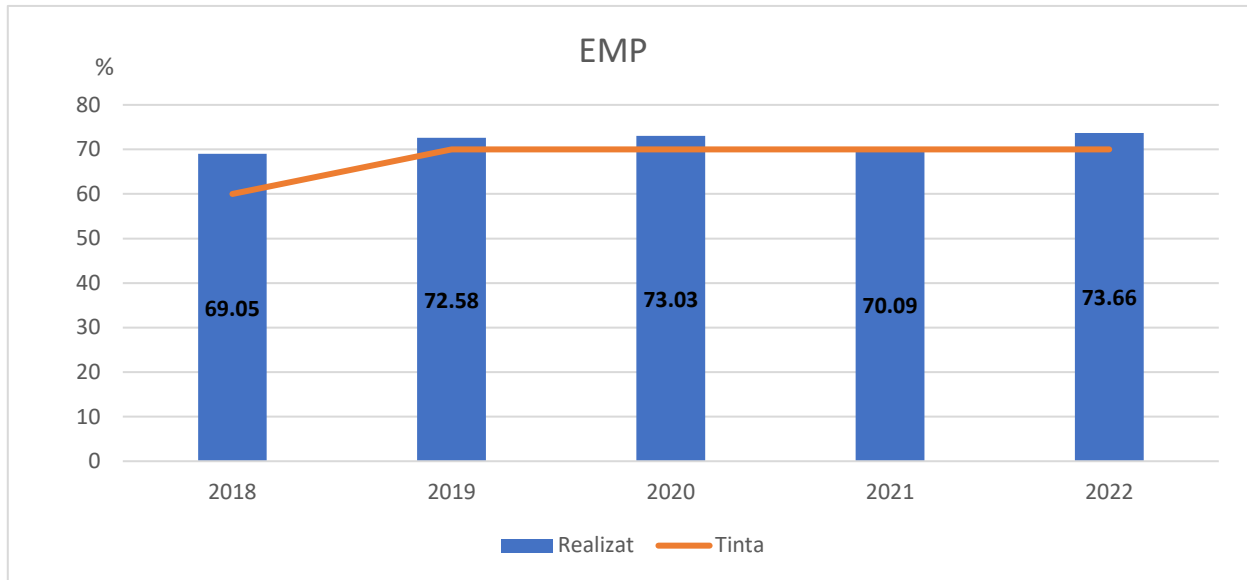
- CNC milling and turning machines by Mazak, Spinner, DMG, Okuma, Chiron, Traub, Index, Wasino, Mikron, Star;
- Vertical CNC drilling machines by Rene Clement and Mollart;
- CNC grinding machines by Studer and Thielenhauss;
- CNC gear milling machines by Gleason Pfauter;
- Profiroll thread rolling machines;
- Laser cutting machines by Mazak and Bystronic;
- Schuller automatic presses;
- ABB welding robots;
- Electrostatic KTL and powder coating Durst painting installations;
- Heat treatment lines;
- Galvanizing and phosphating lines, etc.

The maintenance activities that ensure the planned production on these machines are:

Corrective maintenance monitored by the Total Repair Time Media indicator - MTTR.



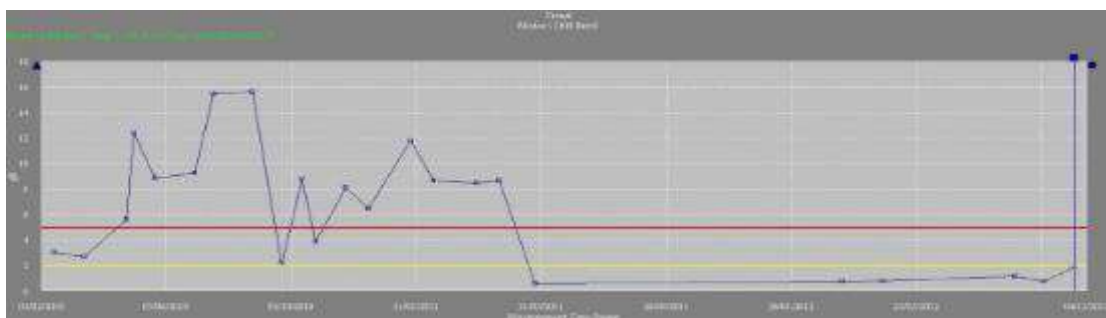
Preventive maintenance monitored by the Preventive Maintenance Efficiency indicator - EMP.

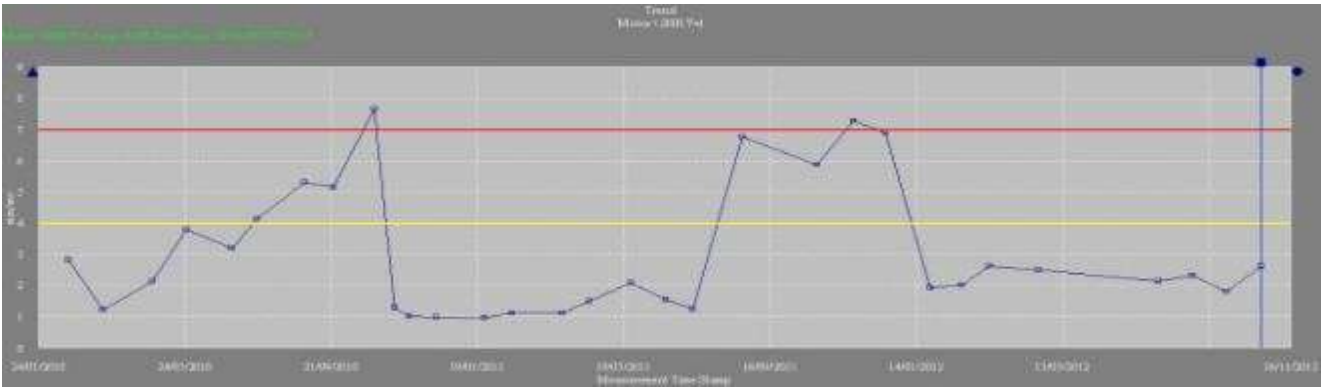


Predictive maintenance for critical machinery and technological equipment, carried out with:
a. The SKF toolkit for analyzing vibrations of moving mechanical assemblies.

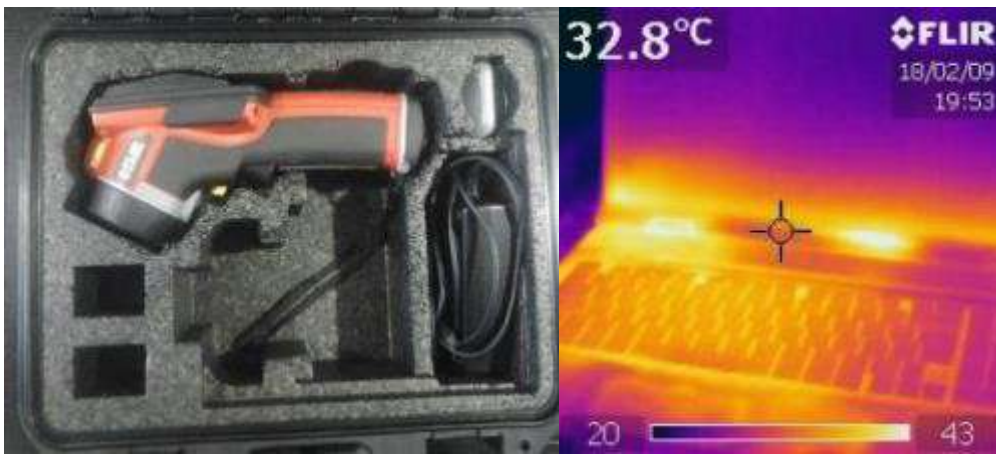


- producing vibration analysis reports in the following format:



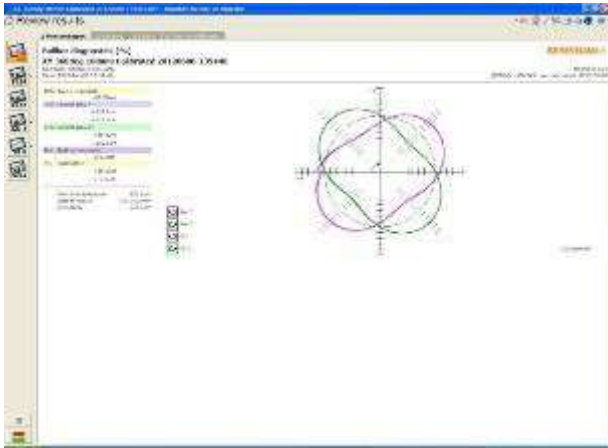


b. Thermographic analysis, carried out with a thermal imaging device.

