

To

**FINANCIAL SUPERVISORY AUTHORITY**  
**BUCHAREST STOCK EXCHANGE**

**- Financial Instruments and Investments Sector**  
**- Regulated market**

**REPORT FIRST QUARTER 2023 SEPARATE AND CONSOLIDATED**

**According to FSA Regulation no. 5/2018 (Appendix 13) on issuers and operations with securities**

Report date: May, 15<sup>th</sup> 2023  
Name of the issuing company: COMPA S.A. Sibiu  
Social headquarters: Sibiu, No.8, Henri Coandă Street, Postal Code 550234  
Phone/fax number: 0269 237 878; 0269 212 204  
VAT no : RO 788767  
Order Number in the Trade Register: J32 / 129 / 1991  
Share capital: RON 21.882.103,8 Ron  
Regulated market on which the issued securities are traded: Bucharest Stock Exchange – Standard Category (symbol CMP)  
LEI Code 315700EXV87GJDVUUA14

**IMPORTANT EVENTS TO REPORT**

Enumeration of important events that have taken place in connection with the company and that can, have or will have a significant impact on the price of securities or on the holders of securities.

Such important events include, but are not limited to, the following:

.....

**e) OTHER EVENTS:**

**Economic and Financial Indicators registered by Compa at 31.03.2023**

**A. BETWEEN 01.01.2023-31.03.2023, COMPA REGISTERS THE FOLLOWING ECONOMIC AND FINANCIAL INDICATORS AT SEPARATE LEVEL:**

**1. The main balance sheet elements**

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
FIXED ASSETS	477,868,338	463,008,846	96.89
CURRENT ASSETS	321,382,412	299,070,976	93.06
DEBTS LESS THAN ONE YEAR	162,101,702	165,401,596	102.04
DEBTS LONGER THAN ONE YEAR	138,346,074	96,136,225	69.49
CAPITAL AND RESERVES	498,802,974	500,542,000	100.35

**2. The main elements of the overall result**

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
TURNOVER	198,373,767	202,766,929	102.21
GROSS PROFIT	1,920,526	4,155,431	216.37
NET PROFIT	1,388,476	3,389,242	244.10

### 3. The main economic financial indicators

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
CURRENT LIQUIDITY (current assets/current debts)	1.98	1.81	91.41
DEGREE OF INDEBTEDNESS (borrowed capital/comitted capital)	22.00%	16.00%	72.73
ROTATION RATE OF FLOWS - CUSTOMERS	69.85	70.21	100.52
ROTATION RATE OF FIXED ASSETS	0.42	0.44	104.76

#### B. BETWEEN 01.01.2023-31.03.2023, COMPA REGISTERS THE FOLLOWING ECONOMIC AND FINANCIAL INDICATORS AT CONSOLIDATED LEVEL:

##### 1. The main balance sheet elements:

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
FIXED ASSETS	491,864,239	487,025,159	99.02
CURRENT ASSETS	332,463,896	319,323,797	96.05
DEBTS LESS THAN ONE YEAR	160,254,561	167,768,102	104.69
DEBTS LONGER THAN ONE YEAR	160,131,301	134,320,419	83.88
CAPITAL AND RESERVES	503,942,272	504,260,435	100.06

##### 2. The main elements of the overall results

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
TURNOVER	199,326,832	203,678,288	102.18
GROSS PROFIT	1,734,588	3,754,186	216.43
NET PROFIT	1,188,973	2,971,783	249.95

### 3. The main economic financial indicators

INDICATOR NAME	31/3/2022	31/3/2023	% 31.03.2023/31.03.2022
CURRENT LIQUIDITY (current assets/current debts)	2.07	1.9	91.71
DEGREE OF INDEBTEDNESS (borrowed capital/comitted capital)	24.00%	21.00%	87.50
ROTATION RATE OF FLOWS -CUSTOMERS	69.44	69.83	100.56
ROTATION RATE OF FIXED ASSTES	0.41	0.42	102.44

The report for the first Quarter of the year 2023 – separate and consolidated – is not audited can be consulted in the link below, on the website [www.compa.ro](http://www.compa.ro) at Investor Relations / Legal Reports / 2023 section and on the issuer's profile on the website Bucharest Stock Exchange, [www.bvb.ro](http://www.bvb.ro) , CMP symbol.

**President of the Board & CEO,**

**Ioan DEAC**

**CFO**

**Mihaela DUMITRESCU**

# INDIVIDUAL REPORT T1 - 2023

(unaudited)



**compa**  
*beyond expectations*

# **INTERIM**

# **FINANCIAL SEPARATE**

# **REPORT**

**Q1 – 2023**  
**(31.03.2023)**

**UNAUDITED**

**Prepared in accordance with International Financial Reporting Standards adopted by  
the European Union**

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## **1. INTRODUCTION**

This Report of the Board of Directors is prepared in accordance with :

- Regulation ASFnr. 5/2018 on issuers of financial instruments and market operations, and
- Law 24/2017 on issuers of financial instruments and market operations, Article 65.

The quarterly report has the major objective of informing investors about the changes in the position and performance of the company that occurred in Q1 2023.

Compa S.A. prepares its individual financial statements in accordance with the International Financial Reporting Standards (IFRS).

## **2. COMPA – BRIEF HISTORY**

COMPA S.A. - a prestigious brand of the Romanian automotive industry has earned its reputation over time due to the diversity and competitiveness of its products, especially in the field of automotive and springs, qualities acquired in over 130 years of existence and performing activity.

### **SHORT HISTORY**

**1886** - First official documentary record of the Lőzsef Datky (1844-1928) blacksmith's workshop, known as the "Datky Iosif & Sons Carriage Workshop", which produced lamellar carriage springs, forgings, bars, buckets, hammers, tesels, etc. The workshop became a supplier of carriages for the Royal House of Vienna, and the recognition of the merits and quality of the products made is also attested by its participation in international exhibitions: Budapest (1896) and Paris (1898).

**1920** - Beginning of the manufacture of springs for cars and wagons and the transformation of the forge workshop into "Elastic & Datky" - the first Romanian spring factory and special forge workshop.

**1932** - "ELASTIC DATKY & Co" - the first factory of springs and batteries - switches to the manufacture of batteries and spiral springs. The technology of manufacturing leaf springs for trucks and cars was also developed.

**1948** - Nationalization of the factory and continuation of the activity under the name of STATE ELASTIC ENTERPRISE which until 1960 produced piles, springs and forgings.

**1961** - Uzina Elastic Sibiu se profilează pe fabricarea de: arcuri în foi; arcuri elicoidale înfăşurate la cald şi arcuri elicoidale înfăşurate la rece.

**1969** - establishment of the Sibiu Auto Parts Company (IPAS), through the merger of two important companies in Sibiu, which have had an independent individual path over time:

- Uzina Automecanica, with an impressive history during its development, from an Arsenal of the Sibiu Artillery that provided the repair and manufacture of armament for the defence of Sibiu Fortress (before the merger) to the production of automotive equipment, combining the experience of its ancestors with the new advances in technology and management of those times;

- The Elastic factory, with its deep roots in the craftsmanship tradition of the fortress, was founded in the 19th century as a blacksmith's workshop, which later developed into a bodywork workshop and finally, before the 1969 amalgamation, into a factory of springs and forged products.

The unification of the two representative factories of Sibiu and the establishment of the Auto Parts Company (IPA) was a crucial moment, laying the foundations for the founding in Sibiu of a powerful company in the automotive field, an enterprise that was to become one of the main suppliers of components for the manufacture of trucks and buses based on the license taken over by the Romanian State from the German company MAN.

The Auto Parts Enterprise, entered a national development program, with major investments in the construction of warehouses and the purchase of state-of-the-art machinery and equipment, of the period. Within the company they have been assimilated into manufacturing and produced as a result of buying licences from various firms in the European automotive industry:

- Equipment for vehicle braking systems;
- Cardanic transmissions;
- Steering systems;
- Telescopic shock absorbers;
- Vehicle suspension systems.



**1991** - Transformation of the SIBIU AUTO PARTS COMPANY, following the change of regime in December 1989, into a joint-stock company, fully state-owned, with the name of S.C.COMPA S.A.Sibiu.

**1996** - Establishment by Compa, together with a company belonging to the German concern KRUPP, of a joint venture - Krupp Bilstein Compa, for the manufacture of telescopic shock absorbers for automobile production.

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

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

**1999** - Full privatisation of COMPA, with the Compa Employees Association taking over the main shareholding. Privatisation was the most radical form of restructuring. The change in ownership meant a complex and profound change in the way all the company's functions were carried out, separately and as a whole. The conditions were created for the most profitable use of human, material and financial resources.

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

**2001** - Se înființează firma afiliată TRANS CAS SRL, cu capital preponderent COMPA, prin transformarea Bazei de transport existente în cadrul firmei, în societate separată de transport intern și internațional.

**2004** - The affiliated company RECASERV SRL is established, with a catering profile, carried out by outsourcing specific activities (canteen and microcanteens in COMPA). It later expanded its activity through catering and cleaning services.

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

**2020** - Participation of Compa S.A. as sole partner in the establishment of a limited liability company called Arini Hospitality SRL;

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

During this period, rehabilitation works have been carried out, especially in the halls and storage areas, requiring their modernization and bringing them to a level of operation in the conditions required by our business partners.

Significant investment expenditure has been made to ensure that the production facilities meet the requirements and standards of these periods. The overwhelming part of the investment expenditure made from our own sources and from bank loans was mainly directed towards financing the purchase of new, state-of-the-art machinery and equipment, in order to be able to produce car components at the level of complexity, technicality and quality required by the company's partners:



Compa S.A.continua dezvoltarea in ritm sustinut, utilizand tehnologii si echipamente de inalta performanta.



### **3. IMPORTANT EVENTS IN THE FIRST THREE MONTHS OF 2023**

As important vents recorded in the activity of Compa during the first 3 months of 2023, we can highlight the meetings of the Board of Directors of the company and the general meetings of shareholders as follows:

**09.01.2023** – The Extraordinary General Meeting of Shareholders (EGMS) was held with the following agenda:

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

**31.01.2023** – The Board of Directors of Compa S.A. was convened, in which the proposals of the economic-financial department of the company were analyzed and approved regarding the results of the inventory of the company's assets for the year 2022 and which consist of:

- approving the scraping of certain assets in the nature of fixed assets and stocks of materials and finished products
- approving the registration of inventory minuses recorded in stocks
- approving the taking over of some prescribed and/or unrecognized debts by the partners
- approving the transfer of unrecoverable debits
- approving the recording of impairment adjustments of customer receivables

- the mandate of the President of the Board of Directors – Ioan Deac and the Vicepresident of the Board of Directors – Ioan Miclea to sign the decisions of the Board of Directors taken in the meetings convened for the 31<sup>st</sup> January 2023

**24.02.2023**– During the meeting of the Board of Directors convened on 24<sup>th</sup> February 2023, the preliminary financial results for the year 2022 were analyzed and approved, both the individual ones related to the company Compa, as well as the preliminary financial results for the year 2022 related to the Group.

Also, during the meeting, the Board of Directors approved the Integrated Campus Project for dual education – PRODUAL, the total value of the project in the amount of 129,922,526.46 Ron, as well as its own contribution to the project 6,197,247.60 lei of which 870,686.00 Ron is the contribution of Compa S.A.

**09.03.2023** – The Board of the Directors of convened for the approval of the proposal to convene the Ordinary General Meeting Of Shareholders (OGMS) for the date 26.04.2023 the first convocation (3.00 p.m.) and 27.04.2023, the second convocation (3.00 p.m.) as well the proposal to convene the Extraordinary General Meeting (EGMS) for the date 26.04.2023 the first convocation (4.00 p.m.) and 27.04.2023, the second convocation (4.00 p.m.).

The Board of Directors approved the agenda of the OGMS convened on 26/27.04.2023, in which a number of 10 points were entered (according to the convening note) as well as the 8 points included in the relevant EGMS convening note of 26/27.04.2023.

The Board of Directors also approved 11.04.2023 as the reference date for the AGOA and respectively the AGEA of 26/27.04.2023.

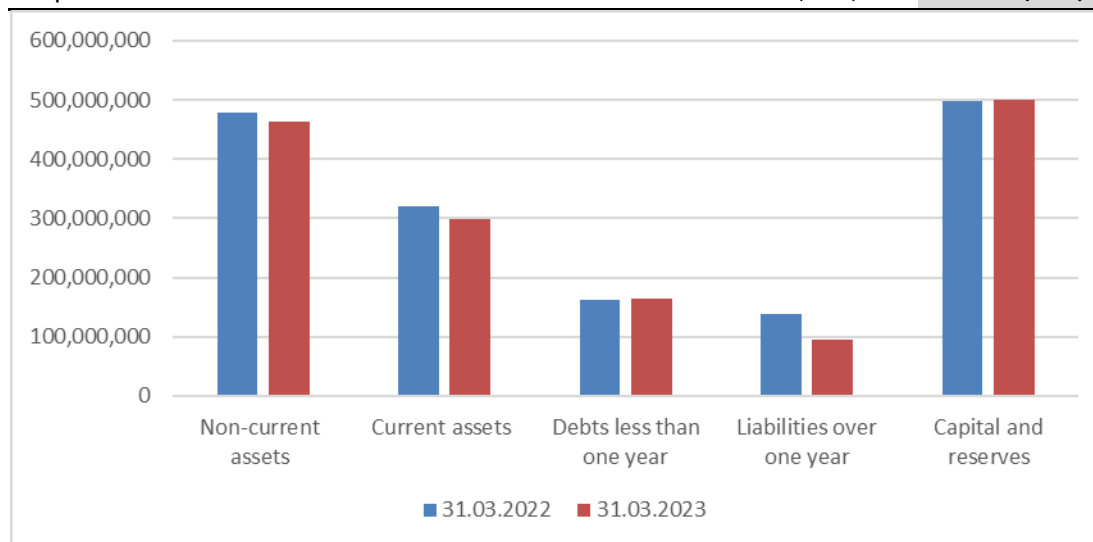
**23.03.2023** – During the meeting of 23.03.2023, the Board of Directors approved the Individual and Consolidated Annual Report for the financial year 2022 drawn up according to Annex 15 of ASF Regulation no. 5/ 2018. Also during this meeting, the Revenue and Expenditure Budget for 2023 and the Investment Program for 2023 was approved.

