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# CONSOLIDATED ANNUAL REPORT 2024

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**A. REPORT OF THE BOARD OF DIRECTORS**

**1. INTRODUCTION**

**1.1. LEGAL FRAMEWORK, PURPOSE AND NECESSITY OF PREPARING CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**

COMPA S.A. Sibiu, whose securities are admitted to trading on the regulated market of the Bucharest Stock Exchange, applies the International Financial Reporting Standards (IFRS) starting with 2012.

In accordance with the accounting regulations in accordance with Directive VII of the European Economic Community, COMPA S.A. Sibiu (parent company) meets the conditions according to point 12. Based on point 3 of these regulations, the consolidated annual financial statements were prepared.

The set of rules for the accounting recording of the economic and financial operations for the preparation, approval and statutory auditing of the consolidated annual financial statements of the companies are provided in the "Accounting regulations in accordance with IFRS" approved by OMFP 2844/2018.

All these normative acts constituted the legal basis necessary for the preparation of the Group's consolidated financial statements for the year ended 31.12.2024.

The main objective of the consolidated annual report of the COMPA Group is to inform investors and business partners of the parent company, as well as affiliated companies.

The documents prepared highlight the results obtained by the COMPA Group for 2024.

**1.2. CONSOLIDATION METHODS APPLIED**

According to the legal regulations, the preparation of the consolidated financial statements is carried out by the entity hereinafter referred to as the parent company (company), which holds shares in another entity, called a subsidiary or affiliated company.

In this context, the company COMPA S.A.Sibiu in its capacity as parent company has the control, respectively the share of its participations in the share capital of the affiliated companies is greater than 50% at the following affiliated entities:

|                                |                 |
|--------------------------------|-----------------|
| <b>COMPA I.T. S.R.L.</b>       | <b>100,00 %</b> |
| <b>TRANS C.A.S. S.R.L.</b>     | <b>99,00 %</b>  |
| <b>RECASERV S.R.L.</b>         | <b>70,00 %</b>  |
| <b>ARINI HOSPITALITY S.R.L</b> | <b>100,00 %</b> |

COMPA S.A. Sibiu, the parent company, exercises effective power, having a dominant influence, i.e. it has control over the Group's companies. Taking into account the accounting regulations as well as the existing recommendations in this field, the consolidation method used with these companies is the "Global Integration Method".

## 2. BRIEF HISTORY

Although this chapter was presented in detail in the COMPA Individual Annual Report for 2021, we consider it necessary and appropriate that certain episodes in the history of the parent company are also highlighted in the Consolidated Annual Report for 2021, of the COMPA Group.

**1886** - The industrial operation of the Jozsef Dataky blacksmith's workshop is officially attested, where leaf springs were produced for the carriages of the time, as well as some parts and tools obtained by forging.

The workshop developed in such a way that the products made within this family company were found at the international exhibitions of the Austro-Hungarian Empire (Vienna and Budapest).

**1948** - It is the year in which private companies, such as the predecessor of the Elastic Plant, profiled at that time in the manufacture of leaf springs, hot or cold wound helical springs, were nationalized as a result of the installation of the communist regime in Romania.

**1969** - The Sibiu Auto Parts Enterprise (IPAS) is founded, by merging two large companies, which operated in Sibiu that year, namely:

- The Automecanica Sibiu Plant, which in turn had an impressive history, from a Sibiu Artillery Arsenal, which ensures the repair and manufacture of the weapons necessary for the defense of the Sibiu Fortress, to the realization of automotive equipment with advanced technology at the time of the merger.

- The Elastic Sibiu Plant, with a craftsmanship tradition since the year of the founding of the Datky Workshop, which it has developed permanently, making at the time of the merger a varied and diversified range of leaf springs for the manufacture of motor vehicles made in Romania and of particularly varied ranges of coil springs, hot and cold wound, intended for the entire rural material industry (locomotives, wagons), of the machine building industry throughout Romania.

**1991** - The Sibiu auto parts company was transformed into S.C.COMPA S.A. Sibiu, as a result of the political and economic framework created by Romania's transition from a communist totalitarian state to a state with a market economy.

**1999** - It is the year of the privatization of the parent company, S.C.COMPA S.A. by buying the majority package of shares of the State Property Fund (FPS). This historical stage ensures the premises for the development of the company in conditions of competitiveness and profitability, for the development of business partnerships with representative companies in the world industry, on the principles of equality and competence, of fair competition.

**2000** - The foundations are laid for the establishment of the COMPA Group by transforming the IT Service, which functioned within the parent company with the activity of software design and administration of the internal network, into a separate commercial company S.C.Compa IT S.R.L., with full capital of COMPA. As a result of the establishment of this company in an economic unit with a predominant object of activity in information technology (IT), the premises for the development of this sector of activity were created, both for the realization of an integrated information system of COMPA but also for software products for other companies outside the Compa Group

**2001** - The second affiliated company S.C.TRANS C.A.S. S.R.L. Sibiu is established, a limited liability company, with a preponderant contribution from COMPA, resulting from the transformation of the existing transport base within the parent company, into a separate company specialized in domestic and international road transport. By setting up this company specialized strictly on the transport activity, the conditions were created for the development of this company, which performs transport services, not only for the parent company, but also for other companies in Romania and Europe.

The company has developed a lot since its establishment, investing in the acquisition of heavy trucks (TIR) used for transporting raw materials and materials from suppliers and transporting finished products, both for COMPA and for various companies in Romania, but especially with companies in Europe.

**2004** - The third affiliated company is established, namely S.C. RECASERV S.R.L., by transforming the activity of the COMPA canteen into a separate company in which the COMPA company holds the controlling position, being the majority shareholder.

**2021** - The affiliated company ARINI HOSPITALITY S.R.L. is established, which will carry out hotel activity, as a result of the development of the construction project of the Ibis-Mercure hotel complex.

### 3. INFORMATION ON GROUP ENTITIES

#### Societatea COMPA S.A.

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered office                  | Sibiu, str. Henri Coandă nr.8                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Registration in the Trade Register | J32/129/1991                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Unique Registration Code           | CUI 788767                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Main object of activity            | 2932 "Manufacture of other parts and accessories for motor vehicles and for motor vehicle engines"                                                                                                                                                                                                                                                                                                                                                       |
| Capital social                     | 21.882.103,8 lei                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Board of Directors                 | Deac Ioan – President of the Board of Directors / General Manager<br>Miclea Ioan – Vice President of the Board of Directors/Administrator until 26.10.2023<br>Dumitrescu Mihaela- Vice President of the Board of Directors/Economic Director since 09.11.2023<br>Maxim Mircea-Florin – non-executive director<br>Balteș Nicolae – Chairman of the Audit Committee / Administrator<br>NEACSU Vlad-Nicolae – member of the audit committee / administrator |

**Form of ownership:** COMPA S.A. is a company with 100% private capital. It was privatized in September 1999, through the purchase of the majority stake by the Compa Sibiu Employees' Association (PAS), which became the main shareholder of the company.

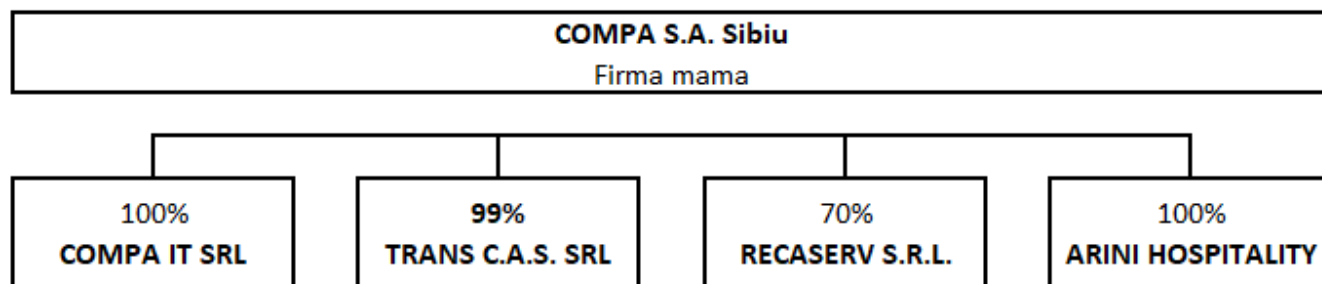
In 2018, the Compa Sibiu Employees' Association (PAS) was dissolved, the shares being transferred to the members of the association, depending on the number of shares owned and bought by each.

As presented in detail in *the 2023 Individual Annual Report*, the parent company is organized into Profit Centers, integrated units without legal personality with a decentralized activity, structured for the production of products for a single customer or for the production of similar products for several customers, such as: Forging, Heat treatments, Galvanizing, Pressed parts – stamped, Mechanical - Welded subassemblies.

The financial investments of the parent company COMPA consisting of participation securities and shares, respectively shares, in the other 4 affiliated companies, as follows:

| The company in which the securities are held | Registered office             | The value of the securities held by COMPA | % in share capital |
|----------------------------------------------|-------------------------------|-------------------------------------------|--------------------|
| COMPA I.T. S.R.L.                            | 8 Henri Coandă Street, Sibiu  | 200,000                                   | 100%               |
| TRANS C.A.S. S.R.L.                          | 12 Henri Coandă Street, Sibiu | 742,500                                   | 99%                |
| RECASERV S.R.L.                              | 51 Henri Coandă Street, Sibiu | 70,000                                    | 70%                |
| ARINI HOSPITALITY S.R.L.                     | 8 Henri Coandă Street, Sibiu  | 23,203,000                                | 100%               |
| <b>TOTAL</b>                                 |                               | <b>24,215,500</b>                         |                    |

Schematically, the structure of the COMPA Group is:



The management of the parent 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.

### Company COMPA I.T. S.R.L

The purpose of the establishment was to design and implement an *integrated information system* for the parent company, at the existing international standards and to ensure the requirements imposed by the organization on profit centers of the COMPA company, as well as to ensure an extended computer network throughout the COMPA company.

By implementing the integrated system in the parent company, COMPA-IT ensures the operation of this system at the highest parameters, prepares reports and presents the new facilities of the system in order to capitalize on the opportunities that this very complex and competitive system can offer at the highest possible level.

|                                    |                                                    |
|------------------------------------|----------------------------------------------------|
| Registered office                  | Sibiu, 8 Henri Coandă Street                       |
| Registration in the Trade Register | J32/17/2001,                                       |
| Unique Registration Code           | CUI 13656016                                       |
| Main object of activity            | 6201 "Custom-made software development activities" |
| Share capital (law)                | 200,000                                            |
| Sole shareholder                   | Societatea COMPA S.A                               |
| Administrator                      | Acu Florin-Stefan                                  |

### Company TRANS CAS S.R.L.

The reason for the establishment of the company was to outsource the initially existing car transport activity within COMPA, in order to expand and develop this activity different from the activity profile of COMPA.

A part of these vehicles are the property of the parent company COMPA S.A., rented, and a part are the property of the company TRANS C.A.S. S.R.L.

TRANS C.A.S. S.R.L. currently owns over 30 vehicles, of which an important share is held by Mercedes tractor units, with a capacity of over 20 tons of payload, intended for the transport of materials and finished products both for COMPA and for other customers. The significant share of TRANS C.A.S.'s transports is held by international freight transports, in almost all of Europe.

|                                         |                                |
|-----------------------------------------|--------------------------------|
| Registered office                       | Sibiu, 12 Henri Coandă Street  |
| Registration in the Trade Register      | J32/633/2002                   |
| Unique Registration Code                | CUI 14836511                   |
| Main object of activity                 | 4941 "Road transport of goods" |
| Share capital, of which:                | 750,000 lei                    |
| Acționari: COMPA S.A.Sibiu              | 742,500 lei                    |
| Maxim Mircea Florin and Mihăilă Daniela | 7,500 lei                      |
| Administrator                           | Maxim Mircea Florin            |

### Company RECASERV S.R.L.

The purpose of setting up the company was to outsource within the parent company COMPA S.A. activities different from its main activity profile, activities such as: public catering carried out through the canteen and micro-canteens operating within the COMPA company.

By establishing the company RECASERV S.R.L., the conditions for the development of this activity were ensured by completing it with secondary services: catering and cleaning services.

|                                    |                                     |
|------------------------------------|-------------------------------------|
| Registered office                  | Sibiu, 51 Henri Coandă Street       |
| Registration in the Trade Register | J32/704/2004                        |
| Unique Registration Code           | CUI 164408228                       |
| Main object of activity            | 5629 "Other food activities n.e.c." |
| Share capital, of which:           | 100,00 lei                          |
| Acționari: COMPA S.A.Sibiu         | 70%                                 |
| Boroș Daniela (natural person)     | 30%                                 |
| Administrator                      | BOROȘ Daniela                       |

### Societatea ARINI HOSPITALITY S.R.L.

ARINI HOSPITALITY SRL was founded in January 2021, and will carry out its activity as a result of the development of the construction project of the Ibis-Mercure hotel complex.

|                                    |                                                    |
|------------------------------------|----------------------------------------------------|
| Registered office                  | Sibiu, 8 Henri Coandă Street                       |
| Registration in the Trade Register | J32/77/2021                                        |
| Unique Registration Code           | CUI 43581594                                       |
| Main object of activity            | 5310 "Hotels and similar accommodation facilities" |
| Share capital, of which:           | 23,203,000 lei                                     |
| Acționari: COMPA S.A.Sibiu         | 100%                                               |
| Administrator                      | BAIASU Dan-Nicolae                                 |



## 4. EVENTS RECORDED IN THE GROUP'S ACTIVITY IN 2024

### 4.1 EVENTS RECORDED DURING THE REPORTING PERIOD

As important events recorded in Compa's activity in 2024, we can highlight the meetings of the Board of Directors of Compa S.A. (CA) following the convocation of the Chairman of the Board of Directors, as follows:

**11.01.2024** - The Board of Directors of COMPA S.A. which approved the interruption of the division process in order to reanalyze the aspects related to the proposed operation, including from the perspective of the valuation elements. A decision will be made later on the appropriateness of the parameters of the division and continuation of this process

**31.01.2024** – The Board of Directors of COMPA S.A. was convened and approved:

- empowering the persons within the Company to sign in letter and electronic format the bank documents representing operations performed by COMPA S.A. through accounts opened with banking companies, respectively payment operations, in lei and in foreign currency, establishment of term deposits, currency exchanges, cash withdrawals, signing checks and promissory notes, requests for issuing bank letters of guarantee.
- scrapping of fixed assets
- scrapping of material stocks/finished products, recording inventory losses, recording impairment adjustments of receivables and other unrecovered debts
- recording impairment adjustments for some materials

**26.02.2024** – The Board of Directors takes note of and approves the preliminary individual and consolidated financial results for the financial year ended December 31, 2023 and the main economic and financial indicators for the financial year ended December 31, 2023.

**07.03.2024** – The Board of Directors of COMPA S.A. was convened to approve the proposal to convene the Ordinary General Meeting of Shareholders (OGMS) for 25.04.2024, first call (15:00) and 26.04.2024, the second call (15:00), as well as the proposal to convene the Extraordinary General Meeting of Shareholders (EGMS) for 25.04.2024, first call (16:00) and 26.04.2024, second convocation (16:00).

The Board of Directors approved the agenda of the OGMS convened on 25/26.04.2024, in which a number of 13 items were included (according to the convening notice) as well as the 12 items included in the Convening Notice related to the EGMS of 25/26.04.2023.

The Board of Directors also approved the date of 11.04.2024 as the reference date for the OGMS and EGMS of 25/26.04.2024, respectively.

**22.03.2024** – At the meeting of 22.03.2024, the Board of Directors approved the Individual and Consolidated Annual Report for the financial year 2024 prepared according to Annex 15 of the FSA Regulation no. 5/2018. The report of the independent financial auditor on the individual and consolidated financial statements is noted. Also during this meeting, the Income and Expenditure Budget for 2024 and the Investment Program for 2024 were approved, as well as the updated remuneration policy of the management.

**12.04.2024** – At the meeting of 12.04.2024, the Board of Directors approved the submission by COMPA SA (within the PNRR financing program) of the Innovation and Efficiency in the Use of Energy Resources project, through the implementation of an energy monitoring system, acquisitions of transformers and compressors performing in COMPA SA (financing application, energy audit, feasibility study and other supporting documents requested in guide ).

**25.04.2024** - The Ordinary General Meeting of Shareholders (OGMS) was held, which decided

- election of the meeting secretary from among the shareholders present;
- approves the individual financial statements, for the financial year 2023, based on the Annual Report for 2023 presented by the Board of Directors, accompanied by the Report of the financial auditor QUANTUM EXPERT S.R.L.
- approves the consolidated financial statements for the financial year 2023, based on the Annual Report for 2023 presented by the Board of Directors, accompanied by the Report of the financial auditor QUANTUM EXPERT S.R.L.
- Approves the distribution of the net profit for the financial year 2023, in the total amount of RON 7,675,390, as follows:
  - to own sources of development - value of 6,140,312 lei

- for granting dividends to shareholders – the amount of RON 1,535,078 with a gross dividend/share of RON 0.00705.
- approves the date of 14.06.2024 as the date of payment for the payment of dividends. The payment of dividends will be made in RON. The method of payment of dividends will be made known to the shareholders before the date of commencement of payment. The expenses occasioned by the payment of dividends are borne by the shareholders.
- approves the directors' discharge for the financial year 2023.
- approves the Income and Expenditure Budget for 2024 and the investment program for 2024.
- approves the election and appointment, for a one-year term starting with 25.04.2024, of Ms. Mihaela Dumitrescu, domiciled in Sibiu, to occupy the position of administrator in the Board of Directors of COMPA S.A., considering the vacant position currently occupied.;
- approves the remuneration of the directors for the current year, starting from 01.05.2023 until 30.04.2025, as follows: 25,000 lei gross/month, for the Chairman of the Board of Directors, 18,000 lei gross/month for the Vice-Chairman of the Board of Directors and 13,000 lei gross/month for the non-executive directors, members of the Board of Directors.
- approves the extension until 30.04.2025 of the mandate of the external financial auditor S.C. QUANTUM EXPERT S.R.L. with headquarters in Deva, Mărăști Street, Bl. D3, sc. 4, ap. 44, Hunedoara County, having registration code 12600149 registered with the Trade Register under no. J20/40/2000, a company authorized by the Chamber of Financial Auditors of Romania based on the authorization no. 118/28.11.2001, in order to carry out the Statutory Audit for 2024.
- approves the remuneration report of the company's management prepared for the financial year 2023.
- approves the updated Management Remuneration Policy of COMPA S.A.
- approves the date of the 24th.05.2024 as the registration date for the identification of the shareholders on whom the effects of the decisions of the ordinary general meeting of shareholders are affected, in accordance with the provisions of art. 87 of Law no. 24/2017 on issuers of financial instruments and market operations and yes of 23.05.2024 as *ex date* according to the provisions of art.176(1) of ASF Regulation no. 5/2018.
- empowering the natural people who will carry out the formalities of publicity and registration of the decisions of the meeting, including their signing

**25.04.2024** – The Extraordinary General Meeting of Shareholders (EGMS) was held, which decided

- election of the secretary of the meeting of the Extraordinary General Meeting of Shareholders from among the shareholders present.
- **approves** the contracting and/or extension for 2024 and 2025 until the annual EGMS, of loans for investments, lines of credit, leasing, letters of bank guarantee, and other financial and banking products, within a total cumulative ceiling of EUR 40 million and the constitution of movable and immovable guarantees related to assets from the company's patrimony.
- **approves** the Delegation of the Board of Directors by the Extraordinary General Meeting of Shareholders to commit and/or extend loans for investments, credit lines, leasing, bank guarantee letters and other financial banking products from the date of the EGMS resolution until the next Extraordinary General Meeting in April 2025, within the cumulative total ceiling of EUR 40 million approved in paragraph 2, as well as to constitute movable and immovable guarantees related to assets from the company's patrimony.
- **approves** the empowerment of the General Manager and the Economic Director to represent the Company during the negotiation and signing of the credit agreements, guarantee agreements and any other documents necessary in order to carry out the decision in points 2 and 3.
- **approves** the Delegation to the Board of Directors by the Extraordinary General Meeting of Shareholders for the appointment of the representative of COMPA S.A. in relation to the Managing Authority/Financing Authorities and for the empowerment of the person/persons to sign in the name and on behalf of the Company the financing contracts that will run from 2024 and continue until the next EGMS in April 2025.
- **approves** the mandate of the General Manager and the Economic Director to sign, in the name and on behalf of the Company, the contract with the financial auditor, appointed according to Decision no. 9 of the General Meeting of Shareholders' Meeting.

- **approves** the empowerment of the Chairman of the Board of Directors of the Company to sign, in the name and on behalf of the Company, the management contract that will be concluded by the Company with the director elected in accordance with Resolution no. 7 of the OGMS for the performance of his activity as a member of the Board of Directors.
- **approves** the restriction of the object of activity of the company COMPA S.A. by partially eliminating some of the economic activities and adding others, and updating the articles of incorporation and empowering the persons who sign the updated articles of association
- **approves the date of the 24th.05.2024 as the registration date** for the identification of the shareholders on whom the effects of the decisions of the ordinary general meeting of shareholders are affected, in accordance with the provisions of art. 87 of Law no. 24/2017 on issuers of financial instruments and market operations and yes of **23.05.2024 as ex date** according to the provisions of art.176(1) of ASF Regulation no. 5/2018.
- empowering the natural people who will carry out the formalities of publicity and registration of the decisions of the meeting, including their signing

**30.04.2024**- The Board of Directors of COMPA SA was convened and approved the extension of the mandate of Mrs. Mihaela Dumitrescu as Economic Director of Compa S.A., starting with 30.04.2024 until 30.04.2025, in accordance with the provisions of art. 143 para. (1) of the Companies Law no. 31/1990, with the delegation of the company's management attributions.

**14.05.2024** – At the meeting of 14.05.2024, the Board of Directors approved

- Individual and consolidated report for Q1 – 2024;
- Mandating the General Manager – Ioan Deac and the Economic Director – Mihaela Dumitrescu to sign, on behalf of and for the Board of Directors, the individual and consolidated quarterly report for the 1st quarter – year 2024;
- Communiqué on the payment of dividends for the financial year 2023, which also includes the Procedure for the distribution of dividends for the financial year 2023;
- Mandate of the Chairman of the Board of Directors – Ioan Deac and the Vice-Chairman of the Board of Directors – Mihaela Dumitrescu to sign the Communiqué on the payment of dividends for 2023 and the Procedure for the distribution of dividends for 2023
- Mandate of the Chairman of the Board of Directors - Ioan Deac and the Vice-Chairman of the Board of Directors to sign the decisions of the Board of Directors taken in the meeting convened for 14.05.2024

**14.06.2024** – The procedure for the payment of dividends due to COMPA SA shareholders for 2023 has started.

**08.08.2024** – At the meeting of 08.08.2024, the Board of Directors approved:

- Individual Financial Report for Semester 1 - 2024 and Consolidated Financial Report for Semester 1 - 2024;
- mandating the Chairman of the Board of Directors – Ioan Deac and the Vice-Chairman of the Board of Directors – Mihaela Dumitrescu to sign, on behalf of and for the Board of Directors, the Individual Financial Report for the 1st Semester - 2024 and the Consolidated Financial Report for the 1st Semester - 2024.
- Mandating the Chairman of the Board of Directors and the General Manager – Ioan Deac and the Vice-Chairman of the Board of Directors – Mihaela Dumitrescu to sign the decisions of the Board of Directors taken in the meeting convened for 08.08.2024.

**08.08.2024** – At the meeting of 08.08.2024, the Board of Directors took note of the presentation of the Report of the Audit Committee of the Board of Directors for the 1st half of 2024

**19.08.2024** – At the meeting of 19.08.2024, the Board of Directors approved:

- Empowering Mr. Deac Ioan-General Manager or Mrs. Serban Ancuta-Mioara- responsible for project implementation to sign in the name and on behalf of COMPA SA the contract/ related documents necessary within the COMPASA project - knowledge, opportunities, motivation partnerships, skills through ATTRACTIVE STRATEGIES - program SMIS code: 302070 and to represent the company in relation to the Managing OI\_PEO\_Organismul Intermediate Authority for the Human Capital Operational Program Ministry Education, the representatives being able to sign together or separately the necessary documents.
- Mandate of the Chairman of the Board of Directors – Ioan Deac and of the member of the Board of Directors – Maxim Mircea Florin to sign the decisions of the Board of Directors taken in the meeting convened for 19.08.2024

**23.10.2024** – At the meeting held on 23.10.2024, the Board of Directors approved the reduction of the credit line contracted by the affiliated company Arini Hospitality SRL, to Banca Transilvania based on the loan agreement no. 14832343/8.11.2023, in the amount of RON 3,500,000 (three million five hundredths) RON in the amount of RON 1,500,000 (one million five hundredths) RON and the extension for a period of 12 months with the possibility of extension, as well as the preservation of the guarantees constituted.

**28.10.2024** – At the meeting of 28.10.2024, the Board of Directors approved:

- Renewal/extension of the credit facility – credit agreement no. 22/31.01.2008 concluded with BRD Groupe Societe Generale S.A., in the amount of 15,000,000 Eur (if necessary sub-ceiling of 4,000,000 Eur for the issuance of letters of guarantee/opening of letters of credit/FINTRA) until 31.10.2025.
- Contracting a factoring ceiling in the amount of EUR 1,500,000 (internal import and reverse) intended to finance COMPA SA suppliers.
- Approval of the guarantee of the credit facility with the assets already brought as collateral
- Empowerment of persons to sign credit agreements, addenda and guarantee documents with the bank
- Establishment of the Sustainability Committee in order to prepare the Sustainability Report for 2024

**14.11.2024** - At the meeting of 14.11.2024, the Board of Directors approved:

- Presentation and approval of the Report on the Individual Financial Statements for the Third Quarter of 2024 and the Report on the Consolidated Financial Statements for the Third Quarter of 2024
- Mandate of the General Manager – Ioan Deac and the Chief Financial Officer – Mihaela Dumitrescu to sign, on behalf of and for the Board of Directors, the Report on the individual financial statements for the third quarter of 2024 and the Report on the consolidated financial statements for the third quarter of 2024.
- Mandating the Chairman of the Board of Directors – Ioan Deac and the Vice-Chairman of the Board of Directors – Mihaela Dumitrescu to sign the decisions of the Board of Directors taken in the meeting convened for 14.11.2024

**12.12.2024**- At the meeting of 12.12.2024, the Board of Directors approved:

- The constitution of the right of above-ground easement and of the right of underground easement of passage by car and foot over the entire surface of the land registered in CF Sibiu no. 128907 in excess of 2842 sqm as a servicing fund in favor of the building registered in CF Sibiu no. 128908 in excess of 2840 sqm as a dominant fund, the purpose being that of real estate development regarding the land located in Sibiu, 42-44 Victoriei Blvd.
- The constitution of the right of above-ground easement and of the right of underground easement of passage by car and foot over the entire surface of the land registered in CF Sibiu no. 128908 in excess of 2840 sqm as a servicing fund in favor of the building registered in CF Sibiu no. 128907 in excess of 2842 sqm as a dominant fund, the purpose being that of real estate development regarding the land located in Sibiu, 42-44 Victoriei Blvd.
- Empowerment of Mr. Ioan Deac – General Manager, as legal representative, to sign in the name and on behalf of Compa S.A. the notarial deed and any other documents necessary in this regard.

- Mandating the Chairman of the Board of Directors and the General Manager – Ioan Deac and the Vice-Chairman of the Board of Directors – Mihaela Dumitrescu to sign the decisions of the Board of Directors taken in the meeting convened for 12.12.2024.

## 4.2. EVENTS AFTER THE REPORTING PERIOD

**14.02.2025-** At the meeting of 14.02.2025, the Board of Directors approved:

- Scrapping of tangible and intangible assets
- Scrapping of stocks of finished materials/products, recording inventory losses offset by inventory surpluses, recording impairment adjustments of receivables and other unrecovered debts
- Recording income from the prescription of debts
- Taking steps for the dissolution/liquidation of the company RECASERV SRL, based in Sibiu, 51 Henri Coandă Street.

**14.02.2025-** During the meeting of 14.02.2025, the Board of Directors took note of:

- Presentation of the revaluation results of tangible assets as of 31.12.2024 as a result of the revaluation.
- Preparation stage of the Individual and Consolidated Sustainability Report for 2024.
- The new Corporate Governance Code.

**27.02.2025-** At the meeting of 14.02.2025, the Board of Directors approved:

- Preliminary individual and consolidated financial results for the financial year ended 31 December 2024 and the main economic and financial indicators for the financial year ended 31 December 2024.
- Mandate of the Chairman of the Board of Directors - General Manager - Ioan Deac and of the Vice-President of the Board of Directors - Economic Director - Mihaela Dumitrescu to sign on behalf of and for the Board of Directors the preliminary individual and consolidated financial results for the financial year ended December 31, 2024 and the main economic and financial indicators for the financial year ended December 31, 2024.

### 5. INTRA-GROUP TRANSACTIONS IN THE PERIOD 2021-2023

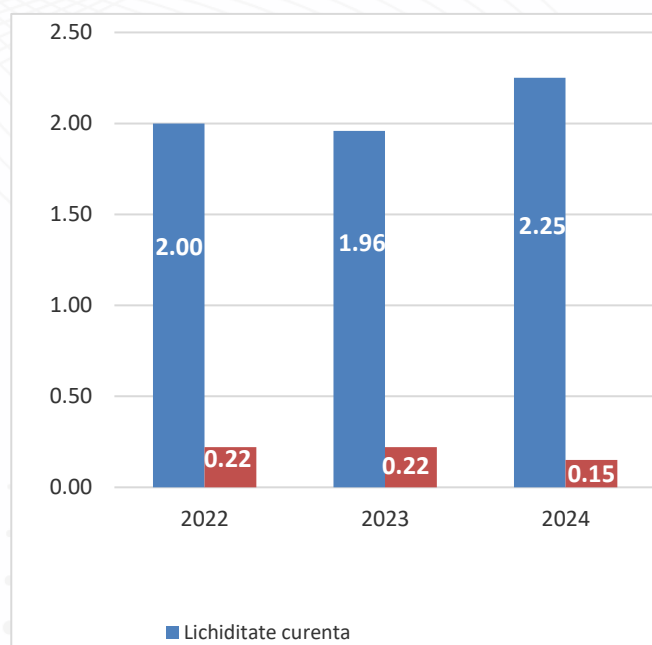
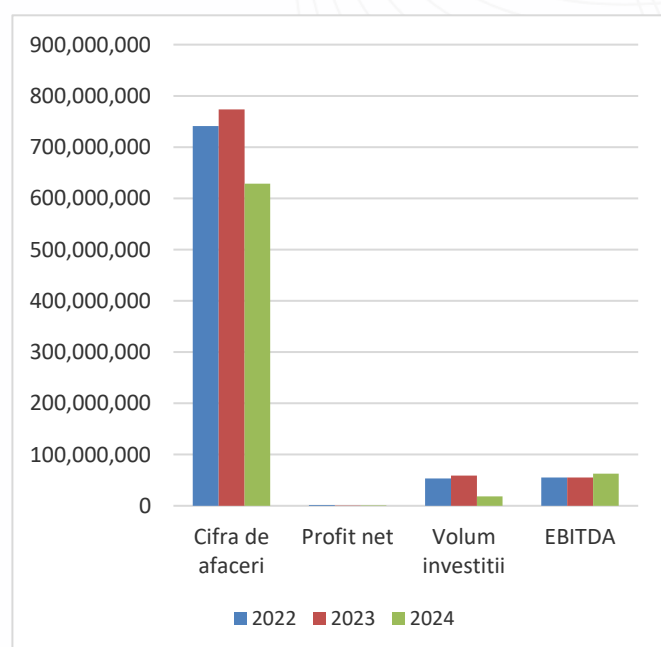
The transactions carried out in 2024 and 2021 between the companies within the group were as follows:

| Explanation              | 2022                       |                                 |                             | 2023                       |                                 |                             | 2024                       |                                 |                             |
|--------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------|
|                          | 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 | LOAN GRANTED TO AFFILIATES | PURCHASES OF GOODS AND SERVICES | SALES OF GOODS AND SERVICES |
| TRASCAS S.R.L.           |                            | 14,350,028                      | 497,800                     |                            | 12,885,830                      | 536,211                     |                            | 7,957,035                       | 399,132                     |
| COMPA IT S.R.L.          |                            | 3,052,778                       | 50,229                      |                            | 3,395,165                       | 96,630                      |                            | 3,327,240                       | 109,710                     |
| RECASERV S.R.L.          |                            | 1,587,105                       | 45,783                      |                            | 2,122,998                       | 46,183                      |                            | 2,295,353                       | 42,494                      |
| ARINI HOSPITALITY S.R.L. | 3,738,264                  |                                 | 10,564                      | 3,762,702                  | 15,279                          | 457,896                     | 4,974,100                  | 17,308                          | 8,750                       |

The relations were carried out in free market commercial terms, their price being agreed by negotiation, within the levels practiced on the market

### 6. THE MAIN ECONOMIC AND FINANCIAL INDICATORS OF THE COMPA GROUP

| Indicator         | 2022        | 2023        | 2024        |
|-------------------|-------------|-------------|-------------|
| Turnover          | 741,193,468 | 773,610,888 | 628,801,472 |
| Profit net        | 1,223,732   | 548,151     | 1,041,082   |
| Investment volume | 53,161,220  | 59,133,249  | 18,540,529  |
| EBITDA            | 55,129,796  | 55,165,552  | 62,825,058  |
| Current liquidity | 1.96        | 2.02        | 2.25        |
| Indebtedness      | 0.22        | 0.20        | 0.15        |



## 7. THE MAIN INDIVIDUAL INDICATORS FOR THE GENERAL ASSESSMENT OF THE ACTIVITY OF THE ENTITIES WITHIN THE GROUP

### a) COMPA S.A. Sibiu

| INDICATOR               | AT     | 2022        | 2023        | 2024        |
|-------------------------|--------|-------------|-------------|-------------|
| Turnover                | She    | 737,001,238 | 767,200,685 | 604,023,987 |
| Net profit              | She    | 2,510,594   | 7,675,390   | 3,324,462   |
| Total active            | She    | 762,491,010 | 695,116,367 | 638,717,143 |
| Total Liabilities       | She    | 265,384,936 | 190,591,502 | 118,988,641 |
| Average personal number | Press. | 1,807       | 1,792       | 1,628       |

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

| INDICATOR               | AT     | 2022      | 2023      | 2024      |
|-------------------------|--------|-----------|-----------|-----------|
| Turnover                | She    | 2,565,360 | 2,853,080 | 2,796,000 |
| Net profit              | She    | 16,744    | 28,627    | 61,376    |
| Total active            | She    | 1,058,247 | 1,108,545 | 1,172,557 |
| Total Liabilities       | She    | 201,029   | 222,700   | 225,335   |
| Average personal number | Press. | 9         | 9         | 9         |

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

| INDICATOR               | AT     | 2022       | 2023       | 2024       |
|-------------------------|--------|------------|------------|------------|
| Turnover                | She    | 16,450,779 | 15,553,764 | 13,562,403 |
| Net profit              | She    | -380,262   | -241,567   | -1,064,270 |
| Total active            | She    | 6,633,044  | 7,155,889  | 5,588,235  |
| Total Liabilities       | She    | 1,537,015  | 2,301,427  | 1,798,043  |
| Average personal number | Press. | 47         | 45         | 42         |

### d) RECASERV S.R.L. Sibiu

| INDICATOR               | AT     | 2022      | 2023      | 2024      |
|-------------------------|--------|-----------|-----------|-----------|
| Turnover                | She    | 1,623,485 | 2,070,481 | 2,159,926 |
| Net profit              | She    | 21,082    | 13,413    | -56,502   |
| Total active            | She    | 703,663   | 759,852   | 740,999   |
| Total Liabilities       | She    | 169,828   | 212,604   | 250,253   |
| Average personal number | Press. | 29        | 32        | 34        |

### e) ARINI HOSPITALITY S.R.L. Sibiu

| INDICATOR               | AT     | 2022       | 2023       | 2024       |
|-------------------------|--------|------------|------------|------------|
| Turnover                | She    | 41,444     | 2,391,656  | 18,187,175 |
| Net profit              | She    | -944,426   | -6,927,712 | -1,223,985 |
| Total active            | She    | 63,145,760 | 88,990,207 | 83,554,969 |
| Total Liabilities       | She    | 44,754,532 | 74,026,692 | 69,515,439 |
| Average personal number | Press. | 2          | 18         | 52         |

## 8. TANGIBLE ASSETS OF THE GROUP

### 8.1. Tangible fixed assets and real estate investments

The Group owns the following categories of property, plant and equipment and real estate investments, presented in the table below (net value):

| EXPLANATIONS                 | 2022               | 2023               | 2024               |
|------------------------------|--------------------|--------------------|--------------------|
| Land and buildings           | 159,884,348        | 202,920,675        | 234,984,879        |
| Equipment & Vehicles         | 238,880,750        | 213,896,469        | 184,782,800        |
| Other tangible assets        | 737,347            | 3,773,910          | 3,819,274          |
| Tangible assets in progress  | 39,286,246         | 28,833,084         | 8,471,525          |
| Real estate investments      | 38,586,451         | 34,577,131         | 43,679,190         |
| <b>TOTAL TANGIBLE ASSETS</b> | <b>477,375,142</b> | <b>484,001,269</b> | <b>475,737,668</b> |

### 8.2. Degree of wear and tear of the Group's properties

The degree of wear and tear of the Group's tangible assets in the period 2022-2024 is presented in the following table:

| EXPLANATIONS                    | 2022        | 2023        | 2024        |
|---------------------------------|-------------|-------------|-------------|
| <b>Construction:</b>            |             |             |             |
| Inventory Value                 | 124,758,813 | 173,386,819 | 176,767,176 |
| Remaining value                 | 106,900,648 | 149,936,975 | 174,767,836 |
| Wear                            | 17,858,165  | 23,449,844  | 1,999,340   |
| Degree of wear (%)              | 14.31       | 13.52       | 1.13        |
| <b>Equipment &amp; Vehicles</b> |             |             |             |
| Inventory Value                 | 703,606,475 | 693,242,882 | 688,478,194 |
| Remaining value                 | 238,880,749 | 213,896,469 | 184,779,957 |
| Wear                            | 464,725,726 | 479,346,413 | 503,698,237 |
| Degree of wear (%)              | 66.05       | 69.15       | 73.16       |
| <b>Other tangible assets</b>    |             |             |             |
| Inventory Value                 | 1,961,305   | 5,096,173   | 5,686,505   |
| Remaining value                 | 737,347     | 3,773,910   | 3,750,395   |
| Wear                            | 1,223,958   | 1,322,263   | 1,936,110   |
| Degree of wear (%)              | 62.41       | 25.95       | 34.05       |

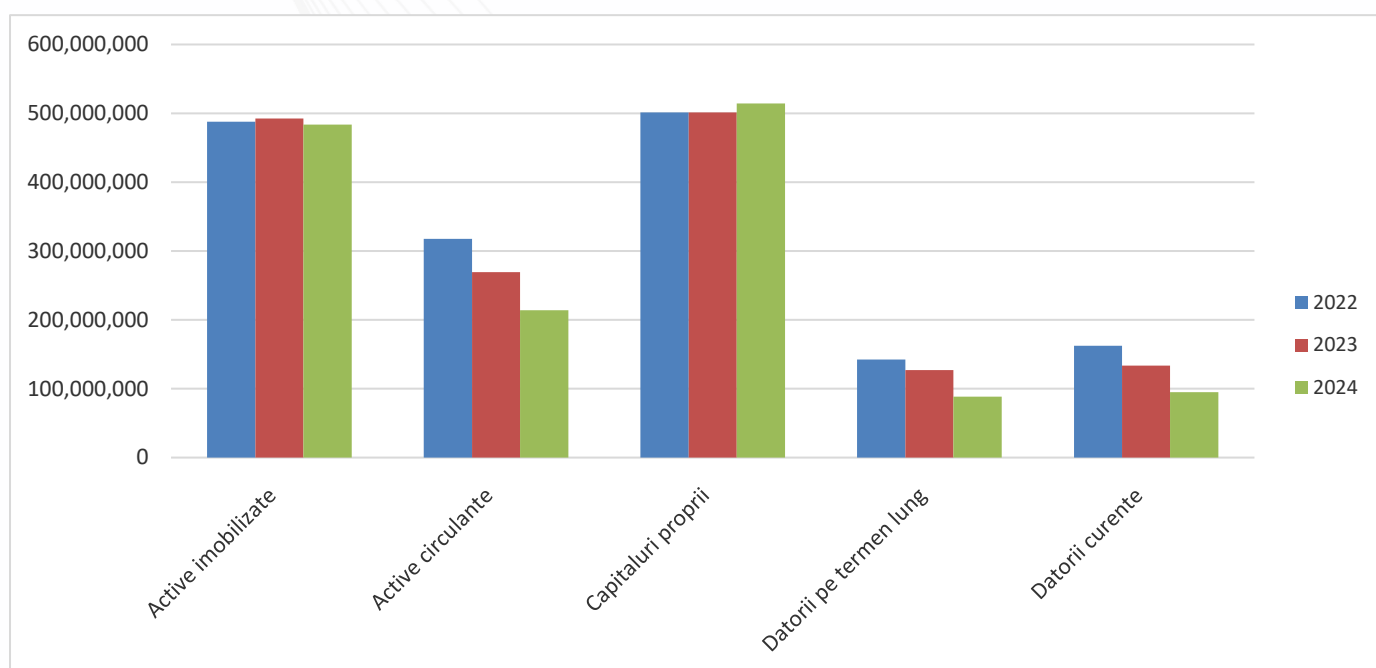
The entire area of land included in the accounting records is owned by the Group, being tabulated and registered in *the Land Book*, and there are no problems related to the ownership of tangible assets, respectively land, buildings and equipment.



## 9. FINANCIAL AND ACCOUNTING SITUATION OF THE GROUP

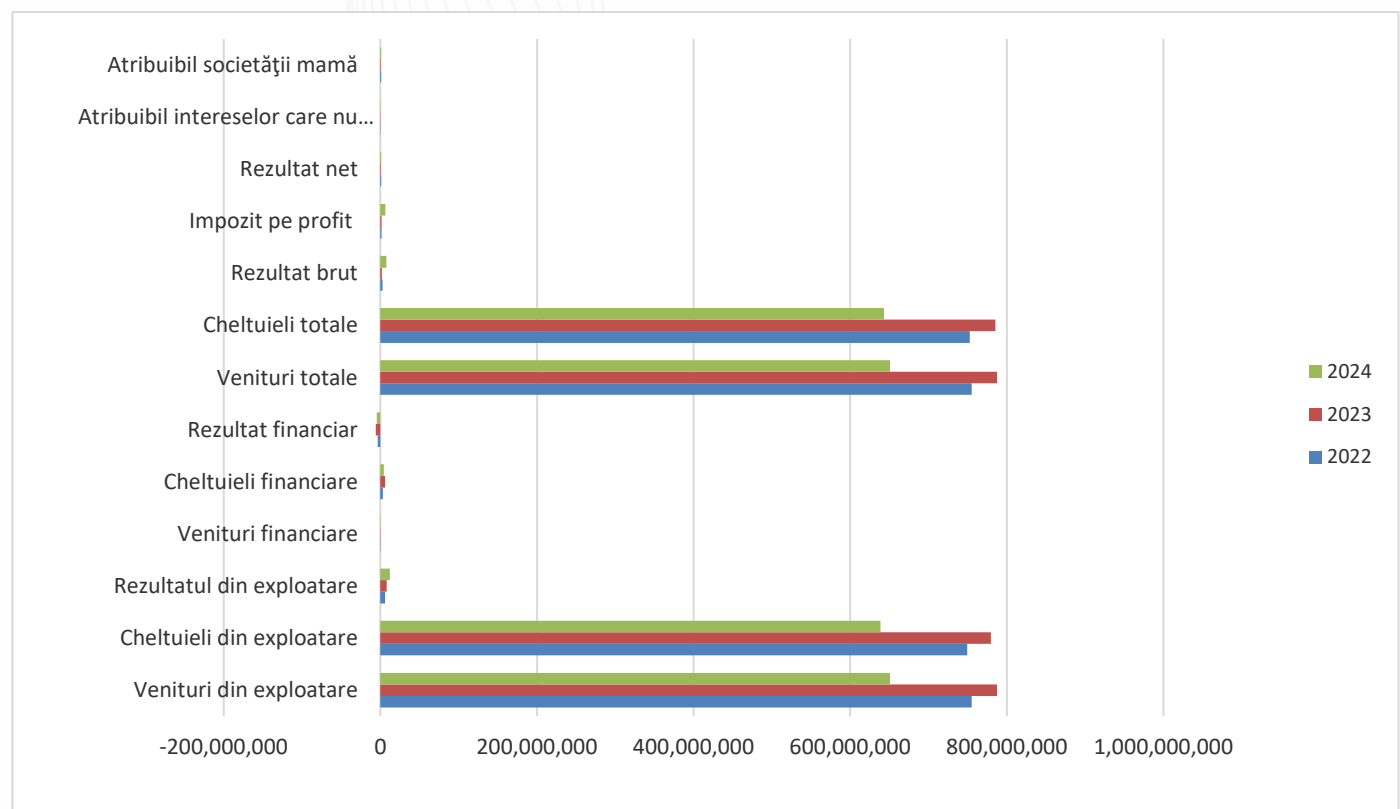
### 9.1. Main balance sheet elements and their evolution in the last three years

| EXPLANATIONS       | 2022        | 2023               | 2024               |
|--------------------|-------------|--------------------|--------------------|
| Fixed assets       | 487,915,974 | <b>492,480,211</b> | <b>483,599,859</b> |
| Circulating Active | 317,773,171 | <b>269,558,770</b> | <b>213,985,652</b> |
| Equity             | 501,158,012 | <b>501,449,564</b> | <b>514,369,821</b> |
| Long-term debts    | 142,191,127 | <b>126,907,775</b> | <b>88,303,597</b>  |
| Current payables   | 162,340,006 | <b>133,681,642</b> | <b>94,912,093</b>  |



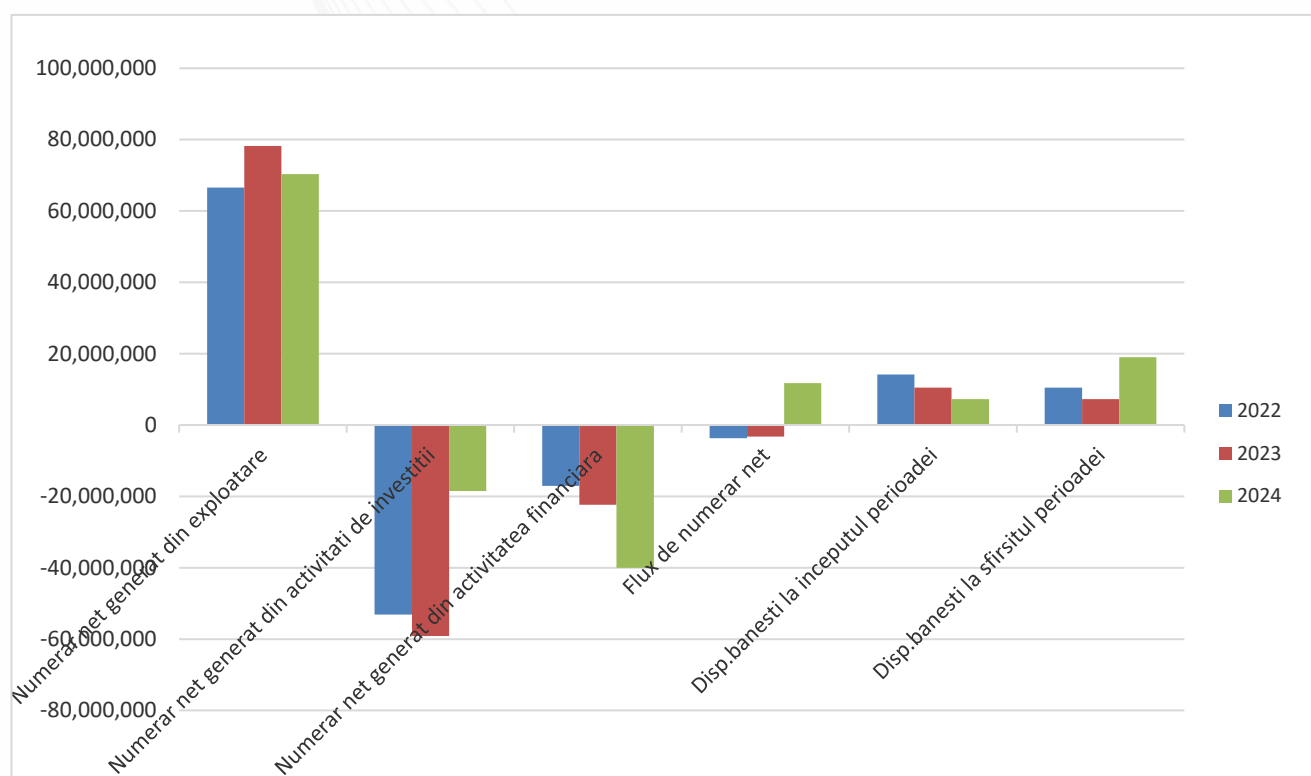
9.2. Income and expenditure situation in the period 2022-2024:

| EXPLANATIONS                              | 2022        | 2023        | 2024        |
|-------------------------------------------|-------------|-------------|-------------|
| Operating income                          | 755,331,085 | 787,555,914 | 650,782,496 |
| Operating expenses                        | 749,440,328 | 779,605,659 | 638,730,228 |
| <b>Operating result</b>                   | 5,890,757   | 7,950,255   | 12,052,268  |
| Financial income                          | 57,480      | 47,807      | 28,496      |
| Financial expenses                        | 3,335,639   | 5,976,579   | 4,519,034   |
| <b>Financial result</b>                   | -3,278,159  | -5,928,772  | -4,490,538  |
| Total Revenue                             | 755,388,565 | 787,603,721 | 650,810,992 |
| Cheltuieli total                          | 752,775,967 | 785,582,238 | 643,249,262 |
| <b>Gross result</b>                       | 2,612,598   | 2,021,483   | 7,561,730   |
| <b>Corporate income tax</b>               | 1,388,866   | 1,473,332   | 6,520,648   |
| <b>Net Score</b>                          | 1,223,732   | 548,151     | 1,041,082   |
| Attributable to non-controlling interests | 2,522       | 1,608       | -27,594     |
| Attributable to the parent company        | 1,221,210   | 546,543     | 1,068,676   |