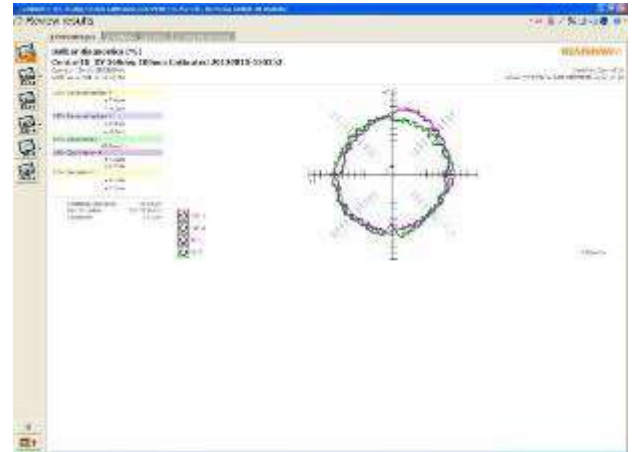


c. Qualitative analysis of the machine tool axis geometry, carried out with the Renishaw QC20 BallBar toolkit.





Problem



Corrected

And services:

Machine retrofitting and modification based on the needs of the parts that need to be processed.

Retrofitting and modification by implementing an additional X-axis on the Mazak VTC 200 machine, carried out internally by the maintenance department team at COMPA.



Repairs of electronic equipment in the Electronics Laboratory, which benefits from the following facilities:

- 11 workbenches equipped with tools and equipment for maintaining automation electronic equipment.



- 1 mechanical bench for dismantling and assembling automation electronic equipment.
- 1 washing and drying line consisting of:
 - 2 washing machines (the first one based on using a solution with microorganisms, the second one based on using alkaline solutions in an ultrasonic field);
 - 2 drying installations (the first one based on hot air circulation, the second one based on a dehumidification system).



- 1 station for soldering and desoldering components using infrared heating, with precise component positioning



- 1 microscope for visual inspection of electronic circuits



- Data acquisition interfaces for diagnosing measurement systems such as encoders and optical rulers, namely the PWM20 and IK215 products from Heidenhain, and the PGT11 from Sick.





- Toolkits for predictive maintenance: the SKF toolkit for vibration analysis, a thermography camera, and the Renishaw QC20 BallBar toolkit.

Activities carried out in the laboratory:

- Repairs of electronic automation equipment regardless of type and manufacturer. Types of repaired equipment include: power supplies, frequency converters, servo drives, measurement systems, optical rulers, encoders, distributed peripheral modules, keyboards, display and operating panels, computers, numerical controls, programmable logic controllers, motors with attached measurement systems (alignments), and others, with the most represented manufacturers being Siemens, Fanuc, Mitsubishi, Rexroth (Bosch), Sew, Danfoss, Yaskawa, Heidenhain, Sick, Staubli, etc.
- Troubleshooting software, parameterization, and loading of programs into equipment.
- Testing of equipment.
- Training for maintainers.
- Organization of workshops with our supplier collaborators.
- Predictive maintenance through vibration measurements, thermographic measurements, and testing of axis geometry.

Repairs and balancing of spindles for machines such as Mazak, Chiron, cylindrical grinders, etc.



Transfer and relocation of machines and production lines. Over time, machines and production lines have been transferred from:

- France - Delphi Blois (see below for a picture of a grinding and deburring line transferred to COMPA from a section that was entirely relocated to COMPA).



- England - Delphi Sudbury,
- Turkey - Borgwarner Izmir (transfer of an entire manufacturing line),
- Romania - Borgwarner Iasi (transfer of two Sermatec electrochemical deburring machines, with the last machine being transferred in 2022),
- Germany - Wilo-Dortmund and
- Bosch Rexroth (see below for a picture of an automatic press for Bosch wiper rods, transferred in 2022)



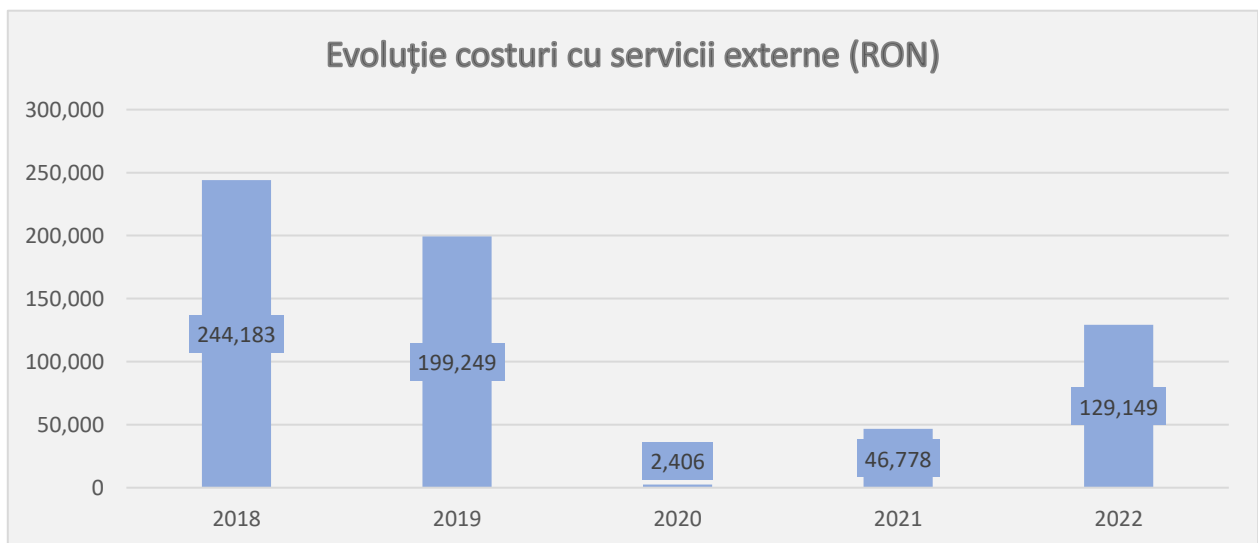
- Italy - DMG (see below for a picture of CNC machining centers from a section in Bergamo that was entirely relocated to COMPA).



Repairs and inspections for lifting and internal transport equipment according to ISCIR regulations.

Activities that have an impact on social and environmental aspects or resource conservation, such as installing air conditioning and filtering systems in COMPA workshops to create a better climate. The Maintenance Department of COMPA SA had an average of 130 employees in 2022.

One result of taking on and executing these services in COMPA can be seen in the following graph:



The Maintenance Department Objectives for 2023

The Maintenance Department objectives regarding maintenance activities are to achieve the established targets for maintenance indicators, namely:

- MTTR - 75 minutes
- EPM - 70%
- Adherence to planned maintenance budgets.

The maintenance department objectives regarding services for the year 2023 are:

- Retrofitting and modification by adding two additional axes (one linear and one rotational) to a Mazak VTC 300 Center with design and execution by COMPA maintenance staff - January 2023
- Completion of commissioning of the transferred line from Wilo-Dortmund - December 2023
- Relocation of the ZF production part workshop to a new location - August 2023
- Refurbishment of the runway for cranes in the Chief Mechanic Hall and installation of a new crane on this runway - May 2023

The quality policies of the Maintenance Department ensure full compliance with explicit requirements and expectations of collaborators, while also considering their implicit expectations, maintaining certifications of the Integrated Management System according to reference standards, and ensuring that products and services provided to collaborators are maintained at the same level of quality throughout their entire use. The department aims to achieve the following objectives:

- Maintaining certifications of the Integrated Management System according to reference standards
- Continuous improvement of collaborator satisfaction levels
- Maintaining maintenance costs in the efficiency zone for carried out activities