#### 4. FINANCIAL STATEMENT

##### 4.1. Main balance sheet items as at 31.03.2023 compared to 31.03.2022

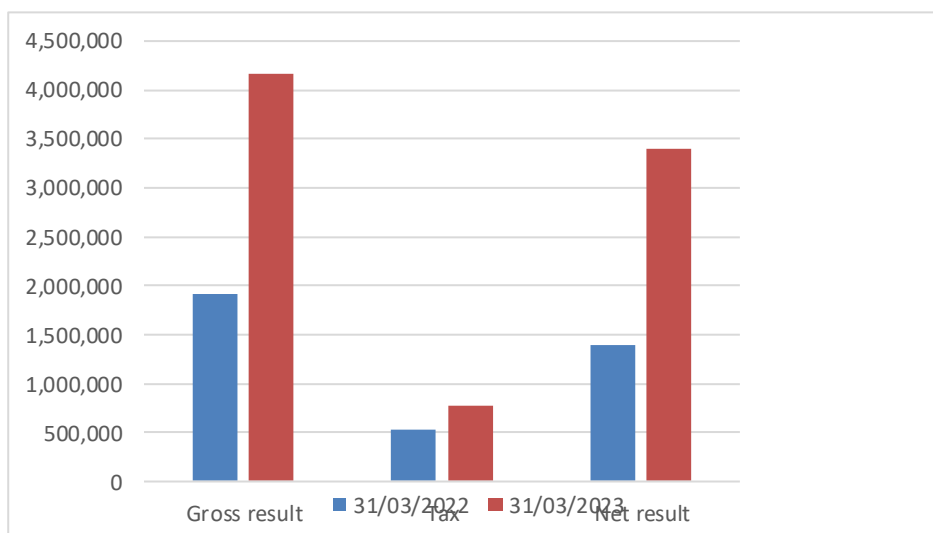
In order to analyse the economic and financial situation for Q1 - 2023, we present below the following indicators:

INDICATOR	31.03.2022	31.03.2023
Non-current assets	477,868,338	<b>463,008,846</b>
Current assets	321,382,412	<b>299,070,976</b>
Debts less than one year	162,101,702	<b>165,401,596</b>
Liabilities over one year	138,346,074	<b>96,136,225</b>
Capital and reserves	498,802,974	<b>500,542,000</b>



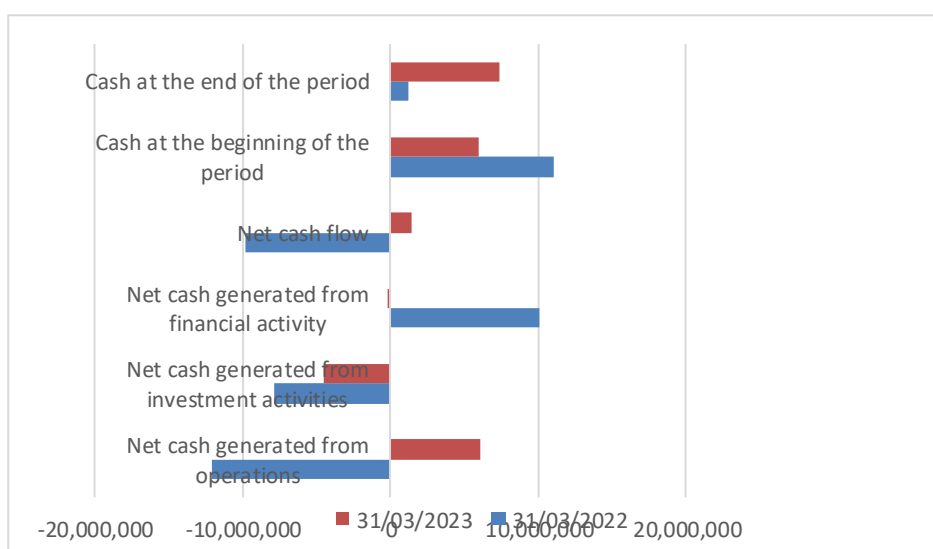
##### 4.2. The main elements of the profit and loss account at 31.03.2023 compared to 31.03.2022

INDICATOR	31.03.2022	31.03.2023
Operating income	202,783,049	<b>205,894,084</b>
Operating expenses	200,402,925	<b>200,929,934</b>
Operating result	2,380,124	<b>4,964,150</b>
Financial income	446,968	<b>2,214,388</b>
Financial expenses	906,566	<b>3,023,107</b>
Financial result	-459,598	<b>-808,719</b>
Total income	203,230,017	<b>208,108,472</b>
Total expenses	201,309,491	<b>203,953,041</b>
Gross result	1,920,526	<b>4,155,431</b>
Tax	532,050	<b>766,189</b>
Net result	1,388,476	<b>3,389,242</b>



#### 4.3. Cash-Flow

INDICATOR	31.03.2022	31.03.2023
Net cash generated from operations	-12,027,996	6,033,840
Net cash generated from investment activities	-7,867,069	-4,483,622
Net cash generated from financial activity	10,097,310	-143,694
Net cash flow	-9,797,755	1,406,524
Cash at the beginning of the period	11,068,357	5,986,107
Cash at the end of the period	1,270,602	7,392,631



#### 4.4. Main economic and financial indicators

INDICATOR	31.03.2022	31.03.2023
Current liquidity	1.98	1.81
Degree of indebtedness	0.22	0.16
The speed of rotation of debits - customers	69.85	70.21
The speed of rotation of fixed assets	0.42	0.437933164
New investments	7,867,069	4,483,622
EBITDA	12,907,258	16,755,083

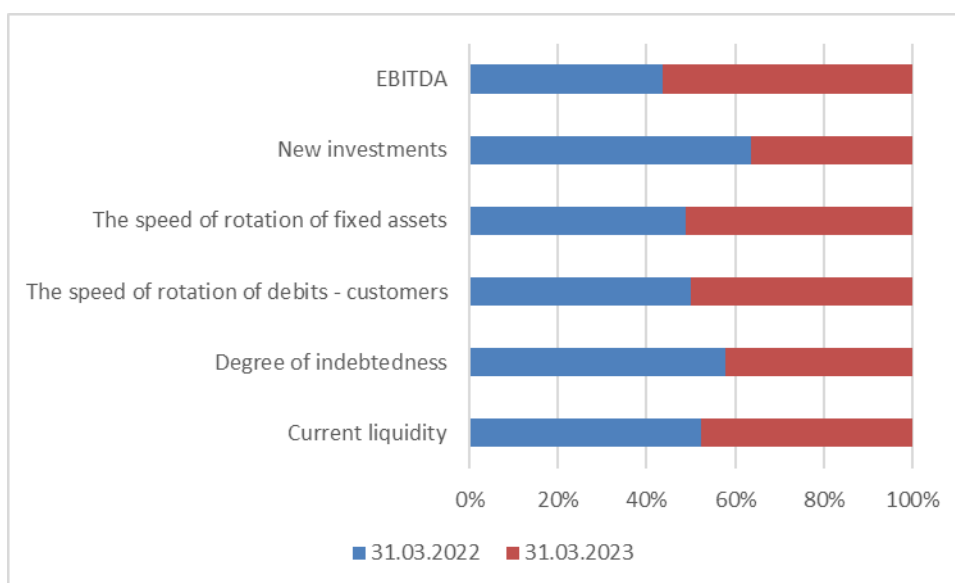
**Current liquidity** = current assets / current debts

**The turnover speed of debits - customers** = Average customer balance / Turnover x 270

**The speed of rotation of fixed assets** = Turnover / Fixed assets

**Degree of indebtedness** = borrowed capital / capital engaged

**EBITDA** = net profit + interest expenses + tax expenses + depreciation and amortization expenses



## 5 . ANALYSIS OF THE COMPANY'S ACTIVITIES

### 5.1. PRODUCTS , PROCESES

“ PROFIT CENTRE" organisational structure for the management of production activity in COMPA

The production activity in the parent company Compa is organised by Profit Centres. These "profit centres" are in fact production sections/areas where families of products similar in terms of construction and technology are produced, equipped with machines and equipment specific to the production of these products, being decentralised production units. In this case, the products produced are intended for a single customer or a limited number of customers. The economic activity is organised in such a way that each profit centre draws up a monthly profit and loss account, which is a particularly important document for identifying income and expenditure, so that by adding up the profit and loss accounts of the profit centres the profit and loss account at COMPA level is obtained.

There are also profit centres specialising in the production of a wide range of products whose production processes are part of the same family: forging processes, cold stamping processes, surface coatings (zinc plating, phosphating), heat treatments, etc. products intended for several customers. In this case, profit centres are structured to produce certain types of products, regardless of the customer to whom they are delivered.

The operations managers together with the cross-functional teams have the obligation to achieve each product at the level of profitability included in the price negotiated with the business partner. This is the direction in which the work of the multifunctional teams of the profit centres is oriented: to meet the standard costs established, to permanently reduce costs, to obtain the planned profit of each product **manufactured**

COMPA produces a wide range of products and operates with various processes. Their grouping, for the purpose of quantifying the value of production manufactured both in the Annual Reports of the Board of Directors and for various statistical reporting purposes, is based on a certain functional similarity between them, branches or industrial sectors, etc

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

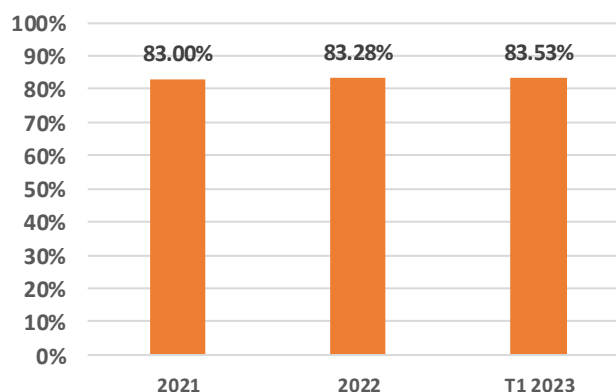
### 5.2. ACHIZIȚII – FURNIZORI

#### 5.2.1. Purchasing activity evaluation:

The buying business has grown continuously in recent years as the company has developed. The company's focus on large automotive and non-auto customers has led to a considerable broadening of the supplier database and an increase in the share of imported suppliers in total purchases. This is due to the high level of specialisation required of suppliers.

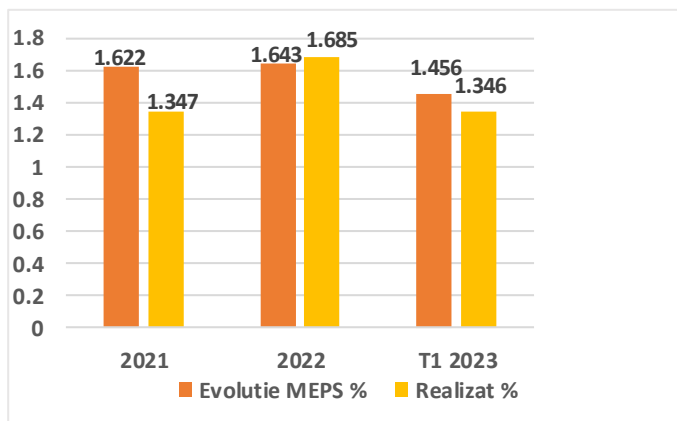
It is also expected that in the coming period the value of semi-finished products in total purchases will decrease in favour of basic materials, largely due to the development of new processes in COMPA for both the automotive and the highly integrated non-auto sector, for which most of the operations are performed in-house.

**Valoarea procentuala a achizițiilor din import în total cumpărări 2021-T1 2023**

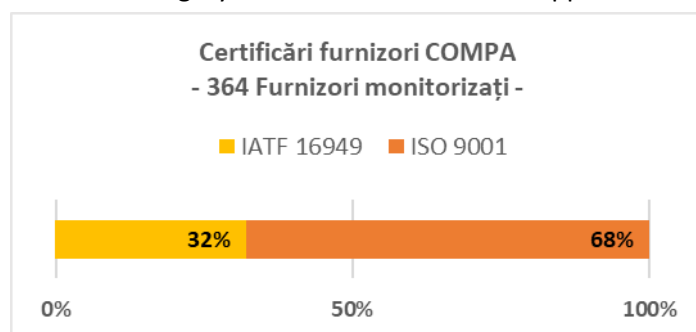


### 5.2.2. *Principalele obiective ale departamentului sunt:*

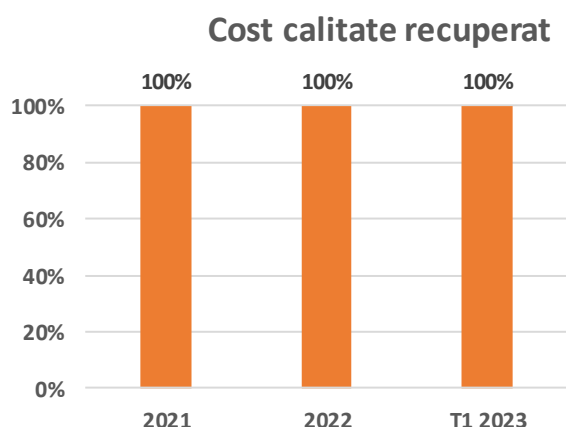
In the context of market globalisation - the need to align the market with stock exchange quotations for most products by obtaining a 100% MEPS (Management Engineering and Production Services - a price indicator in the metallurgical market that provides price estimates) price index. Finding sources of supply that ensure the highest possible price competitiveness of raw materials and supplied materials, stability and sustainability of the supply chain.



by collaborating only with certified suppliers. COMPA monitors and evaluates on a monthly basis all suppliers whose products are incorporated in or influence COMPA products. This category includes more than 360 suppliers who are evaluated according to criteria related to the quality of the products delivered and logistical criteria. Improving the performance of chipping tools (e.g. drills, reamers, milling cutters, inserts, etc.) is achieved by testing and implementing new and innovative solutions that lead to a reduction in the cost per part.