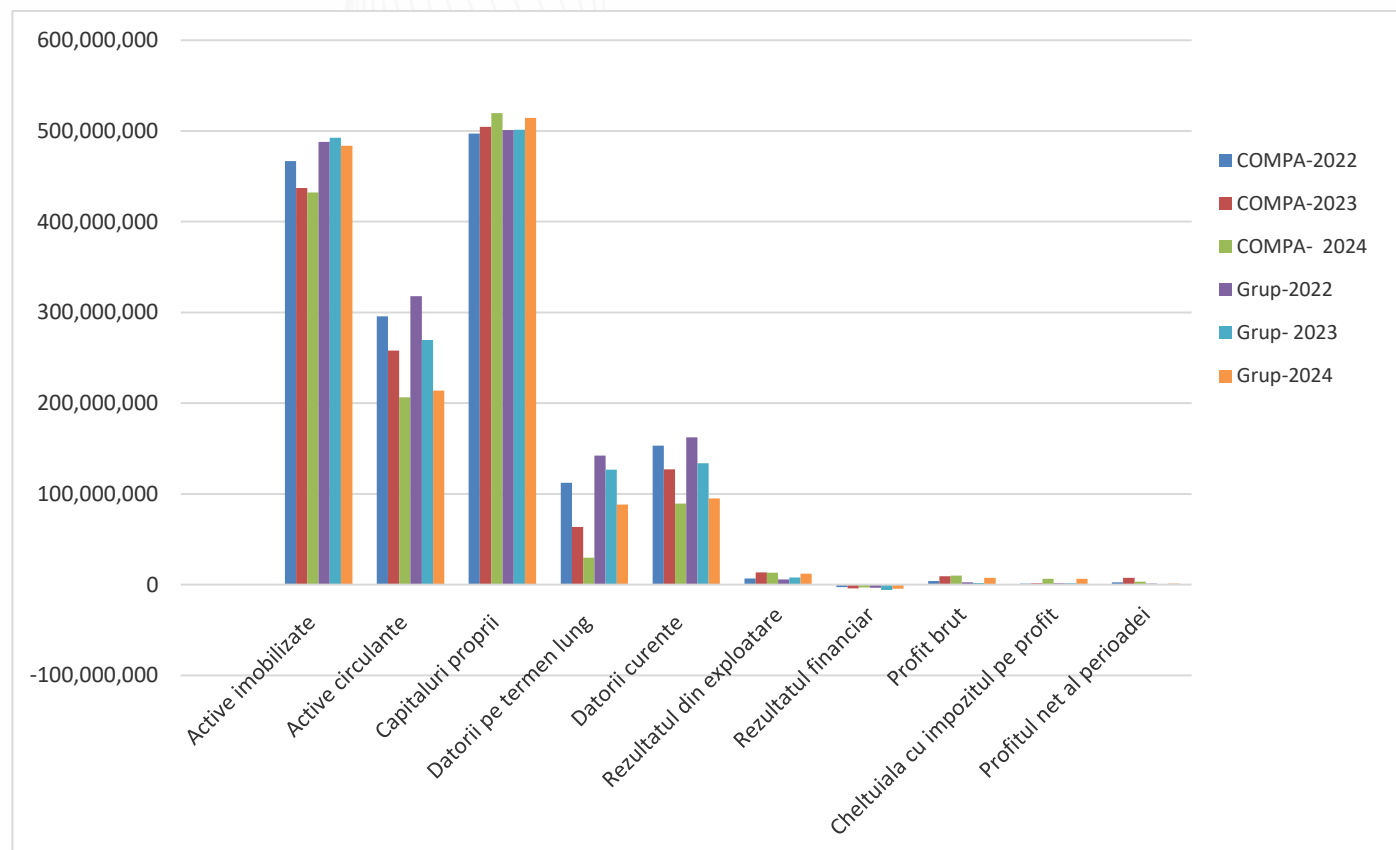
9.3. Cash flow situation in 2022-2024:

| Indicator                                     | 2022        | 2023               | 2024               |
|-----------------------------------------------|-------------|--------------------|--------------------|
| Net cash generated from operations            | 66,552,164  | <b>78,219,698</b>  | <b>70,314,061</b>  |
| Net cash generated from investment activities | -53,161,220 | <b>-59,133,249</b> | <b>-18,540,529</b> |
| Net cash generated from financial activity    | -17,059,439 | <b>-22,328,516</b> | <b>-40,006,684</b> |
| Net cash flow                                 | -3,668,495  | <b>-3,242,067</b>  | <b>11,766,848</b>  |
| Disp.banesti at the beginning of the period   | 14,120,744  | <b>10,452,249</b>  | <b>7,210,182</b>   |
| Disp.money at the end of the period           | 10,452,249  | <b>7,210,182</b>   | <b>18,977,030</b>  |



9.4. Comparison of the main indicators group – parent company in the period 2022-2024

| INDICATORS                   | COMPA-2022  | COMPA-2023  | COMPA-2024  | Group-2022  | Group- 2023 | Group-2024  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fixed assets                 | 466,862,448 | 437,318,167 | 432,085,703 | 487,915,974 | 492,480,211 | 483,599,859 |
| Circulating Active           | 295,628,562 | 257,798,200 | 206,631,440 | 317,773,171 | 269,558,770 | 213,985,652 |
| Equity                       | 497,106,073 | 504,524,865 | 519,728,502 | 501,158,012 | 501,449,564 | 514,369,821 |
| Long-term debts              | 112,265,699 | 63,441,677  | 29,750,136  | 142,191,127 | 126,907,775 | 88,303,597  |
| Current payables             | 153,119,238 | 127,149,825 | 89,238,505  | 162,340,006 | 133,681,642 | 94,912,093  |
| Operating result             | 6,635,036   | 13,337,653  | 13,003,884  | 5,890,757   | 7,950,255   | 12,052,268  |
| Financial result             | -2,798,803  | -4,200,988  | -3,116,762  | -3,278,159  | -5,928,772  | -4,490,538  |
| Profit brut                  | 3,836,233   | 9,136,665   | 9,887,122   | 2,612,598   | 2,021,483   | 7,561,730   |
| Corporate income tax expense | 1,325,639   | 1,461,275   | 6,562,660   | 1,388,866   | 1,473,332   | 6,520,648   |
| Net profit for the period    | 2,510,594   | 7,675,390   | 3,324,462   | 1,223,732   | 548,151     | 1,041,082   |



## 10. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2024

### 10.1. Consolidated statement of financial position for the year ended 31.12.2024

All amounts are expressed in **she**, unless otherwise specified

| Active:                                                           |      | 31.12.2024         | 31.12.2023         |
|-------------------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets:</b>                                              |      |                    |                    |
| Tangible assets                                                   | 4.1. | 432,058,478        | 449,424,138        |
| Real estate investments                                           | 4.2. | 43,679,190         | 34,577,131         |
| Intangible assets                                                 | 5    | 6,897,818          | 8,348,064          |
| Other receivables (Subsidies and settlements from joint ventures) | 6    | 825,771            | 0                  |
| Other fixed assets                                                | 7    | 138,602            | 130,878            |
| Receivables regarding deferred tax                                | 10   | 0                  | 0                  |
| <b>Fixed assets - total</b>                                       |      | <b>483,599,859</b> | <b>492,480,211</b> |
| <b>Circulating Active:</b>                                        |      |                    |                    |
| Stocks                                                            | 9    | 93,699,851         | 112,607,657        |
| High commercial creating                                          | 6    | 98,887,401         | 148,006,788        |
| Other receivables (Subsidies and settlements from joint ventures) | 6    | 2,421,370          | 1,734,143          |
| Cash and cash equivalents                                         | 9    | 18,977,030         | 7,210,182          |
| <b>Active circulating - total</b>                                 |      | <b>213,985,652</b> | <b>269,558,770</b> |
| <b>Total active</b>                                               |      | <b>697,585,511</b> | <b>762,038,981</b> |
| <b>Equity:</b>                                                    |      |                    |                    |
| Capital emis                                                      | 11   | 21,882,104         | 21,882,104         |
| Ajustari share capital                                            | 11   | -376,509           | -376,509           |
| Reserves                                                          | 11   | 408,854,156        | 390,288,749        |
| Reserve adjustment                                                | 11   | 23,150,986         | 23,150,986         |
| Retained earnings                                                 | 11   | 59,605,284         | 65,744,973         |
| Current result                                                    | 11   | 1,068,676          | 546,543            |
| Minority interests                                                | 11   | 185,124            | 212,718            |
| <b>Equity - total</b>                                             |      | <b>514,369,821</b> | <b>501,449,564</b> |
| <b>Long-term debts:</b>                                           |      |                    |                    |
| Financial debts                                                   | 12   | 49,740,604         | 87,777,093         |
| Venituri in avans ( venituri in avans, subventii )                | 13   | 30,877,380         | 32,821,952         |
| Provisions                                                        | 14   | 7,685,613          | 6,308,730          |
| <b>Long-term debts - total</b>                                    |      | <b>88,303,597</b>  | <b>126,907,775</b> |
| <b>Current debts:</b>                                             |      |                    |                    |
| Financial debts                                                   | 12   | 19,526,146         | 17,905,283         |
| Commercial and similar debts;                                     | 13   | 54,377,555         | 91,559,005         |
| Other debts                                                       | 13   | 14,250,815         | 15,847,314         |
| Debts from contracts with customers                               | 13   | 0                  | 3,505,877          |
| Current tax liabilities                                           | 13   | 1,298,856          | 5,651              |
| Deferred revenue (deferred revenue, subventii )                   | 13   | 5,458,721          | 4,858,512          |
| <b>Current payables - total</b>                                   |      | <b>94,912,093</b>  | <b>133,681,642</b> |
| <b>Total Liabilities</b>                                          |      | <b>183,215,690</b> | <b>260,589,417</b> |
| <b>Total equity and liabilities</b>                               |      | <b>697,585,511</b> | <b>762,038,981</b> |

## 10.2 Consolidated statement of profit or loss and other comprehensive income for the year concluded on 31.12.2024

All amounts are expressed in lei, unless otherwise specified

|                                                                                                             | Note      | 31.12.2024          | 31.12.2023          |
|-------------------------------------------------------------------------------------------------------------|-----------|---------------------|---------------------|
| Income                                                                                                      | 15        | 628,801,472         | 773,610,888         |
| Other income                                                                                                | 15        | 21,981,024          | 13,945,026          |
| <b>Total Revenue</b>                                                                                        |           | <b>650,782,496</b>  | <b>787,555,914</b>  |
| Variation of stocks of finished products and production in progress                                         | 16        | -5,329,914          | -7,464,516          |
| Raw materials and consumables used                                                                          | 16        | -364,184,713        | -486,489,227        |
| Employee benefits expenses                                                                                  | 17        | -171,592,563        | -181,964,449        |
| Depreciation and amortization expenses                                                                      | 16        | -54,733,815         | -55,418,339         |
| Services provided by third parties                                                                          | 16        | -31,643,599         | -34,218,550         |
| Other expenses                                                                                              | 16        | -11,245,624         | -14,050,578         |
| <b>Total expenses</b>                                                                                       |           | <b>-638,730,228</b> | <b>-779,605,659</b> |
| <b>Operating result</b>                                                                                     |           | <b>12,052,268</b>   | <b>7,950,255</b>    |
| Financial income                                                                                            | 18        | 28,496              | 47,807              |
| Financial expenses                                                                                          | 18        | -3,505,875          | -4,565,923          |
| Other financial gains/losses                                                                                | 18        | -1,013,159          | -1,410,656          |
| <b>Net financing costs</b>                                                                                  |           | <b>-4,490,538</b>   | <b>-5,928,772</b>   |
| <b>Profit before tax</b>                                                                                    |           | <b>7,561,730</b>    | <b>2,021,483</b>    |
| <b>(Expenses) / Income from deferred corporate income tax</b>                                               | <b>10</b> | <b>-540,974</b>     | <b>608,527</b>      |
| <b>Current income tax expense</b>                                                                           | <b>10</b> | <b>-5,979,674</b>   | <b>-2,081,859</b>   |
| <b>Net profit for the period, of which:</b>                                                                 |           | <b>1,041,082</b>    | <b>548,151</b>      |
| Attributable to non-controlling interests                                                                   |           | -27,594             | 1,608               |
| Attributable to the mother variety                                                                          |           | 1,068,676           | 546,543             |
| <b>Other comprehensive income:</b>                                                                          |           |                     |                     |
| Of which, other items of comprehensive income that will not be subsequently reclassified to profit or loss: | 10        | -884,512            | 244,176             |
| <b>Other income from comprehensive income, net of tax</b>                                                   |           | <b>-884,512</b>     | <b>244,176</b>      |
| <b>Total overall result for the year, of which:</b>                                                         |           | <b>156,570</b>      | <b>792,327</b>      |
| Attributable to non-controlling interests                                                                   |           | -27,594             | 1,608               |
| Attributable to the mother variety                                                                          |           | 184,164             | 790,719             |
| <b>Unconsolidated earnings per base share / diluted</b>                                                     |           | <b>0.0049</b>       | <b>0.0025</b>       |

## 10.3 Consolidated statement of changes in equity for the year ended 31.12.2024 – All amounts are expressed in lei, unless otherwise specified

| Equity item                                                              | Capital social | Share capital adjustments | Losses related to own shares | Legal reserves | Adjustments to legal reserves | Revaluation reserves | Other reserves | Adjustments to other reserves | Retained earnings | Total attributable to the company's shareholders | Non-controlling interests | Total       |
|--------------------------------------------------------------------------|----------------|---------------------------|------------------------------|----------------|-------------------------------|----------------------|----------------|-------------------------------|-------------------|--------------------------------------------------|---------------------------|-------------|
| Sold la 01.01.2023                                                       | 21,882,104     | -376,509                  | 0                            | 4,957,516      | 22,679,066                    | 83,891,130           | 299,186,107    | 471,920                       | 68,255,568        | 500,946,902                                      | 211,110                   | 501,158,012 |
| Profit of the year                                                       |                |                           |                              |                |                               |                      |                |                               | 546,543           | 546,543                                          | 1,608                     | 548,151     |
| Other comprehensive income, of which:                                    | 0              | 0                         | 0                            | 0              | 0                             | 0                    | 244,176        | 0                             | 0                 | 244,176                                          |                           | 244,176     |
| Income tax on other comprehensive income                                 |                |                           |                              |                |                               |                      | 244,176        | 0                             |                   | 244,176                                          |                           | 244,176     |
| Transactions with shareholders, registered directly in equity, of which: | 0              | 0                         | 0                            | 0              | 0                             | 0                    | 4,856,302      | 0                             | -5,357,077        | -500,775                                         | 0                         | -500,775    |
| Distribution of shares free of charge                                    |                |                           |                              |                |                               |                      |                |                               | 0                 | 0                                                |                           | 0           |
| Profit distribution                                                      |                |                           |                              |                |                               |                      | 4,856,302      |                               | -5,357,077        | -500,775                                         |                           | -500,775    |
| Sold la 31.12.2023                                                       | 21,882,104     | -376,509                  | 0                            | 4,957,516      | 22,679,066                    | 83,891,130           | 304,286,585    | 471,920                       | 63,445,034        | 501,236,846                                      | 212,718                   | 501,449,564 |

| Equity item                                                              | Capital social | Share capital adjustments | Losses related to own shares | Legal reserves | Adjustments to legal reserves | Revaluation reserves | Other reserves | Adjustments to other reserves | Retained earnings | Total attributable to the company's shareholders | Non-controlling interests | Total       |
|--------------------------------------------------------------------------|----------------|---------------------------|------------------------------|----------------|-------------------------------|----------------------|----------------|-------------------------------|-------------------|--------------------------------------------------|---------------------------|-------------|
| Sold la 01.01.2024                                                       | 21,882,104     | -376,509                  | 0                            | 4,957,516      | 22,679,066                    | 83,891,130           | 304,286,585    | 471,920                       | 63,445,034        | 501,236,846                                      | 212,718                   | 501,449,564 |
| Profit of the year                                                       |                |                           |                              |                |                               |                      |                |                               | 1,068,676         | 1,068,676                                        | -27,594                   | 1,041,082   |
| Other comprehensive income, of which:                                    | 0              | 0                         | 0                            | 0              | 0                             | 13,309,607           | -884,512       | 0                             | 989,158           | 13,414,253                                       |                           | 13,414,253  |
| Revaluation of tangible assets                                           |                |                           |                              |                |                               | 14,401,660           |                |                               |                   | 14,401,660                                       |                           | 14,401,660  |
| Transfer of reserves to the result                                       |                |                           |                              |                |                               | -1,092,053           |                |                               | 989,158           | -102,895                                         |                           | -102,895    |
| Income tax on other comprehensive income                                 |                |                           |                              |                |                               |                      | -884,512       | 0                             |                   | -884,512                                         |                           | -884,512    |
| Transactions with shareholders, registered directly in equity, of which: | 0              | 0                         | 0                            | 0              | 0                             | 0                    | 3,293,830      | 0                             | -4,828,908        | -1,535,078                                       | 0                         | -1,535,078  |
| Distribution of shares free of charge                                    |                |                           |                              |                |                               |                      |                |                               | 0                 | 0                                                |                           | 0           |
| Profit distribution                                                      |                |                           |                              |                |                               |                      | 3,293,830      |                               | -4,828,908        | -1,535,078                                       |                           | -1,535,078  |
| Sold la 31.12.2024                                                       | 21,882,104     | -376,509                  | 0                            | 4,957,516      | 22,679,066                    | 97,200,737           | 306,695,903    | 471,920                       | 60,673,960        | 514,184,697                                      | 185,124                   | 514,369,821 |

#### 10.4. Consolidated statement of cash flows for the year ended 31.12.2024

All amounts are expressed in lei, unless otherwise specified

| Explanation                                                       | 2024               | 2023               |
|-------------------------------------------------------------------|--------------------|--------------------|
| <b>Cash flows from operating activities:</b>                      |                    |                    |
| Profit before tax                                                 | 7,561,730          | 2,021,483          |
| Depreciation and amortization expenses of fixed assets            | 51,672,270         | 48,578,146         |
| (Increases) / Decreases in stocks (Cresteri) / Descresteri create | 18,907,806         | 20,187,510         |
|                                                                   | 47,598,665         | 24,784,824         |
| Increases/ (Decreases in debts)                                   | -40,990,621        | -27,104,737        |
| Adjustment for other non-monetary items                           | -14,435,789        | 9,752,472          |
| <b>Net cash generated from operations</b>                         | <b>70,314,061</b>  | <b>78,219,698</b>  |
| <b>Cash flows from investment activity:</b>                       |                    |                    |
| Acquisitions of tangible fixed assets and real estate investments | -17,980,451        | -57,803,410        |
| Acquisitions of intangible assets                                 | -560,078           | -1,329,839         |
| <b>Net cash generated from investment activities</b>              | <b>-18,540,529</b> | <b>-59,133,249</b> |
| <b>Cash flows from financial activity</b>                         |                    |                    |
| (Increases) / Decreases in bank loans                             | -36,415,626        | -17,762,593        |
| Duplicate Payments                                                | -3,591,058         | -4,565,923         |
| <b>Net cash generated from financial activity</b>                 | <b>-40,006,684</b> | <b>-22,328,516</b> |
| <b>Net cash generated from total business</b>                     | <b>11,766,848</b>  | <b>-3,242,067</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b>   | <b>7,210,182</b>   | <b>10,452,249</b>  |
| <b>Cash and cash equivalents at the end of the period</b>         | <b>18,977,030</b>  | <b>7,210,182</b>   |

#### 10.5. Explanatory notes to the consolidated financial statements for the year ended 31.12.2024

##### 1. GENERAL INFORMATION

##### a) Society COMPA - the parent company

COMPA is a joint-stock company, headquartered in Sibiu, str. Henri Coandă nr.8, CP 550234

**The company's field of activity:** design, production and marketing of components for the manufacture of cars, transport vehicles, buses, trailers, tractors, wagons, locomotives and various industrial equipment, services and technical assistance.

The main object of activity, according to the NACE code is 2932 "Manufacture of other parts and accessories for motor vehicles and for motor vehicle engines"

##### Form of ownership of the company

COMPA S.A. has been 100% privatized since September 1999. The company is listed, the shares are traded on the Bucharest Stock Exchange in the Standard category, symbol CMP.

##### The evolution of the company

By Government Decision no. 1296/13.12.1990, the company became S.C.COMPA S.A., coming from **the Sibiu Auto Parts Enterprise (I.P.A. Sibiu)**. I.P.A. Sibiu was founded in 1969 by the unification of two units: the Elastic Plant and the Automecanica Sibiu Plant.

Since 1991, COMPA has been organized into factories / workshops, constituted on product families as cost centers, which over time they became profit centers, in order to decentralize and facilitate the establishment of joint-ventures.



The financial investments of COMPA S.A. as parent company, representing shares held in shares or shares in commercial entities are presented in the table below:

| The company in which the securities are held | Registered office                                  | The value of the securities held by COMPA (lei) | % in share capital |
|----------------------------------------------|----------------------------------------------------|-------------------------------------------------|--------------------|
| COMPA I.T. S.R.L.                            | 8 Henri Coandă Street, Sibiu, Sibiu county. Sibiu  | 200,000                                         | 100.00             |
| TRANS C.A.S. S.R.L.                          | 12 Henri Coandă Street, Sibiu, Sibiu county. Sibiu | 742,500                                         | 99.00              |
| RECASERV S.R.L.                              | 51 Henri Coandă Street, Sibiu, Sibiu county. Sibiu | 70,000                                          | 70.00              |
| ARINI HOSPITALITY SRL                        | 8 Henri Coandă Street, Sibiu, Sibiu county. Sibiu  | 23,203,000                                      | 100.00             |
| <b>TOTAL</b>                                 |                                                    | <b>24,215,500</b>                               |                    |

The management of COMPA was ensured by a Board of Directors consisting of:

- Deac Ioan – president and general manager,
- Dumitrescu Mihaela – vice-president of the Board of Directors and economic director
- Maxim Mircea-Florin – member of the Board of Directors
- Balteş Nicolae – member of the Board of Directors
- NEACŞU Vlad- Nicolae – member of the Board of Directors

#### b) Subsidiaries

**The company COMPA I.T. S.R.L** with its registered office in Sibiu, str. Henri Coandă nr.8, jud. Sibiu. The company was founded in 2001, being registered with the Trade Register with no. J32/17/2001, CUI 13656016.

The purpose of the establishment was to design and implement an *integrated information system*, for the parent company, at the existing international standards and to ensure the requirements imposed by the organization on profit centers of the COMPA company, as well as to ensure an extended computer network throughout the COMPA company.

The object of activity, according to the NACE code is 6201 – "Custom software development activities"

The company's share capital is 200,000 RON, wholly owned (100%) by COMPA S.A. The company's administrator is Mr. Acu Florin-Ştefan.

**TRANS C.A.S. S.R.L.** with its registered office in Sibiu, 12 Henri Coandă Street, Sibiu county. Sibiu. The company was founded in 2002, being registered with the Trade Register with no. J32/633/2002, CUI 14836511. The reason for the establishment of the company was to outsource the car transport activity, initially existing within the COMPA company, in order to expand and develop this activity differently from the activity profile of the COMPA company. TRANS C.A.S. S.R.L. currently owns a number of over 60 vehicles, of which an important share is held by Mercedes tractor units, with a capacity of over 20 tons of payload, intended for the transport of materials and finished products both for COMPA and for other customers.

The main object of activity of the company, according to the NACE code is 4941 "Road transport of goods".

As of 31.12.2021, the shareholding structure was:

- The company COMPA S.A. holds a number of 29,700 shares, worth 742,500 RON.
- Maxim Mircea Florin and Mihaila Daniela, individuals, hold a total of 300 shares worth 7,500 RON.

The management of the company is ensured by Maxim Mircea-Florin – administrator.

**RECASERV S.R.L.** with its registered office in Sibiu, 51 Henri Coandă Street, Sibiu county. Sibiu, established in 2004, being registered with the Trade Register with no. J32/704/2004, CUI 16408228. The purpose of setting up the company was to outsource within the parent company (COMPA S.A.) activities different from its main activity profile, activities such as: public catering carried out through the canteen and micro-canteens operating within the COMPA company. By setting up the company RECASERV S.R.L. with a public catering profile, the conditions for the development of this activity were ensured by completing it with secondary services (catering and cleaning services).

The main object of activity, according to the NACE code is 5629 "Other food activities n.e.c.", consisting of catering services for the employees of COMPA S.A. and other companies in Sibiu, the organization of events with a public catering profile for companies and educational units in the municipality of Sibiu.

The company's share capital is 100,000 RON held by:

- COMPA S.A. Sibiu, 70%
- Boroş Daniela, natural person, 30%

RECASERV S.R.L. Sibiu owns in COMPA S.A.Sibiu a number of 649,100 shares worth RON 64,910 purchased by trading on the BVB, which are registered in the company's Financial Statements as of 31.12.2021.

The administrator of the company is Mrs. Boroş Daniela.

**ARINI HOSPITALITY S.R.L.** with registered office in Sibiu, 8 Henri Coandă Street, Sibiu county. Sibiu was established in 2021, being registered with the Trade Register with no. J32/77/2021, CUI 43581594. The purpose of establishing the company was to carry out hotel activity, as a result of the development of the construction project of the Ibis-Mercure hotel complex.

The object of activity, according to the NACE code is 5510 – "Hotels and other similar accommodation activities"

The share capital of the company is 23,203,000 RON, wholly owned (100%) by COMPA S.A. The company's administrator is Mr. Baiasu Dan-Nicolae.

## 2. BASIC OF PREPARATION

### Declaration of conformity

The financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU") and with the Order of the Minister of Public Finance no. 2844/ 2016.

The Group has adopted IFRS reporting as of the 2012 financial statements.

### Basis of evaluation

The individual financial statements have been prepared on a historical cost basis, with the exception of certain property, plant and equipment that are measured at revalued value or fair value as explained in accounting policies. Historical cost is generally based on the fair value of the consideration made in exchange for assets.

### Display currency and functional currency

The financial statements are presented in **Romanian lei (RON)**, rounded to the nearest leu, this being the functional currency of the company.

### Use of estimates and judgments

The preparation of individual financial statements in accordance with the IFRS adopted by the European Union

involves the use by management of estimates, judgments and assumptions that affect the application of accounting policies as well as the reported value of assets, liabilities, income and expenses. Estimates and judgments 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 during the period in which the estimate is revised and in future periods if they are affected.

Changes to estimates do not affect prior periods and do not represent a correction of an error.

Information on critical judgments in the application of the Group's accounting policies, the effect of which is material on the amounts recognised in the financial statements, are included in the notes relating to:

- **Tangible and intangible assets – Useful life of tangible assets**

Tangible and intangible assets are depreciated during their useful life.

The Group's management uses professional judgment in determining the useful life, and the evidence used to determine it includes the technical specifications of the machines, information from the commercial contracts that the Group has concluded with customers, the history of the products sold, market information related to the Group's products and the ability to adapt the machines.

- **Tangible and intangible assets – Adjustments for the impairment of tangible assets.**

Intangible and tangible assets are analysed to identify whether they show impairment indices 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 level of 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 level of the net carrying amount that would have been determined if no impairment loss had been recognised.

Evidence that may lead to depreciation includes a decrease in utility for the Group, excessive physical wear and tear, the emergence of new production technologies.

**Deferred taxes**

Deferred tax claims are recognised as assets to the extent that it is likely that there will be a taxable profit from which the losses can be covered. The Group's management uses professional judgment in determining the amount of deferred tax receivables that can be recognised as assets. The management's decisions are based on information from the commercial contracts that the Group has concluded with customers, forecasts related to the automotive market and automotive components.

- **Provisions**

Provisions are recognised when the Group has a current legal or implied obligation arising from a past event, it is likely that an outflow of resources incorporating economic benefits will be required for the settlement of the obligation, and a reliable estimate of the value of the obligation may be achievable. The amount recognised as a provision is the best estimate of the expense required to settle the current obligation at the end of the reporting period.

- **Recoverable amount of assets**

The impairment assessment is carried out on an individual basis and is based on management's best estimate of the present value of cash flows expected to be received. The Group reviews its trade and other receivables at each date of the financial position, in order to assess whether it needs to record an impairment in the profit and loss account. In particular, the professional judgment of management is necessary to estimate the value and to coordinate future cash flows when determining impairment loss. An impairment loss is recognised if the carrying amount of a cash-generating asset or unit exceeds the 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**

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

### 3. POLITICIANS ACCOUNTING SIMPLIFICATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU")

#### 3.1. New standards and interpretations entered into force in the current period and adopted by the Group as of January 1, 2024, including

**Amendments to IAS 1 – "Classification of liabilities as current or long-term"**. The Group takes into account the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

**Amendments to IFRS 16 "Liability arising from the lease on sale and leaseback contract"**. The group is analysing the implications of the amendments, the impact of the amendments on the financial statements and the timing of their adoption.

**Amendments to IAS 7 – "Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Vendor Arrangements"**. The group is taking into account the implications of the amendments, the impact of the amendments on the financial statements.

**IFRS S1 - "General Requirements for Sustainability-Related Financial Disclosure"**. It requires the reporting of information related to sustainability risks and opportunities that affect the financial performance of entities. It includes sustainability governance and its impact on financial strategies and decisions. The company is ready to apply the new requirements for integrating sustainability sustainability into financial reporting, promoting transparency and global comparability.

**IFRS S2 - "Climate Disclosures"** Requires the reporting of risks and opportunities related to climate change and its impact on financial performance. The use of climate scenarios for short-, medium- and long-term risk assessment is required. The company is ready to adopt new processes for the collection and assessment of climate data, to report on climate risks and opportunities, and to integrate these aspects into its strategy and governance.

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

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

The IASB has issued amendments to **IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"**. These amendments were designed to clarify and standardize the classification and measurement of financial instruments, addressing issues such as: Classification and Valuation of Financial Instruments, recognition and derecognition of financial instruments and contracts that refer to nature-dependent electricity .

**IAS 1 and IAS 7** will be replaced by **IFRS 18**, which will address the same topic, but with updates and changes that will reflect new financial reporting requirements and better clarity in the presentation of financial information.

**IAS 33** Amended by **IFRS 18 *Presentation and Presentation in Financial Statements*** (Amendments to IAS 33 allow an entity to present additional earnings per share in the notes only if the numerator is either a total or a subtotal identified in IFRS 18 or is a measure of management performance.)

**IAS 34** Amended by **IFRS 18 *Presentation and Presentation in Financial Statements*** (Amendments to IAS 34 require an entity to include in its interim report information on management-defined performance measures required by paragraphs 121 to 125 of IFRS 18).

## The foundations of consolidation

### ***Business combinations***

Business combinations are accounted for using the acquisition method at the acquisition date. The date of purchase is the date on which control is transferred to the buyer. Control is the power to establish the financial and operational policies of the entity in order to obtain benefits from its activities. In assessing control, the Group shall take into account potential voting rights that are currently exercisable.

Professional judgment is applied to determine the date of acquisition and whether the transfer of control between the parties has taken place.

The Group measures goodwill at the fair value of the consideration transferred, including the recognised value of uncontrolled interests in the acquired entity, less the recognised net value (fair value) of identifiable assets acquired and liabilities assumed, all measured at the date of acquisition.

The transferred consideration includes the fair value of the transferred assets, the liabilities assumed by the Group towards the previous shareholders of the acquired entity and the equity instruments issued by the Group.

The transferred consideration also includes the fair value of the contingent consideration.

A contingent liability of the acquired entity is assumed in a business combination only if such liability represents a present obligation arising from a prior event and its value can be reliably assessed.

### ***Non-controlling interests***

The Group assesses the non-controlling interests as the minority shareholders' share of the acquired entity's identifiable net assets.

The Group's transaction costs related to a business combination, such as transaction brokerage fees, fees for legal advisory services, fees for due diligence services and other fees for professional and advisory services are recognised in the profit or loss account when incurred.

The revised standard specifies that changes in the parent company's shareholding in a subsidiary that do not result in the loss of control must be recorded as equity transactions. According to the standard acquisitions of interests without control are accounted for as transactions with shareholders in their capacity as owners and, as a result of such transactions, no goodwill is recognized. The result of these transactions is recognised by the Group in "Other reserves".

### ***Subsidiaries***

Subsidiaries represent all entities over which the Group has control. The group controls an entity when it has full authority over the entity, is exposed to and entitled to variable income based on the interest held, and has the ability to bring its authority over the entity to influence the value of such income. The subsidiaries are included in the consolidation as of the date on which control is transferred to the group. Subsidiaries are excluded from consolidation as of the date on which the control ceases. The accounting policies of the subsidiaries have been modified, where necessary, in order to be aligned with the policies adopted by the Group.

### ***Investments in associates (investments accounted for by the equity method)***

Associated entities are those entities over which the Group exercises significant influence, but does not have control over the financial and operational policies of the entities. Significant influence is assumed to exist when the Group holds between 20% and 50% of the voting rights in another entity. Joint ventures are those entities over whose activities the Group exercises joint control established by a contractual agreement and requiring unanimous agreement for decision-making on financial and operational strategies.

Investments in associates are accounted for using the equity method and are initially recognised at cost. The

Group's investment includes the goodwill identified at the time of acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of income, expenses and changes in equity of investments accounted for by the equity method, after adjustments to align accounting policies with those of the Group, from the date on which it begins until the date on which significant influence or joint control ceases.

When the Group's share of the losses exceeds its interest in the investment accounted for by the equity method, the carrying amount of the investment, including any long-term investment, shall be reduced to zero and the recognition of subsequent losses shall be discontinued unless the Group has an obligation or has made payments on behalf of the entity in which it invested.

#### **Joint commitments:**

A joint commitment is a commitment in which two or more parties have joint control. Joint commitments are accounted for using the equity method. On the basis of the equity method, the investment in a common arrangement is initially recognised at cost and the carrying amount is increased or reduced in order to be able to recognise the group's share of post-acquisition profits or losses and the movement of other comprehensive income. When the group share of the losses incurred in an association exceeds the interests in the joint venture, the group shall not recognise additional losses unless there are obligations or has made payments on behalf of the joint venture.

Unrealized gains from transactions between the group and its associations are eliminated within the limits of the interest of the group in the association. Unrealized losses are also eliminated, unless the transaction proves to be detrimental to the transferred asset.

#### **Tranzactions eliminated in the consolidation.**

Balances and transactions within the Group, as well as any unrealised gains or losses resulting from transactions within the Group, are eliminated in the preparation of the consolidated financial statements. Unrealized profits related to transactions with associates accounted for by the equity method are eliminated in exchange for the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there are no indications of depreciation of value.

#### **Converting to foreign currencies**

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

Foreign exchange differences resulting from the retranslation of monetary items at the end of the reporting period are recognised as profit or loss.

#### **Financial instruments**

##### **Non-derivative financial assets**

The Group recognises loans and receivables at the date they are generated. All other financial instruments are recognised at the transaction date, which is the date on which the Group 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 listed on an active market, other than those that the Group 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 provided in the course of the Group's activity. They are generally collected in short periods and are thus classified as current. Trade receivables are initially recognised at the amount of unconditional consideration, except where they contain a significant financing component, when recognised at fair value.

### **Recognition and initial evaluation**

Trade receivables are initially recognised at the date of the transaction. All other financial assets and financial liabilities in the statement of its financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets (unless 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 issuance of financial assets and 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 financial assets or financial receivables, as applicable, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or receivables at fair value through profit or loss are immediately recognised in individual profit or loss.

### **Classification and subsequent evaluation**

#### **Financial assets**

At initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income; or fair value through profit or loss

Financial assets are not reclassified after initial recognition unless the Group changes its business model for the management of its financial assets, in which case all those affected financial assets are reclassified.

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

- the financial asset is held under 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, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

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

- the financial asset is held under a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

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

At initial recognition, the Group could irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from the measurement of assets or liabilities or the recognition of their gains and losses on different bases.

#### **The entity's business model for managing financial assets**

The Group makes an assessment of the business model objective 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. The information considered includes:

- stated policies and objectives for the portfolio and the functioning of those 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 to the duration of any expected liabilities or cash outflows, or realizing cash flows through the sale of assets;

- the way in which the performance of the portfolio is evaluated and reported to the Group'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 previous periods, the reasons for such sales and expectations regarding future sales activity.

#### **Assessment of whether contractual cash flows are only principal and interest payments**

For the purposes of this measurement, 'principal' is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as consideration for the time-value of money and credit risk associated with the amount of principal receivable over a given period of time, as well as for other basic credit risks and costs and a profit margin.

In order to assess whether the contractual cash flows are only principal and interest payments, the Group takes into account the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of the contracted cash flows so that it does not meet this condition

An advance payment feature is compatible with the criterion of payment of principal and interest only, where the amount of the prepayment substantially represents the outstanding amounts of the principal and the interest on the outstanding amount, which may include reasonable additional compensation for the early termination of the contract.

#### **Subsequent valuation of financial assets**

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign currency gains and losses, and impairment are recognised as profit or loss. Any gain or loss from recognition is recognised as profit or loss.

#### **Impairment of financial assets**

The Group recognises adjustments for losses on expected credit losses for:

- financial assets valued at amortized cost.
- the assets related to the contracts.

The loss adjustment for trade receivables and contract assets are always measured at an amount equal to the expected credit losses over the lifetime.

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

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

- the borrower is unlikely to pay its credit obligations to the Group in full; or
- the financial asset is past 365 days after maturity.

Expected lifetime credit loss data are the expected credit losses resulting from all potential events implied over the expected life of a financial instrument.

Expected 12-month credit losses are the portion of expected credit losses resulting from implied 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 taken into account when estimating expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

#### **Measurement of expected credit loss amounts**

Expected credit losses are a likely 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 that the Group expects to receive).



### ***Financial assets impaired as a result of credit risk***

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

Proof that a financial asset is affected by credit includes the following observable data:

- significant financial difficulty of the debtor.
- a breach of contract, such as failing to perform obligations or exceeding the due date by 90 days; or
- the debtor is likely to go into bankruptcy or other financial reorganization.

### ***Presentation of the adjustment for expected credit losses in the statement of financial position***

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

### ***Taking off the balance sheet***

The gross carrying amount of a financial asset is reduced when the Group does not have a reasonable expectation of recovery of all or part of a financial asset. For individual clients, the Group has a policy of eliminating gross book value when the financial asset is 3 years after maturity, based on the historical experience of recoveries of similar assets. For corporate clients, the Group makes an individual assessment of the timing and amount of the discount, depending on whether there is a reasonable expectation of recovery.

### ***Derecognition***

The Group recognises a financial asset when the contractual rights to the cash flows from the assets expire or when the Group transfers the rights to receive the contractual cash flows related to the financial asset in a transaction whereby it has significantly transferred all the risks and rewards associated with the ownership right.

When a financial asset is derecognised, the difference between the carrying amount of the asset and the amount of the consideration received is recognised as profit or loss.

### ***Financial debts***

The Group recognises financial liability initially at its fair value plus, in the case of financial liability that is not at fair value through profit or loss, transaction costs that can be directly attributed to the acquisition or issuance of the financial instrument.

The Group classifies financial liabilities as subsequently measured at amortised cost or at fair value through profit or loss. Financial liability is classified as being at FVTPL if it is classified as being held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities to 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 amortized cost using the effective interest method. Interest expense and foreign currency gains and losses are recognised in profit or loss. Any gain or loss from recognition is also recognised as profit or loss.

The group recognises a financial debt when contractual obligations are concluded or when these obligations expire or are cancelled. On the derecognition of financial liability, the difference between the carrying amount of a financial liability and the consideration paid (including any transferred unconsolidated assets or assumed liabilities) is recognised as profit or loss.

Other financial liabilities include credits and loans, commitments, lines of credit and commercial and other liabilities.

### ***Derivatives***

A derivative is a financial instrument or other contract falling within the scope of IFRS 9 that has the following three characteristics: its value changes in response to changes in certain interest rates, the price of a financial instrument, the price of commodities, 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 contractual party (sometimes referred to as 'core'); does not require any initial net investment or requires an initial net investment that is lower than would be required for other types of contracts that are expected to have similar reactions to changes in market factors; and is settled at a future date.

### **Capital instruments**

A capital instrument is any contract that creates a residual right to an entity's assets after deducting all of its liabilities. When an equity instrument of the company is repurchased, the amount paid, which also includes directly attributable costs, net of taxes, is recognised as a deduction from capital. The Group does not recognise gains or losses in the profit and loss account on the acquisition, sale, issuance or cancellation of equity instruments.

### **Tangible fixed assets**

Property, plant and equipment are measured at cost, minus cumulative depreciation and impairment losses, except for land and buildings, which are measured at the revalued value. The revalued value represents the fair value of the asset at the revaluation date minus any subsequent accumulated depreciation and any accumulated impairment losses. The revaluation is carried out for the entire class of fixed assets (land, buildings).

The cost of fixed assets includes expenses directly attributable to the acquisition of the asset. The cost of a self-built asset includes the cost of materials and direct labour, other costs attributable to bringing the assets back into place and in working order, and the initial estimate of the costs of dismantling and removing the asset and restoring the placement and borrowing costs where there is an obligation to pay for these expenses.

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

The Group shall carry out the revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined by the use of fair value at the end of the reporting period. When a fixed asset is reclassified as an investment property, the property is revalued at fair value.

The gains resulting from the revaluation are recognised in the statement of profit and loss only to the extent that there is a property-specific impairment loss and any other remaining gains recognised as other comprehensive income and presented in the capital revaluation reserves. Any loss is recognised immediately in the profit or loss account.

Subsequent costs are capitalised only when the expense is likely to generate future economic benefits for the Group. Maintenance and repair works are expenses of the period.

The land is not depreciated. Depreciation is recognized in order to be able to deduct from costs minus the residual values over their useful life, using the linear method. The estimated useful lives, residual values and depreciation method are reviewed by the Group Management at the end of each reporting period, taking into account the effect of all changes in accounting estimates.

Fixed assets subject to a financial lease are impaired over their useful life on the same basis as owned assets or, where the period is shorter, over the relevant lease period.

The estimated useful life for the current year and the comparison years of significant groups of tangible assets are:

- Buildings 12-50 years
- Technical installations and machines 3-18 years
- Other equipment, 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. The impairment is recognised immediately in profit or loss if the relevant asset is not accounted for at a revalued value, in which case the impairment is treated as a revaluation reduction.

Tangible assets are derecognised as a result of disposal or when future economic benefits are no longer expected from the continued use of the asset. Any gain or loss resulting from the disposal or disposal of an item of property, plant and equipment shall be determined as the difference between the proceeds from sales and the carrying amount of the asset and shall be recognised in the profit and loss account during the period in which the recognition takes place.

## Intangible assets

### **Recognition and evaluation**

In order to recognise an item as an intangible asset, the Group shall demonstrate that the item meets the following:

(a) the definition of an intangible asset

- it is severable, i.e. it can be separated or divided by the entity and sold, transferred, authorized, leased or exchanged, either individually or together with a corresponding contract, asset or debt; or
- arises from contractual or other legal rights, whether those rights are transferable or severable from the Group or other rights and obligations.

(b) the criteria for recognition

- it is likely that the future economic benefits expected to be attributed to the fixed asset will accrue to the Group; and the cost of immobilization can also be reliably assessed.

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

- a) its purchase price, including import customs duties and non-refundable purchase taxes, after deducting trade discounts and rebates; And
- b) any cost to be attributed directly to the preparation of the asset for its intended use.

In certain cases, an intangible asset can be acquired free of charge, or for a symbolic consideration, by means of a government grant. The group initially recognises both intangible assets and the fair value subsidy.

The cost of an internally generated intangible asset is the amount of expenses incurred since the date on which the intangible asset first met the recognition criteria. Expenses previously recognised as costs cannot be reinstated. 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 able to operate in the manner intended by management. Examples of directly attributable costs are:

- a. the costs of materials and services used or consumed to generate the intangible asset;
- b. the costs of employee benefits arising from the generation of intangible assets;
- c. fees for registering a legal right; And
- d. amortization of patents and licenses that are used to generate intangible assets.

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

- (a) a research phase;
- (b) a development phase.

If the Group cannot distinguish between the research and development phases of an in-house project to create an intangible asset, the Group shall treat the expenses related to the project as expenses incurred exclusively in the research phase.

No intangible assets arising from research (or from the research phase of an internal project) shall be recognised. Research expenses (or those in the research phase of an internal project) must be recognised as a cost when incurred.

A development intangible asset is recognised if and only if the expenses attributable to the intangible asset can be reliably assessed in the course of its development, the technical feasibility required to complete the intangible asset so that it is available for use or sale, management has the intention and ability to complete the intangible asset and to use or sell it.

### **Recognition of expenses**

Expenditure on an intangible asset shall be recognised as costs when incurred, unless they are part of the cost

of an intangible asset that meets the recognition criteria.

#### **Evaluation after recognition**

The group accounts for intangible assets using the cost-based model.

After initial recognition, an intangible asset shall be accounted for at or minus any accumulated depreciation and impairment losses.

#### **Amortization**

The depreciable value of an intangible asset with a determined useful life is allocated on a systematic basis over its useful life. Depreciation begins when the asset is available for use, i.e. when it is in the place and condition necessary to be able to function in the manner intended by management. Depreciation ceases on the earlier of the date on which the asset is classified as held for sale and the date on which the asset is derecognised.

Intangible assets are depreciated using the straight-line method over a period of 1-5 years or over the period of validity of contractual or legal rights when it is less than the estimated useful life. An intangible asset with an indefinite useful life shall not be depreciated.

#### **Impairment**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If there is such an indication, the recoverable amount of the asset is estimated to determine the size of the impairment (if any). The recoverable amount is the greater of the fair value minus the costs generated by the sale and its value in use.

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

#### **Derecognition**

An intangible asset is derecognised when it is disposed of or when future economic benefits are no longer expected from its use or disposal.

#### **Real estate investments**

An investment property is real estate property (land or a building – or part of a building – or both) held by the Group to obtain rental income or to increase the value of capital, or both, rather than to be used for the production or supply of goods or services or for administrative purposes or to be sold in the ordinary course of business.

The cost of a purchased real estate investment 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-built real estate investment is the cost from the date of completion of the construction or arrangement works. Until that date, the Group applies the provisions of IAS 16. At that time, real estate becomes a real estate investment.

After initial recognition, the Group chooses the fair value model and measures all its real estate investments at fair value.

A gain or loss generated by a change in the fair value of the real estate investment is recognised in the profit or loss of the period in which it occurs.

The fair value of the real estate investment is the price at which the real estate property could be traded between interested and informed parties, within a transaction carried out under objective conditions. The fair value of a real estate property must reflect market conditions at the balance sheet date.

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

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

The gains or losses generated from the disposal or disposal of a real estate investment must be determined as the difference between the net proceeds from the disposal and the carrying amount of the asset and must be recognized as profit or loss during the period of retirement or disposal

### **Stocks**

Inventories are valued at the lower of cost and net realizable value.

Inventory costs are established on a first-in, first-out basis and include expenses generated by the acquisition of inventories, production and other costs with bringing inventories into shape and existing location. In the case of finished products and production in progress, the costs also include a share of overheads based on normal production capacity.

Net realizable value represents the estimated selling price in the normal course of business for inventories minus the estimated costs of completion and the costs necessary to complete the sale.

### **Employee benefits**

In the normal course of activity, the Group makes payments to the pension, health and unemployment funds of the Romanian state, on behalf of its employees. The expenses with these payments are recorded in the profit and loss account in the same period as the related salary expenses.

All the employees of the Group are members of the pension plan of the Romanian state. Within the Group there is no other pension scheme in place and there are no other obligations related to pensions.

The benefits for the termination of the employment contract can be paid when the employment contract is terminated for reasons not attributable to the employees. The Group recognises the benefits of terminating the employment contract when it undertakes to terminate the employment contracts of current employees.

### **Provisions**

Provisions are recognised when the Group has a current legal or implied obligation arising from a past event, it is likely that an outflow of resources incorporating economic benefits will be required for the settlement of the obligation, and a reliable estimate of the value of the obligation may be achievable.

The value recognised as provision is the best estimate of the expense required to settle the current 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 effect of money is significant).

### **Guarantees**

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

### **Restructuring**

A restructuring provision is recognised when the Group has approved a detailed and formal restructuring plan 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 Group has a onerous contract, the current contractual obligation set out in the contract must be recognised and measured as a provision. A onerous contract is defined as a contract in which the unavoidable costs of fulfilling the contractual obligations exceed the economic benefits expected to be obtained from the contract in question. The unavoidable costs of a contract reflect the net cost of exiting the contract, i.e. the lower of the cost of performing the contract and any compensation or penalties generated by the breach of contract.

### **Revenue recognition**

The accounting policies for the Group's income from customer contracts are presented in note 15.

### Government subsidies

Government subsidies are assistance provided by the Government in the form of transfers of resources to the Group in exchange for compliance, in the past or in the future, with certain conditions relating to the Group's operating activity. Subsidies exclude forms of government assistance that cannot reasonably be assigned a certain value, as well as transactions with the government that cannot be distinguished from the entity's normal commercial transactions.

Government subsidies are recognised as income during the periods corresponding to the related expenditures that these subsidies are to compensate, on a systematic basis.

A government grant to be received as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial assistance to the entity, without any related future costs, is recognised as income during the period in which it becomes a receivable.

### Leasing

Leasing contracts are presented as financial leasing contracts when the terms of the leasing contract substantially transfer all the risks and benefits related to the ownership right to the user.

All other leases are classified as operational leases. Initially, assets held under finance leases are recognised at the lesser of their fair value at the beginning of the lease and the present value of the minimum lease payments. The corresponding obligation towards the owner is included in the statement of financial position as an obligation associated with financial leasing.

Assets held under operational leases are classified as operational leases and are not disclosed in the statement of financial position.

Payments related to the operating lease are recognised as expenses throughout the lease period.

The minimum leasing payments are divided between financing expenses and obligation reduction. Expenditure are recognised as profit or loss in accordance with accrual accounting, if they are not directly attributable to assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

### Borrowing costs

Borrowing costs, directly attributable to the acquisition, construction or realization of eligible assets, assets that require a significant period of time to be ready for use or sale, are in addition to the cost of those assets until the assets are significantly prepared for the scope of use or sale.