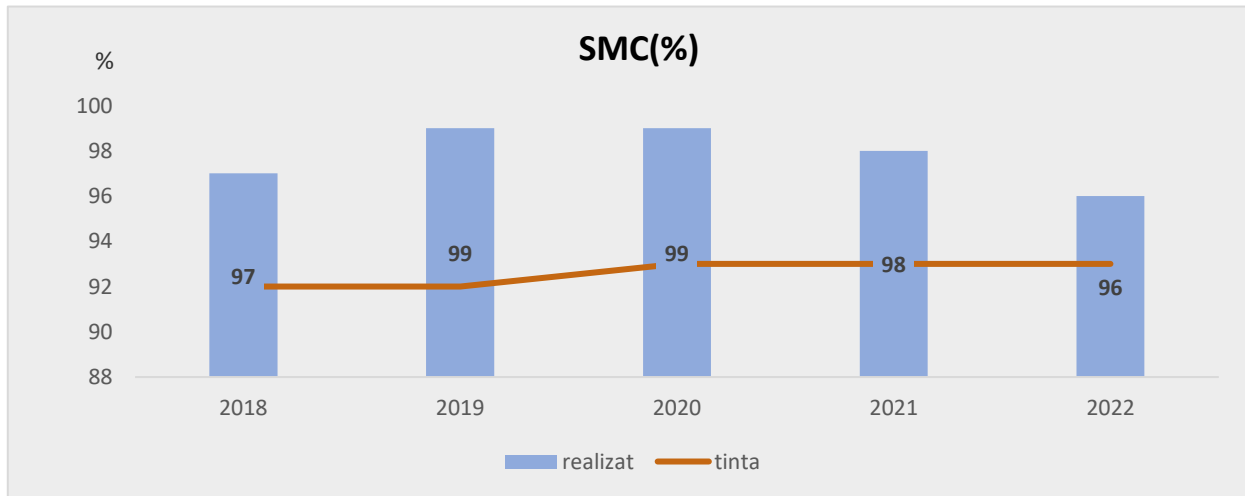
In terms of quality of maintenance activities, the following risks have been identified: Risks with a high initial impact (in case of hypothetical risk occurrence, these would have a major impact). This category includes the risk of audits ending with major non-conformities, which could lead to suspension/cancellation of certifications and loss of contracts. Risks with a medium initial impact (in case of hypothetical risk occurrence, these would have a moderate impact). This category includes the following risks: decreasing effectiveness of the Quality Management System. In case of these risks occurring, activity may be affected by decreased collaborator satisfaction, loss of competitiveness, production losses, etc. Risks are kept under control through implementation and respect of analysis procedures carried out by company management and internal audits; monitoring and measuring customer satisfaction; and fulfilling the training program.

As a result of successful audits, the Maintenance Department did not create any issues in maintaining valid Integrated Management System certifications (according to ISO 9001, ISO 14001, OHSAS 18001, IATF 16949) for the 2018-2022 period in 2022.

The system audits of maintenance activities quality did not identify major non-conformities.

The main key performance indicator in the field of maintenance activity quality is:

Level of aptitude of the SMC



The policies regarding Environment and Health and Occupational Safety aim to identify and control environmental aspects and risks associated with all activities carried out by the organization, in order to ensure compliance with legal requirements and other applicable requirements subscribed to by the organization, prevent pollution and work accidents, occupational illnesses, and respect the rights of interested parties to live in an unpolluted environment.

The Maintenance Department's policy in this area aims to:

- Minimize the amounts of waste generated and manage them safely when their appearance cannot be avoided;
- Reduce the consumption of natural resources;
- Reduce the impact on the environment associated with the maintenance department's current and future activities by gradually replacing some technologies with others that have a reduced environmental impact;
- Prevent the occurrence of emergency situations with an impact on the environment and health and occupational safety by establishing and implementing coherent and effective measures to prevent major accidents involving hazardous substances;
- Adopt a preventive behavior towards environmental pollution to continuously improve environmental performance;
- Ensure an optimal working environment for employees in order to maintain, primarily through preventive activities, the health and safety of employees;
- Continuously monitor the health status of employees and take action to improve their health and prevent accidents and occupational illnesses.

In the field of environmental protection and occupational safety and health, the following risks have been identified:

- Risks with a high initial impact (in the hypothetical case of risk occurrence, they would have a significant impact). This category includes emergency situations with an impact on the environment and occupational safety and health; unsafe waste management; non-preventive behavior, and increased environmental impact due to equipment wear and tear.

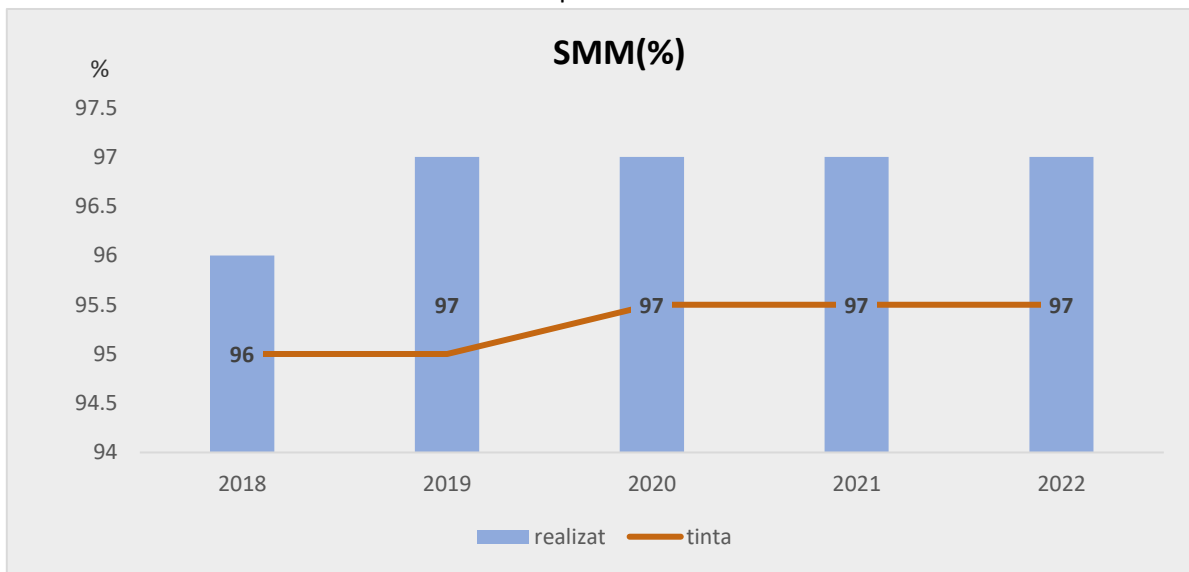
- Risks with a moderate initial impact (in the hypothetical case of risk occurrence, they would have a moderate impact). This category includes unjustified increases in natural resource consumption, lack of measures to monitor employee health, prevent accidents and occupational illnesses.

In the event of these risks occurring, sanctions may be applied for violating environmental norms, endangering the health and safety of employees and interested parties, and restricting production capacity by reducing the number of fit-for-work employees.

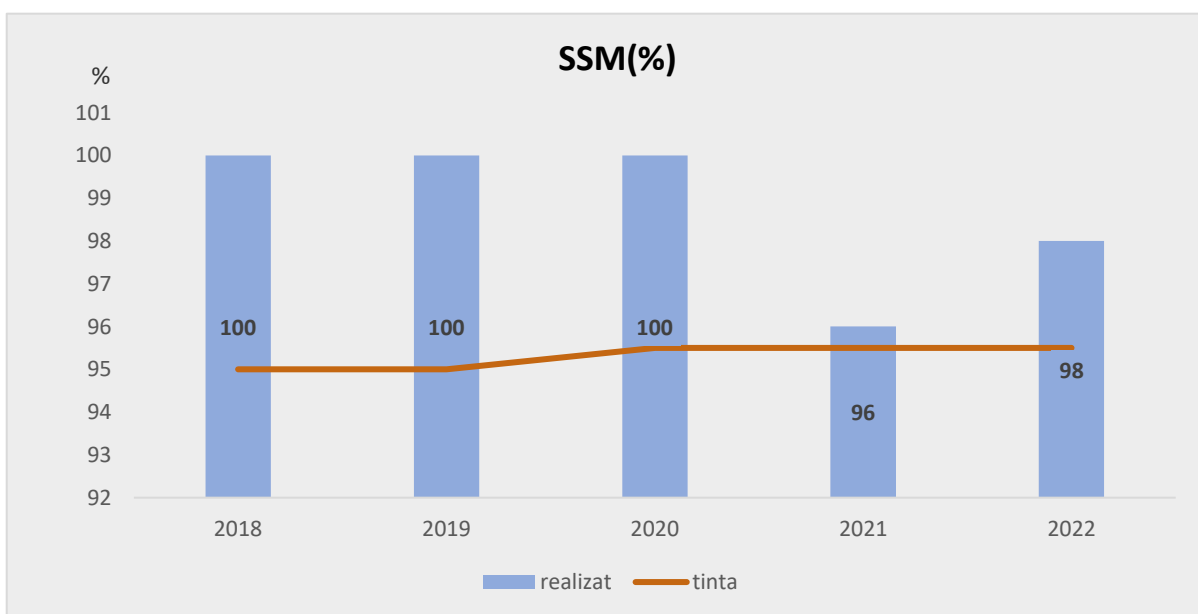
As a result of the measures taken in 2022, all the previously mentioned risks were kept at a low impact level. This effective control of environmental and occupational safety and health risks was possible through the implementation and compliance with waste management procedures, emergency procedures, maintaining an in-house medical cabinet, and periodic specific medical analysis.