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



Establish a responsible supply chain by working with suppliers that comply with COMPA's principles and vision in the areas of quality, environment and occupational health and safety by adhering to and implementing policies and regulations that address these issues, by adhering to, certifying and aligning with regulations/standards that address these issues.

COMPA maintains and requires its suppliers to take a proactive approach in managing environmental impact, social responsibility and adopting progressive labour, health and safety policies. COMPA encourages and supports the local business environment through existing business relationships, existing contracts and new/upcoming projects in which its partners are/will be involved. Prioritises where possible the development of business with local partners and encourages its suppliers to do the same.

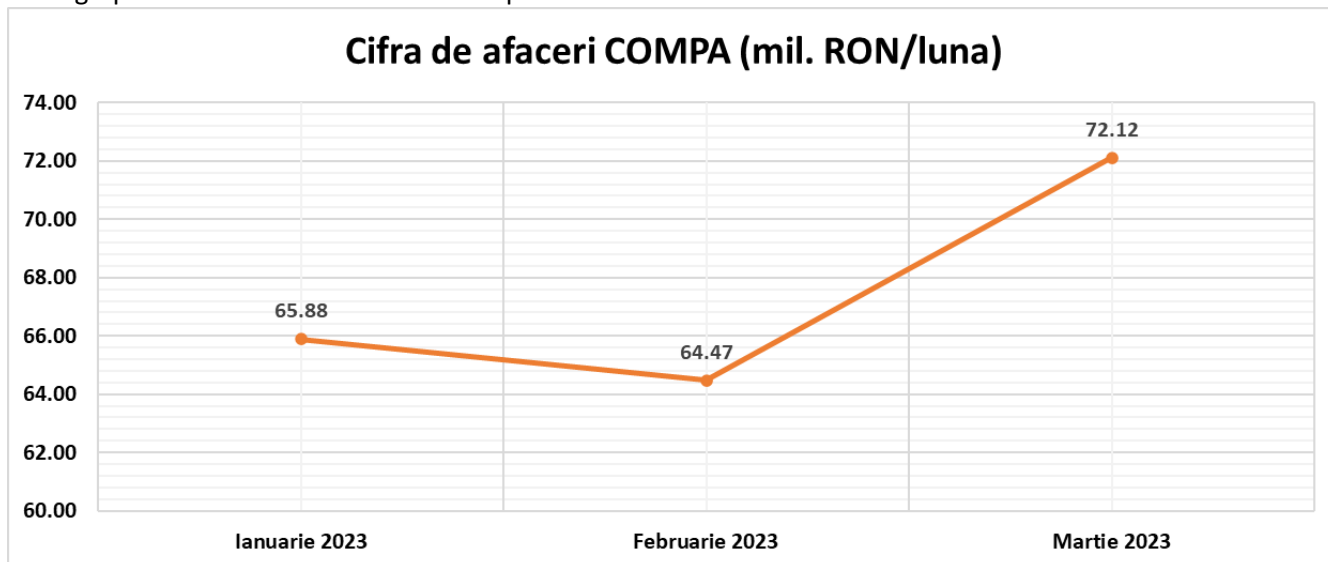
### 5.3. SALES

#### 5.3.1. Evaluation of sales activity

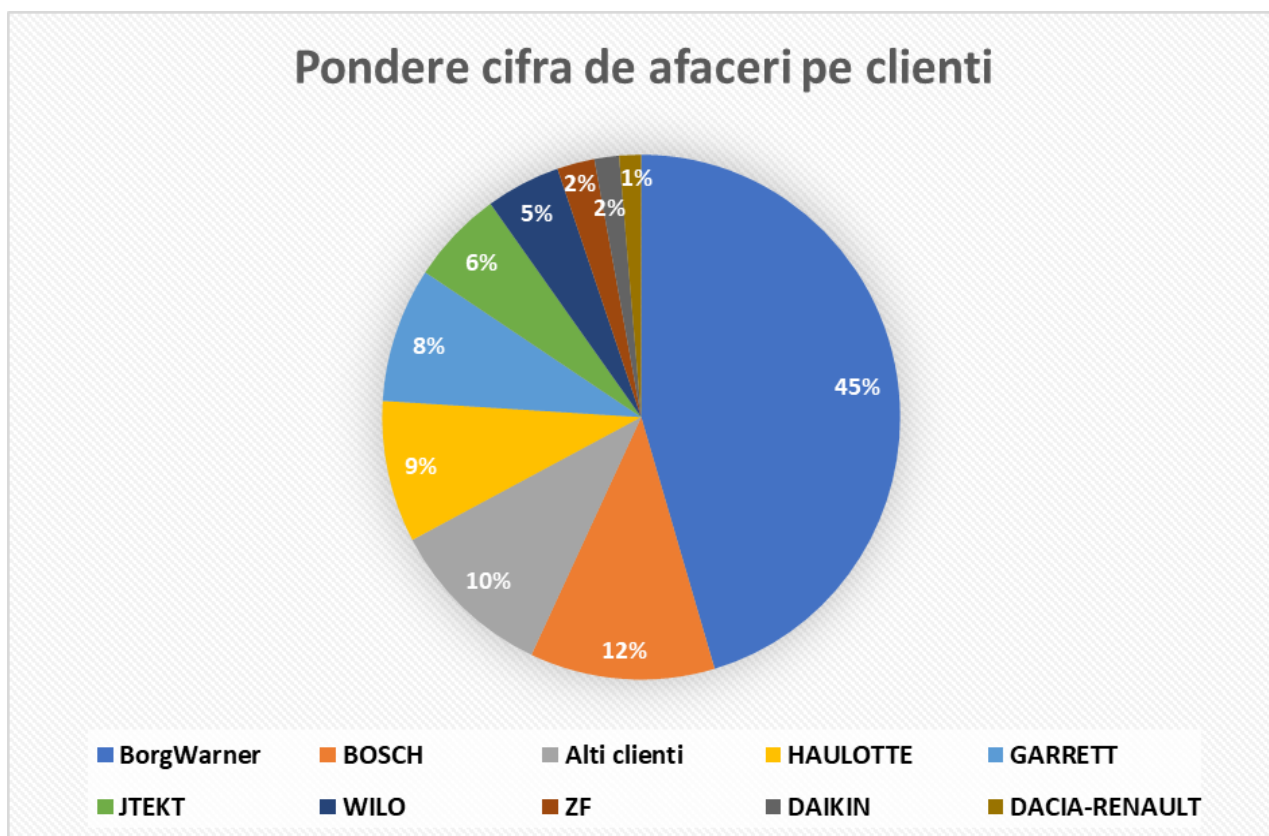
In the first 3 months of 2022, the department's work was mainly focused on updating the selling prices of all products, in line with the new utility prices of raw materials and auxiliary materials, which are continuously increasing.

Offering new products to customers was also part of the core activity during this period.

The graph below shows the development of COMPA's turnover for the first 3 months of 2023



The share of COMPA's main customers in the turnover for the first 3 months is shown in the following graf:



### **5.3.2. Objectives, trends and strategies for the medium-long term:**

- Maintain profitability levels by adjusting sales prices according to market trends;
- Develop new projects for non-auto customers;
- Strengthening commercial relationships with existing customers;
- Promote manufacturing processes by hot forging and ZnNi coatings, where Compa has free production capacity;
- Assimilation of high value-added products;
- Develop Compa as an integrated supplier by using as many existing processes as possible in the portfolio.

## **5.4. OUR EMPLOYEES**

### **5.4.1. Our staff, values and beliefs**

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

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

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

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

In terms of human capital management, it was assumed that the achievement of strategic objectives depends primarily on the human factor. Firm development involves elements that create long-term value and can ensure the future performance of the organisation.

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

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

### **5.4.2. Strategic objectives**

Principalele axe strategice urmărite sunt:

Involvement in the development of university technical education by supporting the integration of theoretical and practical knowledge through internships at a potential workplace;

- Providing human resources by getting involved in supporting dual education, apprenticeship and qualification programmes, including through European-funded programmes;

- Working conditions and climate to ensure a high level of satisfaction;
- Development of soft and specific skills;
- Developing the framework for communication with employees to support performance and trust, and in special crisis situations;
- Partial transfer of training activity to the online environment;
- Re-evaluate motivation strategies;
- Digitising and streamlining HR processes;
- Reprofessionalisation and transformation of skills in line with technical and technological changes;
- Projects for the development of human resources financed by European funds;
- Career development programmes.

#### **5.4.3. Wage and social policy**

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

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

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

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

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

In the difficult climate of labour shortages in the labour market, COMPA has followed a policy of increasing the adaptability of staff to the changes the company is undergoing. During this period the company has relied on the willingness of employees to develop new skills as well as to take on additional responsibilities in the event of restructuring of certain activities. COMPA has also been involved in the development of local technical education by providing resources for dual education and technical secondary education, organising apprenticeship programmes for new employees, awarding scholarships to students and concluding tuition contracts with them. The need for skilled manpower has also been filled in the last year with staff from India.

#### **5.4.4. Social responsibility**

COMPA consistently applies principles and rules of social responsibility that reflect the requirements of the SR ISO 26000:2011 standard, as well as those of our customers:

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

#### 5.4.5. The guidelines as main themes for action are:

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

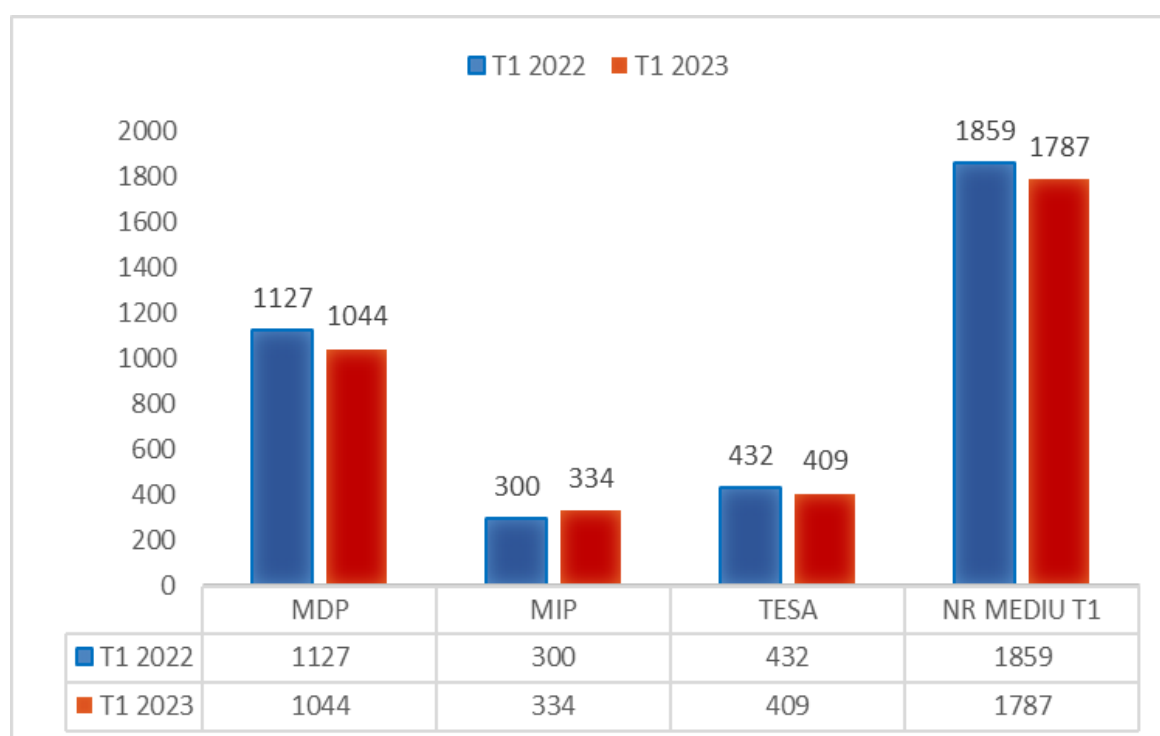
#### 5.4.6. Performance indicators of Human Resources processes

##### Average number of staff

Evolution of the average number of staff in the quarter. I 2023 has decreased compared to the same period in 2022, from 1859 employees to 1787 employees. This increase occurred both due to a decrease in orders and an increase in labour productivity.

Throughout this period the aim was to ensure the availability and continuity of the workforce by maintaining the values in the organisation.

The graph below shows the evolution of the average number of staff by category:



	<b>T1 - 2022</b>	<b>%</b>	<b>T1 - 2023</b>	<b>%</b>
MDP (Directly Productive Workers)	1127	60,62%	1044	58,42%
MIP (Indirectly Productive Workers)	300	16,14%	334	18,69%
TESA (Tehnico economic)	432	23,24%	409	22,89%
<b>TOTAL</b>	<b>1859</b>	<b>100,00%</b>	<b>1787</b>	<b>100,00%</b>

It can be seen that although the average number of staff has fallen slightly, the proportions of the three categories of staff have changed, with an increase in the proportion of indirectly productive workers due to the transfer of sorting staff from TRIGO.

### **Labour productivity**

Labour productivity, calculated as the ratio of turnover to the average number of employees, developed as follows:

	<b>T1 - 2022</b>	<b>T1 - 2023</b>
<b>Labour productivity (thousand lei/pers.)</b>	111,54	119,46

At the end of Q1 -2023, labour productivity recorded a cumulative value of 119.46 thousand lei/person, 7,1 % higher than the value recorded for this indicator at the end of Q1 - 2022.

### **Staff fluctuation**

Staff turnover, calculated as the ratio between the number of voluntary departures and the total number of employees, developed as follows during this period:

	<b>T1 - 2022</b>	<b>T1 - 2023</b>
<b>Staff fluctuation (%)</b>	6,18	5,22

An analysis of the evolution of staff turnover showed an increase in this indicator, which is why a series of measures were established in COMPA to remedy this situation, namely: reporting to the level of wages and benefits in the area, qualification/ retraining courses offered to employees, the conclusion of apprenticeship contracts, providing transport for commuting employees, settling the cost of transport for other employees, improving working conditions (air-conditioning installations, reducing noxiousness, social spaces, etc.), compensating for the labour shortage with qualified staff from abroad.