The income from the temporary investment of the specific debt obtained for the acquisition or construction of the eligible assets is deducted from the costs of the loans that can be capitalized. All other borrowing costs are recognised in profit or loss for the period in which they are incurred.

Gains or losses from exchange rate differences are reported as a net amount as a gain or loss depending on the result of exchange rate differences.

### Corporate income tax

Income tax expenses represent the amount of taxes to be paid currently, as well as deferred taxes. Debts or receivables related to corporate income tax related to the current period and previous periods are valued at the amount to be paid or recovered to the tax authority using the legal regulations and the tax rate in force at the date of the financial statements. Corporate income tax for the closing period of December 31, 2021 was 16%. Current and deferred taxes are recognised in the profit or loss account unless they relate to items recognised in other comprehensive income or directly in capital, in which case current and deferred taxes are also recognised in other comprehensive income or directly in capital.

### Current tax

The tax payable on a current basis is based on the taxable profit made during the year. The taxable profit differs from the profit reported in the non-consolidated general income statement due to the income or expense elements that are taxable or deductible in some years, as well as elements that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been adopted or substantially adopted at

the end of the reporting period.

### Deferred tax

Deferred tax is recognised on the basis of temporary differences between the carrying amount 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 there is a likelihood of a taxable profit in the future from which the temporary difference can be recovered.

The main differences result from the amortization of fixed assets and the measurement of assets at fair value.

The assets and liabilities related to the deferred tax are determined based on the taxes that are supposed to be applied during the period in which the respective debt or the claim regarding the deferred tax will be realized or settled.

### Segment reporting

A business segment is a component of the Group that engages in business activities from which it can derive revenue and from which it can incur expenses (including income and expenses related to transactions with other components of the same company), the results of which are periodically reviewed by the Group's main operational decision-maker in order to make decisions regarding the resources to be allocated to the segment and to evaluation of its performance and for which distinctive financial information is available.

The company's management regularly evaluates the Group's activity in order to identify the segments of activity for which information must be reported separately. The Group did not identify components that would qualify as business segments.

## 4. SITUATION OF FIXED ASSETS

### 4. 1. TANGIBLE ASSETS

The evolution of tangible assets from January 1, 2023 to December 31, 2024 is as follows:

| Explanation                             | Land              | Constructio<br>n   | Equipment<br>and motor<br>vehicles | Other<br>tangible<br>assets | Tangible assets<br>in progress | Total              |
|-----------------------------------------|-------------------|--------------------|------------------------------------|-----------------------------|--------------------------------|--------------------|
| <b>Inventory Value 01/01/2023</b>       | <b>52,983,700</b> | <b>124,758,813</b> | <b>703,606,475</b>                 | <b>1,961,305</b>            | <b>39,286,246</b>              | <b>922,596,539</b> |
| Entries 2023                            |                   | 48,656,001         | 16,478,114                         | 3,150,498                   | 57,831,405                     | 126,116,018        |
| lesiri 2023                             | 0                 | -27,995            | -26,841,707                        | -15,630                     | -68,284,567                    | -95,169,899        |
| <b>31/12/2023</b>                       | <b>52,983,700</b> | <b>173,386,819</b> | <b>693,242,882</b>                 | <b>5,096,173</b>            | <b>28,833,084</b>              | <b>953,542,658</b> |
| Income from revaluations 2024           | <b>7,309,222</b>  | <b>7,851,831</b>   |                                    |                             |                                | <b>15,161,053</b>  |
| Acquisitions 2024                       |                   |                    |                                    |                             | 14,049,036                     | <b>14,049,036</b>  |
| Domestically generated revenues 2024    |                   |                    |                                    |                             | 3,692,091                      | <b>3,692,091</b>   |
| Start-ups 2024                          |                   | 20,487,781         | 12,790,265                         | 606,597                     |                                | <b>33,884,643</b>  |
| Income from transfers from classes 2024 |                   | 4,614,789          |                                    |                             |                                | <b>4,614,789</b>   |

|                                                                                                        |                   |                    |                    |                  |                  |             |                    |
|--------------------------------------------------------------------------------------------------------|-------------------|--------------------|--------------------|------------------|------------------|-------------|--------------------|
| Income from inventory surpluses 2024                                                                   |                   |                    |                    |                  |                  |             | 0                  |
| Write-offs from re-evaluations 2024                                                                    |                   | -952,430           |                    |                  |                  |             | -952,430           |
| Write-offs from the cancellation of depreciation on the occasion of the revaluation of net values 2024 |                   | -26,649,203        |                    |                  |                  |             |                    |
| Exits from transfers within the same class 2024                                                        |                   |                    |                    |                  |                  |             | 0                  |
| Exits from transfers to other asset classes 2024                                                       |                   |                    |                    |                  |                  | -38,106,843 | -38,106,843        |
| Sales Releases 2024                                                                                    |                   |                    |                    |                  |                  |             | 0                  |
| Cassation Waivers 2024                                                                                 |                   | -1,972,411         | -17,554,953        | -16,265          |                  |             | -19,543,629        |
| <b>31/12/2024</b>                                                                                      | <b>60,292,922</b> | <b>176,767,176</b> | <b>688,478,194</b> | <b>5,686,505</b> | <b>8,467,368</b> |             | <b>966,341,368</b> |
| <b>Depreciation, impairment</b>                                                                        |                   |                    |                    |                  |                  |             |                    |
| <b>01/01/2023</b>                                                                                      | <b>0</b>          | <b>17,858,165</b>  | <b>464,725,726</b> | <b>1,223,958</b> | <b>0</b>         |             | <b>483,807,849</b> |
| Expenses 2023                                                                                          | 0                 | 5,591,679          | 41,071,067         | 113,935          | 0                |             | 46,776,681         |
| Depreciation, write-downs related to 2023 outputs                                                      | 0                 |                    | -26,450,380        | -15,630          | 0                |             | -26,466,010        |
| <b>31/12/2023</b>                                                                                      | <b>0</b>          | <b>23,449,844</b>  | <b>479,346,413</b> | <b>1,322,263</b> | <b>0</b>         |             | <b>504,118,520</b> |
| Expenses 2024                                                                                          | 0                 | 7,143,217          | 41,888,615         | 630,112          | 0                |             | 49,661,944         |
| Depreciation, impairment related to inflows from transfers within the same class 2024                  | 0                 |                    |                    |                  |                  |             | 0                  |
| Write-offs from the cancellation of depreciation on the occasion of the revaluation of net values 2024 |                   | -26,649,203        |                    |                  |                  |             |                    |
| Depreciation, impairment related to transfers within the same class 2024                               | 0                 |                    |                    |                  |                  |             | 0                  |
| Depreciation, depreciation related to scrapping 2024                                                   | 0                 | -1,944,518         | -17,536,791        | -16,265          |                  |             | -19,497,574        |
| Depreciation, depreciation related to sales 2024                                                       | 0                 |                    |                    |                  |                  |             | 0                  |
| <b>31/12/2024</b>                                                                                      | <b>0</b>          | <b>1,999,340</b>   | <b>503,698,237</b> | <b>1,936,110</b> | <b>0</b>         |             | <b>534,282,890</b> |
| <b>Remaining value 01/01/2023</b>                                                                      |                   |                    |                    |                  |                  |             | <b>438,788,690</b> |
| <b>31/12/2023</b>                                                                                      |                   |                    |                    |                  |                  |             | <b>449,424,138</b> |
| <b>31/12/2024</b>                                                                                      |                   |                    |                    |                  |                  |             | <b>432,058,478</b> |

Tangible assets representing "Tangible assets in progress" are measured at historical cost. The group has chosen the fair value revaluation model for the valuation of tangible assets of land and buildings.

The buildings and land were reassessed on 31.12.2024 by an authorized independent appraiser.

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

The valuation techniques used in Tier 2 fair value measurement are the price comparison method. Prices comparable to nearby buildings and constructions are adjusted according to specific characteristics, such as the size of the property, etc. The most important input data for this valuation method is the price per square meter.

There were no transfers between the level at which fair value measurements are classified during 2024.

The depreciation of all tangible assets is determined by the straight-line method. Fixed assets decreased in 2024 through sale, scrapping and depreciation. The inventory value of fixed assets scrapped and sold in 2024 was RON 19,543,629, and the non-depreciated value of fixed assets scrapped and sold was RON 46,056.



As of 31.12.2024, the net book value of fixed assets mortgaged in favor of banks was RON 186,097,999, of which RON 79,304,650 consisting of technological equipment and RON 106,793,349 in construction and land.

#### 4.2. REAL ESTATE INVESTMENTS

The evolution of real estate investments from January 1, 2023 to December 31, 2024 is as follows:

| Explanation                                            | Real estate investments | Real estate investments in progress | Total             |
|--------------------------------------------------------|-------------------------|-------------------------------------|-------------------|
| <b>01/01/2023</b>                                      | <b>38,360,308</b>       | <b>226,143</b>                      | <b>38,586,451</b> |
| Entries 2023                                           |                         |                                     | 0                 |
| lesiri 2023                                            | -4,009,320              |                                     | -4,009,320        |
| <b>31/12/2023</b>                                      | <b>34,350,988</b>       | <b>226,143</b>                      | <b>34,577,131</b> |
| Income from revaluations 2024                          | 9,177,744               |                                     | 9,177,744         |
| Acquisitions 2024                                      | 4,761,085               | 299,690                             | 5,060,775         |
| Domestically generated revenues 2024                   |                         |                                     | 0                 |
| Start-ups 2024                                         |                         |                                     | 0                 |
| Income from transfers from other asset classes 2024    |                         |                                     | 0                 |
| Write-offs from transfers to other asset classes 2024  | -4,614,789              | -521,671                            | -5,136,460        |
| Losses from transfers within the same asset class 2024 |                         |                                     | 0                 |
| Transfers to Stocks 2024                               |                         |                                     | 0                 |
| <b>31/12/2024</b>                                      | <b>43,675,028</b>       | <b>4,162</b>                        | <b>43,679,190</b> |

Real estate investments are valued at fair value. A gain or loss generated by a change of the fair value of the real estate investment is recognized in the profit or loss of the period in which it occurs. The fixed assets "Real estate investments in progress" are valued at historical cost.

#### 4.3. INTANGIBLE ASSETS

The evolution of intangible assets was as follows:

| Explanation                                          | Research and development expenditure | Incorporation expenses | Computer programs and software | Total             |
|------------------------------------------------------|--------------------------------------|------------------------|--------------------------------|-------------------|
| <b>Cost</b>                                          |                                      |                        |                                |                   |
| <b>01/01/2023</b>                                    | <b>4,714,181</b>                     | <b>184,687</b>         | <b>15,327,086</b>              | <b>20,225,954</b> |
| Entries 2023                                         |                                      |                        | 1,329,839                      | 1,329,839         |
| Outings 2023                                         |                                      |                        | -2,279,460                     | -2,279,460        |
| <b>31/12/2023</b>                                    | <b>4,714,181</b>                     | <b>184,687</b>         | <b>14,377,465</b>              | <b>19,276,333</b> |
| Acquisitions 2024                                    |                                      |                        | 560,078                        | 560,078           |
| Income from transfers from other asset classes 2024  |                                      |                        |                                | 0                 |
| Exits from transfers within the same class 2024      |                                      |                        | -273,071                       | -273,071          |
| <b>31/12/2024</b>                                    | <b>4,714,181</b>                     | <b>184,687</b>         | <b>14,664,472</b>              | <b>19,563,340</b> |
| <b>Depreciation, impairment</b>                      |                                      |                        |                                |                   |
| <b>01/01/2023</b>                                    | <b>834,627</b>                       | <b>70,797</b>          | <b>10,500,837</b>              | <b>11,406,261</b> |
| Expenses 2023                                        | 552,574                              | 36,937                 | 1,211,957                      | 1,801,468         |
| Outings 2023                                         |                                      |                        | -2,279,460                     | -2,279,460        |
| <b>31/12/2023</b>                                    | <b>1,387,201</b>                     | <b>107,734</b>         | <b>9,433,334</b>               | <b>10,928,269</b> |
| Expenses 2024                                        | 552,574                              | 36,938                 | 1,420,812                      | 2,010,324         |
| Depreciation, depreciation related to scrapping 2024 |                                      |                        | -273,071                       | -273,071          |
| <b>31/12/2024</b>                                    | <b>1,939,775</b>                     | <b>144,672</b>         | <b>10,581,075</b>              | <b>12,665,522</b> |
| <b>Remaining value</b>                               |                                      |                        |                                |                   |
| <b>01/01/2023</b>                                    |                                      |                        |                                | <b>8,819,693</b>  |
| <b>31/12/2023</b>                                    |                                      |                        |                                | <b>8,348,064</b>  |
| <b>31/12/2024</b>                                    |                                      |                        |                                | <b>6,897,818</b>  |

The Group capitalizes research and development costs due to the fact that the criteria for their recognition as an intangible asset are met, namely:

- it is likely that the future economic benefits expected to be attributed to the fixed asset is the responsibility of the Group;
- The cost of immobilization can be reliably assessed.

#### 5. COMMERCIAL CREATANT SI HIGH CREATANTE

The situation of commercial receivables is as follows:

| Explanation                                                                               | 2024              | 2023               |
|-------------------------------------------------------------------------------------------|-------------------|--------------------|
| Receivables from customers who have not exceeded the due date                             | 77,620,256        | 104,891,429        |
| Receivables that have exceeded maturity, but no impairment adjustments have been recorded | 11,766,843        | 31,747,759         |
| Receivables that have exceeded maturity, but there have been adjustments for impairment   | 1,424,117         | 749,306            |
| Impairment adjustments                                                                    | -1,424,117        | -749,306           |
| <b>Total commercial creator</b>                                                           | <b>89,387,099</b> | <b>136,639,188</b> |

As of December 31, 2024 and 2023, the seniority situation of receivables that have a maturity deposit and for which no impairment adjustments have been recorded is as follows:

| Explanation                             | 2024              | 2023              |
|-----------------------------------------|-------------------|-------------------|
| Due date exceeded between 0 and 90 days | 11,689,712        | 29,364,332        |
| Maturity exceeded by la 91 la 180 days  | 853,345           | 1,250,358         |
| Scadenta depasita de la 181 la 1 an     | 185,879           | 598,603           |
| Maturity exceeded in 1 year             | 462,024           | 534,466           |
| <b>Total overdue receivables</b>        | <b>13,190,960</b> | <b>31,747,759</b> |

The Group made adjustments for the impairment of customer receivables as follows:

|                                 |                  |
|---------------------------------|------------------|
| <b>01/01/2023</b>               | <b>511,311</b>   |
| Adjustments made in 2023        | 3,786,415        |
| Reverse adjustments in 2023     | -3,548,420       |
| <b>31/12/2023</b>               | <b>749,306</b>   |
| Adjustments constituted in 2024 | 1,180,376        |
| Reverse adjustments in 2024     | -505,565         |
| <b>31/12/2024</b>               | <b>1,424,117</b> |

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

| Explanation                                                                   | 2024              |                |                   | 2023              |           |                   |
|-------------------------------------------------------------------------------|-------------------|----------------|-------------------|-------------------|-----------|-------------------|
|                                                                               | Total, of which   | Long term      | Short term        | Total, of which   | Long term | Short term        |
| Advances paid to suppliers                                                    | 4,869,758         | 0              | 4,869,758         | 4,985,506         | 0         | 4,985,506         |
| Personnel claims                                                              | 12,224            | 0              | 12,224            | 23,845            | 0         | 23,845            |
| Receivables in relation to the consolidated state budget and the local budget | 3,498,895         | 0              | 3,498,895         | 4,216,761         | 0         | 4,216,761         |
| Miscellaneous debtors                                                         | 174,534           | 0              | 178,615           | 601,869           | 0         | 601,869           |
| Adjustments for impairment of debtors                                         | -94,053           | 0              | -94,053           | -94,053           | 0         | -94,053           |
| Cheltuieli in avans                                                           | 1,034,863         | 0              | 1,034,863         | 1,633,672         | 0         | 1,633,672         |
| Subsidies to be collected (European funds projects)                           | 3,247,141         | 825,771        | 2,421,370         | 1,734,143         | 0         | 1,734,143         |
| <b>Total other receivables</b>                                                | <b>12,743,362</b> | <b>825,771</b> | <b>11,921,672</b> | <b>13,101,743</b> | <b>0</b>  | <b>13,101,743</b> |

The Group made adjustments for the impairment of other receivables as follows:

|                                 |                  |
|---------------------------------|------------------|
| <b>01/01/2023</b>               | <b>1,127,411</b> |
| Adjustments made in 2023        | 317,022          |
| Reverse adjustments in 2023     | -1,350,380       |
| <b>31/12/2023</b>               | <b>94,053</b>    |
| Adjustments constituted in 2024 | 0                |
| Reverse adjustments in 2024     | 0                |
| <b>31/12/2024</b>               | <b>94,053</b>    |

The Group's commercial policy requires the recording of impairment adjustments for other receivables exceeding 365 days and for those receivables for which there are indications that they are uncertain. Receivables in foreign currency are valued in RON at the official exchange rate of the NBR on 31.12.2024.

## 6. OTHER FIXED ASSETS

The situation of other fixed assets held by the Group is as follows:

| Explanation                                     | 2024            |                |            | 2023            |                |            |
|-------------------------------------------------|-----------------|----------------|------------|-----------------|----------------|------------|
|                                                 | 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                                | 35,602          | 35,602         | 0          | 27,878          | 27,878         | 0          |
| <b>Total alte active</b>                        | <b>138,602</b>  | <b>138,602</b> | <b>0</b>   | <b>130,878</b>  | <b>130,878</b> | <b>0</b>   |

## 7. STOCKS

The structure of the stocks held by the Group is presented in the table below:

| Explanation                                                 | 2024              | 2023               |
|-------------------------------------------------------------|-------------------|--------------------|
| Raw                                                         | 33,282,707        | 41,906,673         |
| Adjustments for the depreciation of raw materials           | -2,934,948        | -2,942,407         |
| Materials and packaging                                     | 20,655,071        | 22,872,049         |
| Adjustments for depreciation of materials and packaging     | -4,392,182        | -2,334,195         |
| Semi-finished products and production in progress           | 29,698,622        | 30,643,702         |
| Adjustments for depreciation of semi-finished products      | -1,975,195        | -1,516,280         |
| Finished products and goods                                 | 20,438,461        | 25,189,586         |
| Adjustments for depreciation of finished products and goods | -1,072,685        | -1,211,471         |
| <b>Total stocks</b>                                         | <b>93,699,851</b> | <b>112,607,657</b> |

The Group made adjustments for the impairment of inventories as follows:

|                                 |                   |
|---------------------------------|-------------------|
| <b>01/01/2023</b>               | <b>403,681</b>    |
| Adjustments made in 2023        | 10,225,553        |
| Reverse adjustments in 2023     | -2,624,882        |
| <b>31/12/2023</b>               | <b>8,004,352</b>  |
| Adjustments constituted in 2024 | 4,481,554         |
| Reverse adjustments in 2024     | -2,110,896        |
| <b>31/12/2024</b>               | <b>10,375,010</b> |

## 8. CASH AND CASH EQUIVALENTS

The cash availability and cash equivalents are presented as follows:

| Explanation                                   | 2024              | 2023             |
|-----------------------------------------------|-------------------|------------------|
| RON bank accounts                             | 3,975,316         | 4,185,682        |
| Foreign currency bank accounts                | 14,923,445        | 2,905,100        |
| Cash equivalents                              | 17                | 121              |
| Casa in RON                                   | 49,498            | 76,489           |
| Currency House                                | 28,754            | 42,790           |
| <b>Total available banesti si echivalente</b> | <b>18,977,030</b> | <b>7,210,182</b> |

The group holds accounts in lei and foreign currency at the following banking institutions: BRD GROUP SOCIETE GENERALE, ING BANK, TREASURY.

## 9. CORPORATE TAX

the Group's current profit tax is determined on the basis of statutory profit, adjusted for non-deductible expenses and non-taxable income, at a rate of 16% for 2024 and 2023.

In 2024, the Group calculated, in addition to corporate income tax, microenterprise income tax.

In 2024, a new turnover tax was introduced at the rate of 1% for companies whose turnover exceeds EUR 50,000,000 million in the previous year.

As of December 31, 2024 and 2023, the corporate income tax consists of:

| Explanation                                             | 2024             | 2023             |
|---------------------------------------------------------|------------------|------------------|
| Payment/(Income) with deferred corporate income tax     | 540,974          | -608,527         |
| Closing with the tax on the income of micro-enterprises |                  | 20,715           |
| Closing with the current profit tax                     | 12,148           | 2,061,144        |
| Tax 1%                                                  | 5,967,526        |                  |
| <b>Total corporate income tax</b>                       | <b>6,520,648</b> | <b>1,473,332</b> |

The numerical reconciliation between the corporate income tax expense and the result of multiplying the accounting result by the tax percentage in force is presented below:

| Explanation                                                         | 2024             | 2023             |
|---------------------------------------------------------------------|------------------|------------------|
| Profit before tax related to corporate income tax                   | 7,561,730        | 1,987,155        |
| Profit before tax related to microenterprise income tax             | 0                | 34,128           |
| Corporate income tax expense 16%                                    | 12,148           | 317,945          |
| Closing with the tax on the income of micro-enterprises             | 0                | 20,715           |
| Chelt.de sponsorship to be deducted from corporate income tax       | 0                | 175,174          |
| Corporate income tax due                                            | 12,148           | 513,834          |
| Effect of non-taxable income                                        | -3,687,292       | -1,792,456       |
| The effect of non-tax-deductible expenses and temporary differences | 4,862,564        | 3,207,391        |
| The effect of the tax exemption on the reinvested profit            | 0                | -455,437         |
| Tax 1%                                                              | 5,967,503        |                  |
| <b>Total profit/income tax expense</b>                              | <b>6,520,648</b> | <b>1,473,332</b> |
| <b>Effective percentage of profit/income tax</b>                    | <b>86.23</b>     | <b>74.14</b>     |

The significant components of the current corporate income tax included in the financial statements as of 31.12.2024 and 31.12.2023 are the following:

| Explanation                                                 | 2024          | 2023             |
|-------------------------------------------------------------|---------------|------------------|
| Profit brut                                                 | 7,561,730     | 2,021,483        |
| Non-taxable income                                          | -22,690,391   | -11,202,849      |
| Non-deductible expenses                                     | 68,060,579    | 79,647,019       |
| Other tax deductions-depreciation                           | -57,158,669   | -53,644,207      |
| Profit fiscal                                               | -4,226,751    | 16,823,469       |
| Corporate income tax                                        | 0             | 2,691,755        |
| Amounts representing sponsorships                           | 0             | -175,174         |
| Tax exemption on reinvested profit                          | 0             | -455,437         |
| Bonus granted to the payment of current profit tax          | 0             | 0                |
| <b>Total current income tax expense</b>                     | <b>12,148</b> | <b>2,061,144</b> |
| <b>Effective percentage of current corporate income tax</b> | <b>0.16</b>   | <b>101.96</b>    |

The significant components of the turnover tax included in the financial statements as of 31.12.2024 and 31.12.2023 are the following:

| Explanation                                                     | 2024        |
|-----------------------------------------------------------------|-------------|
| Turnover                                                        | 604,023,987 |
| Other taxable income                                            | 2,938,997   |
| Deductions from ongoing investments in balance as of 31.12.2024 | 9,677,208   |
| Deductions from depreciation                                    | 533,219     |
| Taxable income                                                  | 596,752,557 |
| Tax 1%                                                          | 5,967,526   |

The evolution of the deferred tax in the period 01.01.2023-31.12.2024 is presented in the table below:

|                                                                                   |                  |
|-----------------------------------------------------------------------------------|------------------|
| <b>01/01/2023</b>                                                                 | <b>920,862</b>   |
| Deferred tax through profit and loss account 2023                                 | -608,527         |
| Deferred tax recognized by other elements of the 2023 global result,<br>of which: | -244,176         |
| Tax deferred from the revaluation of fixed assets                                 | -244,176         |
| Tax deferred from tax-deductible legal reserves                                   |                  |
| <b>31/12/2023</b>                                                                 | <b>68,159</b>    |
| Deferred tax through profit and loss account 2024                                 | 538,347          |
| Deferred tax recognized by other elements of the 2024 global result,<br>of which: | 884,512          |
| Tax deferred from the revaluation of fixed assets                                 | 884,512          |
| <b>31/12/2024</b>                                                                 | <b>1,491,018</b> |

The Group recognises the deferred tax receivables because it estimates that there will probably be future taxable profit against which those receivables can be used.

## 10. EQUITY

The shareholding structure as of 31.12.2024 is as follows:

| Explanation                                        | No. of Shares      | % din total capital social |
|----------------------------------------------------|--------------------|----------------------------|
| Romanian and foreign shareholders (individuals)    | 59,712,867         | 27.29%                     |
| Romanian and foreign shareholders (legal entities) | 159,107,171        | 72.71%                     |
| <b>Total number of shares</b>                      | <b>218,821,038</b> | <b>100.00%</b>             |

The shares of Group A have a nominal value of RON 0.1 / share, the value of the share capital being RON 21,882,104.

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

The Group's equity includes the following:

| Explanation                    | 2024               | 2023               |
|--------------------------------|--------------------|--------------------|
| Subscribed and paid-up capital | 21,882,104         | 21,882,104         |
| Own actions                    | -376,509           | -376,509           |
| Revaluation reserves           | 97,200,737         | 83,891,130         |
| Legal reserves                 | 4,957,516          | 4,957,516          |
| Adjustment of legal reserves   | 22,679,066         | 22,679,066         |
| Other reserves                 | 306,695,903        | 304,286,585        |
| Adjustment of other reserves   | 471,920            | 471,920            |
| Deferred result                | 59,605,284         | 65,744,973         |
| Profit an curent               | 1,068,676          | 546,543            |
| Profit distribution            | 0                  | -2,846,482         |
| Minority interests             | 185,124            | 212,718            |
| <b>Total equity</b>            | <b>514,369,821</b> | <b>501,449,564</b> |

### Capital Management

The Group's objectives related to capital management refer to maintaining the Group's ability to continue its activity in order to provide compensation to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure so as to reduce capital costs and support the further development of the Group. There are no externally imposed capital requirements. The Group monitors capital on the basis of indebtedness. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (including current and long-term borrowing as shown on the balance sheet) minus cash and cash equivalent. The total capital under management is calculated as "equity", as shown in the statement of financial position.

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

| Explanation                   | 2024               | 2023               |
|-------------------------------|--------------------|--------------------|
| Total Liabilities             | 183,215,690        | 260,589,417        |
| Cash and cash equivalents     | 18,977,030         | 7,210,182          |
| <b>Net debts</b>              | <b>164,238,660</b> | <b>253,379,235</b> |
| <b>Equity</b>                 | <b>514,369,821</b> | <b>501,449,564</b> |
| <b>Degree of indebtedness</b> | <b>0.32</b>        | <b>0.51</b>        |

The group has set itself the goal of not exceeding the threshold of 0.99.

## 11. FINANCIAL DEBTS

The long-term and short-term financial debts in EUR currency are as follows:

| Currency - EUR                         |                             | 2024              |                       |                  | 2023              |                       |                  |
|----------------------------------------|-----------------------------|-------------------|-----------------------|------------------|-------------------|-----------------------|------------------|
| Institutie de credit                   | Loan type                   | Total, of which   | Termen lung (< 5 ani) | Short term       | Total, of which   | Termen lung (< 5 ani) | Short term       |
| BRD GROUP SOCIETE GENERALE-ROMANIA     | Production credit line      | 0                 | 0                     | 0                | 6,979,070         | 47,600                | 0                |
| BRD GROUP SOCIETE GENERALE-ROMANIA     | Investment loan             | 1,884,690         | 376,938               | 1,507,752        | 3,392,442         | 1,884,690             | 1,507,752        |
| ING BANK-SIBIU                         | Production credit line      | 3,262,175         | 0                     | 3,262,175        | 3,262,175         | 3,262,175             | 0                |
| ING BANK-SIBIU                         | Investment loan             | 2,068,648         | 344,775               | 1,723,873        | 3,447,746         | 2,068,648             | 1,379,098        |
| BT LEASING TRANSILVANIA IFN            | Leasing financiar           | 11,136            | 0                     | 11,136           |                   |                       |                  |
| BANCA TRANSILVANIA SIBIU               | Investment loan             | 8,318,998         | 7,813,998             | 505,000          | 8,649,998         | 8,318,998             | 331,000          |
| BANCA TRANSILVANIA SIBIU               | Investment loan             | 1,163,752         | 1,051,144             | 112,608          | 1,186,144         | 1,095,250             | 90,894           |
| BANCA TRANSILVANIA SIBIU               | VAT credit                  |                   |                       | 0                |                   |                       | 0                |
| BANCA TRANSILVANIA SIBIU               | State aid bridge loan       |                   |                       |                  |                   |                       |                  |
| IMPULS-Leasing Romania I.F.N. SA       | Financial leasing contracts | 135,920.00        | 73,942                | 61,978           | 194,137.05        | 136,059               | 58,078           |
| <b>Total financial liabilities-EUR</b> |                             | <b>16,845,319</b> | <b>9,660,797</b>      | <b>7,184,522</b> | <b>27,111,712</b> | <b>16,813,419</b>     | <b>3,366,822</b> |

The long-term and short-term financial debts in LEI currency are as follows:

| Currency - LEI                     |                        | 2024            |                       |            | 2023            |                       |            |
|------------------------------------|------------------------|-----------------|-----------------------|------------|-----------------|-----------------------|------------|
| Institutie de credit               | Loan type              | Total, of which | Termen lung (< 5 ani) | Short term | Total, of which | Termen lung (< 5 ani) | Short term |
| BRD GROUP SOCIETE GENERALE-ROMANIA | Production credit line | 0               | 0                     | 0          | 236,791         | 236,791               | 0          |
| BRD GROUP SOCIETE GENERALE-ROMANIA | Investment loan        | 9,374,640       | 1,874,930             | 7,499,710  | 16,876,044      | 9,375,579             | 7,500,465  |
| ING BANK-SIBIU                     | Production credit line | 0               | 0                     | 0          | 2,655,995       | 2,655,995             | 0          |
| ING BANK-SIBIU                     | Production credit line | 1,702,826       | 1,702,826             |            | 16,228,016      | 16,228,016            | 0          |
| ING BANK-SIBIU                     | Investment loan        | 10,289,661      | 1,714,944             | 8,574,717  | 17,151,161      | 10,290,696            | 6,860,465  |
| BT LEASING TRANSILVANIA IFN        | Leasing financiar      | 55,392          | 0                     | 55,392     |                 |                       |            |
| BANCA TRANSILVANIA SIBIU           | Investment loan        | 41,379,527      | 38,854,527            | 2,525,000  | 43,030,279      | 41,383,686            | 1,646,593  |



|                                  |                             |                 |                 |                 |                 |                 |                 |
|----------------------------------|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| BANCA TRANSILVANIA SIBIU         | Investment loan             | 5,788,62        | 5,225,58        | 563,040         | 5,900,59        | 5,448,42        | 452,161         |
| BANCA TRANSILVANIA SIBIU         | VAT credit                  | 0               | 0               | 0               | 1,156,68        | 0               | 1,156,68        |
| BANCA TRANSILVANIA SIBIU         | State aid bridge loan       | 0               | 0               | 0               | 1,481,06        | 1,481,06        | 0               |
| IMPULS-Leasing Romania I.F.N. SA | Financial leasing contracts | 676,084         | 367,797         | 308,287         | 965,754         | 676,837         | 288,917         |
| <b>Total financial debts-LEI</b> |                             | <b>69,266,7</b> | <b>49,740,6</b> | <b>19,526,1</b> | <b>105,682,</b> | <b>87,777,0</b> | <b>17,905,2</b> |
|                                  |                             | <b>50</b>       | <b>04</b>       | <b>46</b>       | <b>377</b>      | <b>93</b>       | <b>83</b>       |

As of 31.12.2024, the net book value of fixed assets mortgaged in favor of banks was RON 186,097,999, of which RON 79,304,650 consisting of technological equipment and RON 106,793,349 in construction and land.

Also, in order to guarantee the committed loans, there were constituted movable guarantees on the receivables, movable guarantees on the future equipment and endowments related to the Arini Hospitality Hotel Complex Project, real estate guarantees on the future construction consisting of the Ibis-Mercure hotel complex, a project currently underway, movable guarantees on the universality of the receivables resulting from the hotel activity that will be carried out by the Arni Hospitality SRL company.

Within the loan agreement concluded between Arini Hospitality and Banca Transilvania for the financing of the Ibis-Mercure Hotel Complex project, the parent company Compa SA is a co-debtor.

The interest margin of loans committed to banking institutions varies between: 2.5% p.a. – 5% p.a.

Debts in foreign currency are valued in lei at the official exchange rate of the NBR on 31.12.2024.

## 12. COMMERCIAL AND OTHER PAYABLES

| Explanation                                                         | 2024               |                   |                   | 2023               |                   |                    |
|---------------------------------------------------------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
|                                                                     | Total, of which    | Long term         | Short term        | Total, of which    | Long term         | Short term         |
| Suppliers                                                           | 53,518,997         |                   | 53,518,997        | 90,985,267         | 0                 | 90,985,267         |
| Advances received from customers                                    | 858,558            |                   | 858,558           | 573,738            | 0                 | 573,738            |
| Debts from contracts with customers                                 | 0                  |                   |                   | 3,505,877          | 0                 | 3,505,877          |
| Personnel liabilities                                               | 5,933,824          |                   | 5,933,824         | 6,839,020          | 0                 | 6,839,020          |
| Debts to the general consolidated state budget and the local budget | 7,973,559          |                   | 7,973,559         | 8,588,119          | 0                 | 8,588,119          |
| Current corporate income tax liabilities                            | 1,298,856          |                   | 1,298,856         | 5,651              | 0                 | 5,651              |
| Dividende de plata                                                  | 293,456            |                   | 293,456           | 403,601            | 0                 | 403,601            |
| Miscellaneous creditors                                             | 49,976             |                   | 49,976            | 16,574             | 0                 | 16,574             |
| Venituri in avans                                                   | 2,061,674          | 717,226           | 1,344,448         | 737,173            | 0                 | 737,173            |
| Subsidies for investments from AMPOSDRU and AMPOSCEE contracts      | 34,274,427         | 30,160,154        | 4,114,273         | 36,937,348         | 32,816,009        | 4,121,339          |
| Inventory pluses of fixed assets                                    | 0                  |                   |                   | 5,943              | 5,943             | 0                  |
| <b>Total commercial and other payables</b>                          | <b>106,263,327</b> | <b>30,877,380</b> | <b>75,385,947</b> | <b>148,598,311</b> | <b>32,821,952</b> | <b>115,776,359</b> |

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

Debts in foreign currency are valued in lei at the official exchange rate of the NBR on 31.12.2024.

### 13. PROVISIONS

The statement of provisions as of 31.12.2024 is presented in the table below:

| Explanation                     | Provisions for guarantees granted to customers | Provisions for employee benefits | Other provisions | Total provisions  |
|---------------------------------|------------------------------------------------|----------------------------------|------------------|-------------------|
| <b>01/01/2023</b>               | <b>26,945</b>                                  | <b>108,700</b>                   | <b>82,816</b>    | <b>218,461</b>    |
| Adjustments made in 2023        | 0                                              | 4,058,071                        | 5,623,170        | <b>9,681,241</b>  |
| Reverse adjustments in 2023     | 0                                              | 0                                | -3,590,972       | <b>-3,590,972</b> |
| <b>31/12/2023</b>               | <b>26,945</b>                                  | <b>4,166,771</b>                 | <b>2,115,014</b> | <b>6,308,730</b>  |
| Adjustments constituted in 2024 | 0                                              | 5,128,553                        | 3,637,536        | <b>8,766,089</b>  |
| Reverse adjustments in 2024     | 0                                              | -4,800,840                       | -2,588,366       | <b>-7,389,206</b> |
| <b>31/12/2024</b>               | <b>26,945</b>                                  | <b>4,494,484</b>                 | <b>3,164,184</b> | <b>7,685,613</b>  |

In 2024, the group did not constitute additional provisions for guarantees granted to customers. Provisions have been made for expenses with the statutory audit for the year 2024, for which the invoice will be received in 2025, provisions have been made for the leaves left untaken by employees on 31.12.2024, provisions have been made for invoices for tools that we have invoiced to customers and have not yet been purchased, to be reversed in the first months of 2024 after negotiation with the customer and provisions have been made for the road that will be transferred to the Sibiu City Hall within the residential complex built by Compa.

### 14. REVENUES AND BUSINESS SEGMENTS

The structure of the Group's revenues is as follows:

| Explanation                                                                                            | 2024               | 2023               |
|--------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Total turnover, of which:</b>                                                                       | <b>628,801,472</b> | <b>773,610,888</b> |
| Revenues from sales of finished products                                                               | 588,111,665        | 746,741,770        |
| Income from services                                                                                   | 20,536,726         | 8,847,972          |
| Income from the sale of goods                                                                          | 13,843,390         | 10,523,170         |
| Income from other activities (rents, sales of materials, waste, semi-finished products, packaging)     | 6,245,083          | 7,051,591          |
| Revenues from subsidies related to turnover (projects and partnership contracts for AMSOPHRD projects) | 64,608             | 446,385            |
| <b>Other operating income</b>                                                                          | <b>21,981,024</b>  | <b>13,945,026</b>  |
| <b>Total operating income</b>                                                                          | <b>650,782,496</b> | <b>787,555,914</b> |

Other operating income consists of:

| Explanation                                                                                              | 2024              | 2023              |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Income from the production of fixed assets                                                               | 3,714,062         | 6,517,191         |
| Income from investment subsidies (projects and partnership contracts for AMSOPHRD and AMPOSCEE projects) | 4,093,780         | 3,761,586         |
| Proceeds from asset sales                                                                                | 12,450,061        | 3,044,536         |
| Other operating income                                                                                   | 1,723,121         | 621,713           |
| <b>Total Other Operating Income</b>                                                                      | <b>21,981,024</b> | <b>13,945,026</b> |

## Business segments

The Group's management regularly evaluates its activity in order to identify the signs of activity for which information must be reported separately. The Group operates in Romania. The income of the group presented above is entirely attributed to the country of residence. Fixed assets, other than financial instruments, receivables regarding deferred tax, receivables regarding post-employment benefits and rights resulting from insurance contracts are located in Romania in their entirety.

The Group does not have such fixed assets located in other countries.

The income is attributable to the activity in Romania.

## 15. EXPENSES ACCORDING TO NATURE

The operating expenses incurred in 2024 and 2023 by their nature are presented in the table below:

| Explanation                                                                       | 2024               | 2023               |
|-----------------------------------------------------------------------------------|--------------------|--------------------|
| Material expenses                                                                 | 330,725,088        | 441,702,254        |
| Different from stoc                                                               | 5,329,914          | 7,464,516          |
| Energy and water expenses                                                         | 33,459,625         | 44,786,973         |
| Employee benefits expenses                                                        | 171,592,563        | 181,964,449        |
| Value adjustments on fixed assets                                                 | 51,672,270         | 48,578,146         |
| Value adjustments on current assets                                               | 3,061,545          | 6,840,193          |
| Expenses with services provided by third parties                                  | 31,643,599         | 34,218,550         |
| Expenses with other taxes, fees and similar payments                              | 5,604,585          | 5,865,591          |
| Revaluation expenses of property, plant and equipment and real estate investments | 3,362,458          |                    |
| Other operating expenses                                                          | 2,278,581          | 8,184,987          |
| <b>Total operating expenses</b>                                                   | <b>638,730,228</b> | <b>779,605,659</b> |

## 16. ANALYSIS OF THE OPERATING RESULT

The result of the operations is highlighted below. There is a 52% better result in 2024 versus 2023.

| Explanation                          | 2024              | 2023             |
|--------------------------------------|-------------------|------------------|
| Operating income                     | 650,843,499       | 787,555,914      |
| Cost of sales                        | -581,485,714      | -763,513,210     |
| Selling and distribution expenses    | -7,780,371        | -2,078,137       |
| Administrative expenses              | -28,435,278       | -28,728,663      |
| Research and development expenditure | -21,089,868       | 14,714,351       |
| <b>Operating result</b>              | <b>12,052,268</b> | <b>7,950,255</b> |

## 17. EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses include salaries, allowances, and social security contributions. Short-term benefits are recognised as expenses as services are provided:

| Explanation                                | 2024               | 2023               |
|--------------------------------------------|--------------------|--------------------|
| Salaries and allowances                    | 168,136,155        | 177,373,281        |
| Government subsidies for employee expenses | 0                  | 0                  |
| Insurance and social protection expenses   | 3,456,408          | 4,591,168          |
| <b>Total</b>                               | <b>171,592,563</b> | <b>181,964,449</b> |

## 18. FINANCIAL LOSSES (GAINS)

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

| Explanation                                                                                  | 2024              | 2023              |
|----------------------------------------------------------------------------------------------|-------------------|-------------------|
| Gains on exchange rate differences related to currency items denominated in foreign currency | -436,205          | -763,275          |
| Interest losses                                                                              | -3,477,380        | -4,518,116        |
| Other financial gains                                                                        | -576,953          | -647,381          |
| <b>Total Loss/Gain</b>                                                                       | <b>-4,490,538</b> | <b>-5,928,772</b> |

## 19. EARNINGS PER SHARE

The calculation of earnings per share for the years ended December 31, 2024 and 2023 can be summarized as follows:

| Explanation                                                   | 2024               | 2023               |
|---------------------------------------------------------------|--------------------|--------------------|
| Number of shares at the beginning of the year                 | 218,821,038        | 218,821,038        |
| Shares issued during the year                                 | 0                  | 0                  |
| <b>Number of shares at the end of the year</b>                | <b>218,821,038</b> | <b>218,821,038</b> |
| <b>Net profitul</b>                                           | <b>1,041,082</b>   | <b>548,151</b>     |
| <b>Basic earnings per share (in RON per share) / diluted:</b> | <b>0.0048</b>      | <b>0.0025</b>      |

The calculation of the gain/share with voting rights and the right to dividend is as follows:

| Explanation                                                                                          | 2023               | 2022               |
|------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Total number of shares                                                                               | 218,821,038        | 218,821,038        |
| Non-voting and dividend shares                                                                       | -1,093,253         | -1,093,253         |
| <b>Number of shares with voting rights and dividend rights at the end of the year</b>                | <b>217,727,785</b> | <b>217,727,785</b> |
| <b>Net profitul</b>                                                                                  | <b>1,041,082</b>   | <b>548,151</b>     |
| <b>Earnings per share with voting rights and dividend rights (in RON per share) basic / diluted:</b> | <b>0.0048</b>      | <b>0.0025</b>      |

## 20. AFFILIATED PARTIES

The affiliated entities of COMPA SA are the following:

| The company in which the securities are held | Registered office                                  | % in share capital | Value of securities | Main object of activity                |
|----------------------------------------------|----------------------------------------------------|--------------------|---------------------|----------------------------------------|
| COMPA IT SRL                                 | 8 Henri Coanda Street, Sibiu, Sibiu county. Sibiu  | 100.00             | 200,000             | Custom software development activities |
| TRANS CAS SRL                                | 12 Henri Coanda Street, Sibiu, Sibiu county. Sibiu | 99.00              | 742,500             | Road freight transport                 |
| RECASERV SRL                                 | 51 Henri Coanda Street, Sibiu, Sibiu county. Sibiu | 70.00              | 70,000              | Catering activities for events         |
| ARINI HOSPITALITY SRL                        | 8 Henri Coanda Street, Sibiu, Sibiu county. Sibiu  | 100.00             | 23,203,000          | Hotels and similar accommodation       |
| <b>TOTAL</b>                                 |                                                    |                    | <b>24,215,500</b>   |                                        |

The affiliated entities of S.C. COMPA S.A. Sibiu were established over time, as a result of the need to outsource from COMPA S.A. specific activities such as: software design, domestic and international car transport; public catering, hotel activity, outsourcing carried out to make these activities more efficient as well as to be able to benefit from some facilities granted by the state to some activities (IT activity; transport licenses, etc.).

The transactions carried out in 2024 and 2023 between the companies within the group were as follows:

| Explanation              | 2024                       |                                 |                             | 2023                       |                                 |                             |
|--------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------|
|                          | 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.          |                            | 7,957,035                       | 399,132                     |                            | 12,885,830                      | 536,211                     |
| COMPA IT S.R.L.          |                            | 3,327,240                       | 109,710                     |                            | 3,395,165                       | 96,630                      |
| RECASERV S.R.L.          |                            | 2,295,353                       | 42,494                      |                            | 2,122,998                       | 46,183                      |
| ARINI HOSPITALITY S.R.L. | 4,974,100                  | 17,308                          | 8,750                       | 3,762,702                  | 15,279                          | 457,896                     |

The mutual debts and receivables registered on 31.12.2024 and 31.12.2023 are as follows:

### Receivables to be collected by COMPA SA from:

| Explanation              | 2024      | 2023      |
|--------------------------|-----------|-----------|
| TRANSCAS S.R.L.          | 86,306    | 104,971   |
| COMPA IT S.R.L.          | 14,490    | 14,369    |
| RECASERV S.R.L.          | 3,689     | 7,378     |
| ARINI HOSPITALITY S.R.L. | 4,996,040 | 4,048,044 |

### Debts to be paid by COMPA SA to:

| Explanation              | 2024      | 2023      |
|--------------------------|-----------|-----------|
| TRANSCAS S.R.L.          | 1,335,430 | 1,444,027 |
| COMPA IT S.R.L.          | 544,544   | 581,672   |
| RECASERV S.R.L.          | 544,224   | 566,630   |
| ARINI HOSPITALITY S.R.L. | 4,762     | 15,279    |

## 21. MANAGEMENT OF THE GROUP.

List of Group administrators as of 30.12.2024 :

| NAME AND SURNAME     | FUNCTION                                                                   |
|----------------------|----------------------------------------------------------------------------|
| DEAC Ioan            | Administrator Chairman of the Board of Directors / General Manager         |
| DUMITRECU Mihaela    | Administrator Vice President of the Board of Directors / Economic Director |
| MAXIM Mircea Florin  | Administrator                                                              |
| BALTEȘ Nicolae       | Administrator/ Chairman of the Audit Board                                 |
| NEAÇȘU Vlad- Nicolae | Administrator / Audit Committee Member                                     |

## 22. EMPLOYEE BENEFITS

The group makes payments on behalf of its employees to the pension system of the Romanian state, health insurance and the unemployment fund, in the course of carrying out normal activity. All employees of the Company are members and also have the legal obligation to contribute (through social contributions) to the pension system of the Romanian state (a plan of determined contributions of the State). All related contributions are recognised as a result of the period in which they are made.

The Group undertakes by the collective bargaining agreement to provide benefits upon termination of the employment contract when the employment contract terminates for reasons not attributable to the employees. The benefits are worth 0.5 - 5 salaries, depending on the seniority of the employees in the Group.

Also, according to the legal regulations and the collective bargaining agreement, employees who retire due to old age are entitled to an end-of-career allowance in the amount of an employment environment salary, corresponding to the position held at the date of retirement, adjusted by a percentage corresponding to the seniority of the employees.

## 23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

is described in Chapter 10 of the 2024 Individual Annual Report

## 24. CONTINGENT LIABILITIES AND COMMITMENTS

For "Contingent Liabilities and Commitments" the management of the Compa Group has included the following key aspects:

- Ongoing litigation that could give rise to financial obligations.
- Guarantees granted to third parties.
- Tax liabilities at issue.
- Possible fines or penalties imposed by regulatory authorities.

The Company's management believes that, apart from the amounts already described in these financial statements as provisions or adjustments for impairment of assets (described in the notes to these financial statements), other legal actions will not have material adverse effects on the Company's economic results and financial position.

The COMPA Group is the subject of a number of legal actions resulting in the normal course of its activity.

In Romania, there are a number of agencies authorized to carry out controls (audits).

These controls are similar in nature to tax audits carried out by tax authorities in many countries, but can extend not only to tax matters but also to other legal and regulatory issues in which the agency may be interested. It is likely that the Group will continue to be subject to such checks on a regular basis for breaches or alleged breaches of new and existing laws and regulations.

Although the Group may contest the alleged violations and related penalties when the management is of the opinion that it is entitled to act in this way, the adoption or implementation of laws and regulations in Romania could have a material effect on the Company.

The tax system in Romania is constantly developing, being subject to many interpretations and constant changes, sometimes retroactively. The statute of limitations for tax audits is 5 years.

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

## 25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

At the meeting of the Board of Directors on 27.02.2025, the preliminary consolidated financial statements as at 31.12.2024 were presented and approved.

In the context of the difficult economic environment of 2024, Compa has taken strategic decisions to:

- Close monitoring of income and expenses to avoid liquidity problems.
- Reducing the effects of the increase in prices for all categories of materials and their transport with a major influence on the company's costs and implicitly on its profitability.
- Reducing the impact of the still high cost of utilities in Romania
- a decrease in volumes generally due to concluded contracts or contracts with a decreasing trend.
- Creation of financial reserves for unforeseen situations.
- Optimizing payment and collection terms to balance cash flow.
- Cost optimization, which represents a continuous action for Compa by implementing optimization programs to reduce production costs and increase efficiency. These programs include reducing energy consumption, reducing raw material consumption, and optimizing processes.

Overall, the strategic actions of the Compa Group have allowed the Company to mitigate the impact of the difficult economic and political conditions faced by the automotive industry in Europe and Romania and to remain a competitive player on the local and global market.

Compa being a company that has securities traded on a regulated market and financial statements in accordance with International Financial Reporting Standards (IFRS) must comply with the European **Single Electronic Format (ESEF) reporting requirement** .

Thus, according to the European regulatory framework, we have prepared consolidated financial statements between March 15-25, 2025 that take into account the fact that they must be marked using the eXtensible Business Reporting Language (XBRL), according to the IFRS – ESEF taxonomy.

For the 2024 financial year, in addition to the primary financial statements, the labeling of balance sheet notes and ESG reports has also become mandatory.