The main key performance indicators of the maintenance department in the field of environmental protection and occupational safety and health are:

Level of aptitude of the SMM



Level of aptitude of the SSM



No new cases of occupational diseases, major environmental impacts or incidents with major effects on health and safety have been identified within the department, and audits have not identified any major non-conformities.

The Maintenance Department, through the Human Resources Department, develops and implements an internal regulatory system to organize department activities efficiently by allocating necessary resources, identifying risks and taking necessary measures to eliminate/reduce them to an acceptable level. The most important resource required to achieve objectives are well-trained, motivated, integral and adequately equipped employees. Socially, the department aims to maintain a constructive collaboration with the employees' organizations within the department and other stakeholders, based on relevant legislation, by:

- Supporting constructive union activity and concluding a Collective Labor Agreement specific to the employees of SC COMPA SA;
- Maintaining continuous communication with trade unions on all major aspects of organizational and business development, considering employees as a third party interested in the success of the business;
- Establishing and implementing ways to assist disadvantaged individuals and/or those in special family situations;
- Establishing and implementing various benefits for all employees, based on the potential of the organization and identified needs;
- Monitoring the health of employees through periodic specialized check-ups;
- Supporting employees and their families when facing difficult health situations;
- Covering at least 50% of the cost of spa treatment tickets for employees;
- Providing meal vouchers;
- Supporting disadvantaged individuals and/or communities through sponsorships, as requested by employees of COMPA SA.
- COMPA SA ensures equal opportunities for its current or potential employees by:
 - o Recruiting/promoting staff in a transparent manner, considering the necessary professional competence and experience, as well as the integrity of the candidates;
 - o Ensuring conditions for continuous training and improvement in the professions they work in, but also for environmental protection and occupational health and safety;
 - o Evaluating activities and skills based solely on objective, sustainable, measurable, appropriate, consistently and transparently monitored performance criteria for all employees;
 - o Creating optimal working conditions to stabilize staff.

The risks in this sector are initially moderate (in the hypothetical case of risk occurrence, they would have a moderate impact).

In 2022, the following identified risks remain relevant: decreased retention rate of existing personnel or new hires, and allocation of an insufficient number of professional training hours. In the event of these risks occurring, the company may face increased recruitment costs and decreased quality of maintenance activities and services provided.

Through the measures adopted, most of the identified risks have been kept at a low level, except for the risk of retention of existing and new employees, which is at a moderate level, influenced by the shortage of candidates on the labor market, especially with regard to qualified personnel.

For risk management in this field, measures have been taken to motivate personnel through financial incentives and creating a pleasant working environment, achieving the annual training and professional development plan, implementing a plan for the instruction and integration of new employees. The union organization has a high degree of representation among personnel, is a party to negotiating the collective contract, and is a partner in implementing 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 Lucian Blaga University of Sibiu for conducting a number of practice hours by trainees within the company, and granting scholarships for the best among them, and conducting professional retraining courses through European projects with the participation of qualified personnel from the Maintenance Department.

The main performance indicators achieved in 2022 in this field will be presented by the Human Resources Department.

The description of the policy regarding human rights compliance, risk factors, key performance indicators, and the effect of implementing this policy:

The Maintenance Department of COMP A SA guarantees the respect of human rights, in accordance with legal provisions, for its employees and collaborators, as well as for stakeholders through:

- providing working conditions that respect individual dignity and appropriate job positions in terms of safety and health at work;
- prohibiting any form of intimidation through language, attitude, gestures, or any other form of personal attack;
- eliminating any form of discrimination based on gender/age/race/religion/political beliefs;
- firmly rejecting child exploitation;
- rejecting collaboration with organizations that do not respect human rights.

Violation of human rights can lead to falling under the law, protests from employees or the public, and loss of prestige in society. The risk of violating human rights has a medium initial impact, but through control measures, these risks have been kept at a low level. Provisions related to the respect of human rights have been included in the internal regulations and collective labor agreement.

In 2022, there were no reported cases of intimidation or personal attacks, nor cases of discrimination based on gender/age/race/religion/political beliefs for the personnel within the Maintenance Department.



The Building and Networks Maintenance Department 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 Indicator refer to:

- the permanent maintenance of the production platform and all the functions of the company in optimal condition.
- solving emergency situations and requests, repairing and maintaining functional parameters of buildings, networks, installations, roads and access roads, which will streamline logistics, allow the production process to be carried out in appropriate conditions and provide staff with optimal security work according to SSM requirements.
- the modernization of the existing work spaces, the utility networks and the setting up of new objectives, which correspond to the company's requirements, in accordance with the legislation in force.

- In this regard, the following achievements should be highlighted in the last period:

- at the level of the Unit I production platform, H. COANDA str., in 2022, a number of 444 maintenance works, repairs, modernizations and investments were carried out, of which we mention a few:

- Renovation and remodeling of the interior and exterior of gate 1 at the entrance to COMPA
- Exterior and interior renovation of the entrance gate 2 to COMPA
- Arrangement of dormitory for workers in the rented space (all utilities for 80 places)
- Renovation of the Bosch wiper hall to complete the production line
- Redevelopment of spaces and modular offices, as well as utilities at the ZF Ax Workshop
- Decommissioning of the old internal railway line that was no longer functional.
- Decommissioning of an old thermal point (between blocks) that was no longer functional.
- Electro vanes installed on the compressed air network for a more efficient distribution at At 620.

- Dismantling utility networks from old machines and connecting new machines transferred.
- Dismantling of old equipment and connection to utilities, SERMATEC 2 equipment transferred to At.630
- Connecting (digitalizing) machines from the production departments to the company's data network.
- Connection to coupler furnaces for cleaning the return pipes at the Treatment Workshop.
- Completed automation and alarm systems at the entrance gates to the production halls.
- Insulated pipes and external ACM networks (there are still small portions that are still being worked on)
- Replaced and insulated Estacada heating pipes (area of the Sharpening Workshop)
- Replace the old 129 ml potable water pipe at the monobloc hall - At 620
- Insulating old pipes, cooling water at Workshop 620 - the work continues
- Insulated heating pipes at the DMG Workshop - cloakroom area
- Furnished and installed air conditioning installations, floors 3 and 4 of Pav. Central
- Interior design and renovated offices on Floors 3 and 4 of the Central Pavilion
- Replaced old and damaged storm sewer pipes at the JTEC Workshop
- Repaired skylights and replaced polycarbonate on 75% of the production halls - to be continued
- Repaired and replaced 80% of the total number of drains on the halls - to be continued
- Repaired and replaced waterproofing on sheds and buildings in damaged areas - to be continued
- Repaired epoxy resins at At 620, At 630, At 650, At Bosch - to be continued
- Replaced incandescent lighting fixtures, according to their failure, with LED lighting
- Repaired or replaced gates and access doors and related automation in halls and buildings
- Fixed, replaced and monitored data, telephony, video and GSM access networks

- at the level of the production platform Unit II, B-dul Victoriei Nr. 42-44

- The project of reconversion of the production space into space intended for housing, offices and a 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 dissolved and the buildings and halls were demolished to 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:
- the long periods of supply with materials necessary 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
- Insufficiency of qualified personnel, who can perform the complex, diverse and most of the time urgent works, which are the responsibility of the ICR Department.

- **Risk management**

The supply chain

- The supply chain does not have a major impact on the development of the works that are executed 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 for completing the works
- Short-, medium- and long-term perspectives. For normal supply through SAP, no other measures are required, but for materials that need to be supplied urgently, another, more flexible approach is needed

Remedial measures

- A remedial measure could be to ensure a minimum buffer stock of the 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 an urgent impact and to be checked weekly by the purchasing department and the general director.
- Regarding the lack of staff, in addition to attracting qualified workers from the labor market, the solution of schooling within the society of young people with skills and their job qualification for the jobs of welder, plumber and electrician should also be addressed.