### **Recruitment and selection**

In sem. I 2023 1128 job offers (CVs, applications, letters of intent) were submitted. A total of 904 people participated in interviews (interview, work samples, psychological tests) to fill vacancies.

Of these, 205 were hired, 65 were rejected for professional reasons at the interview/work tests, 45 were rejected for other reasons (illiteracy, health problems incompatible with the working conditions) and 589 people gave up the job offered for various reasons (working environment, working hours, salary).

### **Staff training**

The staff training policy aims at the continuous development of human capital through the training of strategic skills in order to maintain the company's position in a competitive and constantly changing environment such as the automotive sector.

The training programs carried out in COMPA respond to the needs of each employee and aim at: bridging the gap between the skills required by the job and the existing ones, ensuring integrated, validated, certified staff at the job, acquiring/broadening the scope of skills to meet the challenges generated by the new wave in the technological evolution of production (Industrialization 4.0, digitalization, use of "green" technologies, etc.), professional development for career advancement, continuous improvement of employees' work.

To achieve these objectives, the Professional Training Centre was set up in 2005. The programs developed through the center aimed at qualifying/re-qualifying employees and people on the labor market in trades such as: numerically controlled machine tool operators, welders, locksmiths, machine mechanics, tool mechanics, sculptors - moldmakers, metrology technicians, drillers - threaders, etc. In 2021 the educational offer was diversified by authorizing the course "*Entrepreneurial Skills*". So far a number of 3043 people have acquired a qualification by following the programs run by the center. The Vocational Training Centre is the place where new employees are familiarized with operating on MUCN and the specific requirements of the workplace, a necessary stage in the process of integration and validation at work.

COMP, as a "*Continuous Learning Organization*" has set a target of 30 hours of training for each employee by 2023

### **Apprenticeship**

For new employees wishing to acquire a qualification or retrain, COMP develops apprenticeship programmes that enable them to integrate easily into their new jobs, obtain a recognised certification, and raise their level of knowledge, satisfaction and responsibility. Apprenticeship programmes last two years for people who want to obtain a level 3 qualification (MUCN operator) and one year for people who want to obtain a level 2 qualification (driller - threader).

Nine people have completed the level 3 apprenticeship programme - MUCN operator, of which 8 have been certified, and one person has obtained the qualification of driller - threader.

In the future, we aim to attract new employees to complete apprenticeship programmes and obtain qualifications as: CNC machine tool operator, locksmith, driller-threadmaker, etc.

### **Projects developed with European funds**

In order to become increasingly competitive in terms of productivity, quality, customer satisfaction, conservation of resources and the environment, investment in human capital will continue to increase, including by attracting European and other funding.

So far in COMP, 14 projects have been or are being implemented to develop the skills of its own employees and projects aimed at facilitating the transition from school to working life for pupils and students.

### **Sustainable school-business partnerships**

The company's partnerships with technical and vocational university education institutions in Sibiu date back to the 1970s with the establishment of the Institute of Higher Education, now the "Hermann Oberth" Faculty of Engineering, and the IPAS High School, now the "Henri Coandă" Technological High School.

The proximity to university and vocational education institutions is part of COMP's policy to train future generations of specialists, to develop the employability of young people, facilitating the transition from school to working life through internship programs, master, private scholarships and more.

The partnerships concluded are mainly aimed at involving COMP in two areas of improvement:

- Theoretical training through contributions to the adaptation and modernisation of the Faculty of Engineering's teaching plans and the adaptation of the curriculum in local development to the needs of the employer for vocational and technical education.
- Practical training by ensuring students' access to modern working environments, to high-performance technologies and equipment, to knowledge and understanding of processes developed on manufacturing lines, to familiarization with the rigors of the industrial environment.

### **COMP and dual education**



COMP A throughout its existence of more than 135 years has always relied on vocational education being one of the companies that anticipated the need to implement the dual education system. The beginning of dual education in COMP A was in 2005, with the opening of the Vocational Training Centre, a modern technical platform equipped with numerically controlled machines, which was made available to the "Henri Coandă" Technological High School, a high school with which we have had a partnership since its foundation.

The campaigns to promote the educational offer and the benefits of dual education, in which COMP A has participated with the "Henri Coandă" Technological High School, have resulted in the constant attraction of students to vocational and technical education.

Year after year, some 55 students have followed the dual education system, with the qualification of numerically controlled machine tool operator or toolmaker, and the technological secondary education system, with the qualification of mechatronics technician.

During the three years of study for dual education students and four years of study for technical high school students, COMP A has provided students with a package of benefits such as: reimbursement of fees for dormitory, meals, transport, provision of school supplies, protective and work equipment, and most importantly, job offers for all graduates.

### **Risks identified in the Human Resources activity**

In Comp a, coordinated actions are continuously carried out to target and control the organisation with regard to risks in all areas and at all levels.

With regard to the Human Resources activity, the following risks were identified in the previous year that could lead to the failure or inadequate performance of the HR assurance process:

- temporary lack of qualified staff for certain activities, either due to lack of supply on the labour market and mismatch of educational offer with labour market requirements, or due to emergency situations (mass sickness, quarantine, etc.);
- high staff turnover, mainly due to incomplete identification of staff motivation needs and salaries not in line with the local labour market;
- staff skills below the level required for the job, due to the educational offer not in line with market requirements and due to the failure to properly follow the stages of the training process;

Potential effects of the identified risks can be mainly: delays in the activity of the workshops, i.e. delays in the delivery of products to customers as well as inadequate quality of the work carried out by employees.

Therefore, for risks with high criticality, i.e. high probability of occurrence or significant impact on the company's activity, a number of measures have been taken, such as:

- Involvement in the development of local technical education by providing resources for dual system education and for technological, high school education;
- apprenticeship programmes for new employees;
- effective internships for pupils and students;
- qualifications / retraining / post-secondary school;
- career management; succession management for key positions;
- implementation of teleworking;

- restricting staff mobility by moving some activities online;

### **Opportunities identified in the Human Resources activity**

In terms of opportunities identified in the HR assurance process, these are:

- the existence of the “*COMP A Vocational Training Centre*”, whose mission is to align with European training standards and which ensures qualification and retraining, the promotion of modern training techniques and methods and the development of the school-enterprise relationship. Training through the Vocational Training Centre aims to reduce the integration period for new employees, to rapidly acquire skills and experience, to increase the performance of practical training, and to increase knowledge and adaptation to the industrial environment.
- Involvement in linking the educational offer to the requirements of the labour market. COMP A, through its Director of Management, is a member of the Local Committee for the Development of the Sibiu Social Partnership, a committee that deals with the administrative organisation and policies in the field of education and vocational training. In this capacity, COMP A is actively involved in the elaboration of annual schooling plans for vocational and technical education, in facilitating the conclusion of agreements for the practical training of students, in promoting actions aimed at the transition from school to the workplace with a view to socio-professional integration and in the elaboration and implementation of projects for the development of vocational and technical education at national/regional/county level

## **5.5. QUALITY-ENVIRONMENT**

### **Comp A S.A.'s integrated quality, environment and occupational health and safety policy "**

Quality, environment protection, health and safety at work are among the values we care about, being integrated into the long-term development strategy of our organization and are some of the aspects that represent us.

We are aware that the quality of products and services, care for the environment, continuous improvement of working conditions and prevention of occupational hazards and involvement in the life of the community to which we belong, in full compliance with the requirements of applicable law, are essential for our success.

By virtue of these things, in order to put them into practice, the important directions in which we act are the following:

#### **5.5.1. Climate impact**

- We are committed to ensuring the neutrality of the carbon footprint of energy supply and production;
- We make continuous efforts to reduce the carbon footprint caused by the products we supply, our logistics processes and the products we sell.

#### **5.5.2. Energy consumption**

- Our organization has a comprehensive program to improve energy efficiency aimed at reducing energy consumption;
- We are engaged in a program to diversify energy production with the aim of increasing the share of renewable energy.

#### **5.5.3. Resources management**

- Our cost reduction program focuses on identifying solutions to reduce the consumption of raw materials and materials with a direct impact on the type and amount of waste generated;
- We are committed to the continuous improvement of wastewater treatment methods and the reduction of pollutants discharged into industrial water;

- We are firmly committed to the continuous improvement of technologies that allow the capture and reduction of the amount of gases emitted into the atmosphere.
- The best possible management of the various types of waste is at the heart of our concerns to improve internal processes

#### **5.5.4. The quality of products**

We are committed to the continuous improvement of our internal processes and associated services so as to permanently ensure the highest possible quality of products with a direct impact on increasing customer satisfaction and reducing the impact on the environment by reducing the amount of scrap and waste generated.

#### **5.5.5. Health and safety**

- We are committed to the continuous improvement of employee protection systems, with the main objective of continuously reducing the number of accidents and incidents at work
- We invest significant resources in the protection of the personal data of our employees and partners as well as in the protection of confidential information.
- We apply the highest standards of work ethic and human rights
- In order to effectively manage the prohibitions and restrictions imposed on hazardous materials and substances, we are constantly updating the information on these materials in the global IMDS (International Material Data System).

#### **5.5.6. Partnership with the community**

- We are actively involved in community life by supporting initiatives concerning education, sport and environmental protection;

#### **5.5.7. Information security**

- Compa S.A. is committed to maintaining the confidentiality, integrity and availability of the data provided, generated and held on behalf of third parties in accordance with the data security requirements under the GDPR-Regulation (EU) 2016/679.
- It ensures data confidentiality through means such as access control, data encryption, employee training on data privacy and information security;
- Information integrity is ensured by maintaining internal and external consistency of data and programs used;
- Promote data availability through back-up IT systems that ensure continuous availability, preventing service interruptions.

#### **5.5.8 Environmental issues**

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

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

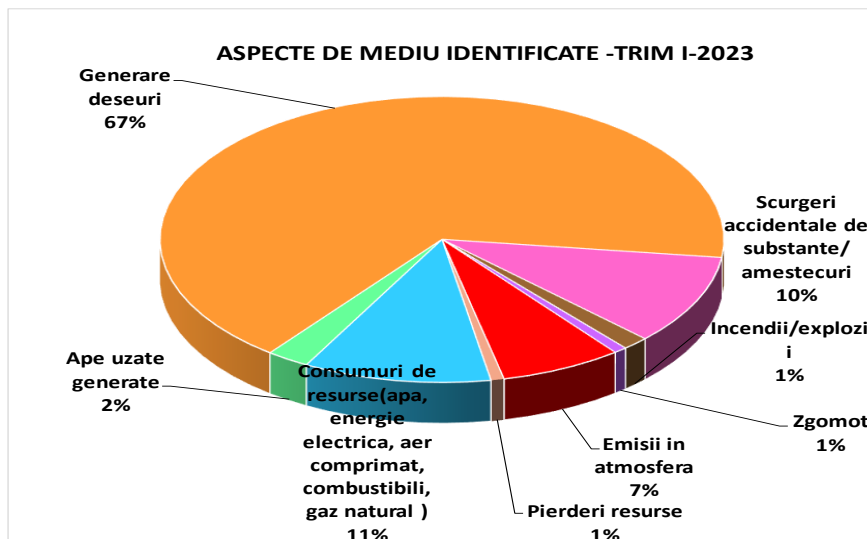
The main product groups made in COMPA are: subassemblies and injector components; windscreen wiper subassemblies and components; central crankcases, flanges and rollers for turbochargers; gearboxes; steering column components; arches; stamped, stamped parts; forged parts; cardan transmissions; mechanically welded metal fabrications; components for air conditioning installations; injection system components and valves, dies and tools.

The main services offered are: design and execution of industrial equipment, molds and tools, surface coatings, heat treatments, calibration services and repair of measuring instruments, tests and physico-chemical laboratory

analysis, service cardans (EDS), training courses.

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

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



#### 5.5.9. Goals and targets. Environmental management programs

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

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

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

The planning of actions for the achievement of environmental objectives is materialized in the Annual Environmental Management Program, whose main objectives at the level of 2021 were:

- Reduction of resource consumption (electricity, water, compressed air, mineral oils);
- Reduction of the quantities of waste generated / discharged;
- Improving the management of hazardous substances and mixtures;
- Prevention and systematic action in the direction of preventing water, air and soil pollution;

The general strategy for achieving these objectives and on the basis of which the specific actions of the Annual Environmental Management Program are defined includes the following points:

- programs for monitoring and measuring environmental indicators for the prevention and control of emissions into the atmosphere, wastewater, noise, soil pollution, hazardous substances and mixtures, hazardous and non-hazardous waste
- preventive maintenance programs for relevant installations and equipment;
- methods for recording maintenance and overhaul requirements;
- environmental management programs with environmental objectives and targets for reducing and controlling pollution

- plans to prevent and combat accidental pollution;
- trainings (courses, operational meetings) through which all staff are aware of the implications of the regulation given by the integrated environmental permit for the company's activity, of all effects on the environment, resulting from normal and abnormal operation of facilities, awareness of the need to report deviation from the conditions of the integrated environmental permit, prevention of accidental emissions and taking measures when accidental emissions occur, awareness of the need to implement and maintain training records;
- reports and notifications to the competent environmental authorities in accordance with the authorizations held by COMPA.

#### **5.5.10. Partnership with the community**

We have an active involvement in community life by supporting initiatives related to education, sports and environmental protection.

#### **5.5.11. Management system considerations**

Our organization is certified according to the following standards for management systems, with reference to quality, environment and health and safety at work:

- IATF 16949: 2016: quality management system for the automotive industry;
- ISO 9001: 2015: quality management system for general industry (non-automotive);
- ISO 14001: 2015: environmental management system;
- ISO 45001: 2018: occupational health and safety management system;

The internal performance on compliance with the requirements of the standards, in the 1rd quarter of 2023, is presented below (no notable events occurred):

For the year 2023, Q1:

<i><b>Management system</b></i>	<i><b>Target</b></i>	<i><b>Realized</b></i>
IATF 16949:2016	90,0%	74,0%
ISO 9001:2015	90,0%	80,0%
ISO 14001:2015	90,0%	78,9%
ISO 45001:2018	90,0%	80,0%

In April 2023, a third party audit was conducted on all four of these systems. As a result, all four management systems have been reconfirmed as effective and efficient.