**On behalf of the Board of Directors, by:**  
**Chairman of the Board of Directors / General Manager,**  
Ioan DEAC



**Director Economic**  
Mihaela Dumitrescu





## 26. DECLARATION OF CONFORMITY OF THE FINANCIAL STATEMENTS

### STATEMENT

### OF THE BOARD OF DIRECTORS

---

The Board of Directors assumes responsibility for the preparation of **the Group's** consolidated financial statements for the financial year ended 31.12.2024 and confirms the following:

- a) The consolidated financial statements for 2024 are prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union.
- b) The accounting policies used in preparing the consolidated annual financial reports are in accordance with the applicable accounting regulations.
- c) The consolidated annual financial reports provide a true and fair view of the financial position, financial performance and other information related to the activity carried out.

This statement is in accordance with the provisions of art.30 of Accounting Law no.82/1991.

---

Chairman of the Board of Directors / Chief Executive Officer, Chief Financial Officer

Ioan DEAC Mihaela Dumitrescu





# SUSTENABILITY

## ANNUAL REPORT

### 2024

**Part of the Board of Directors'  
Consolidated Annual Report - 2024**

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# Group Compa SA 2024

## Management and Sustainability Report

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Introduction

Overview

2024

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## Message from the Sustainability Committee

We have made it our mission to be a company that brings local industrial tradition among the global players in the automotive industry, along with strong sustainability principles incorporated in our culture. Based on the principle that sustainability can be an opportunity for our field of activity considering the increasingly stringent demands coming into our industry from customers or even financiers we have developed an internal ESG framework based on the integrated management system consolidated very well in the last years. We want to contribute fairly in the Romanian market and continue to be a responsible business. Even though the economic context in recent years has often not been the most favorable for our industry, we have continued to invest in new technologies, in our own workforce and to make the resources we use more efficient. In the context of climate change it is essential to identify the risks but also the opportunities for our business. We undertook a double materiality analysis that segmented the operational aspects with impact, areas of risk & opportunities for COMPA and undertook the development of a management plan so that through its implementation we can support the sustainable development of the organization through balanced allocation of resources in the future. Continued collaboration with different internal functions will create the consistency we need to bridge the transition to a green and equitable economy.

We would like to thank all our colleagues who have contributed to the development of COMPA Group Sustainability Report, we know it has not been easy but everyone's contribution has meant a lot to our organization. We are and will remain a united team and will always face all challenges.

With thanks! - *COMPA Sustainability Committee*



## Our ESG progress - 2024 in figures

In a global technological dynamic set in motion by the challenges of climate change, sustainability in the automotive industry is still the top priority. Regulators around the world are getting stricter with emission standards and sustainability targets and have launched new emission regulations.

We are committed that through the integrated quality-environmental-health and occupational safety management system we create specific guidelines for control and monitoring processes of the most relevant sustainability aspects. We constantly create a focus on business conduct and ethics by putting governance responsibility at the forefront, we are very attentive to resource efficiency and circularity, digitization of operations and we take care that part of our social responsibility is directed towards our employees by creating professional development opportunities, creating a safe working environment, respecting human rights equity and equal opportunities for all. Our efforts aim to strengthen our reputation and competitiveness in different markets while minimizing environmental and social impacts in the market in which we operate.



| ESG INDICATORS                                        | YEAR 2024 |
|-------------------------------------------------------|-----------|
| <b>Environmental indicators - Compa Group</b>         |           |
| Total energy consumption in own operations (MWh)      | 64733,26  |
| Total renewable energy consumption (MWh)              | 1183,51   |
| Carbon Footprint (Scope1&2) based on location (tCo2e) | 15269,65  |
| Total waste generated, tons                           | 5179,72   |
| Waste recycled, tons                                  | 4379,19   |
| <b>Social indicators - Compa Group</b>                |           |
| Number of employees                                   | 1647      |
| Number of employees under 30                          | 295       |
| Number of employees aged 30 to 50                     | 669       |
| Number of employees aged over 50                      | 681       |
| Average number of training hours per person           | 76,83     |
| Recordable injury rate for own workforce              | 1,39%     |
| Percentage of employees with disabilities             | 1,64%     |
| <b>Governance Indicators - Compa</b>                  |           |
| Percentage of executive members by gender             | 50%       |
| ISO 9001/2015 Certification                           | 100%      |
| ISO 14001/2015 Certification                          | 100%      |
| ISO 45001/2018 Certification                          | 100%      |
| Certification IATF 16949:2016                         | 100%      |



COMPACT is highlighting its commitments and achievements in the area of environmental, social and governance responsibility, including achieving a B90 score in the Supplier Assurance assessment for the SAQ 5.0 questionnaire, which emphasizes the high standards of quality and sustainability in its activities. This performance reflects our desire to continuously evolve and contribute positively to the community and the environment.



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# INDEX ESRS 2

## General Disclosures

2024

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## ESRS 2 - GENERAL DISCLOSURES

### BASIS FOR PREPARING THE REPORT

#### [BP-1] General basis for drawing up the sustainability statement

Taking into account the requirements of the Order of the Ministry of Public Finance (OMFP) no. 85/2024 and the fact that COMPA Group is a public entity listed on the BVB, it has prepared the first Sustainability Report taking into account the requirements of the European Sustainability Reporting Standards (ESRS) explaining the best practices, its performance aligned with the sustainability objectives related to its activities.

The COMPA Group hereinafter referred to as "COMPA" or the "Company" has so far prepared the non-financial statement in accordance with the Order of the Ministry of Public Finance (OMFP) No. 1802/2014 for the approval of the Accounting Regulations on the annual individual financial statements and the annual consolidated financial statements, as amended and supplemented.

This report sets out activity data for the financial period 01.01.2024 - 31.12.2024 and, where relevant, details strategic objectives, measures and proposed actions to strengthen sustainable performance across the Group.

The 2024 Sustainability Report has been prepared in accordance with the ESRS standards, with the objective of reporting according to the requirements and structure of these standards.

We will continue the series of annual reporting according to these standards and align ourselves with key disclosures to ensure compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

This sustainability report includes both Compa data and data from the four affiliated companies. This report thus reflects the performance of the entire Compa Group.

Information on companies included in the reporting:

- COMPA SA - Sibiu, 8 Henri Coandă Street, Jud. Sibiu - CUI RO788767;
- COMPA IT SRL - Sibiu, strada Henri Coandă nr. 8, Jud. Sibiu - CUI RO13656016;
- TRANS C.A.S. SRL - Sibiu, 12 Henri Coandă Street, Jud. Sibiu - CUI RO14836511;
- RECASERV SRL - Sibiu, str. Henri Coandă nr. 51 C, Jud. Sibiu - CUI RO1640822228;
- ARINI HOSPITALITY SRL - Sibiu, Bd. Victoriei nr. 48, jud. Sibiu - CUI RO43581594;

The report focuses on the Group's own operations, but also includes information from the value chain, both upstream and downstream, depending on the accessibility and availability of such data. In particular, information is presented on our efforts to establish and maintain strong business relationships with legally compliant partners that emphasize sustainable economic development.

The double materiality analysis includes the assessment of impacts, risks and opportunities related to COMPA's operations, including its products and services. For each impact, risk, or opportunity deemed material, the Company has identified the relevant information required to be included in the ESRS reporting or presents relevant information specific to the organization. Each chapter presents detailed information on the issues deemed material, organized into three categories: governance, environment and social.

At the level of this reporting year we do not present specific information on innovation issues interconnected with the activities of group companies or specific issues relating to intellectual property owned for products or services of group members. We also do not disclose confidential details, the disclosure of which could affect the financial performance of the organization.

### **[BP-2] Submissions of information related to specific circumstances**

The publication of this sustainability report is a significant step for COMPA Group, as it is an opportunity for the Group to provide the public with information on its sustainability performance with regard to both the parent company and its affiliated companies. Until this year, the non-financial statement has been included in the annual report of the Board of Directors, which accompanies the company's financial statements and with this report COMPA Group is aligning with ESRS sustainability reporting requirements.

The extension of sustainability reporting to all Group companies underlines the Group's commitment to transparency and accountability. This report aims to provide a comprehensive and unified view of sustainability practices across the Group, aligning with the increasing requirements for corporate responsibility and transparency in reporting environmental and social impacts. This change aims to ensure that stakeholders (investors, customers, regulators) have access to relevant and up-to-date information on the COMPA Group's contribution to sustainable development. This step improves internal coordination and ensures that all Group entities follow consistent practices in terms of data collection and reporting on sustainability initiatives.

Data collected as part of the organization's activities is based on a combination of internal and external sources, thus ensuring a high degree of reliability. These sources include internal reports prepared by managers and specialists in various fields such as human resources, environment, occupational health and safety. Specialized software is also used to support the activities of the organization. Throughout the development of the sustainability report, the COMPA Group has received specialized external support from a company specializing in sustainability consulting. This has ensured a high level of confidence in the relevance and accuracy of the information presented as well as the tracking of disclosures against the specifics and requirements of the ESRS standards.

COMPA Group companies have obtained and maintain internationally recognized certifications that demonstrate their commitment to quality, environmental, occupational health and safety standards, as well as standards for sustainable responsibility in hospitality:

- ISO 9001/ IATF 16949 : Quality management system, ensures high quality processes and products - COMPA
- ISO 14001: Environmental Management System through COMPA
- ISO 45001: Management system for occupational health and safety COMPA
- Green Key - The standard for excellence in the fields of environmental responsibility and sustainable operation in tourism - Arini Hospitality SRL

These certifications demonstrate COMPA Group's commitment to sustainability and continuous improvement while supporting the collection of reliable data for sustainability reporting. They contribute to the achievement of sustainable development goals by ensuring that the organization's processes and operations conform to the highest international standards of quality, environmental protection, occupational health and safety and energy efficiency.



Having these management systems in place in the organization has helped us to segregate and collect the data needed for qualitative and quantitative disclosures. We provide our performance data where we have identified standard indicators compatible with our internal systems. Where omissions are found, we have justified our omissions with plans and actions that we will support over the coming years so that transparency on data and disclosures increases.

By publishing this information, COMPA aims to highlight its commitment to sustainability, reinforce its corporate strategy and build stronger relationships with stakeholders. The new reporting structure not only complies with regulatory requirements but also demonstrates the Group's determination to continuously improve its sustainability initiatives.

## **BUSINESS GOVERNANCE**

### **[GOV-1] Role of administrative, management and supervisory bodies**

In an era of rapid change and increasing demands for transparency and responsibility, corporate governance is becoming a central element of companies' sustainable development strategies.

In this context, COMPA, known for its long-standing experience and expertise in the production of automotive components, recognizes the importance of an effective governance system that ensures not only financial performance, but also a responsible approach towards the environment, employees and the community. COMPA is organized and operates as a joint stock company in accordance with the provisions of Law 31/1990, republished.

COMPA's governance system is the coordinating framework for the entire GROUP. The Group is administered in a unitary management system and has four levels of management:

- General Meeting of Shareholders ("AGM")
- Board of Directors ("BoD")
- Executive Management
- Operational leadership

Each company within the Group adopts similar structures in the sense that they are headed by a Director, but the overall coordination is ensured by the governance system of COMPA SA.

In the context of the capital market development, COMPA became an active part of the Romanian capital market on June 12, 1997, trading its shares on the Bucharest Stock Exchange. This significant milestone marked an important moment in the company's development, facilitating greater transparency towards shareholders and investors, while at the same time aligning itself with the standards of corporate governance and transparency required by capital market regulations.

COMPA's governing body, according to the provisions of the company's Articles of Association, consists of the General Meeting of Shareholders, the Board of Directors and the Managing Director, who is also the Chairman of the Board of Directors.

The Executive Management consists of the Managing Director and the Chief Economic Director who, together with the Functional Directors, participate in defining the company's policy and strategy and manage the day-to-day business of the company.

As recorded with the Central Depository as of 12/31/2024, COMPA's consolidated summary structure of security holders was as follows:

Individuals ---- 72,7111 %

Companies ----27,2889 %

The General Meeting of Shareholders is the supreme governing body that decides on the company's activity, its economic and commercial policy.

The General Meeting of Shareholders shall be convened by the Board of Directors as often as necessary, but at least once a year, within the period prescribed by law.

#### *Management Board*

COMPA is managed by a Board of Directors which has general competence, except for matters that fall within the competence of the General Meeting of Shareholders. The Board of Directors is composed of 5 members, elected for a maximum term of 4 years. The structure of the Board of Directors ensures a balance between executive and non-executive members. Decision-making remains a collective responsibility of the Board of Directors, which is jointly and severally liable for all decisions taken in the exercise of its powers.

By Decision no. 2 dated 28.04.2021, the Board of Directors approved the appointment of Mr. **DEAC Ioan DEAC** as **General Manager of** COMPA with the delegation of management powers in this regard.

In accordance with the provisions of Law no. 31/1990, by Decision no. 96 dated 8.11.2023, the Board of Directors approved the appointment of Mrs. **Mihaela DUMITRESCU** as **Economic Director of** the Company from 09.11.2023 until 30.04.2024 with the delegation of the company's management duties, and by Decision no. 53 dated 30.04.2024, the Board of Directors approved the extension of the mandate of Mrs. **DUMITRESCU Mihaela** as Economic Director of COMPA from 30.04.2024 until 30.04.2025, with the delegation of the company's management duties.

At the level of the Company, there is a separation between the executive function (directors) and the non-executive control function (non-executive director) - a mandatory separation for public limited companies whose annual financial statements are subject to statutory audit requirements.

The General Manager of COMPA represents the company in its relations with third parties and is responsible for taking all measures related to the management of the company, within the limits of the company's object of activity and in compliance with the exclusive powers conferred by law, by the Articles of Association or expressly assigned by the Board of Directors or the General Meeting of Shareholders.

Since the interaction with public authorities is frequent (through reporting, obtaining authorizations, certifications), the General Manager of the company is vested with the authority to represent the company in all legal acts, which may be delegated to other employees or collaborators within the company.

At COMPA level, in accordance with the legal provisions in force and the internal regulatory framework, an **Audit Committee** has been set up, consisting of two non-executive directors. The role of the Audit Committee is to assist the Board of Directors in the fulfillment of its duties regarding the efficiency of the financial reporting process, the effectiveness of the internal quality control system and the risk management system. The Audit Committee is responsible for financial risk oversight, evaluating internal control processes and ensuring that the Company complies with financial rules and regulations. It also ensures that financial risks are properly identified and managed.

By decision of the CEO, the **Sustainability Committee** was established with the purpose and responsibility, among others, to develop, implement and monitor the company's sustainability strategy in the short, medium and long term, ensuring the integration of environmental, social and governance ESG principles into the Company's strategy and activities, monitoring the impact on the environment and the community, coordinating corporate social responsibility projects, assessing and managing sustainability risks.

Within COMPA operates the Independent Employee Union Compa, legally representative considering the number of employees, with which annual negotiations on the collective bargaining agreement take place, as well as weekly work meetings.

### **Composition and diversity of the members of the Administrative Board**

|                                                                                                                                   |      |
|-----------------------------------------------------------------------------------------------------------------------------------|------|
| Number of members in leading positions                                                                                            | 2    |
| Number of non-executive members                                                                                                   | 3    |
| Gender ratio of executive members (calculated as the ratio of female to male executive members)                                   | 50 % |
| Percentage of board members with administrative, executive, management role                                                       | 40 % |
| The gender ratio of the Board of Directors ( is calculated as the ratio of female to male members of the Council administration ) | 20%  |
| Percentage of independent members of the Administrative Board                                                                     | 40 % |

The Board of Directors of COMPA SA is composed of the following members:

**DEAC Ioan** - Executive Administrator / Chairman of the Board of Directors

**DUMITRESCU Mihaela DUMITRESCU** - Executive Administrator/ Vice-Chairwoman of the Board of Directors

**MAXIM Mircea-Florin** - Non-Executive Director

**BALTEȘ Nicolae** - Independent Non-Executive Director / Chairman of the Audit Committee

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



Information on the professional experience of the members of the Board of Directors is available on the company's website: <https://www.compa.ro/companie/guvernanta-corporativa>.

The top management of the organization has extensive experience in the specific area of the Group's activities, as does the operational management team of all Group companies.

As far as environmental, quality and occupational health and safety issues are concerned, COMPA has an integrated system and the integrated Quality-Environment-OHS policy can be found on the company's website. At the level of the Sustainability Committee, the Company's management has delegated by decision a working structure and has decided to assign the responsibility for sustainability compliance to a "*Sustainability Officer*" at the organizational level. Their responsibilities and roles are described in internal company decisions. Reporting will be done directly to the CEO of the company and/or to the Board of Directors of the company.

Employee sustainability expertise is critical to the implementation and success of a sustainability program at COMPA. To this end, COMPA's management ensures that employees have the knowledge, skills and commitment to support these initiatives, relating to environmental, social and governance issues as required by the relevant legal requirements, and are also the ones who implement sustainability strategies in day-to-day activities and are responsible for reducing environmental impacts and improving social and economic performance.

For the coming period COMPA aims to ensure through its own employees or through external consultants or experts that it has the necessary expertise on new requirements in the ESRS or new legal compliance requirements under the umbrella of the European Green Pact. For new employees, we will ensure that they receive sufficient information throughout their general on-the-job training on COMPA's ESG Policies and Strategy.

We recognize that developing the sustainability expertise of our own employees and especially our Leadership team is key to COMPA's long term success. COMPA's leaders will be the ones to transfer knowledge down through the organization to lower levels through various internal programs that facilitate the dissemination of COMPA's sustainability goals as well as the extent of the changes and transformations we are targeting. Through appropriate training, incorporating sustainability in the organizational culture and providing a framework for continuous learning, employees can contribute significantly to the company's sustainability goals, having a positive impact on the environment and society.

## **[GOV-2] Information provided to the administrative, management and supervisory bodies of the enterprise and the sustainability issues they address**

Risk assessment within COMPA is carried out periodically according to a specific internal procedure within the integrated management system. This covers the analysis and treatment of risks. Risk management shall apply throughout the organization, in all areas and at all levels, at all times, and to specific functions, projects and activities.

The risk management process implemented in COMPA is an integral part of the overall management being a continuous, proactive and systematic process to identify, evaluate, monitor and control risks that could adversely affect the achievement of the organization's objectives. The main goal is to minimize the impact of risks on the company's business and maximize opportunities, ensuring that the organization can operate in an efficient and sustainable manner.

The levels of responsibility of the risk management system in COMPA are structured to ensure that risks are effectively managed at all levels of the organization. Each level has a specific role in the identification, assessment, management and monitoring of risks, depending on their importance and complexity. In

general, responsibilities are divided between senior management, operational management and lower level employees, each having a crucial role in the success of the overall system.

Top management (General Director and Directors by function)

These functions meet regularly (semi-annually) and conduct an analysis of the external context as part of the semi-annual risk analysis. The external context may include: the social and cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment, whether international, national, regional or local; key drivers and trends impacting the organization's objectives, relationships with external stakeholders' perceptions and values. The CEO and Directors by function also conduct an analysis of the internal context as part of the semi-annual risk analysis.

The internal context includes:

- discussion and analysis on organizational structure, internal roles and responsibilities, whether and to what extent there are risks or opportunities;
- Align operations with existing policies, objectives and strategies in order to assess progress;
- capabilities and competencies required at operational level - need and potential risks;
- average management level.

Departmental managers, operational managers, process owners, and the cross-functional team analyze internal and external needs including operational risks, review, revise, and approve risk analysis documents as necessary. The operational level (employees and work teams) implement the actions set out in the risk analysis documents.

Each level has clear responsibilities and the success of the risk management system depends on the active involvement of all stakeholders. Through collaboration and accountability, COMPA can identify and manage risks effectively, ensuring that it can achieve its strategic objectives and withstand external and internal challenges.

COMPA constantly reassesses its risk portfolio in a structured, systematic and up-to-date manner. Its approach to risk management integrates the knowledge, expertise and professionalism of its team to address existing risks and anticipate future risks.

As of 2024, no strategic risks related to environmental, social and governance (Sustainability) issues have been identified that would require reporting to COMPA's governing body, i.e. the CEO, the Sustainability Committee or the Board of Directors.

### **[GOV-3] Integrating sustainability performance into incentive schemes**

COMPA's Remuneration Policy outlines the remuneration principles and framework applicable to the members of the Board of Directors and Directors of the Company.

COMPA's main objective with regard to remuneration is to respect the principle of fairness, taking into account the business strategy, the culture and values of the organization, the long-term interests of the company and its shareholders. The overall remuneration framework supports COMPA in achieving the established business objectives.

The remuneration policy takes into account both the specific standards of the market in which the company operates and the best practices in the field, aiming to:

- Maintain competitiveness in the labor market;
- Create the right framework to attract highly qualified staff;

- Helps increase retention;
- Provide the necessary and flexible tools to remunerate management, including for exceptional situations and achievements.

Currently, our Company does not have a formal policy linking management remuneration to sustainability objectives. While we recognize the importance of integrating ESG (Environment, Social, Governance) principles into our strategies and activities, we have not yet implemented a system whereby the achievement of sustainability-related performance directly influences incentive packages or rewards for executive management.

We also do not have a formalized framework that reflects the impact of environmental and social activities on financial results, which limits the possibility to create incentives linked to the achievement of short- and long-term sustainability goals. Currently, the management evaluation and remuneration process focuses primarily on traditional financial and operational performance without explicitly considering sustainability or corporate social responsibility objectives.

This is something we want to address in the medium to long term, in order to better integrate sustainability principles into the organizational culture and better align financial, environmental and social performance.

#### **[GOV-4] Statement on the due diligence process**

COMPA has implemented a quality - environment - OHS - IS integrated management system manual in order to systematically achieve performance in the areas of quality, environment, occupational health and safety and information system. The functioning of the integrated management system is ensured in accordance with the reference standards for which the company holds certifications.

The integrated management system ensures effective process control as well as minimizing risks and identifying opportunities. The fact that these management systems are audited annually by a third party (certification bodies) in accordance with the requirements for maintenance of certifications ensures that the implemented processes are working and that we have a correct traceability of policies and their implementation in the operational area. It also ensures that compliance with legal requirements is in balance and our impacts are kept under control.

The integrated management system also contributes to achieving results that contribute to the sustainable development of the business and a high level of customer satisfaction. In recognition of its efforts to increase competitiveness and improve performance, COMPA in 2024 has maintained its certification for the standards to which it has adhered, as determined by the results of third-party audits.

Quality, environmental protection, health and safety at work as well as information security are among the values we hold dear, integrated in the long-term development strategy of our organization and are some of the aspects that represent us.

We are also aware that the quality of our products and services, care for the environment, continuous improvement of working conditions and occupational risk prevention, confidentiality, integrity and availability of information, 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 across the entire value chain: **procurement → production and associated services → customers, government authorities and society/local community.**

**The integrated quality, environment, OHSA and SI system, as defined in the manual "Integrated Quality - Environment - OHSA - SI Management"** applies to all activities, means and resources that contribute to the achievement of quality within the Company, at the Henri Coandă Street headquarters, as well as to all employees in the operational manufacturing departments and in the other organizational structures: offices, services, factories and directorates, who are involved in this system as presented in the following chapters of the manual. These standards have been gradually implemented and are the basis for managing and supporting the product quality aspects, environmental aspects and operational health and safety aspects of the organization.

**The integrated quality, environment, OHSA and IS system** has been designed, implemented and is maintained:

- to demonstrate our company's ability to consistently deliver products and services that meet the requirements and expectations of our customers and other stakeholders of our performance and achievements in the areas of quality, environment, OHSA and IS;
- to ensure our permanent compliance with applicable legal requirements and regulations, related to quality- environment- OHSA- IS as well as those regulations imposed by customers or other stakeholders;
- to continuously improve the effectiveness and efficiency of the integrated system in its areas of action: quality, environment, OHSA and IS, in order to increase customer satisfaction but also the satisfaction of other stakeholders in these aspects of our company;
- to increase management's confidence that all processes and activities related to quality - environment - OHSA - IS are kept under control, enabling the achievement of pre-determined results.

For the implementation of this integrated quality, environment, health, safety at work, and information security policy we are guided by the following principles and values which we are firmly committed to uphold:

- Orientation towards thinking based on identifying, assessing and addressing impacts, risks and opportunities;
- Customer orientation to demonstrate that customer requirements and expectations are understood and met
- Focusing on our employees and partners by ensuring a friendly working environment and respecting an atmosphere of high professional ethics;
- Focus on continuously improving the effectiveness and efficiency of the integrated quality, environment, occupational health and safety management system;
- Orientation towards compliance with the legislation in force but also with the regulations and stakeholder requirements to which we subscribe;
- Orientation towards society and the local community through voluntary involvement in providing support to improve living conditions;

The Sustainability Committee also strengthens our ESG governance system - it is responsible for reviewing and approving the sustainability report year by year before it is released to the COMPA Board of Directors for approval. To ensure that the report is relevant and complete with accurate data, we involved a number of key stakeholders in the final review and verification process by launching the non-financial audit. The report was validated by Quantum Expert SRL with its headquarter in Deva, Hunedoara County. The Auditor's Opinion can be found at the end of this report.

## [GOV-5] Risk management and internal controls related to sustainability reporting

### Risk management of reported information

Internally we have a strengthened risk management process under the umbrella of the integrated quality, environmental and operational health and safety management system. More detailed information on risk management can be found in the **GOV 4 Disclosures on Due Diligence Statement**.

The management has verified and accepted the results of the double materiality analysis by deciding on the redesign of the internal risk management process precisely to ensure that the process can cover all the tools needed to identify, assess and manage ESG risks in the coming period. The management also decided on an internal training process for relevant functions in the organization to increase capacity and skills on the implementation of the sustainability compliance requirements that fall under the umbrella of the European Green Pact initiative.

The Sustainability Committee is also strengthening our sustainability governance system and has reviewed and approved the report. The relevant risks, respectively opportunities identified throughout the double materiality analysis can be found as specific information under the disclosure requirements **SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model** respectively **ESRS 2 - SBM 3 - Material impacts, risks and opportunities in the COMPA Group's strategy and business model**.

The Sustainability Report, as part of the Directors' Annual Report, has been presented, reviewed and approved by resolution of the Board of Directors.

In order to ensure that the report is relevant and complete, in line with the requirements of the ESRS standards, containing accurate and correct data according to the internal records in our integrated environmental quality and occupational health and safety system, we have involved a number of key stakeholders:

- external audit firm for assurance and validation of some disclosed indicators. The audit opinion in the form of a **Limited Assurance Report** can be found at the end of this report
- sustainability consultancy company Bluesid Consulting to provide support in the development and application of the double materiality process, support in carbon footprint assessment, support in reporting under the European Taxonomy Reporting Regulation and support in the development of the required disclosures in reporting under the ESRS standards
- A copywriter and communications expert to review all text and visually integrated information in the report
- Internal verification and approval by the organization's management of the entire report

## STRATEGY

### [SBM-1] Strategy, business model and value chain

#### COMPA SUSTAINABILITY STRATEGY

In the current legislative context and pressures in the automotive sector, we have taken the first steps in developing a sustainability strategy, defining our ESG priorities and ambitions in the field of sustainability, analyzing the internal and external factors impacting our company, setting strategic



priorities and initiatives that can help us achieve our defined objectives. We want what we have built over the past years to take a new path that will add value to our business.

In developing our strategy we started from a mindset based on our current and future business performance. We have based it on the underlying principle that sustainability can be an opportunity for our business considering the increasing demands coming into our industry from customers or even funders. We also considered that an integration of ESG principles and business objectives is essential for good strategic coordination in the future.

**Mission:**

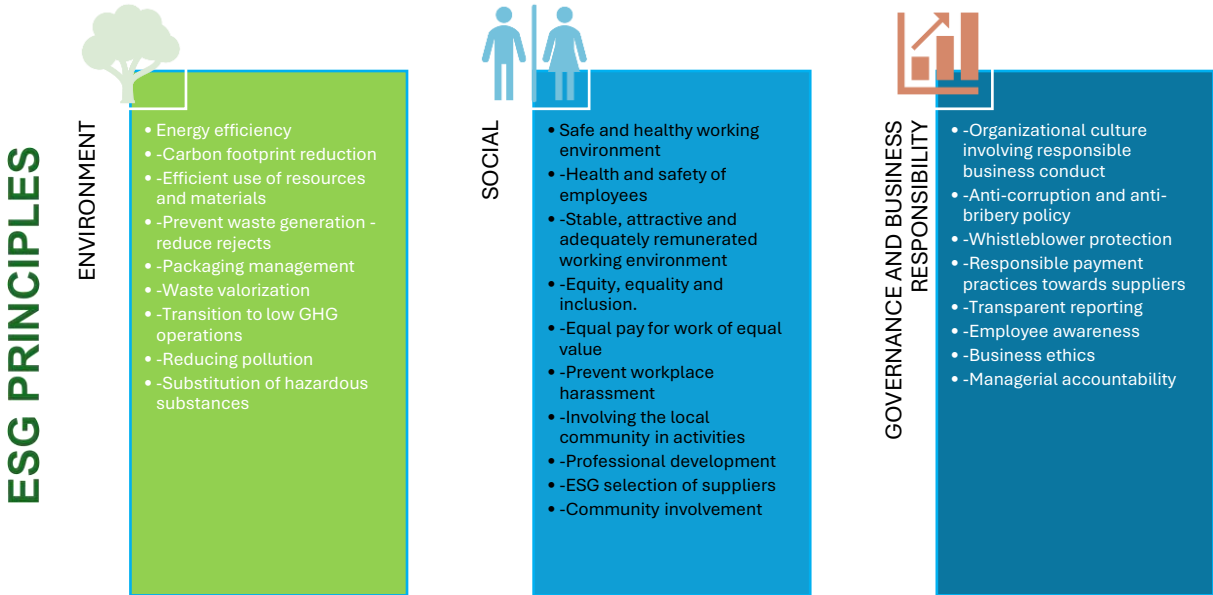
A company that brings local industrial tradition among the global players in the automotive industry, together with strong sustainability principles embedded in our culture

**Our vision:**



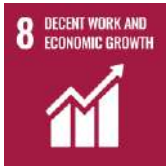


Compa aims to remain the local leader in the local market in which it operates by:

- ✓ Creating value for customers, employees, partners and the community
- ✓ Developing products and processes in line with sustainability principles
- ✓ Strengthening relations with stakeholders on ethical principles

We aim to contribute to sustainable development in line with the United Nations Sustainable Development Goals. The strategy and objectives that we undertake are and will be part of our business strategy. We have set key strategic focus areas on ESG priority principles out of a desire to be ambitious and yet realistic at the same time. For better segregation but also integration internally of policies, strategic and operational processes we have categorized the priorities and ambitions into three strategic pillars: ENVIRONMENTAL, SOCIAL and RESPONSIBLE BUSINESS. The baseline year for assessing our progress on specific objectives is 2023 and the objectives and targets strategically assumed are 2040 horizon. We define the "*short term - TS*" period as 2025-2030, the "*medium term - TM*" period as 2030-2035, the "*long term - TL*" period as 2035-2040.



**SPECIFIC OBJECTIVES**

|                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                     |                                                                                    |                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <p><b>ENVIRONMENT</b>- We want to contribute globally to support the transition to a circular and green economy</p>                                                                                                 | <p><b>SOCIAL</b> - We want our people to work in a safe environment and contribute to a responsible supply chain</p>                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>GOVERNANCE</b>- -We aim to continuously develop a climate of integrity and accountability</p>                                                                                                                 |                                                                                    |                                                                                      |
| <ul style="list-style-type: none"> <li>•-EO1 - Energy efficiency by implementing an integrated automated energy management system.</li> <li>•-EO2 - Increase waste recycling/ recovery rate by 30 % - TM</li> </ul> | <ul style="list-style-type: none"> <li>•SO1 - To become an example of good practice in occupational safety in Romanian industry, with an occupational accident rate below 1% per year - TL</li> <li>•SO2 - Increase employee satisfaction by 10% by improving the working environment and professional development opportunities - TM</li> <li>•SO 3 - Increase retention of dual school employees by 5% - TM</li> <li>•SO 4 - Selection of suppliers based on compliance with company policies and ethical principles - TM</li> </ul> | <ul style="list-style-type: none"> <li>•-GO1 - Creating a robust governance structure based on ESG principles and policies - TM</li> <li>•-GO2 - Zero complaints or incidents of unethical behavior - TL</li> </ul> |                                                                                    |                                                                                      |
|                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                   |  |  |

In the process of strategic implementation we will develop a roadmap with the programs and projects already identified as feasible to achieve the assumed objectives. The Sustainability Committee will also have the responsibility to identify with the relevant departments action steps to ensure that the roadmap will lead to the achievement of the agreed objectives.

We aim to report progress against specific targets annually in Sustainability Reports which we will publish as required by law.

The current assumed strategy is based on the current operations and manufacturing processes, as well as the current structure and mix of automotive and non-auto production components, together with the other processes in the COMPA Group. Given the market dynamics and constant developments in the industry in which we operate, we will continuously adapt our strategy in line with changes in the production mix, ensuring that we remain flexible and aligned to emerging requirements and opportunities.

## [SBM-2] Stakeholders' interests and views

### Recommendations from stakeholders

We welcomed very much the series of recommendations, which were discussed internally within our team. A significant part of these suggestions have already been integrated into specific actions. We are committed to communicating our progress on an annual basis, giving stakeholders the opportunity to track our progress against implemented measures in future reports.

| <b>Recommendations</b>                                                   | <b>Actions / Analyzed - To be analyzed</b>                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Launching the Improvement Program with Suggestions from Employees</b> | We implement a structured program that allows employees to contribute ideas for improving work processes and sustainability initiatives.                                                                                                                                                                                                     |
| <b>Working with a consultant</b>                                         | We hired a consultant specialized in sustainability to guide us in implementing best practices and effective strategies.                                                                                                                                                                                                                     |
| <b>Optimizing Energy and Water Consumption</b>                           | We are adopting new measures to make energy and water consumption more efficient in order to reduce operational costs and environmental impact.                                                                                                                                                                                              |
| <b>Monitoring Developments in the Automotive Sector</b>                  | We closely monitor emerging trends in the automotive sector to adapt to changes in the market.                                                                                                                                                                                                                                               |
| <b>Hold Current Rate</b>                                                 | Continued investment with a positive impact on the company's reputation and competitiveness.                                                                                                                                                                                                                                                 |
| <b>Reporting and Legal Compliance</b>                                    | The company allocates resources to track the development and reporting of sustainability indicators, ensuring compliance with applicable legal regulations and attracting clients oriented towards sustainable practices.                                                                                                                    |
| <b>Elaboration of an Impact Report</b>                                   | We produce a detailed report reflecting all improvement projects implemented over the last three years, highlighting their sustainability impact. Projects with notable results will be presented in detail and cross-functional teams will be motivated to continue in this direction.                                                      |
| <b>Active Presence in the Community</b>                                  | We are enhancing our presence in the community, thereby helping to strengthen relationships with stakeholders and promoting our commitment to sustainability.                                                                                                                                                                                |
| <b>Communication and Funded Projects</b>                                 | We are improving our communication to third parties about our annual sustainability efforts, as well as the implementation of grant-funded projects aimed at electricity storage. Also, financial criteria, such as revenue to low electricity consumption ratio and component reuse, will be taken into account when choosing new projects. |

|                                                            |                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Human Resources Management</b>                          | Increased attention to managing and attracting quality human resources will contribute to the organization's performance.                                                                                                                                                                                                            |
| <b>Employee Professional Development</b>                   | Investing in the continuous development of employees through various specialization courses that contribute to the improvement of professional skills.                                                                                                                                                                               |
| <b>Employee Performance Appraisal</b>                      | Ensuring a positive working climate by constantly appraising employees, evaluating them on their individual performance and offering appropriate pay.                                                                                                                                                                                |
| <b>Creating a Safe and Transparent Working Environment</b> | Promote a business climate that stimulates performance and provides transparency in day-to-day processes.                                                                                                                                                                                                                            |
| <b>Practical Skills Assessment</b>                         | Recognizing and appreciating employees with significant practical expertise who contribute to improving production processes.                                                                                                                                                                                                        |
| <b>Employee Education and Involvement</b>                  | Organize workshops and seminars to educate employees on sustainability and how they can actively contribute to these initiatives.<br>Provide rewards or recognition for significant contributions to sustainability.<br>Organize internal competitions to generate sustainable ideas for energy reduction and recycling initiatives. |
| <b>Flexible working</b>                                    | Offer remote or hybrid work options to reduce environmental impact and improve employee well-being.                                                                                                                                                                                                                                  |
| <b>Involvement in Environmental Volunteering</b>           | Encourage employees to participate in green activities such as planting trees or organizing environmental education events in the community.                                                                                                                                                                                         |
| <b>Strategic Selection of Production Employees</b>         | Ensuring that production staff are well trained to ensure parts quality and on-time delivery.                                                                                                                                                                                                                                        |
| <b>Continuous Information</b>                              | Providing up-to-date information to employees, in line with the latest news in the field, to ensure continuous professionalization.                                                                                                                                                                                                  |
| <b>Development of Polyqualification Programs</b>           | Implement programs that facilitate poly-skilling of staff to meet future challenges.                                                                                                                                                                                                                                                 |
| <b>Process Outsourcing</b>                                 | We evaluate the outsourcing of certain operations or processes to specialized suppliers capable of performing them at lower costs in order to optimize internal resources.                                                                                                                                                           |
| <b>Building Solar Trackers</b>                             | We analyze different solar trackers to maximize the yield of photovoltaic panels used in facilities.                                                                                                                                                                                                                                 |

|                                                    |                                                                                                                                                                                             |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Use of Green Materials and Circular Economy</b> | We aim to implement policies to use sustainable materials and promote the circular economy.                                                                                                 |
| <b>Logistics and Supply Chain Optimization</b>     | We continuously streamline logistics and supply chain processes to reduce costs and environmental impact.                                                                                   |
| <b>Digitization and Automation</b>                 | We invest in digitization and process automation to increase the efficiency of operations.                                                                                                  |
| <b>Waste Management and Recycling</b>              | We aim to create effective waste management initiatives and promote recycling.                                                                                                              |
| <b>Transport and Sustainable Mobility</b>          | We support transport solutions that minimize environmental impact.                                                                                                                          |
| <b>Lighting Efficiency</b>                         | We implement lighting solutions based on LED technology and light sensors.                                                                                                                  |
| <b>Proactive Maintenance Strategies</b>            | We will look into the possibility of implementing a system of proactive monitoring of equipment and processes, appointing responsible persons in each department to manage resource losses. |
| <b>Investing in Photovoltaic Panels</b>            | We will explore the possibility of creating a photovoltaic panel park and installing photovoltaic panels on all buildings to support sustainable energy generation.                         |
| <b>Proactive Approach to Sustainability</b>        | We embrace sustainability practices by developing a clear sustainability strategy.                                                                                                          |

# [SBM-3] - Significant impacts, risks and opportunities and their interaction with strategy and business model

## Double materiality analysis and interpretation of results

In this report, we have included data as a result of the double materiality analysis. We have expressed the results using comparative figures on different parameters. Our double materiality analysis, underpins our current sustainability framework, and is the basis on which we have intervened to analyze and refine our strategic sustainability objectives.

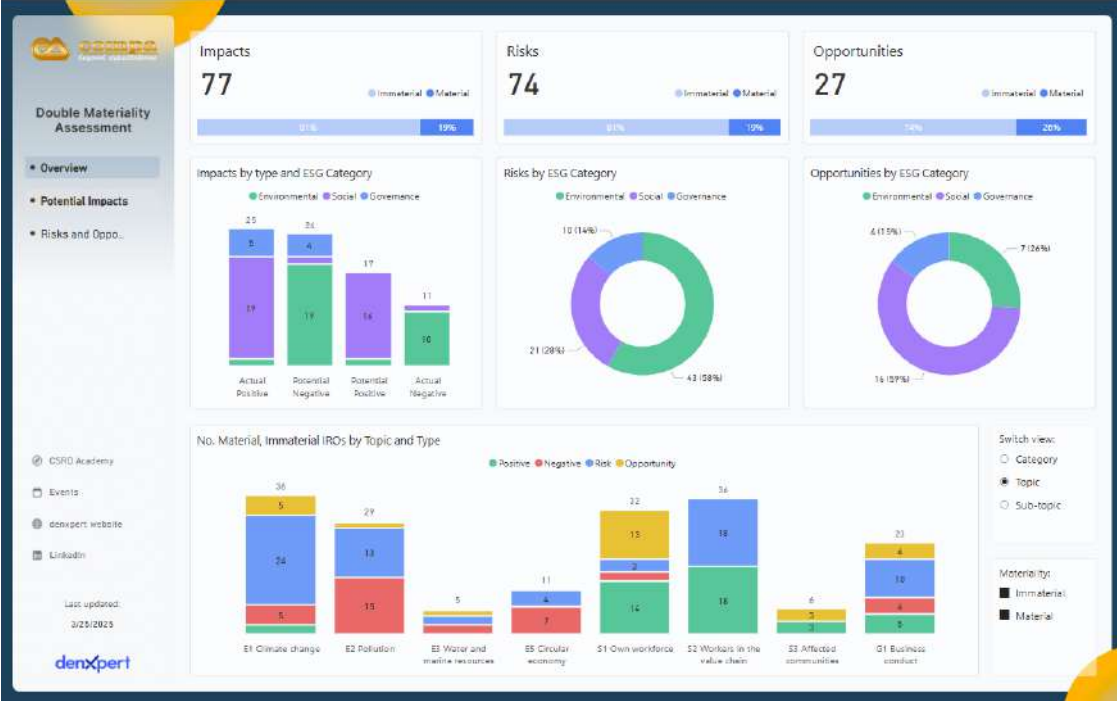
The double materiality analysis was performed following the methodology recommended by EFRAG which was supported by the use of a digital tool that facilitated the analysis of activities, the inclusion and assessment of impacts, risks and opportunities considering the entire value chain as well as the materiality thresholds set by our organization. At the analysis level, several managers from COMPA group organizations were involved according to their area of responsibility in the internal framework.

The significance threshold established as the final classification of material impacts, risks and opportunities on material issues as being materially significant was set at 3 on a scale of 1÷4.

### Materiality of Impact

The result of the double analysis shows a total of 77 identified impacts (81% non-material and 19% material).

Figure - Centralizing results of the double materiality analysis - impacts & risks & opportunities



Of the total **negative actual** impacts identified (11 impacts) these have been categorized under the following themes:

- environmental themes 10 impacts, of which:

- 9 non-material impacts
- 1 material impact
- social themes
  - 1 non-material impact.

Of the total **potentially negative** impacts identified (24 impacts), these have been categorized under the following themes:

- environmental themes 19 impacts, of which:
  - 15 non-material impacts
  - 4 material impacts
- social themes
  - 1 non-material impact
- Governance themes 4 impacts, of which:
  - 2 non-material impacts
  - 2 material impacts

Out of the total number of **positive actual** impacts identified (25 impacts) they were categorized under the following themes:

- environmental issues:
  - 1 impact material
- social themes 19 impacts, of which:
  - 18 non-material impacts
  - 1 impact material
- governance issues:
  - 5 material impacts

Out of the total **potentially positive** impacts identified (17 impacts) these were categorized under the following themes:

- environmental issues:
  - 1 impact material
- social issues:
  - 16 non-material impacts

These results once again validate that managing operational processes and supporting them can lead to minimal negative impacts but we will certainly need to be very careful in managing some key aspects of the business that can lead to potentially negative impacts.

Figure - IRO - Material Impacts - Risks - Opportunities

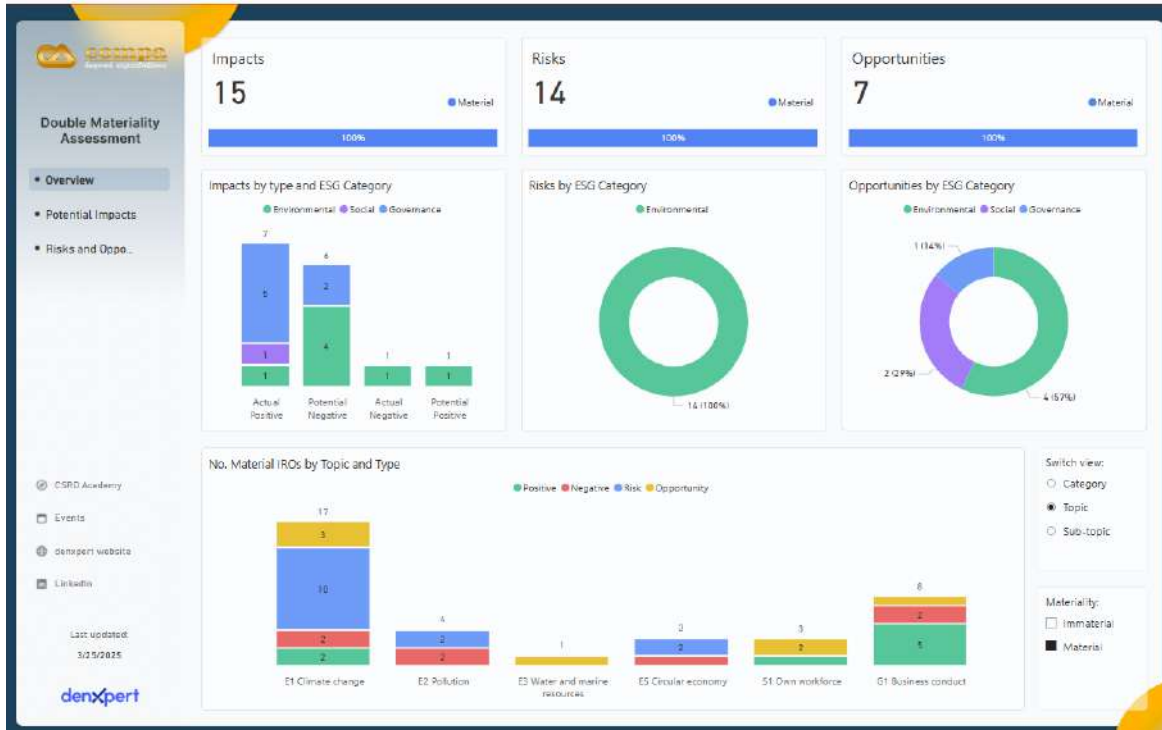
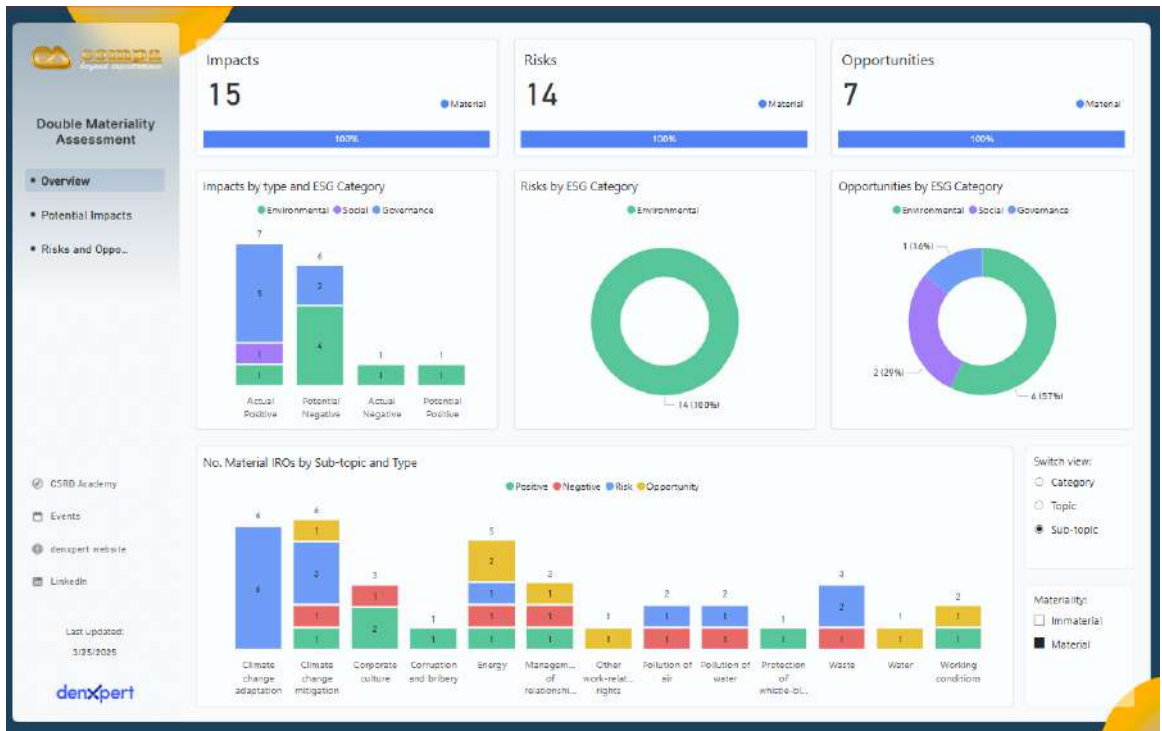


Figure - IRO - Impacts - Risks - Opportunities on Material Sub-themes





**Actual negative material impacts** are related to the following themes/sub-themes/sub-sub-themes.

| ESG categories | Impact | Theme          | Sub-theme with negative material impact |
|----------------|--------|----------------|-----------------------------------------|
| ENVIRONMENT    | IAN1   | Climate change | Energy                                  |

**Potential negative material impacts** are related to the following themes/sub-themes/sub-sub-themes:

| ESG categories | Impact | Theme            | Sub-theme with potentially negative material impact           |
|----------------|--------|------------------|---------------------------------------------------------------|
| ENVIRONMENT    | IPN1   | Climate change   | Climate change mitigation                                     |
| ENVIRONMENT    | IPN2   | Pollution        | Air pollution                                                 |
| ENVIRONMENT    | IPN3   | Pollution        | Water pollution                                               |
| ENVIRONMENT    | IPN4   | Circular economy | Waste                                                         |
| GOVERNANCE     | IPN5   | Business conduct | Corporate culture                                             |
|                | IPN6   |                  | Supplier relationship management, including payment practices |

In the context of our commitment to sustainability, we also recognize the challenges that exist, including the negative environmental impact of excessive energy consumption due to machinery that would require retrofitting and current technologies or practices that lead to high energy consumption and obviously impact the climate by generating CO<sub>2</sub> emissions.

Potentially negative air or water pollution would materialize if internal processes to control&monitor and reduce emissions of air pollutants or emissions to water by current technologies were deficient. Given that the current air pollutant retention systems and technological wastewater treatment systems are within the best available techniques we ensure that this potential negative impact is under control at the highest level.