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 Dept. follows the general strategic line of the company and within it has in mind the following phased objectives. (short, medium and long term)

- Clarification of the legal, cadastral and topo situation of the company premises.
- Digitization of drawing data, situation plans and documentation Dep. I.C.R.
- Modernization, maintenance and repair 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 canal networks
- Modernization and repair of data networks, telephony, video, lighting and access gates

- The main factors that can affect future development.

-The main factors that can affect future development are related to the general situation of the Romanian economy, of the automotive industry, but also of an internal nature, related to the lack of personnel, especially the qualified one, and the technical equipment 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 activity of registering in the eTerra platform of OCPI Sibiu - the Land Register of all the company's premises has been initiated. All the premises on the platform Unit 1 str H. Coanda are registered and we still have two positions that are being processed and for which I have not yet received the registration.

- The digitization of documentation and data is a necessity and work is being done to update situation plans and drawings - permanently
- The modernization, maintenance and repair of the fences and access gates is 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 connecting alleys, sidewalks and parking lots, which require interventions.
- The maintenance and modernization of buildings, halls, warehouses and warehouses is part of the object of activity and is a permanent concern of the ICR department.
- An architectural project to modernize the central pavilion is completed.
- The Gate 1 and Gate 2 at the entrance to COMPA have been renovated and remodeled and the exterior fence will be renovated.
- The dormitory with 80 places for workers was arranged (rented space)
- Interior design works are carried out in the offices and premises in the production halls.
- The maintenance, repair and renovation of water, air, thermal and sewage networks is also a permanent activity, but it also involves the phased replacement of old or morally worn pipes, especially those of drinking water.
- Modernization and repair of data networks, telephony, video, lighting and access gates is in full swing and is treated as a priority.

5. Permanent monitoring of the results obtained and the workplace policy

- All programs, projects and executed works are permanently monitored at the level of the three heads of workshops as well as by the head of the activity of the I.C.R. department.
- Analysis reports and proposals are made monthly in which the problems that have arisen, the stage of their resolution, those responsible for their follow-up and completion, as well as measures and proposals for the future are highlighted.

The workplace 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 functional materials, as well as distinct and complex activities at each intervention.

6. Environmental problems, health and safety of the workplace

- Information regarding the prevention and control of pollution
- With regard to the prevention and control of pollution, the equipping and installation of the equipment is monitored and action is taken in an emergency regime to stop any damage and to prevent the replacement of defective parts or their remedy and the removal of the causes that could generate events, so that it is not affected the air and the soil so that substances with potential pollution do not reach the sewage network.
- The ICR Department collaborates with the other structures of SC COMPA SA for the implementation of the project, which has been executed, for the production of energy from renewable sources (photovoltaic cells)

Regarding the extraction of mineral resources, the ICR Department carries out the maintenance and repair of fireplaces, pipes related to wells for fire water, which supply the Water Tower with the reservoir for the company's hydrant network.

- Workplace health and safety

- The health and safety of the staff is a constant concern both at the level of society and of the ICR Department. In this regard, at the ICR department, the equipment of the workers with protective and work equipment and the compliance with the labor protection rules are monitored and checked periodically, taking into account the fact that the works are performed at height or in hard-to-reach places such as sewage manholes, is performed in various locations near the machines while they are working and must be done without affecting the continuity of the production processes.

-Regarding the safety of buildings and halls, the ICR Department has generated a program for monitoring the behavior over time, for intervention where necessary and for reporting to the State Construction Inspectorate, to ensure the smooth development of the company's activity.

This current tracking program targets functionality, status and integrity:

- Facades, plinths and walls
- Resistance structure (pillars, beams, caissons)
- Concrete floors (most are covered with epoxy resins)
- Covers, skylights and drain and ventilation openings
- Doors, gates, windows and access roads
- Installations and networks of potable, industrial and cooling water
- Heating, steam and domestic hot water installations
- Compressed air installations
- Plumbing
- Electrical installations, lighting, telephony and data networks
- Fire prevention and alarm installations
- Hydrant installations
- Roads, sidewalks, alleys, platforms and parking lots

All activities were carried out according to the schedule and requirements and there were no delays in terms of tracking, evaluating, maintaining and reporting their status or events that would target or affect the health and safety of the staff.

Starting from these evaluations of their condition and functionality, preventive intervention was carried out through current maintenance works, repairs or modernizations that ensure safe working conditions and health for all the company's personnel.

During the production processes, unforeseen situations occurred that required emergency interventions. They were executed every time in a timely manner, without affecting the good progress of production.

A special attention was given and is given to the sanitary installations related to the social groups, the toilets, showers and changing rooms, which are executed according to norms and standards and permanently maintained at quality parameters through current maintenance works, repairs and renovations.

7 Objectives, targets and responsibilities for the 2023 program

All this fits into the general strategy and planned objectives:

- Clarification of the legal, cadastral and topo situation of the company premises
 - o By the end of 2023, we propose that the legal status of all spaces on the platform Unit I Str. H. The queue should be clarified and entered in eTerra at the OCPI Sibiu Land Registry
Responsible – Forsea Alexandru and Boabes Nicolae
- Digitization of drawing data, situation plans and documentation Dep. I.C.R.
 - o The situation plans and drawings are being worked on so that they are permanently updated.
Responsible - Forsea Alexandru and Neghina Dorin
- Modernization, maintenance and repair of fences and access gates
 - o A project to renovate the gates and fences is being implemented together with the architect.
Responsible - Forsea Alexandru and Stolnicu Emilian
- Modernization and rehabilitation of roads, sidewalks, parking lots and platforms – permanent
 - o They are proposing the phased rehabilitation of two alleys connecting to the main road.
 - o The first in front of the research center and the second in front of the intersection with Hendrickson alley.
Responsible - Forsea Alexandru and Stolnicu Emilian
- Maintenance and modernization of buildings, halls, warehouses and warehouses – permanently
 - o Current works are being done on the buildings and halls and the renovation of the Central Warehouse is in the design phase
Responsible - Forsea Alexandru and Stolnicu Emilian
- Maintenance, repair and renovation of water, air, thermal and channel networks – permanent
 - o Current works, repairs and modernizations and commissioning works are carried out at the workshops.
o Responsible- Forsea Alexandru si Boabes Nicolae
- Modernization and repair of data networks, telephony, video, lighting and access gates
 - o It is a permanent concern, especially when replacing incandescent lighting fixtures with LED lighting fixtures as the current fixtures break down.
Responsible: - Forsea Alexandru and Neghina Dorin

2. COMPA I.T. S.R.L.

It was established in 2000 for the purpose of designing and implementing an integrated IT system for the parent company and third parties, at international standards. The company offers IT solutions, services and software maintenance. By implementing the integrated system in the parent company, COMPA-IT ensures the operation of this system at higher parameters, prepares reports and presents the new facilities of the system in order to capitalize at the highest possible level of opportunities that this very complex system can offer. and competitive.



Social headquarters	Sibiu, Str.Henri Coandă Nr.8
The main object of activity	6201 "Custom software development activities"
Share capital (lei)	200,000 lei
Fiscal value	2,216,900 lei
Needlesole shareholder	COMPA SA company
Number of employees	9

COMPA IT

1. DESCRIPTION OF THE ACTIVITIES UNDERTAKEN:



The purpose of the establishment was to design and implement an integrated IT system for the parent company, to the existing international standards and to ensure the requirements imposed by the organization of profit centers of the company COMPA, as well as to ensure a computer network of computers extended throughout the company COMPA.

By implementing the integrated system in the parent company, COMPA-IT ensures the operation of this system at higher parameters, prepares reports and presents the new facilities of the system in order to capitalize at the highest possible level of opportunities that this very complex system can offer. and competitive.

The digital age has begun to change the way we work, produce and consume. Technology has become an integral part of our lives at work, at home and in the way we interact in society. Given the rapid change that occurs with the absorption of technologies in business processes, there is increasing pressure on competitiveness and response times as short as possible in relation to market requirements. Through our activities we try to support the digital development of COMPA SA by implementing digital solutions to reduce repetitive working hours, reducing the use of information on paper by implementing solutions to achieve the goal of having "paperless" processes. We support the manufacturing processes, not only the administrative ones, by implementing connection solutions for all the machines and devices used in production, in order to be able to make SPC (statistical control) analyzes and not only, with the help of real-time data.