## **5.6. RISC MANAGEMENT**

### **General aspects of risk management in Compa**

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

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

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

In order to achieve the objectives set at all levels in the process of risk management, the Top Management of Compa, has taken into account the following specific aspects of first quarter 2023:

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

### **5.6.1. Risks in operational activity at profit centre level**

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

- failure to ensure that the production capacities required to meet the volumes required in excess of the initial forecasts, ordered in certain periods, are available on order.
- Temporary shortages of materials or tools are a risk to be taken into account, especially in a year with major supply chain disruptions.
- the provision of human resources, in addition to the need for qualified workers, is one of the most serious problems faced by companies in the Sibiu area.

In order to mitigate the effects of this risk, the Compa company contacted competent companies for the recruitment of labor force from outside Romania, so that currently qualified workers (numerical control machine operators and welders) from India are already employed, being in the process of securing other workers in the future, also from India.

Decent accommodation conditions were ensured for these workers recruited from outside Romania, being integrated in a short time into the manufacturing processes of Compa. Apart from these actions of recruiting

foreign staff, great efforts are made within the company to stabilize the existing staff, to reduce fluctuation, by adopting measures to attract and retain COMPA staff.

The current legislation does not provide for the obligation to respect the contracts concluded with local employers. There is a migration of qualified workers under contract to companies that pay better without the consent of the previous employers.

#### **5.6.2. Risks with a general impact on the whole business**

The management of these categories of risks falls under the responsibility of the organisational structures at the higher management levels of the company, having a scope and influence on the activity of the whole company.

The risk categories with an impact on the activity of most firms are :

- **Price risks**

It was one of the risks with aggressive action due to the explosive increase in the prices of utilities, methane gas and electricity, increases generated mainly by the outbreak of the conflict in Ukraine.

- **Credit risk**

The investment program was reduced compared to previous years, therefore during 2023 the credit risk had no impact on the company's activity. The installments related to the investment loan committed in 2019 were repaid when due, and the credit lines were accessed according to the forecasts.

- **Liquidity risk**

In order to know and avoid the impact of this risk on the company's activity, namely the management of liquidity risk, cash flows, the degree of access to credit lines, as well as the evolution of receivables collection and the level of stocks are permanently monitored.

However, during this period there were situations in which even the most important clients of the COMPA company had periods in which they exceeded the deadline for the payment of invoices, requiring a permanent monitoring of the process of collection of receivables and interventions with clients , for the payment terms established by the contracts.

- **Currency risk**

The products manufactured and delivered by COMPA are intended for multinational companies, the vast majority of them from outside Romania, but also for Romanian companies affiliated to multinationals. In such conditions, almost all the products manufactured and delivered by COMPA are negotiated in Euro, thus avoiding the impact of the currency risk, due to the evolution of the RON / EURO exchange rate.

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

Lack of predictability in tax legislation has a major impact on the economy as a whole, affecting both private and state-owned firms.

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

The change in the minimum wage for the economy in 2023 was a legislative change with a major impact on private companies, but we can appreciate that the Compa company was prepared to face changes of this kind, so that the effect of this risk was urgently counteracted.

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

On the other hand, the management of Compa permanently intervened both at the level of the employers' organization and at the level of the County and Municipal Organizations, openly expressing its opinion regarding certain legislative actions in progress or even for changes in the current legislation that affect the activity of companies.

## **5.7. INVESTMENTS, NEW PRODUCTS AND RESEARCH AND DEVELOPMENT ACTIVITY**

### **5.7.1. INVESTMENTS:**

The investment activity used funds for:

- purchase of machinery;
- modernisation of existing machinery and installations;
- improvements to production premises.
- The funds necessary for carrying out the investment activity in the amount of 4,483,622 lei for 3 months of 2023 were provided from own sources and European funds. The economic effects through the purchase of new machinery and technological lines are:
  - increase in labour productivity;
  - reduction of repair costs;
  - improvement of technological flow;
  - increased quality of manufactured parts and reduced rejects;
  - reduction of energy consumption;
  - increase the precision of parts machining;
  - increased machine operational safety;
  - reduction of non-quality costs;
  - increase the efficiency of the activity through operability, etc.

### **5.7.2. RESEARCH-DEVELOPMENT ACTIVITY**

A Research and Development Centre has been set up in Compa since 2019, where the foundations for the production of products of a high technical and quality level are being laid.

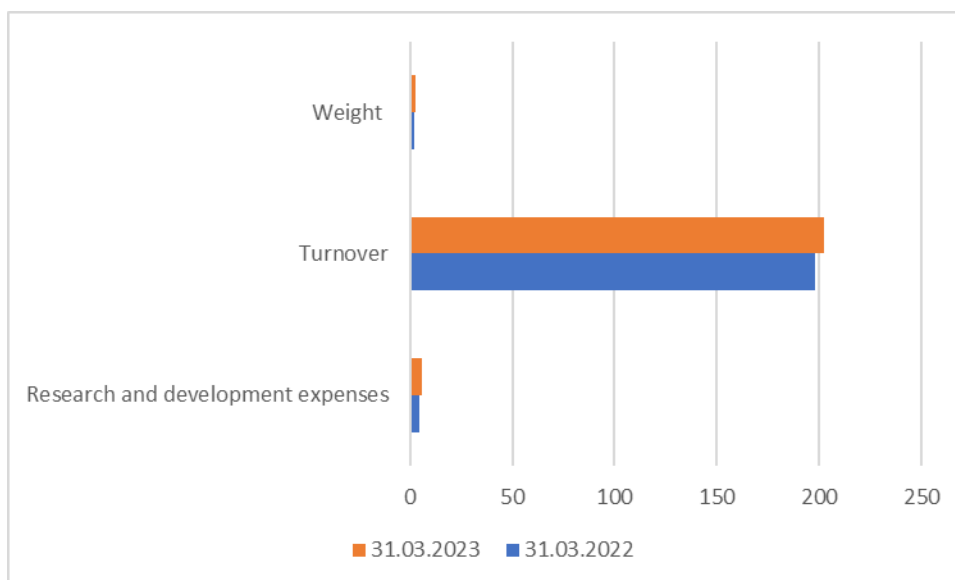
In this R&D Centre, new projects and processes with applicability both within the company and also projects with advanced technology that can be made available to other companies are also carried out.

R&D expenditure includes:

- applied research expenditure carried out within the Research Centre with European funds and COMPA's own resources.
- expenditure on the development of new products, construction and technological design expenditure, including expenditure on the monitoring of new products and processes, up to the transition to series production.
- expenditure incurred by COMPA's technical specialists who carry out technological design operations with a view to drawing up price quotations, including those quotations which for various reasons do not result in the company being nominated by customers.

The evolution of research and development expenses in Q1 2023 compared to the same period last year is presented below:

INDICATOR	31.03.2022	31.03.2023
Research and development expenses	4.47	5.83
Turnover	198.37	202.77
Weight	2.25	2.88



## 6. CAPITAL MARKET

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

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

According to the Register of Shareholders on 31.05.2023, the company has a number of 7.232 romanian and foreign shareholders, legal entities and natural persons.

- Natural persons - 159.230.587 shares
- Legal entities - 59.590.541 shares

### Change in average selling price and number of shares traded at 31.03. 2023



During the reference period, there were a number of 547 transactions regarding Compa shares, and the volume of traded shares and the total value of the traded shares can be found at <https://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=CMP>. The variation of the average price in the reference period shows a decrease.

### 6.1. Regarding the distribution of dividends to COMP A shareholders for the financial year 2022

The Ordinary General Meeting of Shareholders was convened for 26/27 04.2023 and at item 3 on the agenda it is proposed to distribute the net profit, as follows:

Destination	lei
<b>TOTAL NET PROFIT, distributed as follows:</b>	<b>2.510.594</b>
- Own development sources	<b>2.009.820</b>
- Dividends	<b>500.774</b>

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

The proposal to distribute dividends under the conditions of approval by the AGOA, would take place in the third consecutive year, being a requirement of the company's shareholders and an obligation towards its shareholders, who support the company's development policy.

The dividend payment date is proposed to be 15.06.2023, and the gross dividend/share proposed to be paid is in the amount of 0.0023 lei.

## **6.2. Purchase of own shares**

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

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

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

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

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

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

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

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

- Total value of share buyback: 3,878,223.52 lei
- Average price/share: 0.5962 lei/share

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

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

During the month of February 2023, following the transmission to the Central Depository of the documents regarding the exercise of the right of option by the 20 Beneficiaries of the Plan, the transfer of the shares from the company's account to the names of the Beneficiaries was carried out.

## **6.3. Relations with shareholders and investors**

Shareholders/investors can obtain information about COMPA and the main events on the website [www.compa.ro](http://www.compa.ro)

COMPA has also aimed during this period to ensure the rights of shareholders to participate in General Meetings directly or by proxy by providing them with special/general proxies, postal ballot papers, other useful information, to be treated fairly, regardless of their shareholdings.

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

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

#### **6.4. Capital and management issues**

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

During the reference period there were no changes affecting the company's capital or management. At the same time, COMPA was not unable to meet its financial obligations.

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

#### **6.5. Relationship between parent company and affiliated companies**

The parent company Compa prepared and published consolidated financial statements in accordance with the applicable accounting regulations, for the financial year ended on 31.12.2022.

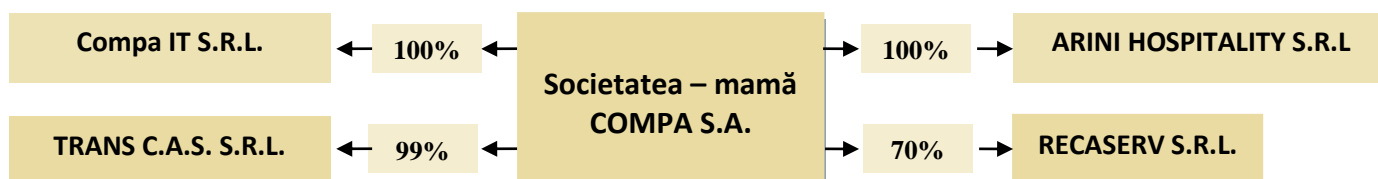
In this context, COMPA - Parent Company has control, namely the share of its equity interest in the share capital of affiliated companies is more than 50% in the following affiliated entities:

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

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

RECASERV S.R.L. 70.00%

ARINI HOSPITALITY S.R.L. 100.00%



## **7. MANAGEMENT OF THE COMPANY**

### **7.1. Board of the Directors**

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

<b>DEAC Ioan</b>	- Executive administrator/ Chairman of the Board of Directors / CEO
<b>MICLEA Ioan</b>	- Non-executive administrator/ Vice Chairman of the Board of Directors
<b>MAXIM Mircea-Florin</b>	- Non-executive administrator
<b>BALTEȘ Nicolae</b>	- Independent non-executive administrator / Chairman of the Audit Committee
<b>NEACȘU Vlad-Nicolae</b>	- Independent Non-executive administrator / Audit Committee member

By Decision no. 1A/ 28.04.2021, the Board of Directors approves the election of Mr. Ioan Deac as President of the Board of Directors of Compa S.A. for the 4-year mandate, starting on 26.04.2021.

By Decision 1B/28.04.2021, the Board of Directors approves the election of Mr. Ioan Miclea as Vice President of the Board of Directors of Compa S.A. for the 4-year mandate, starting on 26.04.2021.

#### **Audit Committee**

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

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

### **MEMBRII CONSILIULUI DE ADMINISTRATIE**



**Ioan DEAC**  
Presedinte CA/  
Director General



**Ioan MICLEA**  
Administrator



**Mircea-Florin MAXIM**  
Administrator



**Nicolae BALTEȘ**  
Administrator  
Presedinte  
comitet audit



**Vlad-Nicolae NEACȘU**  
Administrator  
Membru  
comitet audit

### **7.2 Executive management**

In accordance with the provisions of Law no. 31/1990, by Decision no. 2 dated 28.04.2021, the Board of Directors approved the appointment of Mr. DEAC Ioan as General Manager of Compa S.A. with the delegation of management duties in this regard.

### **7.3. Management by function**

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

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

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



## 8. TRANSACTIONS WITH AFFILIATED ENTITIES

During Q1-2023, Compa did not carry out any major transactions either with affiliated companies within the Group to which it belongs or with other companies holding stakes in the share capital of COMPA.S.A.

The affiliated entities of Compa S.A. Sibiu were set up over time as a result of the need to outsource specific activities such as software design, domestic and international car transport, catering, etc., to Compa S.A., in order to make these activities more efficient and to be able to benefit from certain facilities granted by the State for certain activities (IT activity, transport licences, etc.).

The majority of transactions and contracts with these affiliated entities represent the provision by Compa (the owner of special and specific facilities) of utilities such as electricity, heat, drinking water, telephone services, compressed air, the rental of premises and equipment necessary for the performance of the activity as well as contracts for the supply of goods and services.

On the other hand, these affiliated entities provide Compa with goods and services which constitute their object of activity and for which outsourcing was required.

The relationships were conducted on commercial terms of the free market, the price of which was agreed by negotiation, within the levels practiced on the market.

The transactions carried out with affiliates in the first three months of 2023 are presented in the table below (the amounts include VAT):

Explanations				31.03.2023		
THE COMPANY IN WHICH THE SHARES ARE OWNED	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	3,892,342	164,002	0	3,924,969	188,843
COMPA IT S.R.L.	0	755,650	14,375	0	859,513	32,394
RECASERV S.R.L.	0	361,502	12,582	0	468,952	12,982
ARINI HOSPITALITY S.R.L.	414,835	0	2,648	3,743,057	0	167,816

**9. STATEMENT OF COMPLIANCE OF THE INDIVIDUAL INTERIM FINANCIAL REPORT**

**DECLARATION**

**in accordance with the provisions of Article 30 of the Accounting Act No. 82/1991**

Quarterly financial reports as at 31.03.2023 have been prepared for:

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Entity: COMPA S.A.