The generation of waste within the company brings potential negative environmental impacts due to the additional generation of waste, both in the business and in the value chain. We strive to continuously identify waste minimization projects and new circularity projects to help reduce the impact of our activities and those in the value chain. We will continuously invest in new projects and seek to identify innovative solutions in this area.

In terms of business governance, issues such as potential non-compliance with the company's or suppliers' Code of Business Conduct, increased number of complaints of non-payment of invoices on time for the situation where such incidents would occur, as well as potential incidents of corruption or bribery could lead to possible potentially negative effects for the organization involving financial losses. We ensure that our internal policies i.e. internal management frameworks are properly supported by those responsible for preventing such impacts or risks to our business.

The **actual positive material impacts** are related to the following themes/sub-themes/sub-sub-themes.

| <b>ESG categories</b> | <b>Impact</b> | <b>Theme</b>     | <b>Sub-theme with negative material impact</b>                |
|-----------------------|---------------|------------------|---------------------------------------------------------------|
| ENVIRONMENT           | IAP1          | Climate change   | Energy                                                        |
| SOCIAL                | IAP2          | Own workforce    | Working conditions - Health and safety                        |
| GOVERNANCE            | IAP3          | Business conduct | Corporate culture                                             |
| GOVERNANCE            | IAP4          | Business conduct | Corruption and bribery                                        |
| GOVERNANCE            | IAP5          | Business conduct | Whistleblower protection                                      |
| GOVERNANCE            | IAP6          | Business conduct | Supplier relationship management, including payment practices |
| GOVERNANCE            | IAP7          | Business conduct | Corporate culture                                             |

**Potentially positive material impacts** are linked to the following themes/sub-themes/sub-sub-themes:

| <b>ESG categories</b> | <b>Impact</b> | <b>Theme</b>   | <b>Sub-theme with potentially negative material impact</b> |
|-----------------------|---------------|----------------|------------------------------------------------------------|
| ENVIRONMENT           | IPP1          | Climate change | Climate change mitigation                                  |

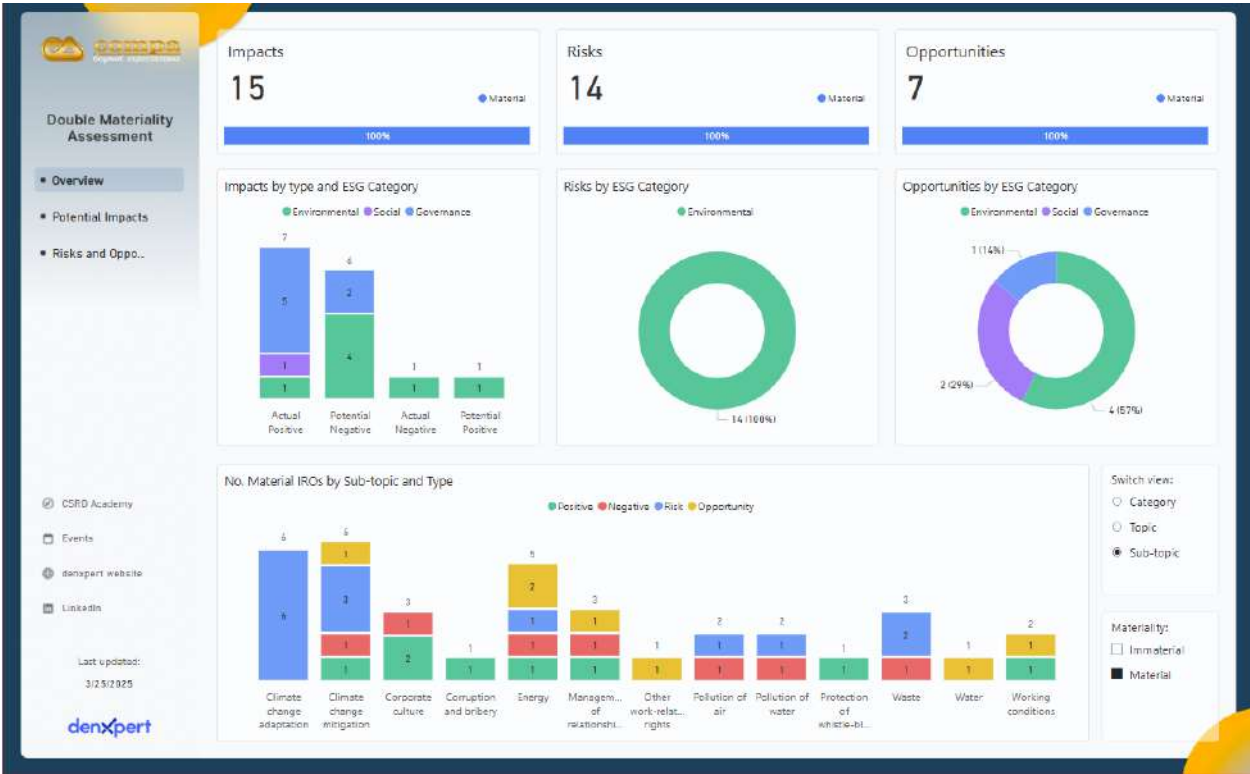
By carrying out and financially supporting decarbonization projects using external funding and financing, we are strengthening our commitment to sustainability, already benefiting from renewable electricity, maintaining low emissions of volatile organic compounds (VOCs) and reducing water consumption, thus contributing to a healthier and more sustainable environment. Occupational health and safety remains fundamental to our Society.

In the context of Governance, we focus on facilitating ethical conduct through compliance with the Code of Conduct for both business and suppliers. We implement well-defined internal regulations for reporting and sanctioning corruption, provide whistleblower protection and cultivate positive relationships with suppliers. These measures contribute significantly to the prevention of incidents of corruption and bribery in our operations.

**Financial materiality**

The result of the analysis revealed a number of 74 risks and 27 opportunities, which were identified considering material themes that bring an evident risk or opportunity factor in the analyzed value chain and that as a consequence can affect the company's financial capital at a given moment. From these results, if we consider the probability of occurrence and the severity score of the associated financial impact we have identified a number of 14 risks that can financially affect the business in a negative sense and a number of 7 opportunities that bring plus financial value to our organization.

Figure - Risks and Opportunities Materials by themes/sub-themes



Significance analysis on risks and opportunities identifies the following as financially significant material sub-themes: climate change mitigation, climate change adaptation, energy, water, air pollution, water pollution, waste, working conditions and other employee rights, corporate culture, corruption and bribery, supplier relationship management including payment practices, whistleblower protection.

We list below the list of top material risks and opportunities relevant to our organization according to the assigned materiality threshold of 3.

**Top material risks & opportunities table**

| Risks                                    | Theme/Sub-theme                               | Opportunities                                                                                                                                                | Theme/Sub-theme                               |
|------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Rising fossil fuel and electricity costs | E1 Climate change / Climate change mitigation | In terms of energy efficiency, by aiming to reduce emissions we can access green finance to modernize equipment/buildings and optimize production processes. | E1 Climate change / Climate change mitigation |

|                                                                                                                                          |                             |                                                                                                                                                                                                                                                                           |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Long-term financial planning for the company given the volatility of fuel prices can be difficult                                        |                             | Renewable electricity generation, photovoltaic panels contribute to reducing carbon emissions, cutting energy costs and reducing dependence on conventional energy.                                                                                                       | E1 Climate Change / Energy            |
| The risk to operating costs caused by the potential increase in the price of insurance policies                                          |                             | Reducing VOC emissions by replacing some preparations                                                                                                                                                                                                                     | E1 Climate Change / Energy            |
| Risk related to the requirement of a carbon tax that may increase costs for the company, leading to higher prices for goods and services |                             |                                                                                                                                                                                                                                                                           |                                       |
| Financial risk if excessive amounts of hazardous and non-hazardous waste are generated due to improper waste management and treatment    | E5 Circular Economy / Waste | Decrease water consumption by reducing water wastage, water recycling and reuse                                                                                                                                                                                           | E3 - Water Resources/Water            |
| Increasing the cost and availability of electricity                                                                                      | E1 Climate change - Energy  | In Compa, being certified ISO 45001, a standard dedicated to occupational health and safety, we have managed to decrease the number of accidents and incidents at work, and thus reduced the costs associated with medical treatment, compensation and lost productivity. | S1 Own workforce - Working conditions |

|                                                                                                                                 |                                  |                                                                                                                                                                                          |                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Increased operational costs in case of more stringent air emission limits                                                       | E2 - Pollution - Air pollution   | Staff retention through benefits                                                                                                                                                         | S1 Own workforce - Other employee entitlements                                 |
| Financial risk for exceeding maximum allowable concentrations of pollutants in waste water discharged into the sewerage network | E2 - Pollution - Water pollution | A quality management of relations with suppliers, timely payment of obligations on time, leads to company stability, a good image of the company and the identification of new suppliers | G1 Business Conduct / Managing supplier relations, including payment practices |

Following this process, the material themes and sub-themes for which the organization discloses information in the sustainability report have been determined. COMPA intends to conduct this analysis annually, maintaining an ongoing dialog with stakeholders to improve its sustainability performance. The material issues included in this report determine the priorities in our sustainability strategy as they can be identified in the strategy chapter.

## Managing impact-risk-opportunities

### [IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities

We undertook a materiality analysis considering the requirements of ESRS standards in order to be able to identify and analyze the material themes impacting our organization and to understand the risks and opportunities for our activities across the value chain.

We recognize that understanding and knowing the economic impacts in the community can help to establish new pathways to sustainable development and integrate new business objectives. Seeking market stability, competitiveness and financial success by integrating specific economic, environmental and social aspects can lead to sustainable economic development. Allocating resources and efforts to employee capacity building, research and development, innovation, sustainable procurement can lead to synergies that support sustainable development management.

Understanding the environmental and social impacts resulting from our companies' activities, products and services, whether adverse (negative) or beneficial (positive), is very important for establishing a clear baseline for further improvements. It is important that the assessment of real causes such as resource use, use of hazardous materials, emissions to air, water or soil as well as waste generation is a priority for us. Social impact helps to understand, drive and communicate to all stakeholders the social value that the work creates in a clear and consistent way.

We went through the double analysis of materiality considering the two perspectives:

- Inside-out perspective ("**Impact Materiality**"). We carried out a materiality analysis of the environmental, social and governance impacts of our own operations as well as of the main dependent and influential activities in the value chain. In doing so, we analyzed the nature and magnitude of the material impacts of our business that we transfer to the community.
- External Perspective ("**Financial Materiality**") Financial materiality we analyzed by considering all external effects in terms of material sustainability issues that could affect our financial capital and profitability of the organization in the short medium or long term.

The analysis process was conducted through a step-by-step approach starting from stakeholder identification and analysis, contextual analysis, process and activity analysis considering the value chain, identification, analysis and assessment of impacts-risks-opportunities on material topics listed by the ESRS standard along the value chain, stakeholder questioning, quantification of results considering stakeholder responses and opinions, ending with validation of results by the Sustainability Committee and management.

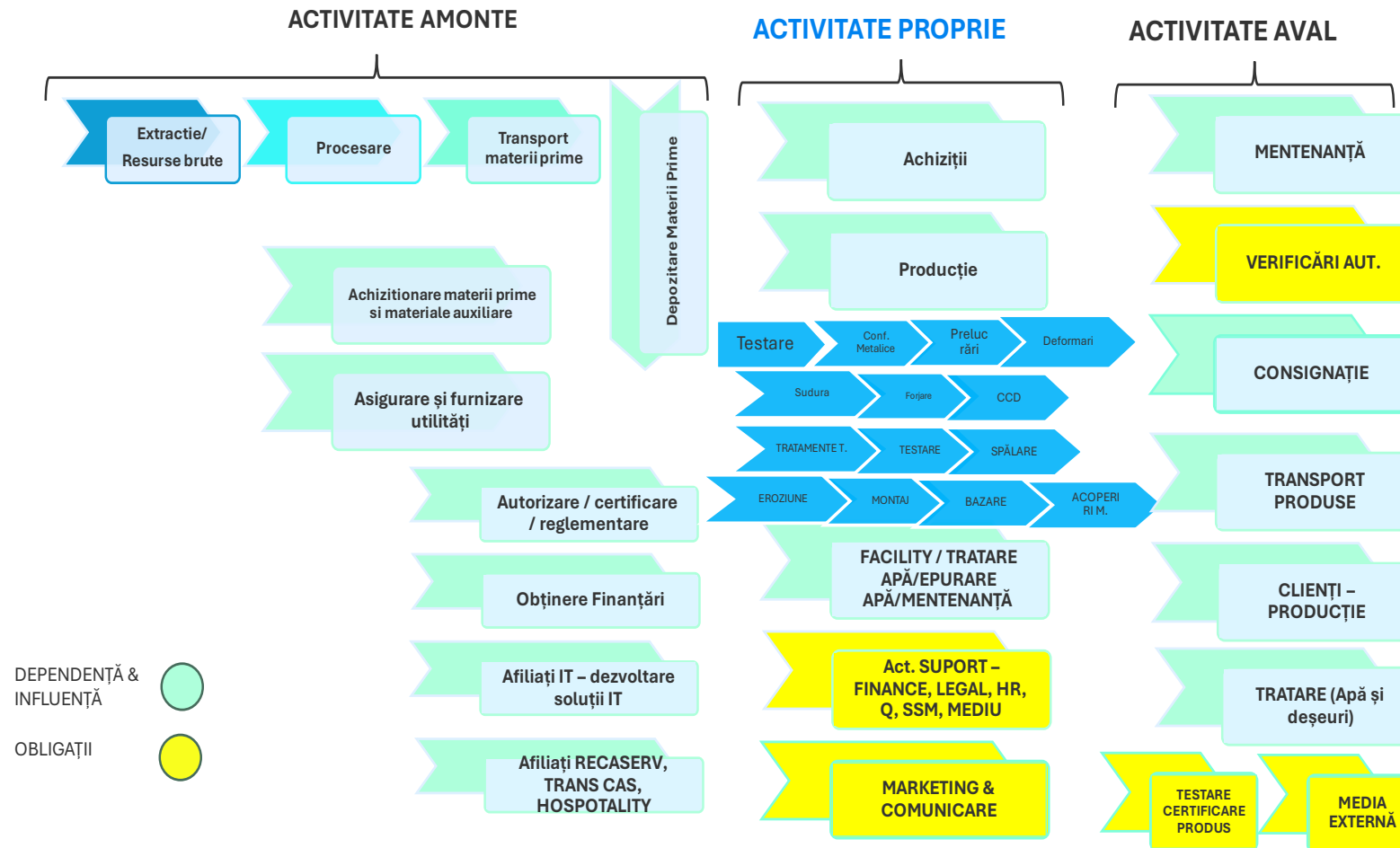


Impact materiality is determined by considering the actual and potential impacts generated by COMPA's activities, either directly or through its business relationships in the value chain, both upstream (suppliers) and downstream (customers). This analysis also includes an assessment of the positive contributions that the company's activities may have on sustainability.

From a financial perspective, the assessment was carried out taking into account possible risks and negative impacts on COMPA's reputation, financial stability or business performance, as well as emerging opportunities related to sustainability. The process is not limited to the internal activities of the company, but i ntegrates the entire value chain.



COMPAS Group value chain





**[IRO-2] ESRS reporting requirements covered by the corporate sustainability statement**

For this report we present specific information and data as required by the standard on topics included in the materiality analysis that have been assessed as material, materially significant and strategic. Because as we went through the reporting process we also collected operationally useful information for some material topics we considered it appropriate to report data on specific sub-topics even if the material topics did not become relevantly significant. In the table below the material themes we are reporting on and the nature of the data reported are marked.

**Addressing Disclosures according to the results of the Double Materiality Analysis**

**Cross-cutting standards**

|                                      |
|--------------------------------------|
| <b>ESRS 1</b><br>General principles  |
| <b>ESRS 2</b><br>General disclosures |

**Agnostic topicality standards**

| <b>Environment</b>                                  | <b>Social</b>                             | <b>Governance</b>                  |
|-----------------------------------------------------|-------------------------------------------|------------------------------------|
| <b>ESRS E1</b><br>Climate change                    | <b>ESRS S1</b><br>Own workforce           | <b>ESRS G1</b><br>Business conduct |
| <b>ESRS E2</b><br>Pollution                         | <b>ESRS S2</b><br>Value chain workers     |                                    |
| <b>ESRS E3</b><br>Water and marine resources        | <b>ESRS S3</b><br>Affected communities    |                                    |
| <b>ESRS E4</b><br>Biodiversity and ecosystem        | <b>ESRS S4</b><br>Consumers and end-users |                                    |
| <b>ESRS E5</b><br>Resource use and circular economy |                                           |                                    |

- not material, not covered in the report
- material, partly covered in the report
- significant and strategic material, covered in more detail



**compa**  
*beyond expectations*



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# AVERAGE INDEX

2024

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## Contents

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## ENVIRONMENT

### ESRS E1 - CLIMATE CHANGE

#### Governance

##### [ESRS 2 GOV-3] Integrating sustainability performance into incentive schemes

The COMPA Group does not currently have a formal system of financial incentives linked to sustainability performance. However, we continuously take steps to integrate ESG principles into our organizational culture through governance mechanisms, strategic objectives and internal initiatives. Employees and the management team are encouraged to adopt responsible practices through awareness sessions, regular trainings and alignment of strategic decisions with sustainability objectives.

In the future, we will consider including sustainability criteria in our performance assessment systems and decision-making processes.

#### Strategies

##### [E1-1] Transition plan for climate change mitigation

While a formal climate transition plan has not currently been drafted and approved by management, the Company has already taken steps and is acting in a way that demonstrates its proactive approach to decarbonization and sustainability. Through these, COMPA aims to reduce carbon emissions in its operations in line with national and international climate policies.

COMPA is aware that the reduction of energy consumption leads to lower emissions into the atmosphere, having established energy performance indicators and constantly acting to take measures to improve technologies (with reduced energy consumption and modernization of energy equipment).

At the time of reporting, we do not have a defined transition plan for climate change mitigation, but we will have a plan in place by 2026 that will include our commitments to reduce our carbon emissions and our climate impact.

Even if at the level of transition plan we have not set a roadmap at the moment, from a strategic point of view we have specific commitments to energy efficiency and carbon footprint reduction, but the need for detailed analysis and the creation of specific scenarios will channel us to develop a more detailed transition plan that can be assumed by the organization's management.

##### [ESRS 2 SBM-3] - Significant impacts, risks and opportunities and their interaction with strategy and business model

Climate change poses potential risks to COMPA, including the possibility of increased energy costs, CO<sub>2</sub> emission taxes, sustainable supply of raw materials, water, energy and business interruption due to severe weather conditions, and by finding feasible adaptation solutions we will be able to sustain the business in the long term without significant material impact.

The carbon emissions of our organization come from energy consumption (in production, transport, air conditioning, etc.) and the use of raw materials, but also from other sources. In order to contribute to the reduction of emissions and therefore to climate change mitigation, it is important to efficiently manage energy consumption by making activities more energy efficient and adopting low-carbon technologies.

Over the years, we have been working to make our activities more energy efficient, both in terms of reducing costs and the carbon emissions associated with energy consumption.

COMPA SA Sibiu has implemented an Environmental Management System according to **ISO 14001: 2015**. This system was certified for the first time in 2003 being recertified in 2015, as well as in 2024 by the certification body **TÜV Rheinland** in Germany. The activities covered by this system are maintained and continuously improved and are systematically supervised by internal audit and by the certification authority. In the realization of our products and associated services, we are continuously committed to reducing energy consumption and the resources required to mitigate climate change.

The material topics on climate change were analyzed from a value chain perspective. We considered analysis on all material sub-themes on the ESRS E1 thematic standard. Along with the analysis on these themes we considered a qualitative analysis of physical and transition climate risks considering climate hazards, elements at risk and their qualitative assessment.

We have analyzed a range of climate risks that can affect the activities and the organization in a negligible, minor, moderate and major way. We carried out a climate risk analysis using a qualitative method of identification and assessment which resulted in a set of risks on which we set action plans for rapid adaptation to a potential effect.

We analyzed the set of physical and transition risks from the following perspectives and criteria:

- the organization's exposure to these climate risks,
- the sensitivity of the site to these climate risks
- the organization's resilience to climate risks
- vulnerability to climate risks

aiming for a final assessment of the consequences and their severity in terms of financial impact.

These analyses have been taken into the double materiality analysis in order to quantify them at the level of business risks from a financial impact perspective.

| Type of risk (physical/transition) | Climate hazard             | Element at risk                     | Risk statement                                                                      | Risk description                                                                                                                                                                                                               | Assessment of the consequences considering also the financial impact |
|------------------------------------|----------------------------|-------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Physical                           | Changing rainfall patterns | Agriculture/ Horticulture           | <b>Risk to agriculture/horticulture from changes in precipitation/drought.</b>      | Growing cash crops and other crops requires year-round water supplies.                                                                                                                                                         | Major                                                                |
| Physical                           | Changing rainfall patterns | Water and sewerage infrastructure   | <b>Overloading of storm or sanitary sewers - overflow spills in different areas</b> | Due to extreme rainfall above 75 li/mp the storm or sanitary sewage system may be overloaded leading to possible water discharges in production/logistics areas or storage areas affecting different premises and/or materials | Major                                                                |
| Physical                           | Changing rainfall patterns | Rainwater collection infrastructure | <b>Degradation or failure of on-site stormwater infrastructure</b>                  | Due to occasional heavy rainfall of more than 75 li/sq.m, the rainwater collection and discharge infrastructure may suffer significant damage                                                                                  | Moderate                                                             |
| Physical                           | Inland flooding            | Water quality                       | <b>Risk to water quality from inland flooding .</b>                                 | Flood water on the site may lead to groundwater contamination if                                                                                                                                                               | Moderate                                                             |

|          |                                                         |                             |                                                                                                                                            |                                                                                                                                                                                                                            |          |
|----------|---------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|          |                                                         |                             |                                                                                                                                            | the deposits are affected                                                                                                                                                                                                  |          |
| Physical | Higher temperatures (including increased heatwave days) | HVAC infrastructure         | <b>Risk of more frequent HVAC system replacement requirements</b>                                                                          | Extreme weather conditions considering that temperature can lead to the need for replacement of some cooling systems and or higher and costly maintenance interventions                                                    | Moderate |
| Physical | Higher temperatures (including increased heatwave days) | Equipment and installations | <b>Risk of increased stress on vital equipment and services (e.g. lifts and installations), leading to higher maintenance requirements</b> | Due to rising temperatures, some vital equipment and / or services may require more frequent and more extensive maintenance services, which will incur higher costs or will require replacement and high procurement costs | Moderate |
| Physical | Higher temperatures (including increased heatwave days) | Employees at risk           | <b>Risk to employee health and reduced productivity</b>                                                                                    | Heat waves prolonged over time lead to destabilization of human metabolism and will put pressure on workers' productivity and even lead to illness                                                                         | Moderate |

|          |                                                         |                        |                                                                               |                                                                                                                                                                                                                                                                                                                 |          |
|----------|---------------------------------------------------------|------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Physical | Higher temperatures (including increased heatwave days) | Products at risk       | <b>Risk of damage from high temperatures</b>                                  | Products may be damaged in storage or even during transportation                                                                                                                                                                                                                                                | Moderate |
| Physical | Extreme weather (wind and storms)                       | Storage infrastructure | <b>Risk of certain buildings being damaged by severe storms or hailstorms</b> | "The increase in the number of storms creates the possibility of damage to some buildings (roofs and others). Structural damage due to higher wind loads on assets                                                                                                                                              | Moderate |
| Physical | Drought                                                 | Water availability     | <b>Risk to provide the necessary technological and domestic water.</b>        | The drought is characterized by the reduction of water reserves, the lowering of groundwater levels below the optimal level of exploitation for supplying water to settlements and providing drinking water for the population and industry. The population will take precedence over industry for water supply | Moderate |



|            |                                                |                                                  |                                                                                                                  |                                                                                                                                            |          |
|------------|------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Transition | Pressure to decarbonize across the value chain | Companies in the value chain with high emissions | <b>Risk due to strict regulations on carbon emissions, which impose additional costs across the value chain.</b> | New regulations may force companies to invest in cleaner technologies or pay carbon taxes, affecting competitiveness and production costs. | Moderate |
| Physical   | Hot spells intensify                           | Electricity consumption                          | <b>Risk to increased electricity consumption, welfare and human health.</b>                                      | Overheated electrical equipment can generate sparks or start fires due to damage to components.                                            | Moderate |
| Transition | Energy price fluctuations                      | Profitability                                    | <b>Cost risk.</b>                                                                                                | Higher energy costs can affect the bottom line. Long-term company financial planning can be difficult.                                     | Major    |
| Transition | Fuel price volatility                          | Rising costs                                     | <b>Cost risk.</b>                                                                                                | Long-term financial planning can be difficult.                                                                                             | Major    |
| Transition | Price instability                              | Economy                                          | <b>Cost management risk.</b>                                                                                     | Energy saving strategies and cost management can be influenced.                                                                            | Moderate |

|            |                                                                            |               |                                                                                                            |                                                                                                                  |          |
|------------|----------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------|
| Transition | Increasing number of insurance policies linked to climate change risks     | Costs         | <b>The risk to operating costs caused by rising policy prices.</b>                                         | Need to allocate additional resources to pay more attention to how insurance programs are structured.            | Major    |
| Transition | Agricultural price volatility in climate-prone areas                       | Supply chain  | <b>Risk to the supply chain due to disruptions linked to lack of timely availability of certain crops.</b> | Prices for agricultural products could rise, which could pass on costs to consumers and increase product prices. | Major    |
| Transition | More competition in the sustainable products market                        | Market demand | <b>Risk to market demand pattern due to interest in product sustainability.</b>                            | A growing number of customers are interested in the durability of products.                                      | Moderate |
| Transition | Accelerated depreciation of existing assets with high environmental impact | Net income    | <b>Risk to net income from impairment charges.</b>                                                         | Investors and analysts often use net income as a key measure to assess a company's financial performance.        | Moderate |

**Managing impact-risk-opportunities**

**[ESRS2 IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities**

The identified impacts, risks and opportunities have been analyzed and assessed according to the methodology described in chapter ESRS 2 - IRO1.

In line with the ESRS requirements, our company conducted a double materiality analysis to identify and prioritize the relevant ESG issues both from an environmental and societal impact perspective and from the perspective of identifying and managing the material impacts, risks and associated financial opportunities. This process involved a detailed assessment of activities across the value chain (downstream, own and upstream), stakeholder consultation and analysis of the applicable legislative framework. The results of this analysis confirmed that the following topics are material for the COMPA Group under the climate change standard, requiring strategic management and transparent reporting.

**Topics Material covered in the report according to the thematic standards**

**ESRS E1 - Climate Change**

|                               |
|-------------------------------|
| E1-Adapting to climate change |
| E1-Climate change mitigation  |
| E1-Energy                     |

- not material, not covered in the report
- material, partly covered in the report
- significant and strategic material, covered in more detail

**Material impacts**

With the analysis of the impacts of risks and opportunities for the development of the report we have identified 4 impacts in the community of which one is actual/positive, one is potential/positive, one is actual/negative, and one is potential/negative. The impacts relate to issues related to:

- **Energy** being relevant in terms of energy consumption and the possibility to use energy from renewable sources

- **Mitigation of climate change**, being relevant in terms of implementing and financially supporting decarbonization projects using external funds and financing
- **Adapting to climate change** - was identified through the transition risks to which the company could be exposed

## Financial materiality

Throughout the double materiality analysis we have identified three opportunities and ten risks that may lead to the impairment of the COMPA Group's financial capital.

The opportunities identified relate to

- **Energy**, i.e. renewable electricity generation, energy efficiency, access to finance, and reducing VOC emissions.

The risks identified are related to:

- **Energy**, i.e. rising electricity costs
- **Climate change mitigation**, i.e. rising fossil fuel and electricity costs, long term financial planning may be difficult for the company, risk on operational costs caused by rising insurance policy prices.

These areas underpin our sustainability strategy and guide our actions to improve our ESG performance.

### [E1-2] Policies related to climate change mitigation and adaptation

COMPA has not developed a policy related to climate change mitigation and adaptation, but it has established an environment and energy policy that pursues objectives such as:

- Reducing energy consumption through energy efficiency measures
- Increasing the use of renewable energy
- Reducing carbon emissions
- Minimizing waste quantities

Policy for climate change mitigation and adaptation will be developed in the coming period.

For the proper functioning of the Society, for the management of impacts, risks and opportunities, it is guided by the Integrated Management Manual - Quality, Environment, SSM, IS. As of 2024, in order to align with the requirements of the CSRD, the manual is also supplemented with aspects related to the management of impacts, risks and opportunities related to *climate change mitigation and adaptation*.

### [E1-3] Actions and resources related to climate change policies

For COMPA, energy efficiency involves reducing the amount of energy used in production technologies, by adopting efficient technologies or equipment and other methods to reduce losses. Reducing energy consumption has as a direct result the reduction of greenhouse gas emissions, which in turn contributes to combating the effects of climate change. COMPA is aware of the importance of the progressive shift towards renewable energy options for the protection of finite natural resources as well as for the creation of new sustainable jobs in society.

In line with the Environment and Energy Policy, the main objectives and actions undertaken to improve energy efficiency and thus reduce carbon emissions are:

The main objectives of the 2024 **Annual Environmental Management Program** are the following:

| Objective                                                           | Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Status   |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Using renewable energy</b>                                       | <b><i>The commissioning of a photovoltaic power plant</i></b> with an installed capacity in direct current of 1.126 MWp, respectively an installed capacity in alternating current of 0.96 Mw, the plant will produce a quantity of 1202.46 Mwh/year, which has as a consequence, in addition to reducing the costs of electricity purchase, the reduction of CO2 emissions by 318.28 tons/year. The achievement of this objective was possible due to the reduction of CO2 by 318.28 tons/year. The achievement of this objective was made possible by accessing grant funding through the Innovation Norway Program.                                                                                                                                                                                                                                                                                                                                                              | Achieved |
| <b>Energy efficiency</b>                                            | <b><i>Implementation of an energy system by accessing</i></b> PNRR funds under the project " <b>Innovation and Efficiency in the Use of Energy Resources, through the implementation of an energy monitoring system, purchase of transformers and compressors in Compa S.A.</b> ". The aim is to improve energy efficiency in the Company by implementing energy consumption monitoring systems and purchasing energy efficient equipment (transformers, compressors, dryers and compressed air filters).<br>The specific objectives of this project are: <ul style="list-style-type: none"> <li>• The implementation of a modern system for monitoring electricity consumption, capable of producing statistics on consumption, recording and analyzing centralized data, delivering regular reports, which will ultimately contribute to the efficiency of energy consumption in real time;</li> <li>• Purchase of 7 transformers, 5 compressors, 4 dryers, 4 filters.</li> </ul> | Started  |
| <b>Energy efficiency</b>                                            | <ul style="list-style-type: none"> <li>• Conduct an energy efficiency audit of the site every 4 years. It shall identify all opportunities for reducing energy use and increasing energy efficiency. Selected recommendations shall, where appropriate, be the subject of a retrofit plan.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Achieved |
| <b>Reducing the amount of waste generated/ Improved disposal of</b> | - Re-use of plastic and steel waste from SDV manufacturing processes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Achieved |

|                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <p><b>hazardous/non-hazardous waste</b></p>                    | <ul style="list-style-type: none"> <li>- Use of waste sheet metal from laser cutting to make other landmarks</li> <li>- Replacing the larger diameter blank with a smaller diameter blank to manufacture the NNC nozzle nozzle;</li> <li>- The recovery of the process oil from the retention trays and the sludge collection containers of each machine by using an absorption and filtration pump, adapted to each machine, in order to recover and reintroduce the process oil into the machine;</li> <li>- Optimization of technological processes through improvement projects / proposals (e.g. use of non-conforming parts d.p.d.v.d. aspect (pores), in the adjustment operation of machines);</li> <li>- Biannual staff training on the importance of waste prevention and waste minimization;</li> <li>- Reduction of carbide waste from technological processes.</li> <li>- Redeveloping an area dedicated to selective collection</li> <li>- Repairing the floor in the hazardous waste storeroom</li> </ul> |                |
| <p><b>Reducing consumption of raw materials and energy</b></p> | <ul style="list-style-type: none"> <li>- Reduce electricity consumption for lighting by replacing current bulbs with LED bulbs;</li> <li>- Turning off the power supply during meal breaks and during changeover preparation;</li> <li>- Purchase and installation of two compressors and two high-performance transformers in 2023,2024;</li> <li>- Reduced consumption of abrasive paste, due to the elimination of soft honing (non-heat treated parts) of all parts.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Started</p> |

**Metrics and targets**

**[E1-4] Climate change mitigation and adaptation targets**

As we are in the first year of reporting under the ESRS, the Society has not yet set targets related to climate change mitigation and adaptation, and specific targets will be set as the strategy and policy in this direction is implemented.

The basis for allocating the specific targets will be energy efficiency scenarios, CO2 mitigation scenarios and the nature and monetary investments needed to create a solid basis for strategic ownership.

### [E1-5] Energy consumption and energy mix

The COMPA Group is a long-term supporter of increased energy efficiency and performance, acting through measures that help to support the concept of sustainable development. During 2024, COMPA Group companies monitored and reduced their electricity consumption by 2.62% compared to the previous year.

The change in energy consumption in 2024 compared to 2023 is as follows:

| ESRS_E1                                                                                             | Total<br>COMPA<br>GRUP<br>2023 | Total<br>COMPA<br>GRUP<br>2024 | Change<br>from<br>previous<br>year |
|-----------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|------------------------------------|
| Indicators                                                                                          |                                |                                |                                    |
| Total energy consumption in own operations (MWh)                                                    | 75427.47                       | 64733.26                       | -14.18%                            |
| Total renewable energy consumption (MWh)                                                            | 1156.30                        | 1183.51                        | 2.35%                              |
| Share of renewables in total energy consumption, %                                                  | 1.53%                          | 1.83%                          | 19.26%                             |
| Total fossil energy consumption (MWh)                                                               | 74271.173                      | 63549.75                       | -14.44%                            |
| Fuel consumption from coal and coal products (MWh)                                                  | 0.00                           | 0.00                           |                                    |
| Fuel consumption from crude oil and petroleum products (MWh)                                        | 0.00                           | 0.00                           |                                    |
| Natural gas fuel consumption (MWh)                                                                  | 40772.00                       | 29171.23                       | -28.45%                            |
| Consumption of electricity, heat, steam and cooling purchased or obtained from fossil sources (MWh) | 33499.18                       | 34378.52                       | 2.62%                              |
| Share of fossil sources in total energy consumption, %                                              | 98.47%                         | 98.17%                         | -0.30%                             |

Total energy consumption decreased by 14.18% in 2024 compared to 2023 as a result of lower production volumes at COMPA as well as energy efficiency projects started this year.

The share of renewable sources in total energy consumption increased by 19.26% in 2024 compared to 2023, due to the production of renewable energy through the photovoltaic power plant.

Although electricity consumption in 2024 compared to 2023 has decreased by approximately 4% at the production level and at the COMPA level respectively, however, at the Group level, a 2.62% increase in electricity consumption can be observed as a result of the increased activity in the other Group companies.

A centralized table with indicators on energy consumption and energy mix for all COMPA Group entities can be found in the annexes.

### [E1-6] Gross emissions of GHG categories 1, 2, 3 and total emissions of GHG

COMPA Group reports gross GHG emissions of categories 1 and 2, excluding for this year the reporting of gross GHG emissions of category 3.

Category 1 GHG emissions are calculated with emission factors from GHG Protocol and IPCC Global Warming Potential Values. For the calculation of site-based category 2 GHG emissions, specific Romanian-wide emissions from ANRE reports were taken into account, and for market-based category 2 GHG emissions, specific electricity supplier emissions were taken into account.

| ESRS_E1                                                                      | Total COMPA Group 2023 | TotalGRUP COMPA 2024 | Change from previous year |
|------------------------------------------------------------------------------|------------------------|----------------------|---------------------------|
| Indicators, tons CO <sub>2</sub> e                                           |                        |                      |                           |
| <b>Domain 1</b>                                                              |                        |                      |                           |
| Total emissions Scope 1                                                      | 11,704.40              | 9,349.33             | -20%                      |
| Percentage of Scope 1 GHG emissions from regulated emissions trading schemes | NA                     | NA                   | NA                        |
| <b>Domain 2</b>                                                              |                        |                      |                           |
| Scope 2 gross GHG emissions based on location                                | 7,478.69               | 5,920.32             | -21%                      |
| Market-based gross GHG emissions from Scope 2                                | 3,206.94               | 7,504.14             | 134%                      |
| <b>Total GHG emissions 1+2 (site based)</b>                                  | <b>19,183.09</b>       | <b>15,269.65</b>     | <b>-20%</b>               |
| <b>Total GHG emissions 1+2 (market based)</b>                                | <b>14,911.34</b>       | <b>16,853.47</b>     | <b>13%</b>                |

The value of category 1 GHG emissions decreased by 20 % in 2024 compared to 2023 due to a decrease in stationary and mobile combustion fuels and a decrease in refrigerant consumption.

The value of site-based category 2 GHG emissions has decreased by 21% in 2024 due to decreases in electricity consumption and country-specific emissions.

It shows that the market-based Tier 2 GHG emissions doubled as a result of a change of electricity supplier in 2024, a supplier whose specific emissions were much higher than the previous supplier.

A centralized table of GHG emission indicators for all COMPA Group entities is attached in the annexes.



### **[E1-7] GHG removals and mitigation projects financed by carbon credits**

NOT the case

### **[E1-8] Internal carbon pricing**

NOT the case

### **[E1-9] Anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities**

The Compa Group has identified its significant physical and transition risks and potential climate-related opportunities, but has not calculated the anticipated financial effects of these risks.

## **ESRS 2 - POLLUTION**

### **Pollution control and prevention**

#### **[ESRS2 IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities**

In 2024, COMPA conducted an analysis of pollution impacts, risks and opportunities as part of its double materiality assessment process.

Throughout the value chain assessments we have analyzed and identified a number of impacts, risks and opportunities that have been included in the extended assessment. As the COMPA Group is predominantly a manufacturing activity, a large number of pollution impacts, risks and opportunities have been identified at the COMPA production plant. The other companies do not have significant impacts, risks or opportunities at the level of specific activities.

The main potential negative impacts identified are the following:

- ✓ Water pollution in the sewage network due to potential deficiencies in the internal management system of technological waste water
- ✓ Air pollution from industrial emissions due to potential exceedances of concentration thresholds for pollutants from production activities

Pollution-related risks are posed by possible more stringent water and air pollution regulations, which could result in additional compliance costs and affect operations. The materiality assessment results indicated that water and air pollution are material sustainability themes for COMPA. These findings have been integrated into the Group's sustainability reporting.

## Topics Material covered in the report according to the thematic standards

---

### ESRS E2 - Pollution

E2-Air pollution

E2-Water pollution

E2-Soil pollution

E2-Pollution of living organisms and food resources

E2-Substances of concern

E2-Substances of particular concern

E2-Microplastics

- not material, not covered in the report
- material, partly covered in the report
- significant and strategic material, covered in more detail

### [E2-1] Pollution-related policies

The COMPA Group has not developed a policy in line with the provisions of the ESRS standards dedicated to the field of pollution, but has an environmental and energy policy that has as guiding principles the prevention and reduction of pollution of environmental factors, compliance with pollution-related compliance obligations. COMPA has implemented its Environmental Management System according to the SR EN ISO 14001:2015 standard, by which it identifies its environmental aspects related to pollution and proposes actions to mitigate negative impacts related to air, water, soil pollution and the reduction and substitution of substances of concern.

The COMPA Group's activity is regulated from the environmental protection point of view and is permanently under the supervision of the control authorities and the public having been issued the integrated environmental authorization. All categories of stakeholders are consulted whenever new regulatory acts are requested or revisions of existing ones are necessary. According to the regulatory acts held (2 environmental permits, one of which is an integrated permit, and 2 water management permits), the COMPA Group is obliged to comply with the conditions imposed by these permits as well as with the conditions of environmental legislation.

## **[E2-2] Pollution actions and resources**

In order to prevent pollution, the COMPA Group aims to identify the environmental aspects relevant to the company's activities, the environmental impact and implement measures to minimize the impact, complying with the compliance obligations of the regulatory acts issued by the competent authorities.

As part of its environmental management system, COMPA has set objectives and targets related to pollution prevention and reduction and has implemented actions to prevent and reduce water, air, soil pollution and the management of hazardous substances and waste. These actions consisted in the implementation of Best Available Techniques (BAT) in pollution prevention and control in accordance with the requirements of national and European regulations.

Air, water and soil pollution control are subject to specific requirements of operating permits and environmental regulations and are assimilated to COMPA plant operations.

### **Actions**

Environmental objectives are set annually at departmental level, taking into account:

- significant environmental issues,
- compliance obligations
- identified risks and opportunities
- technological processes
- material, financial and human resources
- stakeholder views

### **Main objectives on the environmental management program**

- keeping under control and monitoring industrial emissions released into the atmosphere and their compliance with the requirements of the environmental permit
- keeping emissions to waste water under control and ensuring that industrial effluents treated and discharged to sewerage are within authorized parameters
- prevention of soil pollution through adequate internal control and monitoring

These objectives are essential to combat pollution generated by our operations, with a particular focus on air, water and soil quality. COMPA implements rigorous environmental management, including advanced air filtration systems, water recycling technologies and efficient processes for hazardous waste management. These actions are aligned with national and international environmental standards, aiming to minimize environmental impacts and promote sustainable operations and a circular economy.

### **Air pollution control and monitoring**

Air control and monitoring is a process that falls under the umbrella of the environmental management system and under the umbrella of the COMPA Integrated Environmental Permit and Regulatory Act.

We have essentially two broad areas of control, namely: control and monitoring of industrial emissions to air and control and monitoring of operations and activities that may generate fugitive emissions.

As far as air emissions are concerned, COMPA's activities include the timely replacement of activated carbon filters and preventive maintenance of exhaust stacks.

In the year 2024, a total of 41 stacks were monitored for emissions to air. No exceedances of concentrations of pollutants emitted to the atmosphere were found.

COMPA is also working to reduce the amount of emissions into the atmosphere by reducing oil vapor emissions by replacing the current capture systems with a 99.97% efficient plant.

In addition, the remaining cold room was decommissioned after the relocation of the cold spring workshop.

COMPA has implemented a number of key actions to combat air pollution in its operations through emission capture and containment equipment at source, as follows;

- Installing and maintaining equipment for filtering powders from mechanical processing and powder coating;
- Providing gas scrubbers for acid-alkali emissions;
- Provision of activated charcoal filters to reduce VOCs from water-based and liquid paint processes.
- Solvent regeneration and recirculation systems for VOC organic solvent scrubbing equipment.

## **Water pollution control and monitoring**

Wastewater management is an important part of the COMPA Group's operations, with the objective of ensuring that the water discharged from the Group's activities complies with the compliance requirements of water and environmental permits.

In order to prevent water pollution and ensure compliance with environmental regulations, Group companies whose activity requires water pollution control, treat their wastewater in modern automated technological water treatment plants at the surface coating workshops. Stormwater is treated in hydrocarbon separators installed on sites where there is a risk of water pollution with petroleum products and their discharge into the sewage network.

The treatment and monitoring of wastewater is carried out according to operational procedures and instructions and respecting the frequency established in the water management and environmental permits and in the internal procedures as part of the environmental management system.

In order to prevent water pollution by causing breakdowns at the treatment plants or to prevent potential improper handling of the means of transport of chemicals, actions are taken to raise awareness of the staff through regular training, as well as planning and conducting simulations so that the intervention is carried out in real time and with the necessary equipment, easily accessible. At the COMPA factory site, we have a plan for preventing and combating accidental pollution which clearly stipulates the areas at risk as well as the prevention and intervention measures in case of possible incidents or accidents that may lead to water pollution.

## **Metrics and targets**

### **[E2-3] Pollution targets**

COMPA Group's pollution prevention targets are defined by the pollution limits set in its operational authorization documents, which are based on national environmental regulations. These permits define specific indicators for air, water and soil quality, ensuring that all the organization's activities comply with legal requirements for pollutant emissions and wastewater discharges.

As part of its management system COMPA has established an environmental performance level comprising operational performance indicators which include environmental operational indicators that indicate the degree of compliance with the maximum allowable concentration of pollutants in water, air, soil.

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

## [E2-4] Air, water and soil pollution

### AIR POLLUTION

Emissions to air resulting from the company's operational or production processes are air emissions as well as noise emissions.

#### From fixed sources:

- **Directed:** emissions of gases and dust from production halls - forced air exhaust through exhaust systems, fans, emissions through natural draught exhaust stacks;
- **undirected (fugitive):** emissions from the production phases (galvanizing shop, metal working shops, heat treatment sector), storage.

#### From mobile (fugitive) sources:

- Exhaust emissions on site and associated roads.

The emissions and types of compounds emitted to the atmosphere from COMPA processes are:

- Combustion gases: CO<sub>2</sub>, CO, NO<sub>x</sub> (greenhouse gases) from combustion processes in power plant and natural gas furnaces
- dust from mechanical machining processes
- acids (sulphuric acid, hydrochloric acid, hydrochloric acid, nitric acid, hydrofluoric acid) from surface coating processes
- heavy metals (Zn, Ni, Cr) from surface coating processes
- volatile organic compounds (VOCs) from dyeing and degreasing processes with organic solvents

These emissions are monitored with a frequency set by the Integrated Environmental Authorization.

The sources of noise on the COMPA site are exhaust systems, air conditioning systems and cooling systems located outside the buildings.

The noise level is monitored every six months at COMPA, according to an annually established program, at different points within the company and at the property boundary.

In the year 2024, the noise level in the environmental permit was not exceeded.

The monitored values can be consulted at the headquarters of the Group's companies or at the Sibiu Environmental Protection Agency in the Annual Environmental Report (RAM)

We report annually to the Environment Agency on the fulfillment of the requirements regarding the regulations of the integrated environmental permit. The annual reports include specific information on the control and monitoring of environmental factors, the limits imposed and compliance with them.

At the 2024 level, we had no exceedances of the environmental permit limits. Pollutants monitored at the 2024 level were as follows:

| Nr.crt | Pollutant                                                  | Emission limit According to Integrated Environmental Authorization (mg/mc) | Measuring points |
|--------|------------------------------------------------------------|----------------------------------------------------------------------------|------------------|
| 1.     | Volatile organic compounds (VOCs);(coatings)               | 150                                                                        | 5 baskets        |
| 2.     | Volatile organic compounds (VOCs) (dyes);                  | 75                                                                         | 5 baskets        |
| 3.     | Volatile Organic Compounds (VOCs); (drying after painting) | 50                                                                         | 8 baskets        |
| 4.     | Powders (mechanical machining, heat treatments)            | 50                                                                         | 25 baskets       |
| 5.     | Natural gas combustion                                     | 5                                                                          | 4 baskets        |
| 6.     | Nitrogen oxides (NOx);                                     | 350                                                                        | 7 baskets        |
| 7.     | Carbon monoxide (CO);                                      | 100                                                                        | 7 baskets        |
| 8.     | Sulphur oxides (SOx)                                       | 35                                                                         | 6 baskets        |
| 9.     | Hydrochloric acid (HCl);                                   | 30                                                                         | 4 baskets        |
| 10.    | Hydrofluoric acid (HF);                                    | 5                                                                          | 1 basket         |
| 11.    | Sulfuric acid(H <sub>2</sub> SO <sub>4</sub> );            | 5                                                                          | 1 basket         |
| 12.    | Phosphoric acid(H <sub>3</sub> PO <sub>4</sub> );          | 5                                                                          | 1 basket         |
| 13.    | Chlorine (Cl <sub>2</sub> );                               | 5                                                                          | 1 basket         |
| 14.    | Trivalent chromium (Cr <sup>(3+)</sup> )                   | 0.1                                                                        | 1 basket         |
| 15.    | Zn                                                         | 0.5                                                                        | 1 basket         |
| 16.    | Ni                                                         | 0.1                                                                        | 1 basket         |

The monitored values can be consulted at the headquarters of the Group's companies or at the Sibiu Environmental Protection Agency in the Annual Environmental Report.

## WATER POLLUTION

The COMPA Group manages water use through a combination of efficient strategies. Water use management is tailored to each facility's specific activities and regulatory requirements.

COMPA technological processes result in the following wastewater:

- Wastewater from surface coating processes: acid-alkaline waters, waters containing heavy metals, organic load, extractable substances. These waters are treated in treatment plants which are located in each coating workshop. This wastewater and the effluents emitted after treatment are monitored according to specific indicators. The treated waters are discharged into the COMPA sewerage network after their compliant treatment and then into the city sewerage network.
- water containing extractables substances which is collected in 1000 liter IBC containers and treated in the vacuum distillation plant. The vacuum treatment is carried out with our own plant, afterwards resulting on the one hand in used emulsions which are treated as waste and are recovered by an authorized collector, and on the other hand in a distillate with monitored

physico-chemical parameters which is discharged into the sewerage system if the parameters are within the permissible limits.

Stormwater possibly polluted with hydrocarbons from the concrete platforms is collected through an internal network, treated through 5 coalescent-filtered hydrocarbon separators and discharged into the municipal street sewer.

**The following categories of waters are monitored in COMPA:**

- Sewage in the sewer system;
- Hydrocarbon separator effluent;
- Groundwater in the observation well.

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

| Water category                      | What is being monitored                 | Monitoring frequency                                                                                                                                                                            |
|-------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wastewater in the sewerage network  | 7 channels<br>15 indicators             | Monthly with in-house laboratory<br>Quarterly with accredited laboratory                                                                                                                        |
| Hydrocarbon separator effluent      | 4 channels<br>3 indicators              | Half-yearly (2 samples/year) with accredited laboratory                                                                                                                                         |
| Groundwater in the observation well | 1 observation borehole<br>13 indicators | Half-yearly (2 samples/year) with accredited laboratory<br>The results of chemical analysis at the end of each semester, carried out by an accredited laboratory, shall be sent to S.G.A. Sibiu |

The quality indicators for wastewater discharged into the sewerage network and the maximum permissible values are given in the table below:

| Water category                                                | Indicator                               | Allowed values |
|---------------------------------------------------------------|-----------------------------------------|----------------|
| Domestic and technological wastewater in the sewerage network | pH                                      | 6,5-8,5        |
|                                                               | Total suspensions                       | 350 mg/l       |
|                                                               | BOD <sub>5</sub>                        | 500 mg/l       |
|                                                               | CCO-Cr                                  | 300 mg/l       |
|                                                               | Extractable organic solvents with       | 30 mg/l        |
|                                                               | Ammonia                                 | 30,0 mg/l      |
|                                                               | Sulphides                               | 1,0 mg/l       |
|                                                               | Sulphates SO <sub>4</sub> <sup>2-</sup> | 600 mg/l       |

|  |                                                      |          |
|--|------------------------------------------------------|----------|
|  | Zinc Zn <sup>2+</sup>                                | 1,0 mg/l |
|  | Total chromium<br>Cr <sup>3+</sup> +Cr <sup>6+</sup> | 1,5 mg/l |
|  | Hexavalent chromium<br>Cr <sup>6+</sup>              | 0,2 mg/l |
|  | Total manganese                                      | 2,0 mg/l |
|  | Copper Cu <sup>2+</sup>                              | 0,2 mg/l |
|  | Nickel Ni <sup>2+</sup>                              | 1,0 mg/l |
|  | Cyanides CN <sup>-</sup>                             | 1,0 mg/l |

At the 2024 level, we had no exceedances of the integrated environmental permit limits.