2. ANALYSIS AND DESCRIPTION OF RISKS AND OPPORTUNITIES

With the implementation in COMPA SA of the SAP solution (Software Solution) we opened the way to new digitization solutions that allow integration with COMPA SA customers and suppliers for a better and more efficient collaboration. Automation of logistics, financial, production, human resources processes bring with it greater job satisfaction and a greater ability to create better products.



Although the risk of cyber-attacks is increasing, there have been no incidents that will impact us. In order to keep the risk as low as possible, we keep in touch with application and equipment suppliers to always have up-to-date solutions with security packages.

3. DESCRIPTION OF THE OBJECTIVES, TARGETS AND RESPONSIBILITIES SET

The main objective of the company is to support the digital development of COMPA SA by creating turnkey solutions that follow the principles of paperless and process automation. In addition, we deal with the maintenance, purchase of equipment and solutions to support the move towards the digital age.

In order to achieve our objectives, we aim to hire the best professionals available on the labor market to create and improve our products and services. In order to benefit from their expertise, we continuously improve working conditions, we have in mind discussions that highlight the evolution of each employee and align this evolution with the plan of professional stimulation and motivation.

4. FUTURE STRATEGY AND OBJECTIVES



We are updating the Electronic Data Interchange project with the possibility to introduce other messages, invoices, documents and other types to create a more diverse interface of communication with our customers and suppliers, thus increasing the productivity of our employees.

We have started the implementation of a complete document management system that will allow the digitization of the administrative processes of receipt of goods by scanning and integrating the receipt documents within this system. We will integrate the physical archive into this system to allow better retention of documents. This system will allow us to introduce a virtual library, an enterprise scan solution, electronic registration as well as electronic archiving and automation and optimization of document flows.

Considering the need to increase the level of transparency and trust between COMPA S.A. and its partners, we actively participated in the implementation of the TISAX (AL2) requirements within COMPA S.A., an aspect certified during the audit of November 23, 2022.

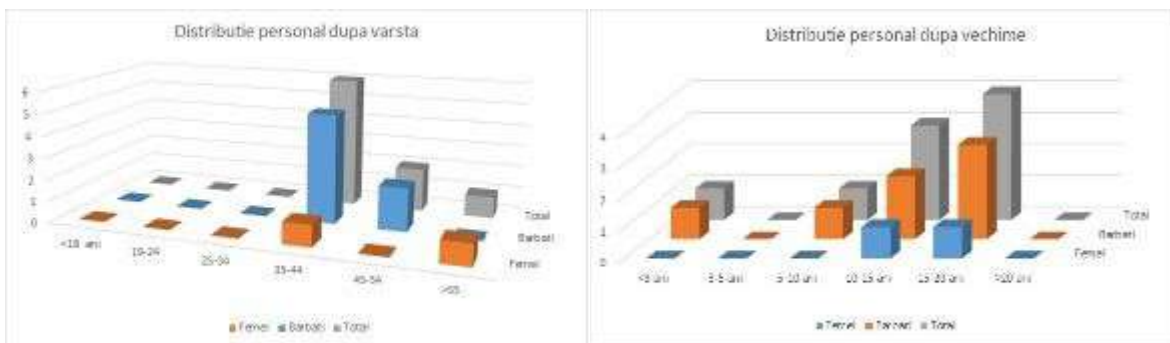
To diversify the strategies of the human resources department, we have integrated the Success Factors solution within the company, which will allow finding, training, and managing the workforce and also send a response with operational data about how people feel, thus creating exceptional experiences for employees. Also, within the extension of the strategies, we have implemented the SAP HCM solution that will allow time management and tracking of the present, standardized payroll processes and organizational management.

In the connectivity project we envisage the extraction of real-time data from the manufacturing and quality processes to allow multiple analyzes and visibility of data at the jobs that generate this data, by introducing tablets with software that give quick answers to the problems that arise in the process.

Also, in the same connectivity project we have started to connect production machines, measuring stands and devices in a centralized platform, which will allow work time analysis, number of produced parts, and also other production indicators in real time, the number of machines and devices connected so far has reached over 80. In the next period of time, we will try to add all our machines in this platform. This aspect will allow the maintenance department, production department and quality to get detailed real time data and analysis from the production processes.

To maintain a low number of bad parts and a predictability in changing the tools on the CNC machines we have validated and implemented a system for automated compensation, which will allow measuring analysis from every tool that has produced parts and send back the necessary correction to the machine.

Given that the company's core business is based solely on specialized human resources, we want to gradually increase the number of employees to be able to develop more products and services at the same time. One of the development directions that requires more and more effort due to the diversity of machines and devices within the production processes, is IoT type connectivity. Given this diversity, we need to consider an increase in the company's skills in connectivity and IoT by assimilating new employees within the company.



3. TRANS C.A.S. S.R.L.

Founded in 2002, by outsourcing the car transport activity within COMPA, the company offers freight and passenger transport services domestically and internationally. Some of the owned vehicles are the property of the parent company COMPA SA, rented, and some of them are the property of TRANS CAS SRL.

TRANS CAS SRL currently owns a number of over 60 vehicles, of which an important share is held by Mercedes-type trailer trucks, with a capacity of over 20 tons payload, intended for the transport of materials and finished products for both COMPA and other customers.

The overwhelming share of TRANS CAS's transport is held by international freight transport in almost all of Europe.



Social headquarters	Sibiu, 12 Henri Coandă Street
The main object of activity	4941 "Freight transport by road"
Share capital, of which:	1,500,000 lei
Shareholder: COMPA SA Sibiu	1,498,450 lei
Fiscal value	14,460,846 lei
Number of employees	48

TRANS CAS SRL**1. The activity of the company**

TRANS CAS SRL, established in 2002, has as main object of activity INTERNAL AND INTERNATIONAL ROAD TRANSPORT OF GOODS. Transport services are provided by both its own fleet of vehicles and a well-organized network of contracted carriers. The services offered are efficient and reliable, being monitored by using the most advanced technologies on all vehicles. The drivers and staff involved in the organization are highly qualified and ensure the delivery of transport on time and safely. The solutions offered by TRANS CAS are in accordance with customer requirements and comply with international standards in the field, and the transported goods are insured with CMR insurance.

2. Company risks and opportunities

The company TRANS CAS SRL has identified the following risks:

- Fuel price developments, generally unfavorable
- The evolution of tolls
- The evolution on the insurance market of the insurance premiums by their increase, related to the car insurances, the goods insurances (CMR) as well as the health insurances
- Lack of qualified transport staff on the market
- Activity fluctuation

The company also identified the following opportunities:

- Diversification of the activity by accepting urgent delivery orders
- Orientation to customer needs to gain a competitive advantage
- Providing quality, integrated services
- Practicing competitive prices on the freight market

3. Objectives and responsibilities

The company's objectives for the next years are:

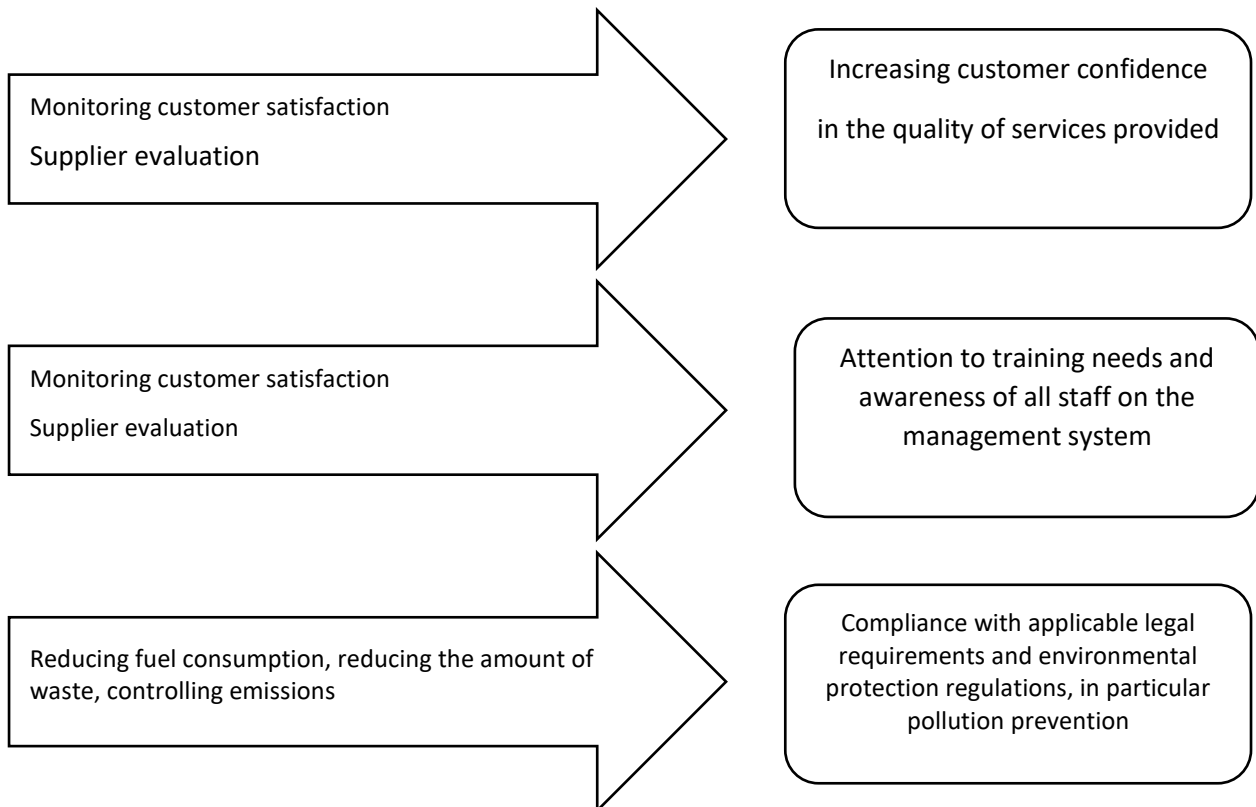
- Increase turnover by identifying new customers and increasing the fleet
- Reducing pollution by purchasing new and high-performance vehicles that meet all environmental requirements
- Protecting the environment, handing over the waste to authorized collectors