County: 32 SIBIU

Address: Sibiu, str. Henri Coandă, nr. 8, tel. 0269/239400

Trade register number: J 32/129/1991

Form of ownership: 34 Joint stock company

Main activity

(CAEN class code and name): 2932 - Manufacture of other parts and accessories for motor vehicles and their engines

Unique registration code: RO 788767

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The undersigned Mihaela DUMITRESCU,

in accordance with Article 10(1) of the Accounting Act No 82/1991, as Economic Director, I assume responsibility for the preparation of the quarterly financial reports as at 31.03.2023 and confirm the following:

- a) the accounting policies used in the preparation of the quarterly financial reports are in accordance with the applicable accounting regulations.
- b) the quarterly financial reports give a true and fair view of the financial position, financial performance and other information relating to the business.
- (c) the legal entity carries on its business on a going concern basis.

**Economic Director,**  
**Mihaela DUMITRESCU**

**INDIVIDUAL INTERIM FINANCIAL REPORT AS AT 31.03.2023**

**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.03.2023**

(all amounts are expressed in RON, unless otherwise specified)

	<b>Note</b>	<b>31.03.2023</b>	<b>31.12.2022</b>
<b>Assets :</b>			
<b>Fixed assets:</b>			
Property, plant and equipment	4.1	385,758,372	392,896,269
Investment property	4.2	40,670,425	40,670,425
Intangible fixed assets	5	8,484,300	8,704,798
Other fixed assets	7	3,880,249	3,875,456
Financial investments	20	24,215,500	20,715,500
<b>Fixed assets - total</b>		<b>463,008,846</b>	<b>466,862,448</b>
<b>Current assets:</b>			
Inventories	8	119,364,832	132,527,113
Trade and other receivables	6	171,535,032	156,083,113
Other receivables (subsidies and settlements from joint ventures)	6	778,481	1,032,229
Cash and cash equivalents	9	7,392,631	5,986,107
<b>Current assets: - total</b>		<b>299,070,976</b>	<b>295,628,562</b>
<b>Total Assets</b>		<b>762,079,822</b>	<b>762,491,010</b>
<b>Equity:</b>			
Issued capital	11	21,882,104	21,882,104
Share capital adjustments	11	-265,638	-265,638
Reserves	11	384,508,100	384,461,415
Reserves adjustment	11	23,122,057	23,122,057
Retained earnings	11	67,906,135	65,886,960
Current result	11	3,389,242	2,510,594
Current result	11	0	-491,419
<b>Equity - total</b>		<b>500,542,000</b>	<b>497,106,073</b>
<b>Debts</b>		<b>0</b>	<b>0</b>
<b>Long-term debt :</b>		<b>0</b>	<b>0</b>
Financial debts	12	74,628,255	89,934,825
Prepaid income (prepaid income, subsidies)	13	21,232,123	22,112,413
Provisions	14	275,847	218,461
<b>Long-term liabilities - total</b>		<b>96,136,225</b>	<b>112,265,699</b>
<b>Current debts:</b>			
Financial debts	12	30,280,949	14,282,405
Trade and similar payables;	13	108,966,102	112,377,533
Debts from contracts with customers	13	2,209,375	2,919,520
Other payables	13	18,362,215	17,702,343
Current tax liabilities	10,13	168,686	0
Prepaid income (prepaid income, subsidies)	13	5,414,269	5,837,437
<b>Current liabilities - total</b>		<b>165,401,596</b>	<b>153,119,238</b>
<b>Total debts</b>		<b>261,537,821</b>	<b>265,384,936</b>
<b>Total equity and debt</b>		<b>762,079,822</b>	<b>762,491,010</b>

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31.03.2023**

(all amounts are expressed in lei. unless otherwise stated)

	<b>Note</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Income</b>	<b>15</b>	<b>202,766,929</b>	<b>198,373,767</b>
Other income	15	3,127,155	4,409,282
<b>Total income</b>		<b>205,894,084</b>	<b>202,783,049</b>
Change in stocks of finished goods and work in progress	16	-7,476,690	-10,876,646
Raw materials and consumables used	16	-126,070,883	-125,234,873
Employee benefits expense	17	-41,971,006	-37,012,622
Depreciation and amortisation expense	4, 5, 16	-11,763,984	-11,954,568
Services rendered by third parties	16	-10,016,470	-11,071,145
Other expenses	16	-3,630,902	-4,253,071
<b>Total expenses</b>		<b>-200,929,934</b>	<b>-200,402,925</b>
<b>Operating result</b>		<b>4,964,150</b>	<b>2,380,124</b>
Financial income	18	25,699	7,713
Financial expenses	18	-835,669	-420,640
Other financial gains/losses	18	1,251	-46,670
<b>Net financing costs</b>		<b>-808,719</b>	<b>-459,598</b>
<b>Profit before tax</b>		<b>4,155,431</b>	<b>1,920,526</b>
<b>(Expenses)/Income on deferred income tax</b>	<b>10</b>	<b>-313,533</b>	<b>-287,153</b>
<b>Current income tax expense</b>	<b>10</b>	<b>-452,656</b>	<b>-244,897</b>
		<b>0</b>	<b>0</b>
<b>Net profit for the period</b>		<b>3,389,242</b>	<b>1,388,476</b>
Other comprehensive income:			
Of which other comprehensive income items not subsequently reclassified to profit or loss:			
Income tax relating to other comprehensive income	10	46,685	70,121
<b>Other comprehensive income, net of tax</b>		<b>46,685</b>	<b>70,121</b>
<b>Total comprehensive income for the year</b>		<b>3,435,927</b>	<b>1,458,597</b>
<b>Unconsolidated result per basic/diluted share</b>	<b>19</b>	<b>0.0155</b>	<b>0.0063</b>

**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL AS AT 31.03.2023**

(all amounts are expressed in lei. unless otherwise specified)

Equity element	Share capital	Share capital adjustments	Legal reserves	Legal reserves adjustments	Reserve reevaluare	Other reserves	Other reserves adjustments	Reported result	Total
Balance at 01.01.2022	21,882,104	-650,415	4,376,421	22,679,066	83,891,130	283,777,154	442,991	80,945,927	497,344,378
Profit of the year	0	0	0	0	0	0	0	2,510,594	2,510,594
Other elements of the overall result, of which:	0	0	0	0	0	277,951	0	0	277,951
Income tax related to other elements of the overall result	0	0	0	0	0	277,951	0	0	277,951
Tranzactii cu actionarii, inregistrate direct in capitalurile proprii, din care:	0	384,777	0	0	0	12,138,760	0	-	-3,026,850
Distribution of shares for free	0	384,777	0	0	0	-384,777	0	0	0
Profit distribution	0	0	0	0	0	12,523,537	0	-	-3,026,850
Balance at 31.12.2022	21,882,104	-265,638	4,376,421	22,679,066	83,891,130	296,193,865	442,991	67,906,134	497,106,073

Equity element	Share capital	Share capital adjustments	Legal reserves	Legal reserves adjustments	Reserve reevaluare	Other reserves	Other reserves adjustments	Reported result	Total
Balance at 01.01.2023	21,882,104	-265,638	4,376,421	22,679,066	83,891,130	296,193,865	442,991	67,906,134	497,106,073
Profit of the year	0	0	0	0	0	0	0	3,389,242	3,389,242
Other elements of the overall result, of which:	0	0	0	0	0	46,685	0	0	46,685
Income tax related to other elements of the overall result	0	0	0	0	0	46,685	0	0	46,685
Balance at 31.03.2023	21,882,104	-265,638	4,376,421	22,679,066	83,891,130	296,240,550	442,991	71,295,376	500,542,000

**UNCONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31.03.2023**

(all amounts are expressed in lei. unless otherwise stated)

Explanations	31.03.2023	31.03.2022
<b>Cash flows from operating activities:</b>		
Profit before tax	4,155,431	1,920,526
Depreciation and amortization expenses	11,842,017	11,904,361
(Increases) / Decreases in stocks	13,162,281	10,991,969
(Increases) / Debt decreases	-15,202,964	-42,966,468
Increases / (Debt decreases)	-3,293,019	7,621,041
Adjust other non-monetary items	-4,629,906	-1,499,425
<b>Net cash generated from operations</b>	<b>6,033,840</b>	<b>-12,027,996</b>
<b>Cash flows from investment activity:</b>		
Acquisitions of tangible assets and real estate investments	-4,264,938	-7,664,774
Acquisitions of intangible assets	-218,684	-202,295
<b>Net cash generated from investment activities</b>	<b>-4,483,622</b>	<b>-7,867,069</b>
<b>Cash flows from financial activity</b>		
(Increases) / Decreases in bank loans	691,975	10,517,950
Interest rates	-835,669	-420,640
<b>Net cash generated from financial activity</b>	<b>-143,694</b>	<b>10,097,310</b>
<b>Net cash generated from total activity</b>	<b>1,406,524</b>	<b>-9,797,755</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,986,107</b>	<b>11,068,357</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,392,631</b>	<b>1,270,602</b>

**NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL REPORT AS AT 31.03.2023**

(all amounts are expressed in lei. unless otherwise stated)

**1. GENERAL INFORMATION**

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

**1.1. Scope of activity**

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

**1.2. Form of ownership**

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

**1.3. Evolution of the company**

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

**2. BASIS OF THE PREPARATION****Declaration of conformity**

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

**Going concern principle**

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

**Basis of evaluation**

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

**Reporting and functional currency**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

The significant accounting policies applied by the Company are those disclosed in the Financial Statements ended 31.12.2022 and have not changed during the interim reporting period.

#### 4.1. TANGIBLE FIXED ASSETS

The evolution of property, plant and equipment from 1 January 2023 to 31 March 2023 is as follows:

Explanations	31.03.2023	01.01.2023
Land	43,848,700	43,848,700
Construction	96,917,172	96,248,672
Equipment and vehicles	231,288,710	238,317,690
Other tangible fixed assets	710,199	734,507
Tangible fixed assets in course of construction	12,993,592	13,746,700
<b>Total</b>	<b>385,758,373</b>	<b>392,896,269</b>

Tangible assets representing 'Tangible assets in progress' are valued at historical cost. The Company has chosen the fair value revaluation model for the valuation of property, plant and equipment in the nature of land and buildings. In the fair value hierarchy, the revaluation of the Company's land and buildings at fair value is classified as Level 2 data.

The valuation technique used in Level 2 fair value measurement is the price comparison method. Comparable prices of nearby buildings and constructions are adjusted for specific characteristics such as property size, etc. The most important input for this valuation method is the price per square metre.

There were no transfers between the level at which the fair value valuations are classified during 2023.

Depreciation of all property, plant and equipment is determined using the straight-line method.

Fixed assets were reduced in 2023 through depreciation.

#### 4.2. REAL ESTATE INVESTMENT

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

Explanations	31.03.2023	01.01.2023
Real estate investments	40,444,284	40,444,284
Real estate investments in progress	226,141	226,141
<b>Total</b>	<b>40,670,425</b>	<b>40,670,425</b>

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

Non-current assets 'Investment property in progress' are measured at historical cost.

#### 5. INTANGIBLE FIXED ASSETS

Intangible assets held by the Company represent software and software licenses and research and development expenditure that have met the conditions for capitalisation.

Explanations	31.03.2023	01.01.2023
Research and development expenditure	3,741,409	3,879,554
Software and software licences	4,742,891	4,825,244
<b>Total</b>	<b>8,484,300</b>	<b>8,704,798</b>

Amortisation of intangible assets is determined using the straight-line method.

## 6. TRADE AND OTHER RECEIVABLES

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

Explanations	31.03.2023	01.01.2023
Trade receivables	166,000,257	149,553,605
Advances paid to suppliers	2,503,771	3,449,480
Receivables from staff	4,061	16,485
Receivables from the consolidated state and local budget	1,218,779	1,439,009
Sundry debtors	215,035	396,807
Prepaid expenses	1,593,130	1,227,727
Subsidies receivable (European funds projects, subsidies for personnel costs)	778,481	1,032,229
<b>Total</b>	<b>172,313,514</b>	<b>157,115,342</b>

Claims in foreign currency are valued in lei at the official exchange rate of the NBR on 31.03.2023.

The situation of the impairment adjustments on trade receivables is as follows:

<b>Sold at 01.01.2023</b>	<b>1,622,305</b>
Adjustments accrued at 31.03.2023	61,226
Adjustments reversed at 31.03.2023	-164,169
<b>Sold at 31.03.2023</b>	<b>1,519,362</b>

The Company's commercial policy requires the recording of impairment adjustments for receivables exceeding 365 days, with the exception of those receivables due from partners to whom the Company is also a debtor, which are approximately the same age as uncollected receivables.

## 7. OTHER NON-CURRENT RECEIVABLES

Non-current receivables held by the Company are shown below:

Explanations	31.03.2023	01.01.2023
Guarantee for customs clearance at home	103,000	103,000
Other guarantees	34,192	34,192
Amounts owed by subsidiaries	3,726,975	3,725,695
Interest on amounts due from branches	16,082	12,569
<b>Total</b>	<b>3,880,249</b>	<b>3,875,456</b>

## 8. STOCKS/Inventory

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

Explanations	31.03.2023	01.01.2023
Raw materials	45,452,834	50,305,906
Materials and packaging	22,288,769	23,076,076
Semi-manufactures and work in progress	40,288,005	40,768,671
Finished products and goods	11,335,224	18,376,460
<b>Total</b>	<b>119,364,832</b>	<b>132,527,113</b>

## 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

Explanations	31.03.2023	01.01.2023
Bank accounts in RON	7,307,490	5,935,145
Bank accounts in foreign currency	25,099	28,188
Cash equivalents	436	309
Cash in RON	59,606	22,465
<b>Total</b>	<b>7,392,631</b>	<b>5,986,107</b>

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

## 10 PROFIT TAX

The Company's current income/profit tax is determined based on statutory profit adjusted for non-deductible expenses and non-taxable income at a rate of 16% for 3 months 2023 and 3 months 2022.