Stormwater quality indicators possibly polluted with petroleum products are monitored semiannually with an accredited laboratory and they must fall within the limits set by the integrated environmental permit and NTPA 002 as follows:

| No. crt. | Water category                | Quality indicators                           | Allowed values      |
|----------|-------------------------------|----------------------------------------------|---------------------|
| 1        | Hydrocabon separator effluent | pH                                           | 6.5- 8.5 (pH units) |
|          |                               | Suspended matter                             | 350 mg/l            |
|          |                               | Substances extractable with organic solvents | 30 mg/l             |

In 2024 there were no exceedances of environmental permit limits.

The monitored values can be consulted at the headquarters of the Group's companies or at the Sibiu Environmental Protection Agency within the Annual Environmental Report.

The following groundwater quality indicators are monitored at COMPA, with an accredited laboratory, every six months, from the monitoring well: pH, ammonium, chlorides, nitrate sulfates, phosphates, heavy metals (Cd, Pb, Cu, Cr, Zn).

This monitoring is carried out to identify possible damage to the sewage system or cracks and accidental spills of hazardous substances on the ground or groundwater. No changes have been identified from the baseline values required by the COMPA water permit.

The monitored values can be consulted at the headquarters of the Group's companies or at the Sibiu Environmental Protection Agency within the Annual Environmental Report.

### **[E2-5] Substances of concern and substances of very high concern**

Hazardous chemical substances and mixtures are purchased in compliance with the legislation in force and only together with the safety data sheet that allows all measures to be taken for the protection of the environment, health and safety at work.



The purchase of raw materials, materials and hazardous substances/mixtures shall be done in accordance with the procedure "Market research, 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 878/2020 amending Regulation No 1907/2006 (REACH). The website [www.compa.ro](http://www.compa.ro) uploads the documents required by our suppliers, namely:

- COMPA's general purchasing requirements . where Item 25 specifies environmental and other requirements for COMPA suppliers.
- The Green Procurement Guide which specifies the policies and practices related to procurement and the orientation towards procurement with minimal environmental impact. It also specifies COMPA's expectations for products purchased and the recommendations and requirements for our product suppliers.

Before requesting the purchase of hazardous substances and mixtures, check whether they are on one of the following lists:

- a. List of restricted substances (REACH Annex XVII) ;
- b. List of substances requiring authorization
- c. Candidate list for authorization with very high concern;
- d. List of toxic substances or on the List of precursors;
- e. List of restricted substances in the automotive industry GADSL;
- f. List of restricted substances in customer rules

On entry, check that substances and mixtures are labeled in accordance with Regulation (EC) 1272/2008 (CLP).

Handling and storage of hazardous substances shall be done in accordance with the safety data sheets and in compliance with the mandatory measures PM 071.03 - Management of hazardous substances and mixtures in COMPA, which regulates the activity of purchasing, transport, handling, storage, use and management of hazardous substances and 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 shall be carried out taking into account the compatibilities between substances in order to prevent serious incidents and accidents. The management of these substances is carried out by trained persons who are familiar with the measures to be taken in case of emergencies.

## **[E2-6] Anticipated financial effects of significant pollution-related risks and opportunities**

The anticipated financial impacts related to resource use and the circular economy have not been assessed.

# ESRS E3 - WATER AND MARINE RESOURCES

## Water management

### [ESRS2 IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities

The significance analysis carried out also took into account the IRO analysis on water and marine resources carried out on the entire value chain. Because water is an auxiliary material used in COMPA group activities, either in production activities as technological water or as water for sanitary needs of staff, we conducted the analysis on water themes by identifying impacts, risks and opportunities related to these themes and sub-themes as part of the double materiality assessment process.

Throughout the value chain assessments we have analyzed and identified a number of impacts, risks and opportunities. We have not identified material impacts and risks to be included in the extended assessment. We have, however, identified the opportunity related to decreased water consumption and aspects of this opportunity will be integrated into the Group's current reporting.

| Topics Material covered in the report according to the thematic standards                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ESRS E3 - Water and marine resources</b>                                                                                                                                                                                                                                                |
| E3-Water consumption                                                                                                                                                                                                                                                                       |
| E3-Water withdrawals                                                                                                                                                                                                                                                                       |
| E3-Water drains                                                                                                                                                                                                                                                                            |
| E3-Ocean outflows                                                                                                                                                                                                                                                                          |
| E3-Extraction and use of marine resources                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li><input type="radio"/> not material, not covered in the report</li> <li><input checked="" type="radio"/> material, partly covered in the report</li> <li><input type="radio"/> significant and strategic material, covered in more detail</li> </ul> |

### [E3-1] Policies related to water and marine resources

Water is an indispensable and essential resource for the COMPA Group's activities, being used for industrial, drinking and sanitary purposes. Thus, the correct management of water consumption and ensuring adequate water supply is a prerequisite for carrying out activities in optimal conditions. At the same time, compliance with the quality standards for discharged wastewater is a necessary condition to ensure legal compliance. The COMPA Group has not developed a policy in accordance with the provisions of ESRS standards dedicated to water and marine resources, but has implemented the Environmental Management System according to SR EN ISO 14001:2015, aiming to minimize the effects of the activity on the environment by preventing pollution, efficient use of water resources.

Also the activity of COMPA and its affiliated company Arini Hospitality SRL are regulated by a water management permit that imposes certain requirements that are mandatory for the organization and we continuously comply with them.

In the coming period, the COMPA Group will develop a policy on the efficient use of water resources that will have as its guidelines sustainable water supply, prevention and reduction of water pollution on the Group's site.

The absence of such a policy to date is justified by the fact that this is the first year of reporting under the ESRS.

### **[E3-2] Actions and resources related to water and marine resources**

Within the COMPA Group, there is a permanent concern to make water consumption more efficient by using the best available techniques, especially in production processes that are highly water consuming (Surface coating and Heat treatment).

Measures and actions to minimize water consumption within the group include the following:

- Recirculation and reuse of water for cooling processes in heat treatment processes
- The use of advanced low water consuming technologies such as cascade washing, use of two-stage counter-flow rinsing techniques in coating processes
- Rapid detection and remediation of leaks on water routes
- Efficiency through preventive maintenance of water installations
- Training and raising awareness of employees/customers on responsible water use
- Increasing the lifespan of aqueous solutions to optimize water consumption across the Group by monitoring process parameters and topping up with appropriate substances
- Recovery of water from rinsing solutions and reuse of this water in processes that can be carried out with this recovered water

Every 3 years COMPA conducts a water efficiency study. A summary of the findings of the study is attached to the annual environmental report submitted to the regulatory authorities.

## **Metrics and targets**

### **[E3-3] Water and marine resources targets**

As we are in the first year of reporting under the ESRS, the Society has not yet set targets related to water resources, but specific targets will be set as the strategy and policy in this area is implemented.

### **[E3-4] Water consumption**

As part of the COMPA Group, COMPA's activities have the greatest impact on water consumption. COMPA's water management activities are authorized by the Olt Basin Authority - Sibiu Water Management System through a specific authorization. This regulatory act imposes certain specific criteria and requirements to which the organization must comply with specific reference to water supply for hygienic-sanitary purposes, water for fire-fighting, and water supply for technological purposes.

This regulatory act also lays down the characteristics relating to the specific volumes and flow rates of use authorized in accordance with the specific activities. The same act also lays down the parameters for the discharge of waste water from the site.

The Group operates in areas without water risk. At Group level, drinking water is taken from the drinking water supply network of the Municipality of Sibiu for daily use or from wells authorized for use on the site for the water required for fire prevention. The water is used in the specific production activity as technological water needed in certain sections, as drinking water for hygienic and sanitary needs of employees or for cleaning some administrative spaces.

A significant amount of the process water is recirculated through the cooling tower, which cools the water from the heat treatment furnaces.

Recycled water is used to cool the heat treatment furnaces at COMPA (production site). A portion of the water from the city water supply system required for production is stored on site in specific tanks and is used for back-up purposes in case of incidents that may occur at the drinking water supply plant of the water-sewer operator.

Water consumption at group level:

| ESRS_E3                              |        | Total 2023 | Total 2024 | Change from previous year |
|--------------------------------------|--------|------------|------------|---------------------------|
| Water indicators                     | Unit   |            |            |                           |
| Total water consumption (mc)         | Volume | 79047      | 86772      | 9.78%                     |
| Total water recycled and reused (m3) | Volume | 637        | 637        | 0.00%                     |
| Total stored water (m3)              | Volume | 1170       | 1170       | 0.00%                     |

At the 2024 level we had a total consumption of 714.58 cubic meters of water/thousand Euro generated.

The increase in total water consumption by 9.77% in 2024 compared to 2023 is mostly driven by the group's hotel activity which started in October 2023 when the first hotel on the Sibiu site, 48 Victoriei Boulevard, was commissioned, and then in February 2024 the second hotel developed on the same site was commissioned.

A centralized table with water consumption indicators for all COMPA Group entities can be found in the annexes.

**[E3-5] Anticipated financial effects of significant risks and opportunities related to water and marine resources**

The anticipated financial impacts of the IRO related to water resources have not been quantified to the extent that we can objectively report this data.

# ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

## Managing resources

### [ESRS2 IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities

The double materiality analysis has identified specific activities related to the theme of resources and waste management in the value chain which we have analyzed in terms of impacts-risks and opportunities

We focused our IRO identification on those themes-sub-themes - sub-sub-themes that were clearly incidental to the COMPA Group's activity, there were dependent activities that had an influence on us or we could be influenced by them. As a result of the impact and financial materiality analyses we concluded that the main potential negative impacts identified at Group level relate to waste generation and management in general but with a predominance of hazardous waste. The key risks highlighted are of the nature of financial losses due to the generation of large quantities of hazardous waste that need to be treated by incineration, the costs of which may increase significantly in the market or risks with regard to soil pollution due to poor management of hazardous waste disposal on our site or our contractors' sites.

| Topics Material covered in the report according to the thematic standards                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ESRS E5 - Circular Economy</b>                                                                                                                                                                                                                                                          |
| E5-Resource inputs including resource utilization                                                                                                                                                                                                                                          |
| E5-Resource outputs related to products and services                                                                                                                                                                                                                                       |
| E5-Waste management                                                                                                                                                                                                                                                                        |
| <ul style="list-style-type: none"> <li><input type="radio"/> not material, not covered in the report</li> <li><input checked="" type="radio"/> material, partly covered in the report</li> <li><input type="radio"/> significant and strategic material, covered in more detail</li> </ul> |

### [E5-1] Policies related to resource use and circular economy

The COMPA Group has implemented the Environmental Management System according to the SR EN ISO 14001:2015 standard, aiming at minimizing the effects of the activity on the environment through pollution prevention, efficient use of resources and energy, and effective waste management. Under the umbrella of this policy we identify significant environmental issues, those with operational risk and beyond, and strictly manage operational processes so that any risk does not turn into a negative impact. Compliance with national environmental legislation is verified through annual internal and external audits by qualified auditors. Our priority is that the environmental compliance requirements are met and that the certification of the integrated management system is sustained and continued year after year.

The Group Code of Business Conduct encourages the most efficient use of resources. In addition, through the Supplier Code of Conduct, COMPA encourages support in meeting the objectives set by adhering to the ISO 14001 Standard, as well as the adoption of the United Nations Sustainable Development Goals and Practices. In this regard, Compa requests Suppliers to implement an environmental management system according to the ISO 14001 Standard, also obtaining certification, so as to act for the continuous improvement of environmental protection measures.

Through the Green Procurement Guidelines implemented at COMPA, we require suppliers to comply with the requirements of European regulations on the management of hazardous substances and mixtures.

In addition, we recommend reducing and streamlining packaging for products to be delivered to COMPA, using reusable packaging more, using substitutes for disposable wooden pallets, and implementing the design and use of environmentally friendly packaging.

## [E5-2] Actions and resources related to resource use and circular economy

Natural resources management is carried out according to specific integrated quality - environment procedures.

COMPA, through its management system, purchases raw materials and materials in accordance with the internal purchasing procedure.

COMPA has environmental management and improvement programs related to minimizing energy resources, material resources and minimizing the amount of waste generated. In addition, there are actions on the optimization of waste generation in accordance with the waste hierarchy and annually the "Program for prevention and reduction of waste generation" is prepared and monitored, which is available on the website [www.compa.ro](http://www.compa.ro).

Within its environmental management system, COMPA applies a specific procedure that regulates the collection, storage, disposal, recording, reporting and transportation of waste generated to prevent environmental pollution.

Main techniques applied by society on resources and waste:

- **optimizing the procurement and use of raw materials and materials used** in manufacturing processes through SAP (System for Applications and Products), so as to avoid producing waste-generating inventories.
- **source reduction:** applying restrictions on the purchase of hazardous chemicals and applying optimization technologies leading to reduced quantities of waste;
- **selective collection of waste by category**, separation and separate storage of hazardous waste, recoverable waste separately from non-recoverable waste. Waste is collected in containers marked and labeled with the name of the waste and the European waste code;
- **recycling, reuse, valorization and landfilling of waste;** we have specific contracts for the collection of waste on our site with companies authorized for recycling, revalorization, valorization or landfilling depending on the nature and characteristics of the waste
- **general practices:**
  - o **monitoring the quantities of hazardous substances and mixtures** supplied, purchasing the quantities strictly necessary without creating stocks, using the FIFO method - first in - first out "first in - first out" when releasing raw materials, chemicals

from the warehouses, so as to avoid their expiry, training employees in the management of hazardous substances and waste generated, establishing an internal program for the evacuation of waste from the manufacturing sections and disposal or recovery of waste to specialized and authorized companies, evaluation of companies specialized in the transport, disposal or recovery of waste.

- **Waste management records** are kept in accordance with legal requirements
- **Waste packaging:** The waste is packaged, stored and labeled on site in accordance with the legislation and any applicable rules on mandatory labeling;
- **The temporary storage of waste** on the site shall be carried out in safe conditions, in specially designated areas, adequately protected against dispersion into the environment and against soil, surface and groundwater pollution, by type of waste, in compliance with the specific legislation in force;
- **Storage of waste oils and hazardous sludges** shall be in metal containers resistant to mechanical shock. Storage shall take place in enclosed spaces on concrete surfaces with the possibility of collecting any accidental spillage;
- **Waste transportation** under strict internal supervision. Waste shipped off-site for recovery or disposal may only be transported by authorized economic operators.

A waste audit shall be carried out every 2 years to analyze the compliance with waste compliance obligations and the evolution of waste generated. A waste prevention and reduction program is prepared and monitored annually.

## Metrics and targets

### [E5-3] Targets related to resource use and circular economy

Our integrated quality-environment-occupational health and safety system sets specific annual targets to minimize material consumption and waste generation. As part of our new sustainability strategy we have set that by 2035:

- Increase the recycling/recovery rate of waste by 30% by 2035.

Given that we are in the first year of reporting, we cannot report progress on these targets and we will be transparent in our performance on the circular economy target in our next report in 2025

### [E5-4] Resource entries

**The double materiality analysis found that the use of resources is not a material issue for our company, having an insignificant impact on economic and environmental performance.**

### [E5-5] Resource outputs

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

This procedure applies to all factories and departments in 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 results of centralized waste management at group level are presented below:

| <b>ESRS_E5</b>                                            |                        |                         |                                  |
|-----------------------------------------------------------|------------------------|-------------------------|----------------------------------|
| <b>Waste management (tons)</b>                            | <b>Total GRUP 2023</b> | <b>Total GROUP 2024</b> | <b>Change from previous year</b> |
| <b>Total waste generated</b>                              | <b>6669.83</b>         | <b>5179.72</b>          | -22.34%                          |
| <b>Total amount of hazardous waste</b>                    | 813.89                 | 613.95                  | -24.57%                          |
| <b>Deviate from deletion</b>                              | <b>709.64</b>          | <b>478.76</b>           | -32.54%                          |
| Through Valorization                                      | 623.54                 | 511.02                  | -18.05%                          |
| By Reuse                                                  | 0.00                   | 0.00                    |                                  |
| By Recycling                                              | 23.86                  | 13.71                   | -42.56%                          |
| By Other Methods (Energy Recovery)                        | 62.25                  | 32.26                   | -48.17%                          |
| <b>Directed for disposal</b>                              | <b>104.25</b>          | <b>88.89</b>            | -14.74%                          |
| By Incineration                                           | 0.00                   | 0.00                    |                                  |
| By Storage                                                | 104.25                 | 88.89                   | -14.74%                          |
| By other disposal operations                              | 0.000                  | 0.00                    |                                  |
| Other methods                                             | 0.000                  | 0.00                    |                                  |
| <b>Amount of Non-Hazardous Waste</b>                      | <b>5855.16</b>         | <b>4560.24</b>          | -22.12%                          |
| <b>Deviate from elimination, total</b>                    | <b>5711.89</b>         | <b>4411.97</b>          | -22.76%                          |
| Capitalize                                                | 184.26                 | 40.74                   | -77.89%                          |
| Reuse                                                     | 0.000                  | 0.00                    |                                  |
| Recycle                                                   | 5522.83                | 4365.48                 | -20.96%                          |
| Composting                                                | 4.80                   | 4.80                    | 0.00%                            |
| Recovery, including energy recovery                       | 0.000                  | 0.00                    |                                  |
| <b>Directed for disposal, total</b>                       | <b>143.00</b>          | <b>148.53</b>           | 3.86%                            |
| By Incineration                                           | 0.00                   | 0.00                    |                                  |
| By Storage                                                | 143.00                 | 148.53                  | 3.86%                            |
| On-site storage                                           | 0.00                   | 0.00                    |                                  |
| Other methods                                             | 0.00                   | 0.00                    |                                  |
| <b>Non-recycled/non-valorized waste</b>                   | <b>247.52</b>          | <b>237.50</b>           | -4.05%                           |
| <b>Percentage of waste not recycled/ not recovered(%)</b> | <b>3.71</b>            | <b>4.59</b>             | 23.55%                           |
| <b>Total amount of radioactive waste</b>                  | <b>0.000</b>           | <b>0.00</b>             |                                  |



In the year 2024 the total quantities of waste generated at Group level decreased by 22.34% compared to 2023, as a consequence of the decrease in production volumes. As a result, there is also a decrease in the quantities of hazardous waste by 24.57% compared to 2023 and a decrease in the quantities of non-hazardous waste by 22.12% compared to the same year. The largest amount of waste comes from the Group's manufacturing activities.

The percentage of waste not recycled/non-recovered increased from 3.71% to 4.59% due to the disposal of non-hazardous and hazardous waste by landfilling.

A centralized table by waste indicators for all COMPA Group entities can be found in the annexes.

### **[E5-6] Anticipated financial impacts of significant risks and opportunities related to resource use and the circular economy**

The anticipated financial impacts related to resource utilization and the circular economy have not been assessed to the extent that we can objectively report this data.

## **Reporting according to the requirements of the EU Taxonomy Regulation**

### **Financial year 2024**

#### **Introduction**

This report has been prepared to present the information required by Article 8 of the Taxonomy Regulation (EU) 2020/852 to be included in Compa Group's Non-Financial Statement for the financial year 2024.

The information provided meets the reporting requirements set out in Commission Delegated Regulation (EU) 2021/2178, Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485 and 2023/2486 and subsequent European Commission Communications (2022/C 385/01, C/2023/305).

#### **Article 8 - Taxonomy Regulation**

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the taxonomy is part of the European Commission's action plan to redirect capital flows towards activities that contribute to the objectives of the European Green Pact and is a classification system for economic activities that are environmentally sustainable. The Regulation was introduced into national legislation by Order of the Ministry of Finance No 1239/2021.

Companies are required to disclose which of their activities can be associated with activities included in the Taxonomy Regulations and delegated acts. In addition, they must disclose three key performance indicators (KPIs): the proportion of turnover derived from products or services associated with economic activities that qualify as environmentally sustainable, the proportion of capital expenditure (CapEx) and the proportion of operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.

A company's economic activities can be eligible or taxonomy aligned (environmentally sustainable). In order to be eligible, an economic activity must meet the definitions set out in the above-mentioned regulations and contribute to at least one of the six environmental objectives set out below:

1. Climate change mitigation

2. Adapting to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protect and restore biodiversity and ecosystems.

In order to be considered taxonomically aligned, an activity must contribute substantially to one or more of the six environmental objectives mentioned above, not significantly harm any of the other environmental objectives (DNSH) and comply with the minimum social safeguards laid down in the Regulations.

### Identification of eligible activities

In the following, we present the calculation methodology used to identify the Compa Group's eligible activities and the calculation methods for the key performance indicators for the reporting year 2024 for the identified activities (KPIs - proportions of turnover, capital expenditure and operating expenditure).

The first step was to analyze all the activities of the COMPA SA Group and the definitions and criteria described in the EU Regulations in order to identify which activities could be considered eligible (Art. 3 of EU Regulation 2020/852, the technical examination criteria in Delegated Regulations 2021/2139, 2022/1214, 2023/2485 and 2023/2486).

Once the eligible activities have been identified, the criteria that must be met for an activity to be considered aligned have also been checked.

Following the analysis, the following 12 eligible activities were identified and no activities aligned to the taxonomy were identified:

- Manufacture of automotive and mobility components (CCM 3.18)
- Production of electricity using solar photovoltaic technology (CCM 4.1)
- Construction, extension and operation of water collection, treatment and supply systems (CCM 5.1)
- Construction, extension and operation of wastewater collection and treatment systems (CCM 5.3)
- Transportation by motorcycles, motor cars and light commercial vehicles (CCM 6.5)
- Freight transportation services by road (CCM 6.6)
- Construction of new buildings (CCM 7.1, CE 3.1)
- Installation, maintenance and repair of electric vehicle charging stations in buildings (CCM 7.4)
- Data processing, web page management and associated activities (CCM 8.1)
- Computer programming, consultancy and related activities (CCA 8.2)
- Hotels, holiday and camping sites and similar accommodation (BIO 2.1)
- Collection and transportation of non-hazardous and hazardous waste (EC 2.3)

These activities were included in the next step, the calculation of key performance indicators.

## KPI on turnover

In the financial year 2024, the COMPA Group, which includes COMPA SA, COMPA IT SRL, TRANS C.A.S. S.R.L., ARINI HOSPITALITY S.R.L., recorded a total turnover of RON 628 801 472 (Note 15 of the consolidated financial report).

Following the analysis of the group's activities and the specific taxonomy criteria mentioned above, we have identified 3 eligible income generating activities:

1. Manufacture of automotive and mobility components (CCM 3.18)
2. Computer programming, consultancy and related activities (CCA 8.2)
3. Hotels, holiday and camping sites and similar accommodation (BIO 2.1)

The turnover generated by the eligible activities was RON 48 215 624 and the proportion of turnover was 7%.

As no aligned activities were identified, the turnover generated by the activities aligned to the taxonomy was RON 0 and the percentage of the company's turnover deriving from products and services associated with environmentally sustainable economic activities was 0% (indicator defined by Article 8(2)(a) of Regulation (EU) 2020/852).

## ICP on Capital Expenditure (ICP CapEx)

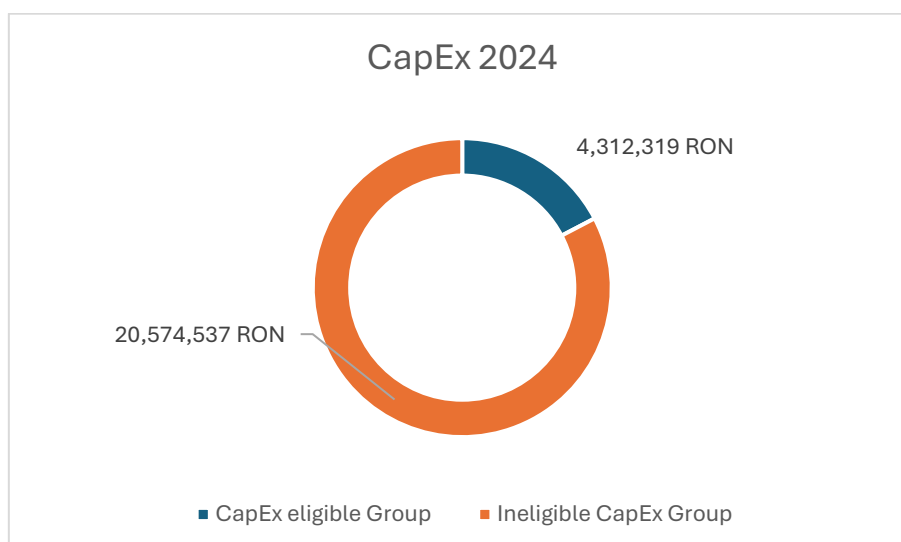
The proportion of capital expenditure (CapEx) referred to in Regulation (EU) 2020/852 has been calculated as numerator divided by denominator, in accordance with the definitions for numerator and denominator in Annex I of Delegated Regulation (EU) 2021/2178.

The total capital expenditure (denominator) was RON 24 886 856 and covers additions to property, plant and equipment and intangible assets during 2024, before depreciation, amortization, depreciation and revaluations (Note 4.1 Property, plant and equipment in the consolidated financial report). Capital expenditure has been calculated in accordance with statutory regulations, excluding leases in accordance with IFRS 16.

The counter had a value of RON 4 312 319 and represents the total CapEx expenditure for the following eligible activities:

1. Manufacture of automotive and mobility components (CCM 3.18)
2. Freight transportation services by road (CCM 6.6)
3. Construction of new buildings (CCM 7.1, CE 3.1)
4. Installation, maintenance and repair of electric vehicle charging stations in buildings (CCM 7.4)
5. Computer programming, consultancy and related activities (CCA 8.2)
6. Hotels, holiday and camping sites and similar accommodation (BIO 2.1)

After identifying the denominator and numerator, the final indicator was calculated. Thus, the KPI CapEx associated with eligible activities not aligned to the taxonomy was 15 %. The KPI CapEx associated with economic activities considered environmentally sustainable was 0 %, as no taxonomy aligned activities were identified, only eligible activities.



### KPI on operating expenditure (OpEx KPI)

For the calculation of this indicator, the same calculation formula, the ratio between numerator and denominator, has been used, as defined for numerator and denominator for the calculation of the OpEx KPI in Annex I of Delegated Regulation (EU) 2021/2178.

The total operating expenses (denominator) was RON 41 973 949 in 2024 and includes expenses directly related to current maintenance, continuous and effective operation of tangible fixed assets, as well as direct non-capitalized costs directly related to maintenance and repairs and costs related to short-term leases , IT costs , training.

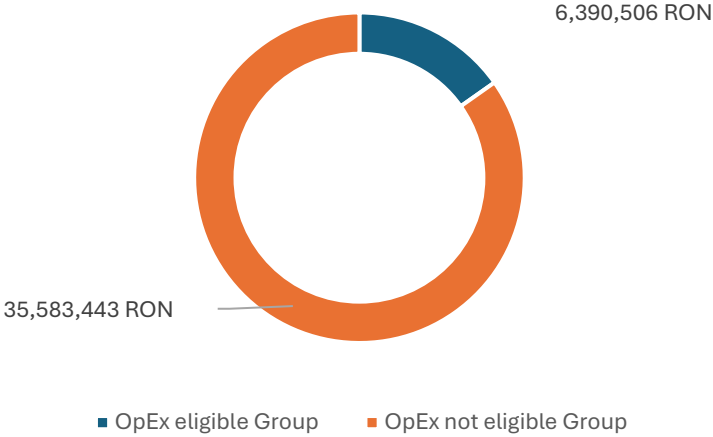
The counter was 6 176 000 RON and represents the total OpEx expenditure for the following eligible activities:

1. Production of electricity using solar photovoltaic technology (CCM 4.1)
2. Construction, extension and operation of water collection, treatment and supply systems (CCM 5.1)
3. Construction, extension and operation of wastewater collection and treatment systems (CCM 5.3)
4. Collection and transportation of non-hazardous and hazardous waste (EC 2.3)
5. Transportation by motorcycles, motor cars and light commercial vehicles (CCM 6.5)
6. Freight transportation services by road (CCM 6.6)
7. Data processing, web page management and associated activities (CCM 8.1)
8. Computer programming, consultancy and related activities (CCA 8.2)

After identifying the denominator and the numerator, the final indicator was calculated. Thus, the OpEx KPI associated with eligible activities not aligned to the taxonomy was 13 %. The OpEx KPI associated with economic activities considered environmentally sustainable was 0 %, as no taxonomy aligned activities were identified, only eligible activities.

The results of the valuation of the Compa Group's economic activities are presented in the following tables, according to the models provided in Annex V of Delegated Act 2023/2486.

### OpEx 2024













**compa**  
*beyond expectations*



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# SOCIAL INDEX

2024

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## Contents

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**SOCIAL**

**ESRS S1 - Own workforce**

**Strategy**

**[ESRS2 SBM-2] Stakeholders' interests and views**

During the preparation of the report we interviewed several stakeholders including employees and management of the organization. To run through the process please refer to the general basis for the preparation of sustainability statements, stakeholder interests and views in ESRS 2 for more information.

According to our materiality matrix, stakeholders have agreed on a list of material topics for which we need to be transparent and ensure accountability.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Theme: <b>S1 - Own workforce</b><br/>                 Sub-topic: Working conditions;<br/>                 Sub-sub themes:<br/>                 Securing a job;<br/>                 Working time;<br/>                 Adequate salaries;<br/>                 Social Dialogue;<br/>                 Freedom of association, the existence of works councils and workers' rights to information, consultation and participation;<br/>                 Collective bargaining, including the rate of workers covered by collective agreements;<br/>                 Work-life balance;<br/>                 Health and safety.</p> | <p>Theme: <b>S2 Value chain workers</b><br/>                 Sub-topic: Working conditions;<br/>                 Sub-sub themes:<br/>                 Securing a job;<br/>                 Working time;<br/>                 Adequate salaries;<br/>                 Social Dialogue;<br/>                 Freedom of association, including the existence of works councils;<br/>                 Collective bargaining;<br/>                 Work-life balance;<br/>                 Health and safety.</p> |
| <p>Theme: <b>S1 - Own workforce</b><br/>                 Sub-theme: Equal treatment and equal opportunities for all;<br/>                 Sub-sub themes:<br/>                 Gender equality and equal pay for work of equal value;<br/>                 Training and skills development;<br/>                 Employment and inclusion of people with disabilities;<br/>                 Measures against workplace violence and harassment;<br/>                 Diversity.</p>                                                                                                                                                 | <p>Theme: <b>S2 Value chain workers</b><br/>                 Sub-theme: Equal treatment and equal opportunities for all;<br/>                 Sub-sub themes:<br/>                 Gender equality and equal pay for work of equal value;<br/>                 Training and skills development;<br/>                 Employment and inclusion of people with disabilities;<br/>                 Measures against workplace violence and harassment;<br/>                 Diversity.</p>                        |
| <p>Theme: <b>S1 - Own workforce</b><br/>                 Sub-topic: Other work-related rights;<br/>                 Sub-sub themes:<br/>                 Child labor;<br/>                 Forced labor;</p>                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Theme: <b>S2 Value chain workers</b><br/>                 Sub-topic: Other work-related rights;<br/>                 Sub-sub themes:<br/>                 Child labor;<br/>                 Forced labor;</p>                                                                                                                                                                                                                                                                                               |

|                                       |                                                                |
|---------------------------------------|----------------------------------------------------------------|
| Adequate housing;<br>Confidentiality. | Adequate housing;<br>Water and sanitation;<br>Confidentiality. |
|---------------------------------------|----------------------------------------------------------------|

### [ESRS2 SBM-3] - Significant impacts, risks and opportunities and their interaction with strategy and business model

Identifying and managing material impacts, risks and opportunities are essential elements in developing a sustainable and resilient business model. In an ever-changing economic and social environment, we focus on integrating sustainability principles into our strategy to ensure long-term growth and generate value for all stakeholders.

| Topics Material covered in the report according to the thematic standards                                                                                                                                                    |                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>ESRS S1 - Own workforce</b>                                                                                                                                                                                               |                                                                                                                             |
| <b>Working conditions</b>                                                                                                                                                                                                    | Secure employment;                                                                                                          |
|                                                                                                                                                                                                                              | Working time;                                                                                                               |
|                                                                                                                                                                                                                              | Adequate salaries;                                                                                                          |
|                                                                                                                                                                                                                              | Social Dialogue;                                                                                                            |
|                                                                                                                                                                                                                              | Freedom of association, the existence of works councils and workers' rights to information, consultation and participation; |
|                                                                                                                                                                                                                              | Collective bargaining, including the rate of workers covered by collective agreements;                                      |
|                                                                                                                                                                                                                              | Work-life balance;                                                                                                          |
|                                                                                                                                                                                                                              | Health and safety;                                                                                                          |
| <b>Equal treatment and opportunities for all</b>                                                                                                                                                                             | Gender equality and equal pay for work of equal value;                                                                      |
|                                                                                                                                                                                                                              | Training and skills development;                                                                                            |
|                                                                                                                                                                                                                              | Employment and inclusion of people with disabilities;                                                                       |
|                                                                                                                                                                                                                              | Measures against workplace violence and harassment;                                                                         |
|                                                                                                                                                                                                                              | Diversity;                                                                                                                  |
| <b>Other work-related rights</b>                                                                                                                                                                                             | Child labor;                                                                                                                |
|                                                                                                                                                                                                                              | Forced labor;                                                                                                               |
|                                                                                                                                                                                                                              | Adequate housing;                                                                                                           |
|                                                                                                                                                                                                                              | Confidentiality.                                                                                                            |
| <input type="radio"/> not material, not covered in the report<br><input checked="" type="radio"/> material, partly covered in the report<br><input type="radio"/> significant and strategic material, covered in more detail |                                                                                                                             |

### Material impacts:

With the analysis of the impacts of risks and opportunities for the development of the report we have identified 16 community impacts of which 14 are positive and 2 are negative. Only one negative impact could potentially be negative and relates to the material aspect "Adequate Wages". We have identified the possibility of some dissatisfaction among employees regarding the below average market pay levels, this impact could lead to possible migration of current employees to competing firms in the area.

### Financial materiality:

Throughout our analysis we have identified 16 opportunities and 3 risks that may lead to negative impact on COMPA Group's financial capital. The identified risks are on material aspects such as:

- Employment and inclusion of people with disabilities; the fact that our operations do not yet allow adequate infrastructure for employment of people with disabilities we will pay monthly disability fund over a large period until we are able to calibrate infrastructure and operations to be compliant for these people;
- Adequate wages: increased company expenses for training new employees and not meeting the production target on time;
- Work-life balance: employees could migrate to companies that offer telecommuting or special child benefits for employees.

With the financial materiality analysis we have identified a set of **opportunities** related to the following material aspects:

- Working conditions: we offer additional financial and non-financial benefits to our employees;
- Equal treatment and equal opportunities for all: we currently offer and will continue to offer retraining opportunities;
- Other work-related rights: we offer and will continue to offer service housing for our employees which is a competitive advantage in the market.

## Managing impact-risk-opportunities

### [S1-1] Own workforce policies

For Compa Group, respect for human rights is fundamental. It is the foundation on which we build our working relationships and organizational culture. By adopting a human rights-centered approach, we not only fulfill our legal and ethical responsibilities, but also contribute to the development of a climate of trust and professional respect.

In COMPA as a strategy for managing the impact on the workforce and mitigating possible negative impacts we have implemented standards for safe and healthy working conditions, professional development programs and we place a strong emphasis on social dialogue.

In order to ensure that we do not violate fundamental human rights in any way, within COMPA, we have implemented a human rights policy, in which we focus on the fundamental human rights to a safe and healthy workplace, fair remuneration, freedom of association and protection of privacy and personal data.

In developing this policy we have focused on the following key features:

- inalienable;
- interdependent and interconnected;
- equality and non-discrimination.

In COMPA's vision, respect for employees' rights is an essential aspect for the development of a fair society and for ensuring a healthy and productive working environment. In order to achieve this we have focused our efforts on the following aspects:

- health, safety and security at work ;
- diversity and inclusion, equal opportunities;
- discrimination and harassment at work;
- preventing exploitation and forced labor;
- child labor.

We believe that the success of our organization depends on the well-being, respect and continuous development of all our employees. We are committed to creating a safe, inclusive and fair working environment in which every person is treated with dignity and respect through:

- respecting employees' rights;
- working conditions and safety;
- professional development and recognition;
- the right to equal opportunities.

We take our responsibility to deliver and constantly improve on these commitments so that every employee feels part of a team where they count.

Through its human rights policy, COMPA is committed to respecting and protecting human rights in all its activities and throughout its network of collaborators. This policy reflects our commitment to the fair treatment of all employees, partners and other stakeholders in accordance with international standards, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the core conventions of the International Labor Organization (ILO).

The prevention of child labor, exploitation and forced labor is a key priority for COMPA as we seek to promote social responsibility, ethics and respect for human rights. Forced and child labour is a serious violation of fundamental rights and its prevention requires constant monitoring and the commitment of our entire organization.

We are firmly committed to preventing all forms of child labor, exploitation and forced labor. We believe in the dignity of every employee and respect for their fundamental rights. Through transparency and collaboration, we ensure that all our practices reflect the highest ethical standards.

COMPA strongly condemns any form of labor exploitation and will not allow forced labor or human trafficking. We will ensure that all persons employed by us are free to accept and leave employment of their own free will, and all forms of employment will comply with international minimum age standards.

Another fundamental aspect for the COMPA Group is the occupational health and safety of our employees. Within COMPA, health and safety at work and prevention and protection activities are carried out by the internal service.

These aspects are managed by the HSE-H&S department, which constantly implements appropriate policies and procedures to reduce the risks of accidents and occupational illnesses, but also to contribute to increased productivity and staff morale.

As we want to improve the aspect of health and safety in the workplace and to emphasize the importance of this aspect for COMPA we list some of the measures that we have considered viable to support the control of this aspect at company level:

- ISO 45001:2018 ;
- contingency plans;
- first aid plan;
- continuous assessment of workplace risks;
- promoting ergonomics in the workplace;
- organizing training sessions for employees on risks and how to prevent them;
- private fire brigade;
- continuing education of employees.

COMPA is committed to providing an inclusive and diverse working environment based on respect, integrity and fairness, where every employee is treated with dignity and works in a safe environment, free from discrimination or harassment (of any kind). To this end we organize regular periodic training for all our employees.

*Prevention of discrimination:* we prohibit any form of discrimination based on gender, age, race, ethnicity, religion, disability, sexual orientation, nationality, marital or family status, or any other characteristic protected by law. All employees will have equal access to opportunities for employment, professional development/retraining and promotion.

*Combating harassment:* we do not tolerate any form of harassment - sexual, verbal, physical, visual or digital. Harassment of any kind is unacceptable behavior, whether it comes from a colleague, manager, customer or external partner, and will be sanctioned in accordance with the company's internal rules.

We aim to promote an inclusive and diverse work environment where every employee is valued and respected. We encourage diversity, fairness and inclusion within the company and seek to ensure equal treatment of all employees, regardless of origin, gender, age, religion, sexual orientation, disability, socio-economic status or other characteristics protected by law.

### **Our objectives:**

- *promoting equality* - we make sure that every employee has access to the same opportunities regardless of gender, race, ethnicity, age, sexual orientation, religion or disability;
- *creating a safe environment* - we are committed to building a workspace where everyone feels encouraged to express their ideas and contribute to the development of the company;
- *Diversity and inclusion* - not just core values, but essential for innovation, collaboration and long-term success.

In our company, every voice counts, and every employee plays a key role in shaping a fairer and more prosperous future.

If our employees report certain human rights violations, we have put in place various mechanisms (internal rules, harassment committee, procedure for receiving and resolving employee complaints,

etc.) whereby they can report them without fear of reprisals. All complaints will be treated seriously, confidentially and investigated promptly and corrective measures will be implemented where appropriate.

The employee complaints and petitions system shall regulate the way in which employees may submit petitions to the company's management on their own behalf concerning work-related social problems. The system stipulates how such petitions are registered, dealt with and replies sent to petitioners.

Employees who lodge complaints are guaranteed that personal data will be kept confidential throughout the process and after its resolution. This ensures that they will not suffer reprisals from colleagues or superiors.

To reinforce our commitment to our employees, we have created a training department within COMPA to give our employees the opportunity to train or retrain.

To this end we have developed a training policy, whose fundamental criterion is the continuous development of employees through training and improvement of professional skills to support the ability of employees to participate in professional life but also to support the company's development and improvement strategy.

To support the continuous development of employees we have developed the following ways:

- Vocational Training Center - qualification/ retraining of employees in trades;
- EU-funded projects - developing the professional competences of their own employees as well as practicing pupils and students.

COMPA is currently authorized for:

- Qualification courses completed with ANC Certificates \* (National Qualifications Authority);
- Qualification courses finalized with participation certificates.

## **[S1-2] Processes for engaging with own workforce and workers' representatives on impacts**

The COMPA Group recognizes the importance of integrating the workforce perspective into the organization's decision making and activities designed to manage the actual and potential impact on employees. Through constant dialogue and structured consultation mechanisms, we aim to create an inclusive, safe and motivating work environment, tailored to the needs and expectations of employees.

To this end, we use various methods to listen to our employees, regularly asking them to fill in questionnaires on their job satisfaction but we also organize regular meetings between management and employee representatives. They have the opportunity to express their opinion on working conditions, pay, tasks, communication, health and safety at work and other issues they consider relevant. The opinions collected are systematically analyzed, thus ensuring a proactive approach to managing challenges and opportunities affecting the workforce.

Our employees also have the possibility to approach their line manager or human resources department whenever they have a work-related problem or any other queries.



In the case of a departure from the company, the employee is given the opportunity to complete an exit-interview questionnaire on the reasons for leaving the company, the situations that contributed to his/her departure and his/her views on improvements in the workplace and the company.

We believe that this approach not only protects and supports our employees, but also strengthens our position as a responsible employer, capable of creating a sustainable working environment adapted to the challenges of the future.

Within COMPA, the Collective Bargaining Agreement is an additional measure to ensure that the rights of our employees are respected and that meetings with trade union representatives are held regularly, in accordance with the legal obligations in force.

### **[S1-3] Processes to remedy negative impacts and channels through which own workforce can express their concerns**

We believe that employee engagement is key to staff attraction and retention. Engaged employees are more motivated in their daily work, more productive in achieving their goals and more loyal to their employer.

To remedy the negative impact on our workforce we have an approach, which takes into account both the needs of the employees and the goals of the organization, namely:

- *We analyze and identify problems:* we identify the main causes of the problems (working conditions on offer, career advancement opportunities, etc);
- *we communicate transparently:* we have created various channels of communication between management and employees in order to bridge the gap between the expression of needs and possible issues that may lead to a negative impact;
- *supporting employees:* we offer opportunities for qualification, retraining and/or professional development;
- *We offer rewards and motivation:* we offer financial and non-financial incentives (bonuses, advancement opportunities, extra days off);
- *we continuously monitor and improve:* we regularly assess the impact of the measures taken on our employees.

Such an approach has helped us to reduce the negative impact on our workforce and has contributed to a sustainable and productive working environment.

Channels through which employees can report and address problems within the company:

In order to express possible problems and constraints, in order to minimize the negative impacts on our employees we have made available several channels and methods for them to report and address the problems they face at work such as:

Communication channels:

- *the manager or line manager* with whom employees can discuss work-related issues;
- *human resources department:* employees can contact the human resources department for any work-related problem.

Methods and tools that are available to employees:

- *the company's internal rules* which provide specific mechanisms for resolving employee conflicts;

- *procedure for receiving and resolving employees' complaints*, a system for resolving employees' complaints which regulates how employees can address petitions on their own behalf to the company's management;
- *procedure for reporting and sanctioning acts of discrimination and harassment in the workplace*: the company has zero tolerance for any form of discrimination or harassment. In 2024 an information and awareness-raising campaign on discrimination and harassment in the workplace was started for all employees.

Within COMPA we have implemented the following additional ways of listening to employees, in addition to those mentioned above:

- *union representatives* who can discuss collective issues with the employer;
- *an OSH committee* with which employees can discuss health and safety issues.

If an employee reports a problem, we have implemented a system for investigating and resolving complaints by appointing a specialized team to review complaints, conduct an impartial and confidential investigation and take appropriate corrective action.

We guarantee protection from retaliation to any employee who reports a problem and assure them that they will not be penalized in any way for reporting problems.

By implementing these processes, we aim to demonstrate our commitment to the well-being of our employees and create a fair and safe working environment.

Investigating and resolving issues raised by employees:

Any problems raised by employees may be raised in writing through any of the channels made available to them. Depending on the issue raised, the team in charge of dealing with it will open an investigation. Following the investigation the employee will receive a written resolution within 30 calendar days. Information is kept confidential to protect the employee.

All employee petitions or complaints are archived and kept within the department to which they are addressed.

Employees' awareness of and confidence in the processes for raising concerns:

Informing our employees about their rights and how to defend those rights is a priority at COMPA. We use the following ways to inform our employees about reporting channels:

- *internal rules and code of conduct*: we have included information on reporting channels;
- *company intranet*: dedicated information section;
- *Informative e-mails*: we regularly e-mail employees about how to address complaints;
- *regular training*: we have interactive presentations on how the complaints channels work and how they can be used;
- *information boards*: we have posters in visible places;
- *Regular meetings with the line manager*: we organize question and answer sessions to clarify procedures;

- *availability of a physical point of contact*: we have designated people responsible for handling complaints;
- *Suggestion boxes*: to allow employees to anonymously report a problem.

#### **[S1-4] Taking action on significant impacts on own workforce and approaches for managing significant risks and pursuing significant opportunities related to own workforce, and the effectiveness of these actions**

Within the COMPA Group, the human resources policy on human rights is aligned with the values of the organization as well as with the provisions of the United Nations Universal Declaration of Human Rights and the International Labour Organization conventions. Any form of forced labor, exploitation of minors, physical or psychological abuse or harassment is prohibited within COMPA.

Equal opportunities and equal treatment among our employees are fundamental to the way we conduct our day-to-day business, and therefore discrimination and/or harassment are prohibited.

A safe working environment is a daily priority for the COMPA Group. With this in mind, we are constantly attentive to identifying and improving processes related to the management of safety and security in the workplace. We also implement information and awareness programs for our employees.

COMPA Group's buildings are equipped with first-aid kits and technical-sanitary materials, and depending on the specific risk factors of each activity, each employee is provided with individual protective equipment.

The determination of the individual means of protection which make up the personal protective equipment to be provided to an employee shall be based on an analysis of the cumulative risks to which the worker practicing a particular occupation is exposed during the performance of the work task on a routine basis.

Managers of workplaces have the obligation to control the wearing by their subordinates of all the equipment in their individual equipment, appropriate to the risk and the work task they perform and to remove from the workplace the inadequately equipped worker, with all the natural consequences. If the subordinate worker refuses the protective equipment or does not wear it, the subordinate worker's supervisor shall prohibit him/her from continuing work and shall take measures to replace it, requesting the employer in writing to take disciplinary measures.

We are aware of our responsibility towards our workforce and actively implement measures to prevent or mitigate negative impacts on employees. Through a strategic and integrated approach, we aim to ensure a safe, fair and motivating working environment, promoting employee well-being and continuous professional development.

We have now taken a number of initiatives to improve working conditions and reduce potential risks. These include:

- implementing rigorous occupational health and safety standards;
- accident prevention programs and employee safety training sessions.

We have extended these measures by planning new retraining programs to ensure that our employees have the skills needed in a changing economic and technological environment.

Through these actions, we want to reaffirm our commitment to creating a safe, inclusive and sustainable workplace, where employees feel supported, motivated and prepared for the challenges of the future.

We aim not only to prevent negative impacts on employees, but also to ensure corrective action if significant adverse effects occur. To this end, we have a clear set of measures in place to address any real material impacts on the workforce and to provide effective remedial solutions.

Where a negative impact on employees is identified - whether it be unsafe working conditions, discrimination, harassment, financial loss or health issues - we act swiftly to provide an appropriate remedy. Actions taken include:

- *reporting and complaint mechanisms*: confidential reporting channels to quickly identify and correct problems, irregularities or difficulties encountered by employees;
- *Compensation and corrective action in case of misconduct*: a set of measures we can take to remedy any situation that arises;
- *educational measures and continuous training*: where the impact is due to gaps in training or awareness, we implement training sessions for employees and management.

As an additional measure, we are committed to responding quickly and effectively to any situation that could have a negative impact on our employees, ensuring that each case is treated seriously and that remedial solutions are applied correctly and in a timely manner. In doing so, we aim to reinforce our commitment to the well-being of our employees and to maintaining a safe and fair working environment.

In order to be able to pursue important opportunities related to our own workforce, we have implemented a number of strategic actions, both planned and ongoing. These actions are aimed at developing employees, improving staff retention, diversity and inclusion and optimizing working conditions.

Actions planned and ongoing:

*1. Employee development and training:*

- Training and development or retraining programs;
- Partnerships with academic institutions for continuous training and attracting new talent.

*2. Employee retention and satisfaction:*

- Implement a system to recognize and reward employee performance;
- Financial bonuses offered to employees.

*3. Diversity, equity and inclusion:*

- Promote diversity in work teams;
- Closing the pay gap.

*4. Improve working conditions and organizational culture:*

- Healthy work environment initiatives;

- Training programs to integrate new employees and increase team cohesion;
- Creating a collaborative working environment by improving internal communication and involving employees in company decisions.