4. The evolution of the activity

The economic performance of the company is reflected in the following indicators:

Economic indicators	2020	2021	2022
Net turnover (lei)	14.460.846	17,698,300	16.450.778
Gross Profit (lei)	226.638	411.369	-256.600
Average number of employees	49	48	48

The company considers a series of non-financial performance indicators relevant for its specific activity:



5. Corrective actions

The management of TRANS CAS pays special attention to ensuring a pleasant working environment for its employees. In this respect, principles such as equal opportunities and non-discrimination underpin the smooth running of the company and the performance of employees.

TRANS CAS also provides a work environment based on the principle of equal opportunities, discouraging discrimination and encouraging diversity among employees. Thus, society promotes diversity of gender, nationality and age.

At the base of all the activities carried out within the TRANS CAS company are the following fundamental values:

- ✓ **INTEGRITY** - the obligation to declare any personal interests that may contradict the objective exercise of the duties of the position within the company, as well as the refusal to accept any financial benefit of any kind from persons or organizations that could influence the performance of duties. At the same

time, the obligation of the company to take all necessary measures to avoid situations of conflict of interest and incompatibilities.

- ✓ **TRANSPARENCY** - adopting an open and transparent attitude in all decisions and actions taken by the company's staff.
- ✓ **OBJECTIVITY** - fulfilling the duties of the position, awarding contracts and orders by adopting an objective attitude, leading to correct decisions to achieve the interest of society.
- ✓ **PROFESSIONALISM** - promoting the fundamental values and principles in the company's activities through a responsible attitude in its interest.

Ethical conduct is one of the main criteria that define the way a company operates, consolidating or destroying its reputation in the market. It is imperative that both the company and all employees demonstrate:

- the highest standard of integrity and ethics in their work;
- compliance with all laws and regulations and the desire to be open and honest in all internal and external business relations;
- professionalism, through which the TRANS CAS staff has the obligation to fulfill the duties of responsibility, competence, efficiency, correctness and conscientiousness;
- honesty and fairness, showing good faith in the performance of duties.

Employees have the obligation that by their acts and deeds, to comply with the legislation and regulations in force and to act for the implementation of legal provisions, in accordance with their duties, in compliance with professional ethics.

6. Strategic objectives

➤ **VISION**

We operate in a community where there is respect and good law enforcement and where our customers are always satisfied with the quality of our services and products. These are the result of respect within the team, of each individual and we are respectful and equitable partners towards our community and the environment.

➤ **VALUES**

- Pursuing quality in everything we do.
- Strong partnerships based on respect.
- Forming the team by valuing each employee.

➤ **MISSION**

Our goal is to be recognized both in the country and abroad as a responsible business partner in the domestic and international freight transport market. We want our partners and employees to choose us for the quality of our services and for the relationship based on transparency and respect.

4. RECASERV S.R.L.

The company was established in 2004 by outsourcing from the parent company activities such as: public catering made through the canteen and micro-canteens operating within the company COMPA, catering and cleaning services.



Social headquarters	Sibiu, Str. Henri Coandă No.51
The main object of activity	5629 "Other food service activities nec"
Share capital, of which:	100,000 lei
Shareholders: COMPA SA Sibiu	70%
Boroş Daniela (individual person)	30%
Fiscal value	1,623,485 lei
Number of employees	30

SC RECASERV SRL

DESCRIPTION OF THE MAIN ACTIVITIES:

SC RECASERV SRL was established in 2004 by outsourcing from the parent company some activities such as: public catering made through the canteen and micro-canteens operating within the company COMPA SA, catering and cleaning services.



1. The main activity is the supply, delivery and serving of ready-to-eat food, daily to the industrial environment (the main working points being the micro-canteens within the company COMPA SA, and until 2019 various schools in Sibiu) as well as orders for various events. The company is included in the CAEN code under the name of "Other Food Units nec" respectively the production of food in catering system. The company operates in the location of the COMPA SA Canteen, in a renovated kitchen equipped to the standards required by European norms, located near the company COMPA SA, the HENRI COADĂ Technological High School and SC BILSTEIN SRL.

As the goal of SC RECASERV SRL is to include and satisfy a wide range of customers, the company includes in its menu both local and international dishes and niche cuisine (eg., fasting products, vegetarian and vegan dishes). Each menu focuses on healthy products, sourced as much as possible from local suppliers. In addition, the portions are portioned according to a caloric calculation, with great care, to avoid food waste, and the supply is well calculated to optimize the cost of transport and the amount of food stored. In order to protect the environment, the cutlery used is traditional and not plastic. In the kitchen, the company has an experienced staff, able to maintain a high quality of dishes, but also to adapt promptly to customer requirements and needs. So, the results have always been up to their requirements.



2. The secondary activity involves general activities of interior cleaning of buildings, the main client being COMPAs SA. In this segment the company SC RECASERV SRL provides services with professional equipment, cleaning products in accordance with environmental standards in force, and staff is properly trained in compliance with environmental standards and safety work.

In the field of services, the ultimate goal is customer satisfaction and maintaining a good customer-supplier relationship. The quality of the work is confirmed by the continuous demand and the good reputation of the company on the market, in the absence of any form of advertising.

3. ANALYSIS AND DESCRIPTION OF RISKS AND OPPORTUNITIES

Weak points which produce negative effects for SC RECASERV SRL are various:

- The continuous change of prices for raw material
- Energy crisis, with an increase in billing prices
- Customer reluctance
- Changes in customer needs, tastes and preferences
- Lack (temporary) of qualified personnel specific to the field of activity (eg., cooks), due to the lack of supply on the labor market and the non-correlation of the educational offer with the requirements of the labor market, as well as due to emergencies imposed by quarantine
- Slow growth, sometimes even stagnation of demands
- Lack of orders during certain periods of time (eg during a pandemic)
- Decreased demand following the implementation of homework and online school.

Strengths which produce the beneficial effect and lead to the exploitation of opportunities:

- Favorable liquidity and solvency values
- Expanding the range of B2B customers (eg., micro-canteen inside other companies)
- Expanding the range of B2C customers (eg., home delivery)
- Diversified range of products that fold according to the consumer segment
- Prices lower than the competition
- Collaboration with a food service provider (eg., Glovo)

4. DESCRIPTION OF THE OBJECTIVES, TARGETS AND RESPONSIBILITIES SET

The objectives for the next years are reorganization in the context of the pandemic and maintaining a positive balance, as well as flexibility in choosing new collaborations. It also aims to reduce, where possible, disposable polyethylene objects and utensils by using environmentally friendly ones.

Also, for critical risks, ie with high probability of occurrence or with a significant impact on the company's activity, a series of measures were taken, aiming at the following:

- Business development in the area
- Diversifying and expanding the range of good quality products
- Negotiate prices with suppliers, where possible
- Establishing payment terms, invoices
- Purchase of raw materials at the lowest market price
- Introduction into new markets
- Finding cheaper sources of raw material supply

5. Policies applied to: OHS (Occupational Health and Safety)

Monitoring, maintaining health and ensuring working conditions, according to current legislation, for employees is a legal and social obligation, which is also an essential element in the success of society.