At 31 March 2023 and 31 March 2022 the profit tax is made up of:

Explanations	31.03.2023	31.03.2022
Current income tax cheating	-452,656	-244,897
Deferred income tax assets/liabilities	-313,533	-287,153
<b>Total</b>	<b>-766,189</b>	<b>-532,050</b>

## 11 EQUITY CAPITAL

The shareholding structure on 31.03.2023 is as follows

Explanations	No. Shares	% of total share capital
Romanian and foreign shareholders (legal entities)	59,590,451	27.23%
Shareholders (individuals) Romanian and foreign	159,230,587	72.77%
<b>Total number of shares</b>	<b>218,821,038</b>	<b>100.00%</b>

The Company's equity includes the following:

Explanations	31.03.2023	01.01.2023
Subscribed and paid-up capital	21,882,104	21,882,104
Treasury shares	-265,638	-265,638
Revaluation reserves	83,891,130	83,891,130
Legal reserves	4,376,421	4,376,421
Adjustment of legal reserves	22,679,066	22,679,066
Other non-distributable reserves - repurchase of own shares	265,652	265,652
Other reserves	301,155,241	301,155,241
Adjustment other reserves	442,991	442,991
Current and deferred income tax recognised in equity	-5,180,343	-5,227,028

Retained earnings - prior year retained profit	2,019,175	0
Retained earnings representing realised surplus on revaluation reserves	57,804,936	57,804,936
Retained earnings from first-time adoption of IAS, less IAS 29	29,144	29,144
Retained earnings arising from the transition to IFRS, less IAS 29	8,611,538	8,611,538
Retained earnings from changes in accounting policies	89,693	89,693
Retained earnings from first-time adoption of IAS 29	-648,352	-648,352
Profit current year	3,389,242	2,510,594
Profit distribution	0	-491,419
<b>Total</b>	<b>500,542,000</b>	<b>497,106,073</b>

## 12. FINANCIAL DEBTS

Long and short-term financial liabilities are as follows:

		EUR	
Credit institution	Type of loan	31.03.2023	01.01.2023
BRD Group Societe Generale România	Credit line for production	8,475,370	6,979,070
BRD Group Societe Generale România	Investment credit	4,523,257	4,900,194
ING BANK-SIBIU	Credit line for production	3,716,936	4,358,941
ING BANK-SIBIU	Investment credit	4,482,070	4,826,845
<b>Total</b>		<b>21,197,633</b>	<b>21,065,050</b>

		LEI	
Credit institution	Type of loan	31.03.2023	01.01.2023
BRD Group Societe Generale România	Credit line for production	41,945,456	34,528,253
BRD Group Societe Generale România	Investment credit	22,386,048	24,243,222
ING BANK-SIBIU	Credit line for production	18,395,488	21,565,424
ING BANK-SIBIU	Investment credit	22,182,213	23,880,331
<b>Total</b>		<b>104,909,205</b>	<b>104,217,230</b>

Financial liabilities in foreign currency are valued in lei at the official exchange rate of the NBR on 31.03.2023.

**13. TRADE AND OTHER PAYABLES**

Explanations	31.03.2023	01.01.2023
Suppliers	108,583,656	111,691,970
Advances received from customers	382,446	685,564
Debts from contracts with customers	2,209,375	2,919,520
Liabilities related to personnel	8,919,174	5,824,473
Debts to the general consolidated state and local budget	9,057,945	11,345,853
Current income tax liabilities	168,686	0
Dividends payable	385,012	390,174
Sundry creditors	84	141,843
Prepaid income	1,726,009	2,098,749
Investment subsidies from AMPOSDRU and AMPOSCEE contracts	24,906,434	25,829,594
Inventory gains on fixed assets	13,949	21,507
<b>Total</b>	<b>156,352,770</b>	<b>160,949,247</b>

Foreign currency liabilities are valued in lei at the official exchange rate of the NBR on 31.03.2023.

**14. PROVIZIONS**

The situation of the provisions set up by the Company is presented below:

Explanations	Provisions for guarantees to customers	Provisions for employee benefits	Other provisions for risks and charges	Total provisions
<b>Sold at 01.01.2023</b>	<b>26,945</b>	<b>108,700</b>	<b>82,816</b>	<b>218,461</b>
Provisions accrued at 3 months 2023	0	0	57,386	57,386
Provisions reversed at 3 months 2023	0	0	0	0
<b>Sold at 31.03.2023</b>	<b>26,945</b>	<b>108,700</b>	<b>140,202</b>	<b>275,847</b>

**15. REVENUES AND BUSINESS SEGMENTS**

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

Explanations	31.03.2023	31.03.2022
<b>Total turnover, of which:</b>	<b>202,766,929</b>	<b>198,373,767</b>
Revenue from sales of finished products	198,634,161	194,382,963
Revenue from services rendered	532,217	716,073
Revenue from sale of goods	3,190,154	2,681,372
Income from other activities (rents, sales of materials, waste, semi-finished goods, packaging)	296,632	298,592
Income from subsidies related to turnover (projects and partnership contracts AMPOSDRU projects)	113,765	294,767
<b>Other operating income</b>	<b>3,127,155</b>	<b>4,409,282</b>

<b>Total operating income</b>	<b>205,894,084</b>	<b>202,783,049</b>
Other operating income consists of :		
<b>Explanations</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Income from the production of fixed assets	2,047,604	2,577,084
Income from investment grants (AMPOS DRU and AMPOS CEE projects and partnership contracts)	923,160	1,292,166
Other operating income	156,391	540,032
<b>Total Other operating income</b>	<b>3,127,155</b>	<b>4,409,282</b>

### Business segments

The Company's management regularly assesses its activity with a view to identifying business segments for which separate reporting is required.

The Company operates in Romania. The Company's revenues presented above are entirely attributable to the country of domicile.

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

## 16. EXPENDITURE BY NATURE

Operating expenses by nature incurred in the first 3 months of 2023 and 2022 are shown in the table below:

<b>Explanations</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Material expenses	113,214,887	113,089,670
Stock differences	7,476,690	10,876,646
Energy and water costs	12,855,996	12,145,203
Employee benefits expenses	41,971,006	37,012,622
Value adjustments on fixed assets	11,842,017	11,904,361
Value adjustments on current assets	-78,033	50,207
Expenditure on services provided by third parties	10,016,470	11,071,145
Expenses on other taxes, duties and similar charges	1,461,328	995,993
Other operating expenses	2,169,573	3,257,078
<b>Total operating expenses</b>	<b>200,929,934</b>	<b>200,402,925</b>

## 17. EMPLOYEE BENEFIT EXPENSES

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

<b>Explanations</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Salaries and allowances	41,232,759	36,275,710
Insurance and social protection expenditure	738,247	736,912
<b>Total</b>	<b>41,971,006</b>	<b>37,012,622</b>

## 18. FINANCIAL LOSSES (GAINS)

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

Explanations	31.03.2023	31.03.2022
Foreign exchange gains related to monetary items denominated in foreign currency	65,743	19,749
Interest losses	-809,970	-412,928
Other financial gains	-64,492	-66,419
<b>Total losses/gains</b>	<b>-808,719</b>	<b>-459,598</b>

## 19. EARNINGS PER SHARE

The calculation of earnings per share for Q1 -2023 and Q1 - 2022 can be summarised as follows:

Explanations	31.03.2023	31.03.2022
Number of shares at the beginning of the year	218,821,038	218,821,038
<b>Number of shares at end of reporting period</b>	<b>218,821,038</b>	<b>218,821,038</b>
<b>Net profit</b>	<b>3,389,242</b>	<b>1,388,476</b>
<b>Basic/diluted earnings per share (RON/share)</b>	<b>0.0155</b>	<b>0.0063</b>

In 2022, following the redemption of own shares and the free distribution to employees of a number of 6,060,000 shares, a total of 444,153 shares remained undistributed. These shares do not have voting rights and dividend rights. Also, a number of 649,100 shares, with a nominal value of 64,910 lei, are owned by the affiliated company Recaserv SRL, as a result, these shares do not have voting rights or the right to dividends.

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

Explanations	31.03.2023	31.03.2022
Total number of shares	218,821,038	218,821,038
Shares without voting rights and dividend	-1,093,253	-7,153,253
<b>Number of shares with voting and dividend rights At year-end</b>	<b>217,727,785</b>	<b>211,667,785</b>
<b>Net profit</b>	<b>3,389,242</b>	<b>1,388,476</b>
<b>Basic / diluted earnings per voting and dividend share (in RON per share):</b>	<b>0.0156</b>	<b>0.0066</b>

## 20. AFFILIATED PARTIES

The affiliated entities of Compa SA are the following:

Company in which the securities are held	Headquarters	% in share capital	Value of securities	Main object of activity
COMPA IT SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	200,000	Custom software development activities
TRANS CAS SRL	Str.Henri Coanda, nr.12, Sibiu, jud.Sibiu	99.00	742,500	Road haulage

RECASERV SRL	Str.Henri Coanda, nr.51, Sibiu, jud.Sibiu	70.00	70,000	Catering activities for events
ARINI HOSPITALITY SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	23,203,000	Hotels and similar accommodation facilities
<b>TOTAL</b>			<b>24,215,500</b>	

On 09.01.2023 AGEA approved the increase of the share capital of the affiliated company ARINI HOSPITALITY SRL with the amount of 3,500,000 lei, through a cash contribution. In March 2023, the share capital was paid, increasing from 19,703,000 lei to 23,203,000 lei.

Transactions with companies in which Compa has shareholdings were as follows (amounts include VAT):

Explanations	31.03.2023			31.03.2022		
	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	3,924,969	188,843	0	3,892,342	164,002
COMPA IT S.R.L.	0	859,513	32,394	0	755,650	14,375
RECASERV S.R.L.	0	468,952	12,982	0	361,502	12,582
ARINI HOSPITALITY S.R.L.	3,743,057	0	167,816	414,835	0	2,648

**Mutual receivables and payables as at 31.03.2023 and 31.03.2022 are as follows:**

**Receivables due to Compa SA from:**

Explanations	31.03.2023	31.03.2022
TRANSCAS S.R.L.	188,031	113,644
COMPA IT S.R.L.	37,442	18,813
RECASERV S.R.L.	16,671	23,649
ARINI HOSPITALITY S.R.L.	3,745,692	916,601

**Debts payable by COMPA SA to:**

Explanations	31.03.2023	31.03.2022
TRANSCAS S.R.L.	2,819,174	2,872,264
COMPA IT S.R.L.	663,163	1,069,200
RECASERV S.R.L.	445,272	341,324

**Company management**

**List of company directors :**

NUMELE ȘI PRENUMELE	CALIFICARE	FUNCȚIA
DEAC Ioan	Engineer	President C.A.
MICLEA Ioan	Economist	Board Member
MAXIM Mircea Florin	Engineer	Board Member

BALTEȘ Nicolae	Economist	Member CA - Chairman Audit Committee
NEACȘU Vlad- Nicolae	Economist	CA Member - Audit Committee Member

**List of members of the functional and executive management of the company :**

FIRST AND LAST NAME	FUNCTION
DEAC Ioan	CEO
BĂIAȘU Dan-Nicolae	Deputy CEO /Commercial Director
DUMITRESCU Mihaela	CFO
FIRIZA Ioan	Director of Organizational Management and HR
ACU Florin-Ștefan	Technical Director
MUNTENĂȘ Bogdan-Vasile	Logistics Director
DUMITRESCU Ștefan Cosmin	Director of Management System and Improvement
ȚUICU Liviu-Laurențiu	Director of Quality-Environment
ȚUȚUREA Mihai	Production Director
FIRIZA Sorin Ioan	Deputy Production Director
DRAGOMIR Marius C-tin	Engineer, Head of Maintenance Department
JURESCU Adrian	Head of Utilities Department

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

**On behalf of the Board of Directors:**

Director General / Chairman of the Board  
Ioan DEAC

CFO  
Mihaela DUMITRESCU

# CONSOLIDATED REPORT 31.03.2023



**compa**  
*beyond expectations*



**TRANS C.A.S.**  
SRL SIBIU



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## **INTRODUCTION**

### **1.1. LEGAL FRAMEWORK, PURPOSE AND NECESSITY OF PREPARATION OF FINANCIAL STATEMENT**

COMP A S.A. Sibiu, whose SHARES 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 the 7th Directive of the European Economic Community, COMP A S.A. Sibiu (parent company) meets the conditions according to point 12. Based on point 3 of these regulations, the consolidated annual financial statements have been prepared.

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

All these normative acts constituted the necessary legal basis for the elaboration of the consolidated financial statements of the Group

The consolidated objective of the COMP A Group has as main objective the information of the investors and business partners of the parent company, as well as of the affiliated companies.

### **1.2. METHODS OF CONSOLIDATION 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, which holds participation titles in another entity, called the subsidiary or affiliated company.

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

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

COMP A S.A. Sibiu, the parent company, exercises an effective power, having a dominant influence, respectively it has control over the Group companies. Given 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

This chapter was presented in detail in the separate report for 3 months 2023, but we consider it necessary and appropriate that certain episodes in the history of the parent company be highlighted in the consolidated Q1 2023 Report.

**1886** - The Jozsef Datky blacksmith's workshop is officially certified, where lamellar springs were produced for the carriages of the time but also for some parts and tools obtained by forging.

The workshop was developed so that the products made in this family business were found at international exhibitions in the Austro-Hungarian Empire (Vienna and Budapest).

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

**1969** - The Automobile Parts Enterprise (IPAS) is established, by merging two large companies, which operated in Sibiu that year, respectively:

- Sibiu Automecanica Plant, which in turn had an impressive history, from an arsenal of Artillery, which ensures the repair and manufacture of weapons necessary for the defense of the Sibiu Fortress, to the construction of car equipment with advanced technology at the time of merger;
- Elastic Sibiu Plant, with a craft tradition since the founding of the Datky Workshop, which it has permanently developed, making at the time of merging a varied and diversified range of lamellar springs for the manufacture of vehicles made in Romania and a wide range of springs helical, hot and cold wrapped, intended for the entire rolling stock industry (locomotives, wagons), of the machine building industry from all over Romania.