We believe that these actions are essential to unlock the potential of the workforce and ensure the long-term success of COMPA.

We are committed to maintaining high ethical standards and ensuring a safe, fair and inclusive working environment. To this end, we focus on identifying, preventing and mitigating any significant negative impacts on our own workforce resulting from our procurement, sales and data use practices.

*1. Sales practices and customer relations:*

In our business activities, we ensure that competitive pressures do not lead to unsustainable working conditions for employees. We do this:

- Setting realistic targets for sales teams, avoiding overloading them;
- Protecting the integrity and wellbeing of the team by taking action against aggressive or manipulative customer relations practices.

*2. Data management and use:*

Recognizing the importance of data protection, we are committed to the highest standards in managing employee and customer information. Our measures include:

- Compliance with data protection regulations and strict cyber security measures.
- Ensure transparency in how personal data is collected, used and stored.

*3. Managing tensions between ethics and commercial pressures:*

Where preventing or mitigating negative impacts on employees is in conflict with commercial pressures, we take a balanced approach, focusing on:

- Prioritize employee well-being in any decision-making process:
- Engaging employees and stakeholders in open dialogs to identify fair and viable solutions.

Through these measures, our company ensures that its business activities do not cause or contribute to significant negative impacts on its own workforce, thus maintaining a balance between economic success and social responsibility.

As a further measure of managing the material impact on our employees, we have included financial as well as technological and operational resources. These are essential to ensure sustainability and transparency in terms of material impact on the environment, the economy and society.

## Metrics and targets

### [S1-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

Within the COMPA Group, we have set our sustainability objectives by defining our strategy. We have addressed the alignment of our sustainability strategy with our strategic business objectives and defined our vision, mission in line with our organization's culture and values.

In the process of defining the strategic objectives, top management analyzed relevant internal and external data, including market trends, current regulations and feedback from key stakeholders. By setting objectives, the Group aims to ensure clarity, consistency and efficiency in the implementation of its strategy, while creating a working environment that encourages the involvement and active contribution of the workforce to achieve the desired performance. Within COMPA, the performance tracking process starts with the communication of objectives to each directorate so that they are clearly defined, measurable and linked to the overall Group strategy.

These operational objectives are directly linked to the achievement of strategic objectives. Operational objectives are developed through consistent actions by each department leader.

The objectives shall be reviewed by the head of department together with the subordinate employees and targets and performance indicators at departmental and employee level shall be agreed. The actions leading to the achievement of the objectives are defined and for each action the responsible persons, deadlines for completion and performance indicators are established, where measurable. This stage enables each Directorate to align its actions and resources effectively to achieve the desired results.

Periodically (monthly, semi-annually or annually), as part of a review, the team of each directorate or department will monitor the achievement of the indicators and progress is reported to top management. These reports include the status of the achievement of the targets, the effectiveness of the achievement of the targets as well as necessary corrective actions.

Through this approach, COMPA ensures transparency, accountability and efficiency in achieving strategic objectives while promoting an organizational culture based on performance and continuous improvement.

### [S1-6] Characteristics of the companies' employees

#### COMPA Group

| S1-6 Information on own labor force                                                                                                                                         | 2023 | 2024 | Change from previous year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------------------|
| Total number of employees (HC)                                                                                                                                              | 1879 | 1647 | -12.35%                   |
| Number of women employed (HC)                                                                                                                                               | 600  | 506  | -15.67%                   |
| Number of men employed (HC)                                                                                                                                                 | 1252 | 1139 | -9.03%                    |
| Average number of employees (FTE)                                                                                                                                           | 1899 | 1767 | -6.95%                    |
| Please provide a table with the number of employees in subsidiaries in other countries with 50 or more employees representing at least 10% of the total number of employees | N/A  | N/A  | N/A                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |        |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|---------|
| Total number of employees in subsidiaries in other countries having 50 or more employees representing at least 10% of the total number of employees                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A    | N/A    | N/A     |
| Average number of employees in subsidiaries in other countries with 50 or more employees representing at least 10% of the total number of employees                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A    | N/A    | N/A     |
| Total number of employees with permanent CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1727   | 1429   | -17.26% |
| Total number of women with permanent CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 595    | 505    | -15.13% |
| Total number of men with permanent CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1105   | 1344   | 21.63%  |
| Total number of employees with fixed-term CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 157    | 203    | 29.30%  |
| Total number of women with fixed-term CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5      | 2      | -60.00% |
| Total number of men with fixed-term CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 147    | 196    | 33.33%  |
| Number of local employees (HC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1747   | 1460   | -16.43% |
| Number of non-EU foreign employees (HC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 132    | 187    | 41.67%  |
| Number of employees leaving during the year (HC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 472    | 436    | -7.63%  |
| Employee turnover (people leaving - fluctuation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 360    | 341    | -5.28%  |
| Annual staff turnover rate, % (staff turnover)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 19.15% | 20.70% | 8.09%   |
| Methodologies used to compile own labor force data:<br>The number of employees is tracked monthly on the basis of specific indicators, taking into account individual employment contracts active at the time of reporting                                                                                                                                                                                                                                                                                                                                                              |        |        |         |
| Indicate whether the number of employees is reported in number of employees or full-time equivalent:<br>Within the COMPA Group, the reporting of the number of employees is based on the total number of persons who have an active individual employment contract at the time of reporting.                                                                                                                                                                                                                                                                                            |        |        |         |
| Indicate whether the number of employees is reported at the end of the reporting period, as an average or by other methodology:<br>Within the Group, the reporting of the number of employees has been made according to the staffing situation as at 31.12.2023 respectively 31.12.2024.<br>The reporting was also done for the average number of employees and the calculation method is as follows:<br>- The number of employees on each day was added up and divided by the number of calendar days in the month;<br>-then added the number of persons per month and divided by 12. |        |        |         |
| Cross-reference the information reported under (a) above to the most representative number in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | N/A    | N/A    | N/A     |
| Total number of employees with full-time CIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1871   | 1636   | -12.56% |
| Total number of part-time CIM employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 11     | 9      | -18.18% |

Total number of employees: represents the number of employees with the status of 'active' employee. It includes types of employment - fixed-term employment contract and individual employment contract of indefinite duration.

Number of employees leaving during the year (HC) : includes both voluntary and involuntary departures (resignations, dismissals, retirements, parental leave).

Annual staff turnover rate: the ratio of the total number of employees leaving during the year to the average number of employees.

**[S1-7] Characteristics of non-salaried workers in the companie's own workforce**

**COMPA Group**

| S1-7 Information on own workforce from external sources (non-employees)                                                                                                                                                                                                                                                                                                                                                                                               | 2023 | 2024 | Change from previous year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------------------|
| Total number of non-employees - external sources (HC)                                                                                                                                                                                                                                                                                                                                                                                                                 | 65   | 57   | -12.31%                   |
| Total number of employees (HC)                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1879 | 1647 | -12.35%                   |
| Methodologies used to compile data on external non-employees:<br>*During each reporting year, a record was kept of the number of persons, employed from external sources, based on the data provided in the collaboration contracts.<br>*Reporting was done according to the total number of non-employees from external sources.<br>*Number of non-employees from external sources, was done as per the staffing situation as on 31.12.2023 respectively 31.12.2024. |      |      |                           |

Total number of non-employees - external sources : represents persons who are not employed or salaried employees of the COMPA Group (provision of services).

**[S1-8] Coverage of collective bargaining and social dialog**

**COMPA Group**

| S1-8 Collective bargaining and social dialog                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2023   | 2024   | Change from previous year |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|---------------------------|
| Percentage of total employees covered by collective bargaining agreements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 92.60% | 92.59% | -0.01%                    |
| Percentage of EEA employees covered by collective agreements by country with significant number of employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | N/A    | N/A    | N/A                       |
| Percentage of employees covered by collective employment contracts outside the EEA, by region                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | N/A    | N/A    | N/A                       |
| How working conditions for non-unionized employees are determined by collective agreements:<br>At COMPA, working conditions and benefits obtained through a collective bargaining agreement apply to all company employees, even if they are not union members. This type of contract benefits all our employees equally, ensuring that their rights are respected and that they enjoy a fair working environment.<br>Employees in group companies that do not have a collective bargaining agreement benefit from the working conditions laid down at national level by labor legislation. |        |        |                           |



|                                                                                                                                 |     |     |     |
|---------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|
| Percentage of EEA employees in countries with a significant number of jobs covered by workers' representatives                  | N/A | N/A | N/A |
| Any arrangements with employees for representation by EWC, SE or SCE                                                            | N/A | N/A | N/A |
| Number of employees in own workforce in regions outside the EEA covered by collective agreements by coverage rate and by region | N/A | N/A | N/A |

Percentage of total employees covered by collective bargaining agreements : employees covered by a collective bargaining agreement in relation to the number of employees of the Group. Within the COMPA Group there is one collective bargaining agreement concluded.

### [S1-9] Diversity indicators

#### COMPA Group

| S1-9 Indicators on diversity              | 2023  | 2024  | Change from previous year |
|-------------------------------------------|-------|-------|---------------------------|
| Total number of women in management (HC)  | 22    | 20    | -9.09%                    |
| Total number of men in management (HC)    | 99    | 75    | -24.24%                   |
| Proportion of women in management         | 1.17% | 1.21% | 3.42%                     |
| Proportion of men in management positions | 5.27% | 4.25% | -19.35%                   |
| Total number of employees under 30        | 332   | 295   | -11.14%                   |
| Total number of employees aged 30-50      | 745   | 669   | -10.20%                   |
| Total number of employees aged over 50    | 803   | 681   | -15.19%                   |

Gender distribution at management level (total number of women/men in management positions): represents the total number of women/men in management positions in the Group e.g. director, head of department.

Employee age groups: the age groups are calculated based on the number of active employees as of December 31 and include all employees within the Group. The age groups are >30, 30-49 and 50+ years.

### [S1-10] Adequate salaries

#### COMPA Group

| S1-10 Appropriate remuneration                                                                                                                                                                                                                                                       | 2023 | 2024 | Change from previous year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------------------|
| Confirm that all employees are properly remunerated in accordance with applicable benchmarks:<br>The COMPA Group is aligned with the Romanian legislation, so we do not have any employee who is remunerated with a salary lower than the minimum wage imposed at the country level. | 100% | 100% | 0.00%                     |

|                                                                                  |    |    |       |
|----------------------------------------------------------------------------------|----|----|-------|
| Percentage of employees paid below the reference level of the adequate salary    | 0% | 0% | 0.00% |
| Percentage of non- externally-sourced non-employees paid below the adequate wage | 0% | 0% | 0.00% |

Percentage of employees paid below the reference level of the appropriate wage: the percentage of employees paid below the guaranteed gross national minimum basic wage.

### [S1-11] Social protection

The COMPA Group complies with the Romanian legislation and all our employees benefit from social protection against loss of income due to sickness through the public social insurance system.

Employees contribute to the public health system by paying the social health insurance contribution (CASS), thus benefiting from public health insurance, which means free or subsidized medical treatment in case of illness, which reduces the direct financial costs of treatment.

This includes the right to:

- Sick leave and sick pay :
  - Employees are entitled to paid sick leave on the basis of a medical certificate issued by an authorized doctor;
  - Sickness benefit is calculated as a percentage of the calculation basis set by law (usually the average gross income earned in the last six months). The percentage varies according to the type and severity of the illness and national social protection requirements.

According to Romanian law, all employees become insured under the unemployment system from the first day of work by paying the relevant contributions, but the actual right to receive unemployment benefits depends on the completion of the minimum contribution period and only if the employment contract is terminated for reasons beyond the employee's control (e.g. redundancy, reorganization, bankruptcy).

In addition to the benefits granted by the legislation in force, in case of dismissal for reasons beyond the employee's control, COMPA offers its employees a reduction of working time by 4 hours per day, in order to give them the opportunity to look for a new job, as well as a cash compensation depending on the employee's seniority in the company.

The COMPA Group is in line with the legislation in force regard to the payment of compensation to employees in the event of accidents at work or disability.

Under COMPA, for employees who suffer an accident at work for reasons for which they are not responsible, we bear the costs of hospitalization and medication necessary to treat the injury, as well as the cost of prostheses required as a result of the accident at work, if these costs have not been borne by the insurer, in accordance with the law.

In cooperation with the COMPA trade union, the company offers the above-mentioned employees tickets for treatment or recuperation rest in spa and health resorts, 50% of the cost of which is borne by the company.

If the accident at work has resulted in permanent disability, the company provides the employee with a social benefit amounting to 3 times the employee's basic salary.

At COMPA Group all employees benefit from social protection for parental leave, in accordance with the Romanian legislation in force.

Social protection during parental leave includes:

- Either parent can apply for parental leave (up to 2 years or 3 years for a disabled child);
- The right to keep your job;
- Entitlement to monthly child-raising allowance;
- The right to return to the same or a similar post after the end of leave;
- Access to health care and other social benefits.

Under Romanian law, all employees who contribute to the public pension system benefit from social protection for retirement. This ensures not only the right to a pension, but also the recognition of contributions, income protection in old age and access to other social benefits.

Social protection in retirement offers the following benefits:

- A pension calculated on the basis of the accumulated public contributions;
- Length of service recognized by contribution period;
- The right to a supplementary pension if the employee contributes to a private pension scheme (Pillar II or Pillar III).

## [S1-12] People with disabilities

### COMPA Group

| S1-12 Persons with disabilities                                                                                                                                                                     | 2023  | 2024  | Change from previous year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|---------------------------|
| Percentage of employees with disabilities                                                                                                                                                           | 1.44% | 1.64% | 13.89%                    |
| Percentage of employees with disabilities - women                                                                                                                                                   | 0.52% | 0.59% | 13.46%                    |
| Percentage of employees with disabilities - men                                                                                                                                                     | 0.92% | 1.05% | 14.13%                    |
| Background information needed to understand disability data:<br>According to the country's legislation, disability is attested by means of a medical certificate, issued by the medical specialist. |       |       |                           |

Percentage of employees with disabilities - female/male: this indicator was reported without disclosing employees' personal data (e.g. type of disability, age, function, etc.), the only reporting criterion for employees being gender/sex.

## [S1-13] Training and skills development indicators

### COMPA Group

| S1-13 Training and skills development indicators | 2023 | 2024 | Change from previous year |
|--------------------------------------------------|------|------|---------------------------|
|--------------------------------------------------|------|------|---------------------------|

|                                                                                       |       |       |        |
|---------------------------------------------------------------------------------------|-------|-------|--------|
| Percentage of employees who participated in performance and career appraisals - women | 100%  | 100%  | 0.00%  |
| Percentage of employees having participated in performance and career reviews - men   | 100%  | 100%  | 0.00%  |
| Average training hours by gender - men                                                | 64.1  | 87.55 | 36.58% |
| Average hours of training by gender - women                                           | 56.1  | 69.55 | 23.98% |
| Average number of training hours per person per employee                              | 59.62 | 76.83 | 28.87% |

Average number of hours of employee training per person and by gender: total number of hours of training relative to the total number of employees.

### [S1-14] Health and safety indicators

#### COMPA Group

| S1-14 Health and safety                                                                                           | 2023   | 2024   | Change from previous year |
|-------------------------------------------------------------------------------------------------------------------|--------|--------|---------------------------|
| Percentage of employees covered by a health and safety management system                                          | 100%   | 100%   | 0.00%                     |
| Number of deaths among own employees due to accidents at work and occupational diseases                           | 0      | 0      | 0.00%                     |
| Number of deaths due to accidents at work and ill health by location (COMPA Group)                                | 0      | 0      | 0.00%                     |
| Number of accidents recorded for own workforce                                                                    | 3      | 4      | 33.33%                    |
| Recordable injury rate for own workforce                                                                          | 0.99%  | 1.39%  | 40.40%                    |
| Number of registered cases of occupational diseases of employees                                                  | 0      | 0      | 0.00%                     |
| The number of days lost due to accidents at work, work-related ill health and work-related deaths among employees | 338    | 401    | 18.64%                    |
| Percentage of employees covered by an audited health and safety management system                                 | 92.61% | 95.59% | 3.22%                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |   |   |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|-------|
| <p>Basic standards for internal audits or external certification of the health and safety management system:<br/>         COMPA is certified to ISO 45001, an international standard for Occupational Health and Safety Management Systems (OHSMS) and provides guidance for its use. The main aim of this standard is to improve the safety and health of employees and reduce workplace risks.<br/>         Objectives of ISO 45001:</p> <ul style="list-style-type: none"> <li>- Reduce the risk of occupational accidents and diseases.</li> <li>- Improve OHS performance.</li> <li>- Meet legal compliance.</li> <li>- Promote a health and safety culture.</li> </ul> <p>Arini S.R.L., Compa IT S.R.L., Recaserv S.R.L and Trans Cas S.R.L. benefit from outsourced HHS services.</p> |   |   |       |
| Number of cases of occupational diseases among former employees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0 | 0 | 0.00% |

| <b>Accident at work COMPA S.A. 2024</b>                                                                                  | <b>Remedy situations that caused accidents at work</b>                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| While moving, an employee stepped over a difference in level and suffered a femur fracture.                              | A motion sensor was installed to make lighting more efficient.                                                                                            |
| While operating a CNC machine tool, an employee suffered a fractured upper extremity as a result of a falling feed door. | An additional verification measure has been implemented to ensure that the door will not open.                                                            |
| While on duty, the employee became intoxicated with chlorine vapors as a result of a loose connection supplying a tank.  | A transfer of hazardous substances through a mechanized system with pumps has been ordered. The measure is to be implemented in the first quarter of 2025 |

| <b>Work accidents SC. Arini Hospitality S.R.L. 2024</b>                                                                                                               | <b>Remedy situations that caused accidents at work</b>                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| While cleaning in one of the bathrooms, the employee cleaned the shower battery, the water turned on and she panicked, became unbalanced and fell, spraining her leg. | -Risk assessment of occupational injury and illness has been revised.<br>-The prevention and protection plan has been updated based on the revised risk assessment. |

Percentage of employees covered by a health and safety management system: the percentage of employees covered by a health and safety management system based on legal requirements and/or nationally/internationally recognized standards. In the case of COMPA we refer to ISO 45001.

Number of recorded occupational accidents for own workforce: occupational accidents caused by exposure to hazards at work, including during travel for work-related purposes.

\*The rate of accidents at work was calculated using the following formula:

$$\text{Rata accidentelor de muncă} = \frac{\text{Numărul accidentelor de muncă}}{\text{Numărul de ore lucrate}} \times 1,000,000$$

### [S1-15] Work-life balance indicators

#### COMPA Group

| S1-15 Work-life balance                                                                                                                                                                                                                                                                                           | 2023   | 2024   | Change from previous year |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|---------------------------|
| Percentage of employees entitled to family leave                                                                                                                                                                                                                                                                  | 100%   | 100%   | 0.00%                     |
| Percentage of employees taking family leave                                                                                                                                                                                                                                                                       | 19.27% | 25.20% | 30.77%                    |
| Percentage of employees taking family leave by gender - women                                                                                                                                                                                                                                                     | 7.51%  | 8.86%  | 17.98%                    |
| Percentage of employees taking family leave by gender - men                                                                                                                                                                                                                                                       | 11.76% | 16.33% | 38.86%                    |
| <p>Employees are entitled to family leave through social policy and/or collective bargaining agreements:<br/> The COMPA Group is aligned with the current Romanian legislation, according to which employees are entitled to paid days off or have the right to leave of absence from work for family events.</p> |        |        |                           |

Percentage of employees who are entitled to family leave: employees who are eligible for additional paid leave days for special family events (marriage, death, paternity leave, etc.).

## [S1-16] Remuneration indicators (pay gap and total remuneration)

### COMPA Group

| S1-16 Remuneration parameters | 2023 | 2024 | Change from previous year |
|-------------------------------|------|------|---------------------------|
| Gender pay gap (gender)       | 0%   | 0%   | 0.00%                     |

Gender pay gap (sex): the average gender pay gap by calculating the difference between the average gross monthly earnings of men and women who are employed in the same/similar jobs in terms of activity and have the same experience/ seniority in the job they are doing.

## [S1-17] Incidents, complaints and serious human rights issues and incidents

### COMPA Group

| S1-17 Incidents, complaints and serious human rights impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2023 | 2024 | Change from previous year |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------------------|
| Number of discrimination incidents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0%   | 0%   | 0.00%                     |
| Number of incidents of workplace harassment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0%   | 0%   | 0.00%                     |
| Number of complaints lodged through internal channels by own workforce                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0%   | 0%   | 0.00%                     |
| Number of complaints lodged with OECD National Contact Points for Multinational Enterprises.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N/A  | N/A  | N/A                       |
| Amounts of fines, penalties and compensation for damages as a result of the above incidents and complaints                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0%   | 0%   | 0.00%                     |
| <p>Information on reconciliation of fines and sanctions for workplace discrimination and harassment: A remarkable aspect of the organizational culture within our Group is that no incidents of workplace discrimination or harassment were reported between 2023-2024. This achievement underlines our commitment to creating a fair work environment that respects diversity and promotes equal opportunities for all employees. We have implemented the following practices that have contributed to this success:</p> <ul style="list-style-type: none"> <li>- Awareness and information programs : we have organized training sessions for employees and provided information, focusing on ways to prevent discrimination and harassment in all its forms</li> <li>- Inclusive culture: we promote an open and inclusive organizational culture where every employee is encouraged to express their views and actively participate.</li> <li>- Open channels of communication: we have established clear and accessible channels of communication for reporting any case of discrimination or harassment, ensuring that all complaints are investigated promptly and fairly.</li> </ul> |      |      |                           |
| Number of serious human rights problems related to own workforce                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0%   | 0%   | 0.00%                     |
| Number of serious human rights problems related to own labor force according to UN and OECD guidelines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0%   | 0%   | 0.00%                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |   |   |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|-------|
| <p>Report if serious human rights issues have arisen in relation to your own workforce:<br/> Compa Group strongly respects human rights in accordance with international standards and applicable local regulations.<br/> We confirm that, to date, no serious human rights issues have been identified or reported in relation to our own employees. This result reflects our continued efforts to implement rigorous procedures and effective monitoring mechanisms to ensure a safe, fair and respectful working environment for all employees.<br/> Measures taken include:<br/> - Informing and training employees about discrimination and harassment in the workplace.<br/> - Respecting rights of association and collective bargaining.<br/> - Promoting fair and safe working conditions.<br/> - Prevent any form of forced or exploitative labor.</p> |   |   |       |
| Amount of fines and sanctions for serious human rights issues related to your own workforce                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0 | 0 | 0.00% |
| <p>Information on the reconciliation of fines and penalties in the financial statements<br/> The Compa Group demonstrates a strong commitment to respect for fundamental human rights in its activities. During the period under review 2023 and 2024, there were no sanctions, fines or penalties as a result of violations of these rights.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |   |   |       |

Number of incidents of discrimination and harassment: Within COMPA, there is a special committee set up to deal with such situations.



## ESRS S2 - VALUE CHAIN WORKERS

### ESRS 2 IRO-1 Processes for impact, risks and opportunities

In Compa Group's vision, value chain workers play an essential role in achieving results and output indicators, directly contributing to the organization's performance. Their motivation and involvement influence the effectiveness of processes and the quality of products or services. In the near future, we aim to develop a balanced strategy that will ensure both the fulfillment of our business objectives and the well-being of our value chain employees.

### [ESRS 2 SBM-2] Stakeholders' interests and views

We understand that the workforce in our value chain plays an essential role in ensuring a sustainable and efficient business. Relationships with our suppliers and partners influence both the quality of products and services delivered and compliance with ethical, social and environmental standards. We therefore take our responsibility to work with suppliers that respect employee rights and promote fair, safe and inclusive working conditions. Throughout the survey we asked our suppliers for their views on specific material issues. We had an unfortunately low response rate probably due to a lack of knowledge about this very important process for us.

The double materiality highlighted that the workforce in our value chain is of medium relevance. We will focus in the coming years to create a more streamlined engagement structure with our suppliers and distributors to better understand their needs and expectations and at the same time be able to address specific policies in turn to be understood and accepted in implementation.

**However, we believe that some of our activities and actions are moving towards a focus on respecting the rights of employees in the value chain.**

- **Respect for human rights and international labor standards** - We ensure that our suppliers comply with the principles of the International Labor Organization (ILO), eliminating all forms of forced labor, child labor and discrimination.
- **Working conditions and occupational health and safety** - We work with suppliers who implement appropriate measures to protect employees, prevent accidents and improve workplace safety.
- **Fair pay and respect for working hours** - We support fair pay practices that comply with national and international law while promoting work-life balance.
- **Access to training and development** - We encourage suppliers to invest in developing the skills of their employees, thus contributing to quality in the value chain.

### [ESRS2 SBM-3] - Significant impacts, risks and opportunities and their interaction with strategy and business model

|                                                                                  |                |
|----------------------------------------------------------------------------------|----------------|
| <b>Topics Material covered in the report according to the thematic standards</b> |                |
| ESRS S2 - Value chain workers                                                    |                |
| <b>Working conditions</b>                                                        | Securing a job |
|                                                                                  | Working time   |

|                                                                                                                                                                                                                              |                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                                                                                                                                                                              | Adequate salaries                                                 |
|                                                                                                                                                                                                                              | Social Dialogue                                                   |
|                                                                                                                                                                                                                              | Freedom of association, including the existence of works councils |
|                                                                                                                                                                                                                              | Collective bargaining                                             |
|                                                                                                                                                                                                                              | Work-life balance                                                 |
|                                                                                                                                                                                                                              | Health and safety                                                 |
| <b>Equal treatment and opportunities for all</b>                                                                                                                                                                             | Gender equality and equal pay for work of equal value             |
|                                                                                                                                                                                                                              | Training and skills development                                   |
|                                                                                                                                                                                                                              | Employment and inclusion of people with disabilities              |
|                                                                                                                                                                                                                              | Measures against workplace violence and harassment                |
|                                                                                                                                                                                                                              | Diversity                                                         |
| <b>Other work-related rights</b>                                                                                                                                                                                             | Child work                                                        |
|                                                                                                                                                                                                                              | Forced labor                                                      |
|                                                                                                                                                                                                                              | Adequate housing                                                  |
|                                                                                                                                                                                                                              | Water and sanitation                                              |
|                                                                                                                                                                                                                              | Privacy                                                           |
| <input type="radio"/> not material, not covered in the report<br><input checked="" type="radio"/> material, partly covered in the report<br><input type="radio"/> significant and strategic material, covered in more detail |                                                                   |

The COMPA Group recognizes the importance of the workforce in our value chain and the significant impact it has on our sustainability and operational performance. Relationships with suppliers, partners and subcontractors influence both the quality of our products and services and compliance with social and environmental standards. Therefore, integrating social responsibility into our supply chain is essential for developing a sustainable and resilient business model.

From the double Materiality Analysis we were able to identify a number of specific impacts, risks and opportunities. At the level of impacts these as mentioned are of medium relevance.

**Material impacts:**

The value chain workforce is a key factor in ensuring an ethical and sustainable supply chain. Relevant material aspects include:

- **Respecting labor rights** - We ensure that our partners respect the fundamental rights of employees, including safe working conditions, fair pay and respect for working hours.
- **Fair labor practices and inclusion** - We encourage diversity and inclusion in the supply chain, supporting equal opportunities for all employees.

- **Forced labor and labor exploitation** - We are vigilant in preventing any exploitative labor practices, including forced and child labor, by imposing rigorous standards for suppliers.
- **Occupational health and safety** - We ensure that suppliers implement appropriate measures to protect the health and safety of their employees.
- **Access to professional development** - We promote partnerships that support continuous professional development and upskilling of value chain employees.

### Financial Materiality:

Risks and opportunities identified.

#### Risks:

- **Suppliers' non-compliance with social standards** - Lack of clear labor protection policies at supplier level can create reputational and legal risks for the COMPA Group.
- **Occupational health and safety deficiencies** - Occupational accidents and unsafe supply chain conditions can affect the stability and efficiency of the value chain.
- **Labor fluctuation** - Instability or lack of skilled staff at suppliers can lead to delays in production and a drop in product quality.
- **Strict labor rights regulations** - Legislative changes may impose new compliance requirements on suppliers, creating additional costs and the need for operational adjustments.

#### Opportunities:

- **Creating an ethical and sustainable value chain** - Working with responsible suppliers gives us a competitive advantage and strengthens long-term business relationships.
- **Improve operational performance** - High standards of working conditions at suppliers can reduce the risks of supply chain disruptions and increase supply chain efficiency.
- **Innovation and digitization in workforce management** - Automation of processes and the use of digital solutions in supply chain management contribute to better monitoring and transparency.
- **Access to international markets and sustainable financing** - ESG compliance in the value chain enables us to work with international partners and access new financing opportunities.

### Interaction with COMPA's strategy and business model:

To ensure that value chain workforce impacts, risks and opportunities are effectively integrated into our strategy and business model, we are implementing the following measures:

- **Supplier Code of Conduct** - We impose strict standards on labor rights, health and safety, as well as social and environmental responsibility.
- **Skills development partnerships** - We work with training providers and institutions to improve the skills of the value chain workforce.
- **Transparency and reporting** - We publish information about our value chain practices to ensure open and accountable communication with stakeholders.

Through these initiatives, COMPA contributes to creating an ethical, sustainable and resilient supply chain, ensuring a positive impact on the workforce and communities in which we operate.

## Managing impact-risk-opportunities

### [S2-1] Submission Requirement S2-1 Value chain worker policies.

The COMPA Group is committed to respecting Human Rights and we expect our suppliers to conduct their business in a way that demonstrates respect for human rights, in accordance with human rights principles and to take all reasonable steps to address human rights risks in their own supply chain and in every aspect of their business. To this end, we have implemented a "Supplier Code of Conduct" which will be adhered to by all our suppliers, current and future.

We implement this commitment by implementing and reinforcing practices and procedures to prevent, mitigate and, where appropriate, remedy adverse human rights impacts that arise as a direct result of our work or that may be directly related to our work through our relationships with suppliers. Our commitment and our implementation practices and procedures are consistent with international instruments, including the Universal Declaration of Human Rights, the ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights - <https://www.unglobalcompact.org/>

In our business relationships we will not work with suppliers who:

- encourages slavery, compulsory or other forms of forced labor.
- does not ensure that the work of its employees is carried out voluntarily, in return for reinstatement in accordance with the law, and is not the result of criminal sanctions or prosecution, or of threats, violence, detention, imprisonment, withholding of identity documents, forfeiture of legal rights or restriction of privileges.
- cannot demonstrate that they have a policy in place prohibiting forced or slave labor that is known to all managers and workers.
- failed to ensure that their own workers were free to consent to employment and termination of employment at any time with reasonable notice in accordance with applicable law or the collective bargaining agreement in force.
- allow the employment of workers who have not fulfilled the legal age requirement of the country or local jurisdiction in which the supplier is based.

The "Supplier Code of Conduct" is available for consultation to our current and potential suppliers, as well as to any interested third party, on the company's website <https://compa.ro/>.

COMPA reaffirms its commitment by formulating and implementing a set of integrated policies and procedures within its Management System. Performance will be continuously assessed and results are transparently communicated, thus supporting the development of a sustainable and responsible economy.

The policy can be viewed by any interested party on the company's website [www.compa.ro](http://www.compa.ro).

## [S2-2] Collaborative processes with value chain workers on impacts

We recognize the importance of value chain workers' perspectives in decision-making and in the measures taken to manage their impacts. Through consultation mechanisms, such as supplier audit questionnaires, regular meetings with representatives of our suppliers (management), the company collects views and concerns directly from our suppliers' employees. This information is analyzed and integrated into strategies designed to improve working conditions, reduce risks and promote responsible supply chain practices.

We also undertake continuous audit and evaluation programs of suppliers, carried out before entering into a contractual relationship with them and throughout the relationship with them, ensuring that labor standards are respected and that their employees benefit from their fundamental rights. The feedback received from them plays a key role in adjusting internal procedures and in deciding on strategic partnerships. Through this participative approach, the company aims not only to comply with regulations, but also to develop a fair and sustainable working environment throughout its supply network.

To this end we have a dedicated function within the company that is directly responsible for supplier relations. This function carries out activities such as supplier selection and evaluation, supplier performance monitoring and supply chain risk management. It also ensures that suppliers are aligned with the company's values and policies, including sustainability, working conditions and compliance with legal regulations.

Through constant communication and strategic partnerships, the Supplier Relations function helps to optimize costs, improve the quality of products and services and ensure operational continuity. It also promotes innovation and continuous improvement, identifying solutions that support both the company's business objectives and the sustainable development of the entire supply chain

### *Responsible procurement practices:*

To ensure that our supply chain respects the principles of fair and sustainable labor, we apply strict procurement practices, including:

- Select suppliers based on compliance with ethical and decent work standards;
- Regular monitoring and auditing of business partners to prevent employee exploitation;
- Promoting transparency and accountability by working with suppliers who share our values on employee rights.

### **[S2-3] Processes for addressing negative impacts and channels through which value chain workers can voice their concerns**

Considering the sustainable procurement practices we encourage, the COMPA Group understands that it has an indirect responsibility to the workers in the value chain, and here we are referring to the workers of our suppliers and distributors of materials and products. We believe that their working environment and their rights must be respected to the same extent as the COMPA Group respects its employees. At the moment we do not have an internal process in place to address the impact on value chain workers, but we aim to implement such a process in the medium term.

Until this process has been finalized and implemented, any employee of any of our suppliers, former, current or potential, who has been impacted, can contact our commercial team, whose contact details are published on the company website [www.compa.ro](http://www.compa.ro).

### **[S2-4] Adoption of measures on significant impacts on value chain workers and approaches to manage significant risks and pursue significant opportunities related to value chain workers, and the effectiveness of these actions**

While we consider the potential negative material impact on workers in the value chain to be important, we have so far not taken specific actions to prevent or remedy these situations.

Because we have many suppliers in our business areas, the actions we plan to take to prevent or mitigate negative material impacts on workers in the value chain require prioritization of resources to identify and mitigate the most significant negative impacts.

We aim that if a negative impact is reported or identified by the COMPA Group, we will approach the supplier directly to urge them to prevent and mitigate the impact, while clearly communicating our expectation that they will provide remedial solutions to the affected value chain workers.

In the medium term we aim to establish a comprehensive supplier sustainability risk assessment process.

to identify and document the potential impacts to workers in our supply chain, based on the countries and sectors in which our suppliers' workers operate. We aim to base the risk assessment process on quantitative and qualitative analysis.

By doing so, we want our future requirements and criteria to lead to respect for human rights, fairness and equal opportunities among business partners. We believe that a future policy will help the process with the concrete target of mitigating negative impacts and risks related to working conditions and labor rights in our supply chain. We consider it important to focus our attention on several key areas such as:

- excessive overtime;
- accidents or deaths due to accidents at work;
- forced or child labor;
- discrimination or harassment at work.

We want our actions to be focused on both preventing and addressing these negative impacts and risks along our value chain.

### Metrics and targets

#### [S2-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

At present, within the COMPA Group we have not set specific outcome-oriented targets that meet the criteria for reducing negative impacts, promoting positive impacts or managing material risks and opportunities related to value chain workers. However, we recognize the importance of setting robust targets to produce meaningful progress in these areas.

We want to establish a clear process that will directly involve value chain workers and/or employee representatives. In the meantime, we are focusing on data collection and evaluation of current practices to ensure that future targets are effective and aligned with stakeholder needs.



## ESRS S3 - AFFECTED COMMUNITIES

### [S3-2] - Processes for interacting with affected communities regarding the impact on them

As a result of the assessments carried out, no significant risks associated with our Group's activities, products and/or services, nor in our dealings with stakeholders, have been identified that could have a negative impact on the community.

The COMPA Group takes its responsibility to constantly assess potential risks that could affect the communities in which it operates, actively contributing to maintaining a positive impact. We continuously monitor the effects of our activities, ensuring the highest ethical and sustainability standards. In addition, we encourage open and collaborative dialog with all stakeholders to anticipate and promptly address any concerns or unforeseen situations.

For COMPA Group, contributing to the life of the community is essential for its development and well-being. We believe that by getting involved, we make a real contribution to community life, to creating a safer and more pleasant environment and to strengthening the bonds between community members. Furthermore, by participating in such actions we are an example of supporters of joint efforts, generating a positive and lasting ripple effect.

We get involved in community life by:

- **Participation in social events:** every year the company is involved in charitable events such as the Sibiu Marathon, the Sibiu Cycling Tour and financial support to local sports teams.
- **Supporting protected units:** by purchasing products and services from protected units, we contribute to the local economy and job creation.
- **Vocational education and training of the new generation:** organization of training and practice programs for technical high school students.

In our view, community involvement, particularly for vulnerable groups, is a key initiative for improving lives and developing the community as a whole. In this way, the whole community develops, contributing to reducing social marginalization and building a more inclusive and equitable future.

This not only provides economic and professional opportunities for people from vulnerable groups, but also contributes to diversifying the workforce.

To this end, in the medium term we aim to participate in social and professional inclusion programs for vulnerable groups:

- institutionalized children who reach the age of 16, thus facilitating their access to the labor market, in partnership with the **General Directorate for Social Assistance and Child Protection Sibiu (DGASPC) and the Sibiu Child Protection.**
- single parents, the unemployed over 55 and workers without legal status.

## ESRS G1 Business Conduct

### *Managing impacts, risks and opportunities*

ESRS 2 GOV-1 Role of administrative, supervisory and management bodies

ESRS 2 IRO-1 Description of processes to identify and assess material impacts, risks and opportunities

G1-1 Corporate culture and business conduct policies



G1-2 Supplier relationship management

G1-3 Prevention and detection of corruption and bribery

***Metrics and targets***

G1-4 Confirmed incidents of corruption or bribery

G1-6 Payment practices



**compa**  
*beyond expectations*



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# GOVERNANCE INDEX

2024

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## GOVERNANCE

### ESRS G1 - BUSINESS CONDUCT

#### Managing impacts, risks and opportunities

##### [ESRS2 GOV-1] Role of administrative, management and supervisory bodies

The role of the statutory bodies is vital to the efficient running of the COMPA Group's operations, as they have ultimate responsibility for strategic decision-making. They are charged with setting the long-term direction of the organization, overseeing the day-to-day activities of management and ensuring compliance with corporate governance rules. The administrative, management and supervisory bodies are responsible for implementing and enforcing standards of business ethics and transparency. Their conduct is guided by the Code of Business Conduct, which defines principles of integrity, accountability and compliance with national and international regulations. To prevent conflicts of interest and malpractices, management oversees the application of internal anti-corruption and anti-bribery instructions, aiming to ensure clear mechanisms for reporting any misconduct. The internal audit and control systems are also structured to proactively identify and manage compliance risks, protecting the interests of the company and all stakeholders.

The professionalism and competence of the management team are essential to achieve the objectives of sustainability and good corporate governance. Board members and the executive team have solid experience in key areas such as corporate governance, risk management and compliance. To meet the ever-changing challenges, they participate in sustainability training programs. In addition, the diversity of skills across the board ensures a balanced and well-informed approach to decision making regarding a responsible and sustainable business model.

At the same time, a sustainability committee has been set up within the company to collect and analyze relevant data, to organize awareness sessions for employees and to provide regular staff training. The team involved in this process coordinates the preparation of the sustainability report, aiming to integrate both regulatory requirements and stakeholder expectations.

Through all these initiatives and actions, we reinforce our commitment to a sustainable business model.

**[ESRS2 IRO-1] Description of the process for identifying and assessing significant impacts, risks and opportunities**

In accordance with the ESRS requirements, our company conducted a double materiality analysis to identify and prioritize the relevant ESG aspects both from an environmental and societal impact perspective and from the perspective of identifying and managing the material impacts, risks and associated financial opportunities. This process involved a detailed assessment of activities across the value chain (downstream, own and upstream), stakeholder consultation and analysis of the applicable legislative framework. The results of this analysis confirmed that, in terms of the Business Conduct standard, the following themes are material for the Compa Group, requiring strategic management and transparent reporting.

**Topics Material covered in the report according to the thematic standards**

**ESRS G1 - Business Conduct**

|                                                            |
|------------------------------------------------------------|
| G1 -1-Business conduct policies and corporate culture      |
| G1 -2-Managing relations with suppliers                    |
| G1 -3 - Prevention and detection of corruption and bribery |
| G1 -4 -Incidents of corruption or bribery                  |
| G1 -5 -Political influence and lobbying                    |
| G1 -6 -Payment practices                                   |

- not material, not covered in the report
- material, partly covered in the report
- significant and strategic material, covered in more detail

**Material impacts**

With the analysis of the risks and opportunities impacts for the development of the report we have identified 7 community impacts of which 5 are actual and positive and 2 are potential negative. The last two impacts relate to the following material issues:

- **"Corporate governance"** being relevant in terms of compliance with the code of business conduct and suppliers' code of ethics
- **"Supplier relationship management, including payment practices"**, which is relevant in terms of compliance with contractual payment terms agreed with suppliers in order to avoid potential claims

**Financial materiality**

Throughout the double materiality analysis we have identified 1 opportunity and we have not identified any risks that could lead to a negative impact on COMPA Group's financial capital.

The opportunity identified relates to

- **"Supplier relationship management"**, i.e. the possibility to identify new suppliers.

These areas underpin our sustainability strategy and guide our actions to improve our ESG performance, reinforcing transparency and accountability within the company.

### **[G1-1] Policies on professional conduct and corporate culture**

COMPA Group's mission is to develop a secure future for shareholders, employees and the community. In terms of business conduct, COMPA's business complies with applicable legislation and is guided by internal policies and regulations through which it promotes its corporate culture. These are intended to enable stakeholders to understand the extent to which the company has regulations in place that address the identification, assessment, management and/or remediation of material impacts, risks and opportunities relating to business conduct. They are also intended to provide stakeholders with an understanding of the company's approach to corporate culture.

COMPA's **Code of Business Conduct** is intended to define for COMPA, affiliated entities, employees, shareholders, suppliers, customers, etc., the standards of integrity and their observance in the Company's business. The Code is an integrated element of Compa's principles, which describes the basic rules of conduct to be followed by employees, customers, suppliers, shareholders, the community, etc. As stated in the introductory part of the Code, COMPA's mission is to develop a secure future for shareholders, employees and the community, as the Company is one that brings the local industry tradition among the global players in the automotive industry.

The Code includes all the values and principles of conduct, responsibilities and obligations that define the quality of professional activity. It serves as a mandatory guideline and encourages the responsibility and involvement of Compa's employees, so that they carry out a competent and responsible activity in accordance with professional ethics.

Thus, the principles governing the professional conduct of COMPA employees are centered on:

- Understanding and respect for the customer
- Prioritizing performance
- Self-confidence
- Compliance with the law
- Honest communication
- Respect for the environment
- Investing in people

COMPA's Code of Business Conduct defines the values, principles and rules that the Company's employees must respect and apply:

- In its work within the company
- In line with company values and objectives to maintain a positive organizational climate
- In work outside the company

- In the relations that it develops with all categories of the public, in order to develop the Society's profile and maintain its reputation

**Conflict of interest** is regulated on the one hand in the Corporate Governance Regulation of the COMPA Board of Directors updated and approved at the Board of Directors' meeting of August 9, 2019. Thus, the members of the Board of Directors have a duty of loyalty to the Company and will avoid conflicts of interest when their personal or professional interests make it difficult to make decisions.

On the other hand, conflict of interest is also covered in the Code of Business Conduct. This shows that a conflict of interest is easily avoided when it is disclosed in good time. A conflict of interest arises when an employee's interests interfere or appear to interfere with his or her ability to perform his or her duties without bias. The Code indicates when conflicts of interest may arise.

At the COMPA level, the Code of Business Conduct discourages and penalizes **acts of corruption/giving or accepting bribes**. At the same time, the Company has implemented the Instruction on Reporting and Sanctioning Breach of Laws which aims and encourages reporting and sanctioning **acts of corruption/ giving or accepting bribes**.

As regards Whistleblower Protection, EU Directive 2019/1937 on whistleblowing has been transposed into national law by Law 361/2022 on the Protection of Whistleblowers in the Public Interest. The Act is also applicable to private entities and must be complied with as such. In addition to the provisions of the Act, the same Code of Business Conduct as well as the above-mentioned internal instruction also regulate **whistleblower protection**. The instruction indicates two alternative channels for reporting violations of the law. The instruction also regulates how to investigate reports of violations of the law. Through these regulations, COMPA guarantees the confidentiality of whistleblowers' personal data, while ensuring that reprisals against them are prohibited.

During the year 2024, there were no incidents of reporting legal violations at the Society. For the year 2025, COMPA proposes a campaign to raise awareness, train, educate and encourage employees to disclose misconduct and prevent corruption and bribery.

### [G1-2] Supplier relationship management

The relationship with suppliers and the procurement process is managed by the Commercial Department - Purchasing Department on the basis of internal working procedures that regulate the way of working with suppliers from the submission of the request for proposal to the conclusion of the contract, as well as the follow-up of its compliance. The company has implemented a procedure for evaluating suppliers of products and services, selecting them, validating the product supplied and auditing the supplier. COMPA, both individually and as a group, places particular emphasis on building and maintaining solid and reliable business relationships with its suppliers.

In this respect, the payment of invoices on due date is a priority and a commitment that has been made and will be respected in 2024. This approach ensures the continuity and stability of commercial relations with suppliers, supporting SMEs in particular and preventing unjustified delays in payments and negative impact on the supply chain.

COMPA works in a quality assurance system according to the IATF 16949 standard, in an environmental management system according to the ISO14001 standard, as well as according to the ISO 45001 standard, aiming to improve working conditions, promoting the safety, health and well-being of employees. Through the evaluation procedure of potential suppliers we aim for them to be accredited to at least ISO 9001/2015 and our efforts are focused on getting as many suppliers of automotive products as possible to implement IATF 16949 and ISO14001 standards.

Compa suppliers must comply:

- General COMPA purchase conditions
- COMPA customer specific requirements
- Green Procurement Guidance - this contains COMPA's recommendation to suppliers to implement environmental management following the ISO 14001 model and to obtain certification to this effect
- Supplier Code of Conduct - regulates the minimum standards that Compa suppliers must comply with, with a focus on social and environmental responsibility
- COMPA quality targets

### [G1-3] Prevention and detection of corruption and bribery

At the COMPA level, the Code of Business Conduct discourages and penalizes **acts of corruption/giving or accepting bribes**. At the same time, the Company has implemented the Instruction on Reporting and Sanctioning Violation of Laws which aims and encourages reporting and sanctioning **acts of corruption/ giving or accepting bribes**.

**We do not currently have a separate policy on this.**

The Instruction contains relevant information on the content of the report, which discloses aspects related to the possible act constituting a legal violation, its perpetrator, etc. The Instruction also establishes two channels for communicating the reports, namely in writing, by post to the Company's address or by e-mail to [etic@compa.ro](mailto:etic@compa.ro), for the attention of the person responsible for ethical issues.

In order to resolve a report revealing bribery or bribery, the Ethics Officer conducts a preliminary investigation. If the disclosure is found to be sufficiently substantiated, the investigation will continue and a final report will be submitted to the Board of Directors with a view to taking the appropriate decisions necessary to protect the interests of the firm. The measures taken may be in the nature of disciplinary sanctions or may be measures of criminal prosecution and/or civil liability.



For the year 2025, COMPA proposes an awareness, training, education and encouragement campaign on prevention and identification of such acts for employees holding high-risk positions and for members of administrative and management bodies.

At the same time, for the next period COMPA will adopt a policy for the prevention and detection of corruption and bribery, which will be available on the Company's website, thus being at the disposal of suppliers to report such situations should they occur.

## Metrics and targets

### [G1-4] Incidents of corruption or giving or taking bribes

There were no incidents of corruption or bribery in the COMPA Group during the reporting period.

### [G1-6] Payment practices

**According to internal procedures at COMPA Group level and accepted by the management we have the following types of payment terms at 2024:**

COMPA has set payment terms according to suppliers, as follows: 30 days, 60 days, 90 days and 120 days.

- Trans Cas SRL established payment terms of 15 days for various services, 30 days for fuel and spare parts suppliers, 60 days for transportation and utilities suppliers.
- Compa IT SRL has established payment terms of 15 days for suppliers, except for the payment term for utility suppliers which is 60 days.
- Arini Hospitality SRL has set payment terms of 30 days for the vast majority of suppliers, with the exception of 120 days for one supplier.

COMPA Group aims to pay all invoices within the agreed due date. This practice is essential in order to maintain a relationship of trust and stable collaboration with suppliers, ensuring compliance with financial commitments and efficient cash flow management.

As of 2024, we have not had any legal situations or incidents for failure to pay bills on time.