6. Environmental Policy

The menu production process is carried out through a technological circuit in compliance with hygiene and storage rules, in accordance with food legislation. Their implementation and compliance is regularly evaluated by accredited institutions in the field.

7. FUTURE STRATEGY AND OBJECTIVES

The company's mission is to provide excellent services that attract and satisfy customers. The strategic objectives for the next years involve the development of businesses in the area, as well as the diversification of the product range.

5. ARINI HOSPITALITY SRL

ARINI HOSPITALITY SRL is an SPV (special purpose vehicle), with the sole shareholder of COMPA SA. Established in 2021 in order to manage the construction and development of the MERCURE SIBIU PARK ARINI Hotel Complex.

Due to the fact that the specificity of the hotel business is totally different from the automotive components production activity of the main company, COMPA management decided that it is much easier to manage by a new company having as main object of activity that of - Hotels and other accommodation facilities similar CAEN code 5510. This is how ARINI HOSPITALITY was born.

The company wants to enter the hotel market as a player in partnership with ACCOR with which it has concluded a hotel management contract. ACCOR is an international augmented hospitality group specializing in the hospitality industry, a world market leader with unique experiences in over 5,100 hotels in 110 countries with over 300,000 employees. The group has acquired hospitality expertise for more than 50 years, through a portfolio of 39 hotel brands.

1 .1 PROJECT DESCRIPTION

The project consists in the construction and development of a hotel complex - ARINI HOSPITALITY, which will consist of a MERCURE hotel, which will have 4 stars and 121 rooms available as well as the conversion of the existing building into a 3-star IBIS STYLES hotel with 72 rooms. This hotel complex will be located on a plot of 7,591 sq m located in Sibiu on Bd. Victoriei Street no. 42-44 opposite the Sub Arini Park. In addition to the accommodation rooms, the complex will also offer a SPA area with swimming pool, restaurant, lobby, bar, conference rooms as well as a multifunctional room with an area of over 400 square meters where various types of events can take place. Both hotels will have a concept inspired by local tradition to present a unique image.



1.2 PROJECT DEVELOPMENT

In May 2021, the financing agreement was obtained based on GD 807/2014 (Government Decision for the establishment of state aid schemes, aimed at stimulating investments with a major impact on the economy). The value of the state aid amounts to 14,895,269 lei.

In September 2021, the building permit for the ARINI HOSPITALITY hotel complex was obtained following the fulfillment of all the legal requirements requested by the competent institutions as well as the completion of the technical project carried out by the ARHI GRUP company from Bucharest.

Throughout the design, ARHI GRUP collaborated with the technical and design specialists of the ACCOR partner, as well as with the support of VITALIS CONSULTING from Bucharest, a company with which ARINI HOSPITALITY has a project management contract. With the close collaboration of professional teams in the field, ARINI HOSPITALITY has the certainty that the technical design and design of the hotel complex will be at the highest quality standards and will offer future customers beautiful memories spent in a pleasant atmosphere.

In November 2021, the General Enterprise contract was signed for the construction of the MERCURE hotel with DAS SRL from Iași (a company that has in its portfolio large-scale works in the field). The duration of the works is 18 months. The works started in December 2021 when the site was organized and the excavation of the earth began.

In September 2022, the General Enterprise contract was signed for the construction of the IBIS hotel with DAS SRL from Iași, and the completion of the works will be at the same time with MERCURE hotel.

1.3 STAGE OF THE PROJECT

At the end of February 2023, the stage of the works is according to the work schedule agreed with the General Contractor, the mock-up rooms from MERCURE hotel were completed, the negotiations for contracting the furniture and the kitchen equipment were started. In the IBIS hotel the works are on installations part and preparing the mock-up rooms.

Pictures MERCURE





Photos of IBIS Hotel



1.4 RISKS AND OPPORTUNITIES OF THE COMPANY

The opportunities are first of all the state aid obtained as well as the deficiency of accommodation during this period on the market in Sibiu according to studies and statistics.

1.5 OBJECTIVES AND RESPONSIBILITIES

The main objective is to complete the construction of the complex within the deadline and budget set to the highest quality standards.

ACCOR takes over the management of the hotel activity within the limits established in the management contract.

Independent auditor's report

To the Shareholders of COMPA S.A. Sibiu

Report on the Audit of the Consolidated Financial Statements

Opinion

- 1 We have audited the accompanying consolidated financial statements of COMPA S.A. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.
- 2 The consolidated financial statements refer to:

- Net Assets/Total equity:	501.242 thousand lei
- Net profit of the year:	1.308 thousand lei
- 3 In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022, 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated financial statements

The key audit matter

The Group has recognised deferred tax assets for deductible temporary differences considered recoverable.

The recoverability of recognised deferred tax assets is dependent of the Group'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 Group 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 consolidated financial statements

The key audit matter

The management of the Group 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 Group 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 Group'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 We draw attention to Note 25 of the financial statements, according to which the Group 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 Group 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 Consolidated Administrator's Report

- 7 The administrators are responsible for the preparation and presentation of other information. This other information includes the Consolidated Administrator's Report, but do not include the 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 as at 31 December 2022 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 consolidated financial statements as at 31 December 2022, 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 consolidated financial statements, or with the knowledge we gained during our audit of the consolidated financial statements, or if this other information appear to be significantly distorted.

We have read the Consolidated 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 26-28.

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

- a) Information in Consolidated 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 consolidated financial statements as at 31 December 2022;
- b) the Consolidated 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 26-28.

In addition, based on our knowledge and understanding concerning the Group and its environment gained during our audit of the consolidated financial statements as at 31 December 2022, we are asked to report if we have identified information included in the Consolidated 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 Consolidated Financial Statements

- 8 Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- 9 In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
- 10 Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- 11 Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
- 12 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 Group'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 Group'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 Group 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.

- Obtain sufficient and adequate audit findings regarding the financial information of the entities that comprise the Group or the activities within the Group, in order to express an opinion on the consolidated financial statements. We are responsible for the coordination, supervision and carrying out the audit of the group. We only are responsible for our audit opinion.
- 13 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.
- 14 We also provide to those charged with governance a declaration regarding our conformity with the ethical 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.
- 15 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 consolidated financial statements as at 31 December 2022 and, consequently, represent key audit matters. We describe these 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 a 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

- 16 We were appointed by the General Meeting of Shareholders on the 22nd of April 2022 to audit the consolidated financial statements of COMPA S.A. and its subsidiaries for the period ending on the 31 December 2022.

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.

Report on compliance with the Commission Delegated Regulation (EU) 2018/815 (“European Single Electronic Format Regulatory Technical Standard” or “ESEF”)

We have undertaken a reasonable assurance engagement on the compliance with Commission Delegated Regulation (EU) 2019/815 on the European single electronic format (“ESEF Regulation”) for the primary financial statements, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, included in the annual financial report in ESEF format (the “digital files”) prepared by COMPA S.A..

Management Responsibility for the Digital files prepared in compliance with the ESEF

COMPA S.A. management is responsible for preparing digital files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- the selection and application of appropriate iXBRL mark-ups using professional judgement where necessary;
- ensuring consistency between the digital files and the consolidated financial statements to be submitted in accordance with Order 2844/2016 with subsequent amendments;

Auditor’s Responsibility

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor’s judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of COMPA S.A. process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked up data with the audited consolidated financial statements of COMPA S.A. to be submitted in accordance with Order 2844/2016 with subsequent amendments;
- evaluate if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- Evaluating if all mark-ups, including the voluntary mark-ups of disclosures meet the following requirements:
 - the XBRL mark-up language is used;

- the elements of the core taxonomy specified in Annex VI of the ESEF Regulation with the closest accounting meaning shall be used, unless an extension taxonomy element is created in compliance with Annex IV of the ESEF Regulation;
- the mark-ups shall comply with the common rules on mark-ups as per ESEF Regulation;

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

Conclusion

In our opinion, the primary consolidated financial statements for the year ended 31 December 2022 prepared in **compliance with the Commission Delegated Regulation (EU) 2018/815 (“European Single Electronic Format Regulatory Technical Standard” or “ESEF”)** included in the annual financial report in the digital files, comply in all materials respects with the requirements of ESEF Regulation.

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 24, 2023