## ANNEXES

**ANNEX E1-5 Energy consumption and energy mix**

| ESRS_E1<br>Indicatori                                                                                    | 2023     |          |              |         |          | Total 2023 | 2024     |          |              |         |          | Total 2024 | Variația față de<br>anul anterior |
|----------------------------------------------------------------------------------------------------------|----------|----------|--------------|---------|----------|------------|----------|----------|--------------|---------|----------|------------|-----------------------------------|
|                                                                                                          | Compa    | Compa IT | Trans C.A.S. | Arini   | Recaserv |            | Compa    | Compa IT | Trans C.A.S. | Arini   | Recaserv |            |                                   |
| Consumul total de energie aferent operațiunilor proprii (MWh)                                            | 74390.60 | 57.42    | 183.96       | 496.62  | 298.88   | 75427.47   | 59935.94 | 68.42    | 293.79       | 2356.49 | 2078.62  | 64733.26   | -14.18%                           |
| Consumul total de energie din surse regenerabile (MWh)                                                   | 1156.30  |          |              |         |          | 1156.30    | 1183.51  |          |              |         |          | 1183.51    | 2.35%                             |
| Procentul de surse regenerabile în consumul total de energie, %                                          | 1.6%     | 0.0%     | 0.0%         | 0.0%    | 0.0%     | 2%         | 1.97%    | 0.00%    | 0.00%        | 0.00%   | 0.00%    | 2%         | 28.81%                            |
| Consumul total de energie din surse fosile (MWh)                                                         | 73234.30 | 57.42    | 183.96       | 496.62  | 298.88   | 74271.17   | 58752.43 | 68.42    | 293.79       | 2356.49 | 2078.62  | 63549.75   | -14.44%                           |
| Consumul de combustibil din cărbune și produse din cărbune (MWh)                                         |          |          |              |         |          | 0.00       |          |          |              |         |          | 0.00       |                                   |
| Consumul de combustibil din țiței și produse petroliere (MWh)                                            |          |          |              |         |          | 0.00       |          |          |              |         |          | 0.00       |                                   |
| Consumul de combustibil din gaze naturale (MWh)                                                          | 40337.08 | 32.00    | 158.47       | 78.34   | 166.11   | 40772.00   | 27193.08 | 38.50    | 264.75       | 1448.27 | 226.63   | 29171.23   | -28.45%                           |
| Consumul de energie electrică, căldură, abur și răcire achiziționate sau obținute din surse fosile (MWh) | 32897.22 | 25.42    | 25.49        | 418.28  | 132.77   | 33499.18   | 31559.35 | 29.92    | 29.04        | 908.22  | 1851.99  | 34378.52   | 2.62%                             |
| Procentul de surse fosile în consumul total de energie, %                                                | 98.45%   | 100.00%  | 100.00%      | 100.00% | 100.00%  | 98.47%     | 98.03%   | 100.00%  | 100.00%      | 100.00% | 100.00%  | 98.17%     | -0.30%                            |

**ANNEX E1-6 Gross emissions of GHG categories 1, 2, 3 and total emissions of GHG**

| ESRS_E1<br>Indicatori, tone CO2e                                                                              | 2023             |              |               |                 |               | Total<br>Grup<br>COMPA 2023 | 2024             |              |                |                 |               | Total<br>GRUP<br>COMPA 2024 | Variația față de<br>anul anterior |
|---------------------------------------------------------------------------------------------------------------|------------------|--------------|---------------|-----------------|---------------|-----------------------------|------------------|--------------|----------------|-----------------|---------------|-----------------------------|-----------------------------------|
|                                                                                                               | Compa            | Compa IT     | Recaserv      | Trans C.A.S.    | Arini         |                             | Compa            | Compa IT     | Recaserv       | Trans C.A.S.    | Arini         |                             |                                   |
| <b>Domeniul 1</b>                                                                                             |                  |              |               |                 |               |                             |                  |              |                |                 |               |                             |                                   |
| Valoare totală emisii domeniul 1                                                                              | 8,693.06         | 6.46         | 33.5          | 2,955.56        | 15.82         | 11,704.40                   | 6,584.21         | 7.78         | 45.77          | 2,419.05        | 292.52        | 9,349.33                    | -20%                              |
| Procentul emisiilor de GES din domeniul de aplicare 1 din schemele reglementate de comercializare a emisiilor | NA               | NA           | NA            | NA              | NA            | NA                          | NA               | NA           | NA             | NA              | NA            | NA                          | NA                                |
| <b>Domeniul 2</b>                                                                                             |                  |              |               |                 |               |                             |                  |              |                |                 |               |                             |                                   |
| Emisiile brute de GES din Domeniul 2 bazate pe amplasament                                                    | 7,344.30         | 5.68         | 29.64         | 5.69            | 93.38         | 7,478.69                    | 5,434.84         | 5.15         | 318.93         | 5               | 156.4         | 5,920.32                    | -21%                              |
| Emisiile brute de GES din Domeniul 2 bazate pe piață                                                          | 3,110.52         | 2.28         | 26.38         | 2.75            | 65.01         | 3,206.94                    | 6,888.77         | 6.53         | 404.25         | 6.34            | 198.25        | 7,504.14                    | 134%                              |
| <b>Total emisii GES 1+2 (bazate pe amplasament)</b>                                                           | <b>16,037.36</b> | <b>12.14</b> | <b>63.14</b>  | <b>2,961.25</b> | <b>109.2</b>  | <b>19,183.09</b>            | <b>12,019.05</b> | <b>12.93</b> | <b>364.7</b>   | <b>2,424.05</b> | <b>448.92</b> | <b>15,269.65</b>            | -20%                              |
| <b>Total emisii GES 1+2 (bazate pe piață)</b>                                                                 | <b>11,803.58</b> | <b>8.74</b>  | <b>59.88</b>  | <b>2,958.31</b> | <b>80.83</b>  | <b>14,911.34</b>            | <b>13,472.98</b> | <b>14.31</b> | <b>450.02</b>  | <b>2,425.39</b> | <b>490.77</b> | <b>16,853.47</b>            | 13%                               |
| <b>Raportul intensității emisiilor, tCO<sub>2</sub>e/mil. EUR</b>                                             |                  |              |               |                 |               |                             |                  |              |                |                 |               |                             |                                   |
| Domeniul 1                                                                                                    | 56.37            | 11.26        | 80.48         | 945.28          | 32.91         |                             | 54.22            | 13.84        | 105.40         | 887.20          | 80.00         |                             |                                   |
| Domeniul 2 (bazat pe amplasament)                                                                             | 47.62            | 9.90         | 71.20         | 1.82            | 194.23        |                             | 44.76            | 9.16         | 734.46         | 1.83            | 42.77         |                             |                                   |
| Domeniul 2 (bazat pe piață)                                                                                   | 20.17            | 3.98         | 63.37         | 0.88            | 135.22        |                             | 56.73            | 11.62        | 930.95         | 2.33            | 54.22         |                             |                                   |
| <b>Total RIE 1+2 (bazate pe amplasament), tCO<sub>2</sub>e/mil. EUR</b>                                       | <b>103.99</b>    | <b>21.17</b> | <b>151.68</b> | <b>947.10</b>   | <b>227.13</b> |                             | <b>98.98</b>     | <b>23.00</b> | <b>839.87</b>  | <b>889.04</b>   | <b>122.78</b> |                             |                                   |
| <b>Total RIE 1+2 (bazate pe piață), tCO<sub>2</sub>e/mil. EUR</b>                                             | <b>76.54</b>     | <b>15.24</b> | <b>143.85</b> | <b>946.16</b>   | <b>168.12</b> |                             | <b>110.95</b>    | <b>25.46</b> | <b>1036.35</b> | <b>889.53</b>   | <b>134.22</b> |                             |                                   |

**ANNEX E3-4 Water consumption**

| ESRS_E3                              | Unit   | 2023  |          |              |       |          | Total GRUP 2023 | 2024  |          |              |        |          | Total GRUP 2024 | Change from previous year |
|--------------------------------------|--------|-------|----------|--------------|-------|----------|-----------------|-------|----------|--------------|--------|----------|-----------------|---------------------------|
|                                      |        | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |                 | Compa | Compa IT | Trans C.A.S. | Arini  | Recaserv |                 |                           |
| APA indicators                       |        |       |          |              |       |          |                 |       |          |              |        |          |                 |                           |
| Total water consumption (mc)         | Volume | 75592 | 546      | 1388         | 1353  | 168      | 79047           | 74700 | 561      | 2264         | 9162.5 | 84       | 86772           | 9.772%                    |
| Total water recycled and reused (m3) | Volume | 500   | NA       | NA           | 137   | NA       | 637             | 500   | NA       | NA           | 137    |          | 637             | 0.000%                    |
| Total stored water (m3)              | Volume | 1000  |          |              | 170   |          | 1170            | 1000  |          |              | 170    |          | 1170            | 0.000%                    |

**ANNEX E5 - 5 Resource outflows**

| ESRS_E5<br>Waste management<br>(tons)  | 2023            |             |                 |             |              | Total GRUP<br>GRUP 2023 | 2024           |             |                 |               |              | Total GROUP<br>2024 | Change from<br>previous year |
|----------------------------------------|-----------------|-------------|-----------------|-------------|--------------|-------------------------|----------------|-------------|-----------------|---------------|--------------|---------------------|------------------------------|
|                                        | Compa           | Compa IT    | Trans<br>C.A.S. | Arini       | Reca<br>serv |                         | Compa          | Compa IT    | Trans<br>C.A.S. | Arini         | Reca<br>serv |                     |                              |
| <b>Total waste generated</b>           | <b>6663.760</b> | <b>0.00</b> | <b>0.671</b>    | <b>3.00</b> | <b>2.40</b>  | <b>6669.83</b>          | <b>5158.76</b> | <b>0.00</b> | <b>0.386</b>    | <b>18.17</b>  | <b>2.40</b>  | <b>5179.72</b>      | -22.34%                      |
| <b>Total amount of hazardous waste</b> | <b>813.523</b>  | <b>0.00</b> | <b>0.368</b>    | <b>0.00</b> | 0.00         | 813.89                  | <b>613.28</b>  | <b>0.00</b> | <b>0.346</b>    | 0.325         | 0.00         | 613.95              | -24.57%                      |
| <b>Deviate from deletion</b>           | <b>709.275</b>  | <b>0.00</b> | <b>0.368</b>    | <b>0.00</b> | <b>0.00</b>  | <b>709.64</b>           | <b>524.39</b>  | <b>0.00</b> | <b>0.00</b>     | <b>0.335</b>  | <b>0.00</b>  | <b>478.76</b>       | -32.54%                      |
| Through Valorization                   | <b>623.171</b>  | <b>0.00</b> | <b>0.368</b>    |             |              | 623.54                  | 510.69         |             | 0.00            | 0.335         | 0.00         | 511.02              | -18.05%                      |
| By Reuse                               |                 |             |                 |             |              | 0.00                    | 0.00           |             | 0.00            |               |              | 0.00                |                              |
| By Recycling                           | <b>23.858</b>   |             |                 |             |              | 23.86                   | 13.71          |             | 0.00            |               |              | 13.71               | -42.56%                      |
| By Other Methods (Energy Recovery)     | <b>62.246</b>   |             |                 |             |              | 62.25                   | 0.00           |             | 0.00            |               |              | 32.26               | -48.17%                      |
| <b>Directed for disposal</b>           | 104.248         |             |                 |             |              | <b>104.25</b>           | <b>88.885</b>  |             | <b>0.00</b>     | <b>0.00</b>   |              | <b>88.89</b>        | -14.74%                      |
| By Incineration                        | 0.000           |             |                 |             |              | 0.00                    | 0.00           |             | 0.00            |               |              | 0.00                |                              |
| By Storage                             | 104.248         |             |                 |             |              | 104.25                  | 88.885         |             | 0.00            |               |              | 88.89               | -14.74%                      |
| By other disposal operations           | 0.000           |             |                 |             |              | 0.000                   |                |             | 0.00            |               |              | 0.00                |                              |
| Other methods                          | 0.000           |             |                 |             |              | 0.000                   |                |             | 0.00            |               |              | 0.00                |                              |
| <b>Amount of Non-Hazardous Waste</b>   | <b>5849.460</b> | <b>0.00</b> | <b>0.303</b>    | <b>3.00</b> | <b>2.40</b>  | <b>5855.16</b>          | <b>4539.95</b> | <b>0.00</b> | <b>0.04</b>     | <b>17.846</b> | <b>2.40</b>  | <b>4560.24</b>      | -22.12%                      |
| <b>Deviate from elimination, total</b> | <b>5706.460</b> | <b>0.00</b> | <b>0.031</b>    | <b>3.00</b> | <b>2.40</b>  | <b>5711.89</b>          | <b>4396.95</b> |             | <b>0.30</b>     | <b>12.320</b> | <b>2.40</b>  | <b>4411.97</b>      | -22.76%                      |
| Leverage                               | 184.230         |             | <b>0.031</b>    | 0.00        | 0.00         | 184.26                  | 40.44          |             | 0.30            |               |              | 40.74               | -77.89%                      |
| Reuse                                  | 0.000           |             |                 |             |              | 0.000                   | 0.00           |             | 0.00            |               |              | 0.00                |                              |



**ANNEX S1-6 Information on own workforce**

| S1-6 - Information on own labor force                                                                                                                                       | 2023  |          |              |       |          | Total 2023 | 2024  |          |              |       |          | Total 2024 | Change from previous year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|--------------|-------|----------|------------|-------|----------|--------------|-------|----------|------------|---------------------------|
|                                                                                                                                                                             | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Total number of employees (HC)                                                                                                                                              | 1740  | 10       | 44           | 48    | 37       | 1879       | 1525  | 9        | 36           | 47    | 30       | 1647       | -12.35%                   |
| Number of women employed (HC)                                                                                                                                               | 530   | 2        | 6            | 30    | 32       | 600        | 445   | 2        | 5            | 29    | 25       | 506        | -15.67%                   |
| Number of men employed (HC)                                                                                                                                                 | 1183  | 8        | 38           | 18    | 5        | 1252       | 1078  | 7        | 31           | 18    | 5        | 1139       | -9.03%                    |
| Average number of employees (FTE)                                                                                                                                           | 1792  | 10       | 45           | 18    | 34       | 1899       | 1628  | 10       | 42           | 53    | 34       | 1767       | -6.95%                    |
| Please provide a table with the number of employees in subsidiaries in other countries with 50 or more employees representing at least 10% of the total number of employees | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A                       |
| Total number of employees in subsidiaries in other countries having 50 or more employees representing at least 10% of the total number of employees                         | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A                       |
| Average number of employees in subsidiaries in other countries with 50 or more employees representing at least 10% of the total number of employees                         | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A   | N/A      | N/A          | N/A   | N/A      | N/A        | N/A                       |
| Total number of employees with permanent CIM                                                                                                                                | 1593  | 10       | 39           | 48    | 37       | 1727       | 1311  | 9        | 32           | 47    | 30       | 1429       | -17.26%                   |
| Total number of women with permanent CIM                                                                                                                                    | 525   | 2        | 6            | 30    | 32       | 595        | 444   | 2        | 5            | 29    | 25       | 505        | -15.13%                   |
| Total number of men with permanent CIM                                                                                                                                      | 1014  | 8        | 33           | 18    | 5        | 1078       | 1267  | 7        | 27           | 18    | 5        | 1324       | 22.82%                    |
| Total number of employees with fixed-term CIM                                                                                                                               | 147   | 0        | 5            | 0     | 0        | 152        | 193   | 0        | 4            | 1     | 0        | 198        | 30.26%                    |
| Total number of women with fixed-term CIM                                                                                                                                   | 5     | 0        | 0            | 0     | 0        | 5          | 1     | 0        | 0            | 1     | 0        | 2          | -60.00%                   |
| Total number of men with fixed-term CIM                                                                                                                                     | 142   | 0        | 5            | 0     | 0        | 147        | 192   | 0        | 4            | 0     | 0        | 196        | 33.33%                    |
| Number of local employees (HC)                                                                                                                                              | 1608  | 10       | 44           | 48    | 37       | 1747       | 1338  | 9        | 36           | 47    | 30       | 1460       | -16.43%                   |
| Number of non-EU foreign employees (HC)                                                                                                                                     | 132   | 0        | 0            | 0     | 0        | 132        | 187   | 0        | 0            | 0     | 0        | 187        | 41.67%                    |
| Number of employees leaving during the year (HC)                                                                                                                            | 439   | 0        | 6            | 17    | 10       | 472        | 354   | 1        | 10           | 65    | 6        | 436        | -7.63%                    |

|                                                  |        |       |       |        |       |        |        |        |       |         |       |        |        |
|--------------------------------------------------|--------|-------|-------|--------|-------|--------|--------|--------|-------|---------|-------|--------|--------|
| Employee turnover (people leaving - fluctuation) | 334    | 0     | 4     | 17     | 4     | 359    | 264    | 1      | 7     | 65      | 4     | 341    | -5.01% |
| Annual staff turnover rate, % (staff turnover)   | 19.14% | 0.00% | 0.08% | 94.44% | 0.12% | 1.1378 | 16.04% | 10.00% | 0.15% | 122.64% | 0.12% | 1.4895 | 30.91% |

Methodologies used to compile own labor force data:

The number of employees is tracked monthly on the basis of specific indicators, taking into account individual employment contracts active at the time of reporting

Indicate whether the number of employees is reported in number of employees or full-time equivalent:

The number of employees is reported in terms of the total number of persons who have an active individual employment contract at the time of reporting.

Indicate whether the number of employees is reported at the end of the reporting period, as an average or by other methodology:

The reporting of the number of employees was done according to the staffing situation as at 31.12.2023 respectively 31.12.2024.

The reporting was also done for the average number of employees and the calculation method is as follows:

- The number of employees on each day was added up and divided by the number of calendar days in the month;

-then added the number of persons per month and divided by 12.

|                                                                                                               |      |     |     |     |     |      |      |     |     |     |     |      |         |
|---------------------------------------------------------------------------------------------------------------|------|-----|-----|-----|-----|------|------|-----|-----|-----|-----|------|---------|
| Cross-reference of the information in (a) above to the most representative number in the financial statements | N/A  | N/A | N/A | N/A | N/A | N/A  | N/A  | N/A | N/A | N/A | N/A | N/A  | N/A     |
| Total number of full-time CIM employees                                                                       | 1733 | 8   | 48  | 46  | 36  | 1871 | 1519 | 6   | 36  | 46  | 29  | 1636 | -12.56% |
| Total number of part-time CIM employees                                                                       | 5    | 2   | 1   | 2   | 1   | 11   | 4    | 3   | 0   | 1   | 1   | 9    | -18.18% |



**ANNEX S1-7 Information on own workforce from external sources (non- employees)**

| S1-7 Information on own workforce from external sources (non-employees) | 2023  |          |              |       |          | Total 2023 | 2024  |          |              |       |          | Total 2024 | Change from previous year |
|-------------------------------------------------------------------------|-------|----------|--------------|-------|----------|------------|-------|----------|--------------|-------|----------|------------|---------------------------|
|                                                                         | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Total number of non-employees - external sources (HC)                   | 63    | 2        | 0            | 0     | 0        | 65         | 56    | 1        | 0            | 0     | 0        | 57         | -12.31%                   |
| Total number of employees (HC)                                          | 1740  | 10       | 44           | 48    | 37       | 1879       | 1525  | 9        | 36           | 48    | 30       | 1648       | -12.29%                   |

Methodologies used to compile data on external non-employees:

\*During each reporting year, a record was kept of the number of persons, employed from external sources, based on the data provided in the collaboration contracts.

\*Reporting was done according to the total number of non-employees from external sources.

\*Number of non-employees from external sources, was done as per the staffing situation as on 31.12.2023 respectively 31.12.2024.



**ANNEX S1-9 Indicators on diversity**

| S1-9 Indicators on diversity              | 2023   |          |              |        |          | Total 2023 | 2024   |          |              |        |          | Total 2024 | Change from previous year |
|-------------------------------------------|--------|----------|--------------|--------|----------|------------|--------|----------|--------------|--------|----------|------------|---------------------------|
|                                           | Compa  | Compa IT | Trans C.A.S. | Arini  | Recaserv |            | Compa  | Compa IT | Trans C.A.S. | Arini  | Recaserv |            |                           |
| Total number of women in management (HC)  | 11     | 1        | 1            | 8      | 1        | 22         | 12     | 1        | 1            | 5      | 1        | 20         | -9.09%                    |
| Total number of men in management (HC)    | 95     | 1        | 1            | 2      | 0        | 99         | 73     | 1        | 1            | 4      | 0        | 79         | -20.20%                   |
| Proportion of women in management         | 10.38% | 50.00%   | 50.00%       | 80.00% | 100%     | 2.9038     | 14.12% | 50.00%   | 50.00%       | 50.00% | 100%     | 2.6412     | -9.04%                    |
| Proportion of men in management positions | 89.62% | 50.00%   | 50.00%       | 20.00% | 0.00%    | 2.0962     | 85.88% | 50.00%   | 50.00%       | 40.00% | 0.00%    | 2.2588     | 7.76%                     |
| Total number of employees under 30        | 300    | 0        | 2            | 25     | 5        | 332        | 269    | 0        | 3            | 21     | 5        | 298        | -10.24%                   |
| Total number of employees aged 30-50      | 688    | 9        | 18           | 22     | 8        | 745        | 615    | 9        | 16           | 24     | 5        | 669        | -10.20%                   |
| Total number of employees aged over 50    | 752    | 1        | 24           | 2      | 24       | 803        | 641    | 1        | 17           | 2      | 20       | 681        | -15.19%                   |

**ANNEX S1-10 Appropriate renumbering**

| S1-10 Appropriate renumbering                                                                                                                                                                                                                                                      | 2023  |          |              |       |          | Total 2023 | 2024  |          |              |       |          | Total 2024 | Change from previous year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|--------------|-------|----------|------------|-------|----------|--------------|-------|----------|------------|---------------------------|
|                                                                                                                                                                                                                                                                                    | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Confirm that all employees are properly remunerated in accordance with applicable benchmarks: Compa Group is aligned with the Romanian legislation, so that we do not have any employee who is remunerated with a salary lower than the minimum wage imposed at the country level. | 100%  | 100%     | 100%         | 100%  | 100%     | 100%       | 100%  | 100%     | 100%         | 100%  | 100%     | 100%       | 0.00%                     |
| Percentage of employees paid below the reference level of the adequate salary                                                                                                                                                                                                      | 0%    | 0%       | 0%           | 0%    | 0%       | 0          | 0%    | 0%       | 0%           | 0%    | 0%       | 0          | 0%                        |
| Percentage of non- externally-sourced non-employees paid below the adequate wage                                                                                                                                                                                                   | 0%    | 0%       | 0%           | 0%    | 0%       | 0          | 0%    | 0%       | 0%           | 0%    | 0%       | 0          | 0%                        |

**ANNEX S1-12 Persons with disabilities**

| S1-12 Persons with disabilities                   | 2023  |          |              |       |          | Total 2023 | 2024  |          |              |       |          | Total 2024 | Change from previous year |
|---------------------------------------------------|-------|----------|--------------|-------|----------|------------|-------|----------|--------------|-------|----------|------------|---------------------------|
|                                                   | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Percentage of employees with disabilities         | 1.38% | 0.00%    | 1.38%        | 0.00% | 0.00%    | 2.76%      | 1.57% | 0.00%    | 1.57%        | 0.00% | 0.00%    | 3.14%      | 13.77%                    |
| Percentage of employees with disabilities - women | 0.52% | 0.00%    | 0.52%        | 0.00% | 0.00%    | 1.04%      | 0.59% | 0.00%    | 0.59%        | 0.00% | 0.00%    | 1.18%      | 13.46%                    |
| Percentage of employees with disabilities - men   | 0.86% | 0.00%    | 0.86%        | 0.00% | 0.00%    | 1.72%      | 0.86% | 0.00%    | 0.86%        | 0.00% | 0.00%    | 1.72%      | 0.00%                     |

Background information needed to understand disability data:  
 According to the legislation of the country, the disability is attested by means of a medical certificate, issued by the medical specialist.

**ANNEX S1-13 Training and skills development**

| S1-13 Training and skills development indicators                                            | 2023  |          |              |       |          | Total 2023 | 2024  |          |              |       |          | Total 2024 | Change from previous year |
|---------------------------------------------------------------------------------------------|-------|----------|--------------|-------|----------|------------|-------|----------|--------------|-------|----------|------------|---------------------------|
|                                                                                             | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Percentage of employees who have participated in performance and career assessments - women | 100%  | 100%     | 100%         | 100%  | 100%     | 100%       | 100%  | 100%     | 100%         | 100%  | 100%     | 100%       | 0.00%                     |
| Percentage of employees who have participated in performance and career appraisals - men    | 100%  | 100%     | 100%         | 100%  | 100%     | 5          | 100%  | 100%     | 100%         | 100%  | 100%     | 5          | 0.00%                     |
| Average training hours by gender - men                                                      | 31.8  | 12.3     | 11           | 5     | 4        | 64.1       | 34.45 | 13.1     | 14           | 21    | 5        | 87.55      | 36.58%                    |
| Average hours of training by gender - women                                                 | 31.8  | 12.3     | 4            | 4     | 4        | 56.1       | 34.45 | 13.1     | 5            | 12    | 5        | 69.55      | 23.98%                    |
| Average number of training hours per person per employee                                    | 31.8  | 12.3     | 11           | 0.52  | 4        | 59.62      | 34.45 | 13.1     | 13           | 11.28 | 5        | 76.83      | 28.87%                    |



**ANNEX S1-15 Work-life balance**

| S1-15 Work-life balance                                        | 2023   |          |              |       |          | Total 2023 | 2024   |          |              |       |          | Total 2024 | Change from previous year |
|----------------------------------------------------------------|--------|----------|--------------|-------|----------|------------|--------|----------|--------------|-------|----------|------------|---------------------------|
|                                                                | Compa  | Compa IT | Trans C.A.S. | Arini | Recaserv |            | Compa  | Compa IT | Trans C.A.S. | Arini | Recaserv |            |                           |
| Percentage of employees entitled to family leave               | 100%   | 100%     | 100%         | 100%  | 100%     | 100.00%    | 100%   | 100%     | 100%         | 100%  | 100%     | 100.00%    | 0.00%                     |
| Percentage of eligible employees who took family leave         | 20.63% | 0.00%    | 2.27%        | 0.00% | 0.05%    | 22.95%     | 27.05% | 0.00%    | 0.00%        | 0.00% | 0.10%    | 27.15%     | 18.30%                    |
| Percentage of eligible employees who took family leave - women | 40.29% | 0.00%    | 0.00%        | 0.00% | 0.06%    | 40.35%     | 48.13% | 0.00%    | 0.00%        | 0.00% | 0.08%    | 48.21%     | 19.48%                    |
| Percentage of eligible employees who took family leave - men   | 34.42% | 0.00%    | 2.22%        | 0.00% | 0.00%    | 36.64%     | 53.01% | 0.00%    | 0.00%        | 0.00% | 0.20%    | 53.21%     | 45.22%                    |

Employees are entitled to family leave through social policy and/or collective bargaining agreements:

The Compa Group is aligned with the current Romanian legislation, according to which employees are entitled to paid days off or have the right to motivated absence from work for family events.





**Information on reconciliation of fines and sanctions for workplace discrimination and harassment:**

A remarkable aspect of the organizational culture within our Group is that no incidents of workplace discrimination or harassment were reported between 2023-2024. This achievement underlines our commitment to creating a fair work environment that respects diversity and promotes equal opportunities for all employees. We have implemented the following practices that have contributed to this success:

- *Awareness and information programs*: we have organized training sessions for employees and provided information, focusing on ways to prevent discrimination and harassment in all its forms
- *Inclusive culture*: we promote an open and inclusive organizational culture where every employee is encouraged to express their views and actively participate.
- *Open channels of communication*: we have established clear and accessible channels of communication for reporting any case of discrimination or harassment, ensuring that all complaints are investigated promptly and fairly.

|                                                                                                        |    |    |    |    |    |    |    |    |    |    |    |    |    |
|--------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Number of serious human rights problems related to own workforce                                       | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Number of serious human rights problems related to own labor force according to UN and OECD guidelines | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

**Report if serious human rights issues have arisen in relation to your own workforce:**

Compa Group strongly respects human rights in accordance with international standards and applicable local regulations.

We confirm that, to date, no serious human rights issues have been identified or reported in relation to our own employees. This result reflects our continued efforts to implement rigorous procedures and effective monitoring mechanisms to ensure a safe, fair and respectful working environment for all employees.

**Measures taken include:**

- Informing and training employees about discrimination and harassment in the workplace.
- Respecting rights of association and collective bargaining.
- Promoting fair and safe working conditions.
- Prevent any form of forced or exploitative labor.

|                                                                                            |    |    |    |    |    |    |    |    |    |    |    |    |    |
|--------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| The amount of fines and sanctions for serious human rights issues related to own workforce | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
|--------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|

**Information on the reconciliation of fines and penalties in the financial statements**

The Compa Group has demonstrated a strong commitment to respect for fundamental human rights in its activities. During the period under review 2023 and 2024, there were no sanctions, fines or penalties as a result of violations of these rights.

**QUANTUM EXPERT S.R.L. – accounting and financial audit company**

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**CAFR [Chamber of Financial Auditors of Romania] License: 118 / 28.11.2001****Annual e-visa ASPAAS no. 141773 / 03.06.2024**

No. 118 / 24.03.2025

**INDEPENDENT FINANCIAL AUDITOR'S REPORT**  
**regarding the annual consolidated financial statements prepared for the**  
**year 2024 by**  
**COMPA S.A. Sibiu**

To the Shareholders,  
of COMPA S.A. Sibiu

**Report on consolidated financial statements as at 31.12.2024**

**Opinion**

1. We audited **the consolidated financial statements** of COMPA S.A., headquartered in Sibiu, Henri Coanda Street, no. 8, Sibiu County, registered with the ORC attached to the Sibiu Tribunal under no. J32/129/1991, CUI RO 788767, for the financial year ended on 31.12.2024, which include: consolidated statement of financial position as at 31.12.2024, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies (amounts in lei). Those financial statements shall relate to:

|                                       | <u>31<sup>st</sup> December 2024 (lei)</u> |
|---------------------------------------|--------------------------------------------|
| • Net assets / Total equity           | 501.449.564                                |
| • Total assets                        | 762.038.981                                |
| • Turnover (net sales)                | 773.610.888                                |
| • Net result of the exercise (profit) | 546.543                                    |

2. **In our opinion, the annexed consolidated financial statements provide a true and fair view, in all material aspects, of the consolidated financial position of COMPA S.A. Sibiu on 31<sup>st</sup> December 2024, as well as the result of its operations and consolidated cash flows for the financial year ended on this date in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as amended (“OMFP no. 2844/2016”) and with the Order of the Minister of Finance no. 107/2025 on the main aspects related to the preparation and submission of the annual**



financial statements and annual accounting reports of economic operators to the National Agency for Fiscal Administration, as well as to regulate certain accounting aspects.

**The basis for the opinion**

3. We have conducted our audit in compliance with the International Standards on Auditing (“ISA”), EU Regulation (EC) No. 537 of the Parliament and of the European Council (as follows "Regulation") and Law No. 162/2017 on the statutory audit of annual and consolidated financial statements ("The Law"). Our responsibilities based on these standards are detailed in “The auditor’s responsibilities in a financial statements audit” section of our report. We are independent of the Group, according to the Code of Ethics of Accounting Professionals issued by the International Ethics Standards Council for Accountants (IESBA code), according to the professional ethics requirements relevant to the audit of financial statements in Romania and we have fulfilled our other professional ethical responsibilities, according to these requirements. We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit issues**

4. The key aspects of the audit are those aspects which, on the basis of our professional reasoning, were of the utmost importance for the audit of the consolidated financial statements of the current period. These issues have been addressed in the context of the audit of the consolidated financial statements as a whole and in the formation of our opinion on them, and we do not offer a separate opinion on these key issues. We believe that the key issues described below are the key issues that need to be communicated in our report.

| Key audit issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the issue was dealt with during the audit mission (audit procedures carried out)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue recognition under IFRS 15</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Revenue recognised in 2024, derived overwhelmingly from the sale of finished products according to the Group's principal business, depends on appropriate recognition and measurement to determine whether it is within specific management objectives or expectations.</p> <p>Due to the significant amount of revenue from the sale of finished products, and because revenue is one of the Group's key performance indicators (and therefore there is an inherent risk in relation to their recognition by management for meeting specific objectives or expectations), we consider revenue recognition for this type of revenue to be a key audit aspect Due to the significant amount of revenue from the sale of finished products, and because revenue is one of the Group's key performance indicators (and therefore there is an inherent risk in relation to their recognition by management for meeting specific objectives or expectations), we consider revenue recognition for this type of revenue to be a key audit aspect</p> | <p>Our audit procedures to address the risk of material misstatement with respect to the recognition of revenue from the sale of finished products, which was deemed to be materially risky, included the following:</p> <ul style="list-style-type: none"> <li>• understanding the entire process of recognizing revenue from the sale of finished products and documenting it by obtaining a complete flow of information for a significant transaction;</li> <li>• assessment of income recognition principles in accordance with OMFP nr. 2844/2016 and in relation to the accounting policies of the Group;</li> <li>• understanding how to recognise revenue from the sale of finished products by the Group;</li> <li>• testing the existence and effectiveness of internal controls on the recognition of revenue from the sale of finished products by the Group;</li> <li>• performing detailed tests in order to verify</li> </ul> |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>the correct recording of transactions;</p> <ul style="list-style-type: none"> <li>• testing revenue by obtaining direct confirmations from customers and performing alternative procedures for customers from whom we have not obtained balance confirmation.</li> </ul>                                                                                                                            |
| <p><b>Recognition of deferred tax assets</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The Group recognised deferred tax assets for deductible temporary differences considered recoverable.</p> <p>The recovery of deferred tax assets depends on the Group's ability to generate sufficient taxable profit in the future against which the deductible temporary difference can be utilised.</p> <p>Given the uncertainty created by estimating the amount and period of occurrence of future taxable profits against which deductible temporary differences can be used, we believe that the assessment of deferred tax assets was significant for the audit engagement.</p>                                                                                                                                                                                                        | <p>The audit procedures performed by the auditor include:</p> <ul style="list-style-type: none"> <li>• using professional tax judgement to assess measures taken by the Group that should enable the recovery of deferred tax assets;</li> <li>• assessing the adequacy of statements in financial statements, including disclosures about the use of estimates and professional judgement.</li> </ul> |
| <p><b>Application of the tax incentive regarding the tax exemption on profit reinvested in technological equipment</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The management of the Group expects to keep in its patrimony, for a period of at least 5 years, the equipment for which the tax facility was calculated and that the reserve established as a result of the facility will not be used for at least 5 years.</p> <p>The additional deduction generated by the reinvested profit depends on the preservation of the purchased equipment in the patrimony. The measurement of deferred tax liabilities and assets reflects the tax consequences resulting from how the Group expects to recover the value of the equipment.</p> <p>Given the degree of uncertainty created by the estimation of the minimum 5-year period for equipment storage, we consider that the application of the tax incentive was significant for our audit mission.</p> | <p>The audit procedures performed by the auditor include:</p> <ul style="list-style-type: none"> <li>• using professional tax judgement to assess measures taken by the Group that should enable the recovery of deferred tax assets;</li> <li>• assessing the adequacy of statements in financial statements, including disclosures about the use of estimates and professional judgement.</li> </ul> |

**Highlight some issues**

- Without expressing any reservations, we draw attention to the following points with regard to the consolidated financial statements:
  - The Group's management analyzed and found that the consolidation criteria provided by the legislation in force are met for the financial year 2024. Thus, the Management



of the Group proceeded to consolidate the financial statements, and in this case there is the obligation to prepare and present individual financial statements and consolidated financial statements respecting the ESEF format, respectively XHTML for individual financial statements and the obligation to label XBRL the consolidated financial statements, according to the provisions of Articles 3 and 4 of Delegated Regulation (EU) 815/2018.

- We draw attention to Explanatory Note 25 of the consolidated financial statements, according to which in the first months of 2025, COMPA SA is affected, on the one hand, by the decrease in volumes for certain customer benchmarks in both the automotive and metal construction sectors, and on the other hand, by the introduction of new projects in production, especially in the field of defense, which generates high costs and reduced productivity, the first months being dedicated to the training necessary for the use of the new products. According to the statements of the Management, the Group has taken measures to mitigate or eliminate these negative effects, so that no significant difficulties are estimated that may affect the continuity of business for a period of at least 12 months from the date of the financial statements.

Our opinion is not modified in these respects.

***Other information – Consolidated Administrator’s Report (compliance of the management report with the consolidated financial statements)***

6. Other information includes the Consolidated Administrator’s Report. The administrators are responsible for preparing and submitting the Consolidated Administrator’s Report in accordance with Articles 15-19 of the Accounting Regulations approved by OMFP nr. 2844/2016, and for that internal control that administrators consider necessary to allow the preparation and presentation of the Consolidated Administrator’s Report that does not contain material misstatements, due to fraud or error.

The Consolidated Administrator’s Report is not part of the financial statements.

Our opinion on the consolidated financial statements does not cover the Consolidated Administrator’s Report.

In connection with the audit of the consolidated financial statements for the financial year ended at 31<sup>st</sup> December 2024, our responsibility is to read the Consolidated Administrator’s Report and, in doing so, to assess whether there are significant inconsistencies between the Consolidated Administrator’s Report and the financial statements, whether the Consolidated Administrator’s Report includes, in all material aspects, the information required by Articles 15-19 of the Accounting Regulations approved by OMFP no. 2844/2016, and if, based on our knowledge and understanding acquired during the audit of the consolidated financial statements regarding the Group and its environment, the information included in the Consolidated Administrator’s Report is materially erroneous. We are asked to report on these issues. Based on the activity carried out, we report as follow:

- a) in the Consolidated Administrator’s Report we have not identified information that is inconsistent, in all material respects, with the information presented in the consolidated financial statements;



- b) The Consolidated Administrator's Report identified above includes, in all material aspects, the information required by Articles 15-19 of the Accounting Regulations approved by OMFP no. 2844/2016.

In addition, based on our knowledge and understanding acquired during the audit of the consolidated financial statements for the year ended at 31<sup>st</sup> December 2024, regarding the Group and its environment, we have not identified any information included in the Consolidated Administrator's Report that is materially misstated.

***Responsibilities of the management and of the persons responsible with governance for the annual consolidated financial statements***

7. The Group's management is responsible for preparing consolidated financial statements that provide a true and fair view in accordance with the International Financial Reporting Standards adopted by the European Union and approved by OMFP no. 2844/2016 and with the accounting policies described in the notes to the consolidated financial statements, and for that internal control that management considers necessary to allow the preparation of financial statements free from material misstatements, whether caused by fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing going concern issues, if any, in the notes to explanatory matters, and for using going concern accounting, unless management either intends to wind up the Group or stop operations or has no realistic alternative other than that.
9. The persons responsible for governance are responsible for supervising the financial reporting process of the Group.

***The auditor's responsibilities in an audit of the annual consolidated financial statements***

10. Our objectives consist in obtaining a 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. The reasonable assurance represents 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 be caused either by fraud or by error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the user's economic decisions, taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain the professional skepticism throughout the audit. Moreover:
  - We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we project and perform audit procedures as a response to those risks and we obtain audit evidence 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, because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - We obtain an understanding of the internal control relevant for the audit, in order to project the audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonable character of the accounting estimates and the related disclosures made by the management.
  - We draw a conclusion regarding the appropriateness of management's use of the going concerns basis of accounting and, based on the audit evidence obtained, we determine whether a material uncertainty exists related to events or conditions that might generate significant doubts regarding the Group's ability to continue as a going concern. In case 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, we must modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - We evaluate the overall presentation, structure and contents 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.
  - The scope of the performed audit was not limited.
12. As part of the audit process, we communicate to those charged with governance, among other matters, the planned scope and timing of the audit, as well as the main audit findings, including any significant deficiencies in internal control, that we identify during the audit.

#### ***Report on other legal and regulatory provisions***

13. Requirements relating to the information in the Remuneration Report – in accordance with the requirements of Article 107 (7) of Law No 24/2017, as amended ("Law 24/2017"), we have read the Remuneration Report drawn up by the Group for the financial year ended on 31.12.2024 and confirm that, in our opinion, it presents, in all material respects, the information provided in Article 107 of Law 24/2017.
14. Requirements for the audit of public-interest entities – in accordance with Article 10 (2) of Regulation (EU) No 537/2014, we provide the following information in our independent audit report, which is necessary in addition to the requirements of International Audit Standards:
- 14.1. **The appointment of the auditor and the duration of the mission** – We have been appointed the auditors of the Company with the approval of the Ordinary General Meeting of Shareholders (AGOA) from 07.03.2024, based on the service contract no. 37 / 20.05.2024, in order to audit the individual and consolidated financial statements of the Company for the financial year 2024. The total uninterrupted duration of our mission is 19 months, covering the financial years ended on 31.12.2023 and 31.12.2024. The previous auditor is Audit Account SRL.
- 14.2. **Consistency with the Additional Report presented to the Audit Committee** – On the date of issue of this audit report, the Group has an Audit Committee, to which we issue an additional report. Our audit opinion is consistent with the additional report submitted to the Group Audit Committee, which we issued on the same date that we issued this report. Also, in conducting our audit, we have maintained our independence from the audited entity.
- 14.3. **Provision of non-audit services** – We declare that we have not provided the Group with prohibited services that are not similar to the audit, referred to in Article 5 (1) of Regulation (EU) no. 537/2014b. In addition, we have not provided for the Group nor for



entities it controls other non-audit services that have not been disclosed in the consolidated financial statements.

**Report on compliance with the provisions of the Delegated Regulation (EU) 2018/815 of the European Commission, which includes regulatory technical standards on the single electronic reporting format**

14.4. We have been appointed to carry out a reasonable assurance mission on the compliance of the consolidated financial statements in XHTML format of COMPA S.A parent company group. ("Society") and its subsidiaries at 31.12.2024 ("XHTML" Situations), with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which sets out regulatory technical standards for specifying a single electronic reporting format ("RTS on ESEF").

14.5. **Our responsibility** – Our responsibility is to express, on the basis of the evidence obtained, a conclusion as to the extent to which XHTML Situations conform, in all material respects, to the RTS requirements on the ESEF.

- Our reasonable assurance mission was carried out in accordance with the International Standard on Insurance Missions 3000 (revised) - *Assurance missions other than audits or revisions of historical financial information* ("ISAE 3000") issued by the International Audit and Insurance Standards Board.
- A reasonable assurance mission in accordance with ISAE 3000 requires procedures to be carried out to obtain evidence of compliance with the RTS on the ESEF. The nature, timing and extent of the procedures selected depend on the auditor's judgement, including the assessment of the risk of material deviations from the provisions laid down in the RTS on the ESEF caused by either fraud or error. A reasonable assurance mission shall include:
  - obtaining an understanding of the process of preparing XHTML Situations (digital files) by the Group in accordance with the RTS on the ESEF, and of the relevant internal controls;
  - assessment of whether the financial statements have been prepared in a valid XHTML format;
  - reconciliation of XHTML Situations (digital files) with audited consolidated financial statements prepared by the Group in accordance with OMFP 2844/2016 for submission to the relevant authorities;
  - assessing whether all markings, including voluntary markings, on the information in the notes to the consolidated financial statements meet the following requirements:
    - XBRL marking language was used;
    - the basic taxonomy elements specified in Annex VI to the ESEF Regulation with the nearest accounting meaning have been used, unless an element of the extended taxonomy has been created in accordance with Annex IV to the ESEF Regulation;
    - marcajele utilizate sunt în conformitate cu regulile comune privind marcajele conform Regulamentului ESEF.

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

14.6. **Responsibility of the management of the Group for XHTML Situations prepared in accordance with the RTS on the ESEF**



- The Board of the Group is responsible for preparing XHTML Situations (digital files) according to the RTS on ESEF. This responsibility presupposes:
  - ensure consistency between XHTML and financial statements prepared for submission to relevant authorities in accordance with OMFP 2844/2016;
  - design, implement and maintain relevant internal control for the preparation and presentation of XHTML Situations in accordance with the ESEF RTS that are free from significant distortions caused by fraud or errors;
  - selection and affixing of appropriate XBRL markings, using professional judgement, if necessary;
  - ensuring consistency between digital files and consolidated financial statements to be published in accordance with OMFP 2844/2016.
- The management of the Company has analyzed and found that at the level of the financial year 2024 the consolidation criteria provided by the legislation in force are met. Thus, the Management of the Entity proceeded to consolidate the financial statements, and in this case there is the obligation to prepare and present the individual financial statements and consolidated financial statements in accordance with the format of ESEF, respectively XHTML digital files for individual financial statements and the obligation to label XBRL of the consolidated financial statements, according to the provisions of Articles 3 and 4 of Delegated Regulation (EU) 815/2018.

#### 14.7. Conclusion

- In conclusion, the parent company COMPA S. A. and its subsidiaries were required to submit consolidated financial statements in XHTML format in accordance with the RTS on ESEF (“The Technical Regulatory Standard on the Single European Electronic Reporting Format” or ESEF) for the financial year ended on 31.12.2024.
- In this report, we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding consolidated financial statements. Our audit opinion on the Group's separate financial statements for the financial year ended on 31.12.2024 is included in the *Report section on the audit of the above financial statements* above.

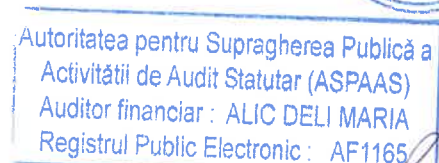
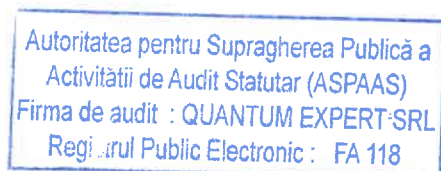
Date: 24.03.2025

Auditor's signature

**QUANTUM EXPERT S.R.L. Deva (CAFR License No. 118 / 28.11.2001, annual e-visa  
ASPAAS no. 141773 / 03.06.2024)  
by Administrator**

**Ec. ALIC Deli Maria – Financial Auditor (CAFR Registration No. 1165, annual e-visa  
ASPAAS no. 141735 / 30.05.2024)**

Auditor's address: Deva, Mărăști Street, Bldg. D3, 4th Entrance, Apt. 44, Code 330099,  
Hunedoara County



**QUANTUM EXPERT S.R.L. – accounting and financial audit company**

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**E-viza anuală ASPAAS seria 141773 / 03.06.2024**

No. 144 / 07.04.2025

**ILUSTRATIVE FORMAT OF THE UNMODIFIED LIMITED ASSURANCE REPORT**  
**Independent Auditor's Limited Assurance Report on the Consolidated Sustainability**  
**Statement for the financial year 2024**

**To: The Shareholders of the Group COMPA**

**Limited assurance conclusion**

We have conducted a limited assurance engagement on the Sustainability Statement included in the Administrators' Consolidated Report of the company COMPA SA together with its subsidiaries ("The Group") as at 31.12.2024 and for the period from 01.01.2024 to 31.12.2024, prepared by the company COMPA SA together with its subsidiaries ("The Group"), with social premises registered in Romania, address in Sibiu, Henri Coanda Street, no. 8, Sibiu County, registered with the Trade Register attached to the Sibiu Tribunal under no. J32/129/1991, Fiscal Identification Number RO 788767.

Based on the procedures we have performed and the evidence we have obtained, **nothing has come to our attention that causes us to believe that the Sustainability Statement of the Group COMPA as at 31.12.2024 and for the period from 01.01.2024 to 31.12.2024 is not prepared, in all material respects, in accordance with the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as subsequently amended, Chapter 7, sections 7.3, implementing Article 29(a) of Directive 2013/34/EU, Order of the Minister of Finance no. 85/2024 for the regulation of aspects related to sustainability reporting and in the Romanian Sustainability Code (HG no. 1117/2023 on the approval of the Methodology for sustainability reporting, including:**

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in sections [GOV-5], [SBM-3], [ESRS2 IRO-1], [ESRS2 SBM-3] Management of impacts, risks and opportunities; and
- compliance of the taxonomy disclosures detailed in the Environmental Section, subsection "Reporting in accordance with the requirements of the EU Taxonomy Regulation", of the Consolidated Sustainability Statement with the applicable reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations").

**Basis for conclusion**

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Our responsibilities under this standard are further described in the Practitioner's Responsibilities.



section of our report.

We are independent of the Group in accordance with *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our assurance engagement of the Consolidated Sustainability Statement in Romania, including Law no. 162/2017 with subsequent amendments (“The Law”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies *International Standard on Quality Management 1 (ISQM 1)* and, accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

### **Other matters – comparative information**

Our assurance engagement does not extend to information in respect of earlier periods. Our conclusion is not modified in respect of this matter.

### **Responsibilities for the sustainability statement**

Administrators of the Group are responsible for designing, implementing and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in sections [IRO-1], [ESRS2 IRO-1] of the Consolidated Sustainability Statement.

Consolidated Sustainability Reporting is a specific section that must be **included and identified separately in the Consolidated Administrators’ Report, which presents the information necessary to understand the impact of the reporting group on sustainability issues and the information necessary to understand how sustainability issues affect the development, performance and position of the Group. Sustainability issues mean environmental, social and human rights factors and governance factors, including sustainability factors, as defined in Article 2(24) of Regulation (EU) 2019/2.088.**

This responsibility include:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.
- the relevant risks, i.e. opportunities identified throughout the double materiality analysis can be found as specific information under the disclosure requirements [SBM-3] - Material impacts, risks and opportunities and their interaction with the respective strategy and business model at [ESRS2 SBM-3] - Material impacts, risks and opportunities in the strategy and business model of the COMPA Group, within the Consolidated Sustainability Report.

Administrators of the Group are further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with the statutory sustainability reporting framework provided for by law (section 7<sup>1.3</sup> of OMFP no. 2844/2016 implementing Article 29(a) of EU Directive 2013/34), including:



- compliance with the European Standards for Reporting on Sustainability;
- preparing the taxonomy disclosures of the Consolidated Sustainability Statement, in the Environmental Section, in compliance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”); and
- designing, implementing and maintaining such internal controls that are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those persons charged with governance are responsible for overseeing the Group COMPA’s sustainability reporting process.

### **Inherent limitations in preparing the Sustainability Statement**

In reporting a forward-looking information in accordance with European Standards for Reporting on Sustainability (ESRS), management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

### **Auditor’s Responsibilities**

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with *ISAE 3000 (Revised)* we exercise professional judgement and maintain professional skepticism throughout the engagement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in sections [IRO-1], [ESRS2 IRO-1].

Our other responsibilities in respect of the Consolidated Sustainability Statement include:



- Obtaining an understanding of the entity’s control environment, processes, and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. 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.

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - inspecting / Examining the Group’s internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process of the Group was consistent with the description of the Process set out in sections [IRO-1], [ESRS2 IRO-1].

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we have:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Statement;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the European Standards for Reporting on Sustainability (ESRS);
- Performed analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

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



### Restrictions of use

This Report is intended exclusively for the use of the Group's shareholders and expressly mentions the recipients agreed by contract or required by law. Our limited assurance engagement was carried out in order to be able to report to Group shareholders those matters that we are required to report in a limited assurance report on the Consolidated Sustainability Reporting and not for other purposes. To the extent permitted by law, we accept and assume no liability except to the Group and its shareholders, for our assurance engagement, for this report or for the conclusion made. This Report is based only on the Consolidated Sustainability Reporting specified above and does not extend to other financial or non-financial statements of the Group.

Date: 07.04.2025

Auditor's signature

**QUANTUM EXPERT S.R.L. Deva (CAFR License No. 118 / 28.11.2001, annual e-visa  
ASPAAS no. 141773 / 03.06.2024)**

**by Administrator**

**Ec. ALIC Deli Maria – Financial Auditor (CAFR Registration No. 1165, annual e-visa  
ASPAAS no. 141735 / 30.05.2024)**

Auditor's address: Deva, Mărăști Street, Bldg. D3, 4th Entrance, Apt. 44, Code 330099,  
Hunedoara County