**1991** - The Automobile Parts Enterprise (IPAS) is transformed into S.C.COMPA S.A.Sibiu, as a result of the political and economic framework created by the transition of Romania 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 purchasing the majority stake of the State Property Fund (FPS). This historical stage ensures the premises for the development in conditions of competitiveness and profitability of the company, for the development of business partnerships with representative companies from 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 operated within the parent company with the activity of software design and internal network administration, into a separate company, S.C.Compa IT S.R.L., with full capital COMPA. As a result of the establishment of this company in an economic unit with predominant activity in information technology (IT), the premises for the development of this sector of activity were created both for the realization of an integrated IT system of COMPA but also for software for other companies in outside the Compa Group.

**2001** - The second affiliated company S.C.TRANS C.A.S. S.R.L. Sibiu, a limited liability company, with a predominant COMPA contribution, resulted 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 in the transport activity, the conditions for its development were created, which provide transport services, not only for the parent company, but also for other companies in Romania and in Europe.

The company has developed a lot since its establishment, investing in the acquisition of mainly 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 more resembles companies in Europe.



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

**2021** - The fourth affiliated company is established, respectively ARINI HOSPITALITY S.R.L., which will carry out hotel activity, by building the Ibis-Mercure hotel complex..

### 3. INFORMATION REGARDING THE ENTITIES WITHIN THE GROUP

#### 3.1. COMPA S.A. parent - Company

Social headquarters	No.8, Henri Coandă Street, Sibiu	
Registration no. in the Trade Register	J32/129/1991,	
Fiscal Code (VAT Code)	RO 788767	
The main activity	2932 - Manufacture of other parts and accessories for motor vehicles	
Share capital (RON)	21,882,103.8	
Board of Directors	Deac Ioan	- Chairman & CEO
	Miclea Ioan -	- Vice president & CFO
	Maxim Mircea Florin	- Administrator
	Balteş Nicolae	- Audit committee President/ administrator
	Neacşu Vlad Nicolae	- Audit committee member/ administrator

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

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 held and purchased by each.

As presented in detail in the Individual Report Q1 2023, the parent company is organized on Profit Centers, integrated units without legal personality with a decentralized activity, structured to make products for a single customer or to make similar products for several customers, such as: Forging, Heat treatment, Galvanization, Pressed - stamped parts, mechanical - welded subassemblies.

The financial investments of the parent company COMPA, which consist of participation titles and shares, in the other 4 affiliated companies, as follows:

Company in which the securities are held	Headquarters	% in share capital	Value of securities	Main object of activity
COMPA IT SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	200,000	Custom software development activities
TRANS CAS SRL	Str.Henri Coanda, nr.12, Sibiu, jud.Sibiu	99.00	742,500	Road haulage
RECASERV SRL	Str.Henri Coanda, nr.51, Sibiu, jud.Sibiu	70.00	70,000	Catering activities for events
ARINI HOSPITALITY SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	23,203,000	Hotels and similar accommodation facilities
<b>TOTAL</b>			<b>24,215,500</b>	



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.

### 3.2. COMPA I.T. SRL Company

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

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

Social headquarters	Sibiu, No.8, Henri Coandă Streed, Sibiu County
Recording no. in the Trade Register	J32/17/2001
Fiscal Code (VAT)	CUI 13656016
The main activity	6201 - Computer programming activities
Share capital (RON)	200,000
Sole shareholder	COMPA S.A
Administrator	Acu Florin-Ştefan

### 3.3. TRANS CAS SRL Company

The reason for setting up the company was to outsource the car transport activity initially existing within the COMPA company, in order to expand and develop this activity different 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 a significant share is held by Mercedes-type trailer trucks, with a capacity of over 20 tons payload, intended for the transport of materials and finished products for both COMPA and other customers.

The overwhelming share of TRANS C.A.S. it is owned by international freight transport in almost all of Europe.

Sediul social	Sibiu, Str.Henri Coandă Nr.12
Nr.înregistrare în Registrul Comerţului	J32/633/2002
Cod Unic de înregistrare	CUI 14836511
Obiectul principal de activitate	4941 Road haulage
Capital social, din care:	750,000 lei
Acţionari: COMPA S.A.Sibiu	742,500 lei
Maxim Mircea Florin şi Mihăilă Daniela	7,500 lei
Administrator	Maxim Mircea Florin

### 3.4. RECASERV SRL Company

The purpose of setting up the company was to outsource from the parent company COMPA S.A. of some activities different from its main activity profile, activities such as: public catering made through the canteen and the micro-canteens that operate inside the COMPA company.



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

Social headquarters	Sibiu, 51 Henri Coandă Street Sibiu County
Recording no. in the Trade Register	J32/704/2004
Fiscal Code (VAT Code)	CUI 164408228
The main activity	5629 Other food service activities
Share capital, of which:	100,000 RON
Shareholders: COMPA S.A.Sibiu	70%
Boroş Daniela (individual person)	30%
Administrator	BOROŞ Daniela

### 3.5. ARINI HOSPITALITY SRL Company

The purpose of setting up the company was to outsource from the parent company COMPA S.A. of activities different from its main activity profile, activities such as: Hotels and other similar accommodation facilities.

Social headquarters	Sibiu. Str.Henri Coandă Nr.8
Recording no. in the Trade Register	J32/77/2021
Fiscal Code (VAT Code)	CUI 43581594
The main activity	5510 Hotels and similar accommodation facilities
Share capital (RON)	19,703,000 lei
Sole shareholder	100%
Administrator	Băiaşu Dan-Nicolae

On 09.01.2023 AGEA approved the increase of the share capital of the affiliated company ARINI HOSPITALITY SRL with the amount of 3,500,000 lei, through a cash contribution. In March 2023, the share capital was paid, increasing from 19,703,000 lei to 23,203,000 lei.

## 4. EVENTS IN THE GROUP'S ACTIVITY IN 01.01.2023-31.03.2023

As important vents recorded in the activity of Compa during the first 3 months of 2023, we can highlight the meetings of the Board of Directors of the company and the general meetings of shareholders as follows:

**09.01.2023** – The Extraordinary General Meeting of Shareholders (EGMS) was held with the following agenda:

1. The election of the secretary of the meeting of the Extraordinary General Meeting of Shareholders from among the present shareholders.
2. approval of the increase in the share capital of the affiliated company ARINI HOSPITALITY S.R.L., to which Compa S.A. is sole associate, with the amount of 3,500,000 lei, cash contribution.
3. approval of the delegation of the Board of Directors of Compa S.A. to take the necessary decisions in order to increase the share capital of the company Arini Hospitality SRL, deciding on any aspects related to the share capital increase, the number of shares and their value, status update, etc
4. ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 1 approving the contracting by the affiliated company Arini Hospitality S.R.L. (in which Compa S.A. is the sole partner) of a bank loan in the form of an investment credit up to a ceiling of 1,800,000 (one million and eight thousand) euros.
5. ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 2 approving the guarantee of the bank loan referred to in art. 4 with movable and immovable assets from the patrimony of Arini Hospitality company, including the property registered in the Land Registry no. 131805 Sibiu.



6. ratification of the decision of the Board of Directors of Compa S.A. no. 143/23.11.2022 art. 3 approving the guarantee by Compa S.A., as guarantor and/or co-debtor, of the bank loan requested by Arini Hospitality SRL pursuant to art. 4 above if the financing bank requests it.

7. approval of the amendment to the constitutive act of Compa S.A. by adding to point IX subsection 12 the possibility for the members of the Board of Directors to participate in the meetings of the Board of Directors by means of remote communication means, so that the amended text will have the following content: IX.

#### **ADMINISTRATION AND REPRESENTATION OF THE COMPANY**

(12) The board of directors meets at least once every 3 months. The participation of the members of the company's Board of Directors in its meetings can also take place by means of remote communication, videoconference, teleconference, e-mail or fax. The members of the board of directors will conclude a professional liability insurance.

8. approval of the authorization of the President of the Board of Directors, Deac Ioan, or any other administrator in case of impossibility of the president, to sign in the name and on behalf of the Company the additional act and the updated constitutive act of the Company in accordance with the decision of the E.G.M.S. from point 7.

9. approval of February 10th, 2023, as the Registration Date for the shareholders identification falling under the consequences of the General Extraordinary Meeting of Shareholders, due to the provisions in Art. 87, Law 24/2017 on issuers of financial instruments and market operations and approval of February 9th, 2023, as ex-date, according to Art. 176(1) from FSA Regulation no.5 / 2018.

10. empowering of individuals that will perform the publication and recording formalities of the GMS session decisions, including their signing.

**31.01.2023** – The Board of Directors of Compa S.A. was convened, in which the proposals of the economic-financial department of the company were analyzed and approved regarding the results of the inventory of the company's assets for the year 2022 and which consist of:

- approving the scraping of certain assets in the nature of fixed assets and stocks of materials and finished products
- approving the registration of inventory minuses recorded in stocks
- approving the taking over of some prescribed and/or unrecognized debts by the partners
- approving the transfer of unrecoverable debits
- approving the recording of impairment adjustments of customer receivables
- the mandate of the President of the Board of Directors – Ioan Deac and the Vicepresident of the Board of Directors – Ioan Miclea to sign the decisions of the Board of Directors taken in the meetings convened for the 31<sup>st</sup> January 2023

**24.02.2023**– During the meeting of the Board of Directors convened on 24<sup>th</sup> February 2023, the preliminary financial results for the year 2022 were analyzed and approved, both the individual ones related to the company Compa, as well as the preliminary financial results for the year 2022 related to the Group.

Also, during the meeting, the Board of Directors approved the Integrated Campus Project for dual education – PRODUAL, the total value of the project in the amount of 129,922,526.46 Ron, as well as its own contribution to the project 6,197,247.60 lei of which 870,686.00 Ron is the contribution of Compa S.A.

**09.03.2023** – The Board of the Directors of convened for the approval of the proposal to convene the Ordinary General Meeting Of Shareholders (OGMS) for the date 26.04.2023 the first convocation (3.00 p.m.) and 27.04.2023, the second convocation (3.00 p.m.) as well the proposal to convene the Extraordinary General Meeting (EGMS) for the date 26.04.2023 the first convocation (4.00 p.m.) and 27.04.2023, the second convocation (4.00 p.m.).

The Board of Directors approved the agenda of the OGMS convened on 26/27.04.2023, in which a number of 10 points were entered (according to the convening note) as well as the 8 points included in the relevant EGMS convening note of 26/27.04.2023.



The Board of Directors also approved 11.04.2023 as the reference date for the AGOA and respectively the AGEA of 26/27.04.2023.

**23.03.2023** – During the meeting of 23.03.2023, the Board of Directors approved the Individual and Consolidated Annual Report for the financial year 2022 drawn up according to Annex 15 of ASF Regulation no. 5/ 2018. Also during this meeting, the Revenue and Expenditure Budget for 2023 and the Investment Program for 2023 was approved.



## 5. INTRA - GROUP TRANSACTIONS

Explanations				31.03.2023		
THE COMPANY IN WHICH THE SHARES ARE OWNED	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	3,892,342	164,002	0	3,924,969	188,843
COMPA IT S.R.L.	0	755,650	14,375	0	859,513	32,394
RECASERV S.R.L.	0	361,502	12,582	0	468,952	12,982
ARINI HOSPITALITY S.R.L.	414,835	0	2,648	3,743,057	0	167,816

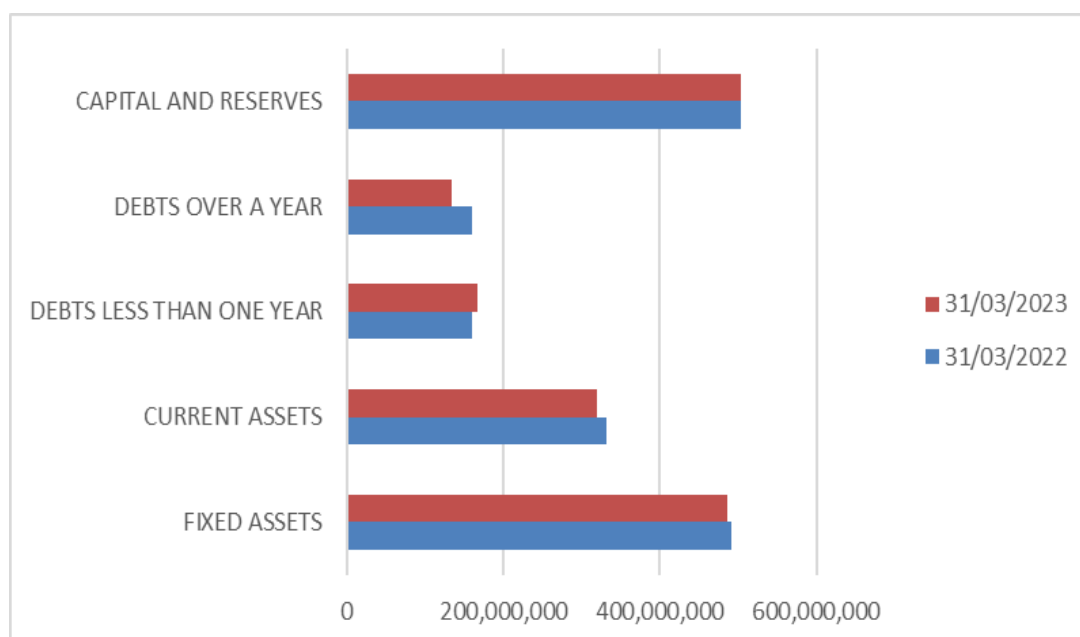
The relations took place in commercial terms of the free market, their price being agreed by negotiation, within the levels practiced on the market..

## 6. FINANCIAL AND ACCOUNTING SITUATION OF THE GROUP

### 6.1. The main balance sheet items

The main balance sheet elements and their evolution in the first 3 months of 2023 compared to compared to the same period last year are presented in the table below:

INDICATOR	31/03/2022	31/03/2023
FIXED ASSETS	491,864,239	487,025,159
CURRENT ASSETS	332,463,896	319,323,797
DEBTS LESS THAN ONE YEAR	160,254,561	167,768,102
DEBTS OVER A YEAR	160,131,301	134,320,419
CAPITAL AND RESERVES	503,942,272	504,260,435

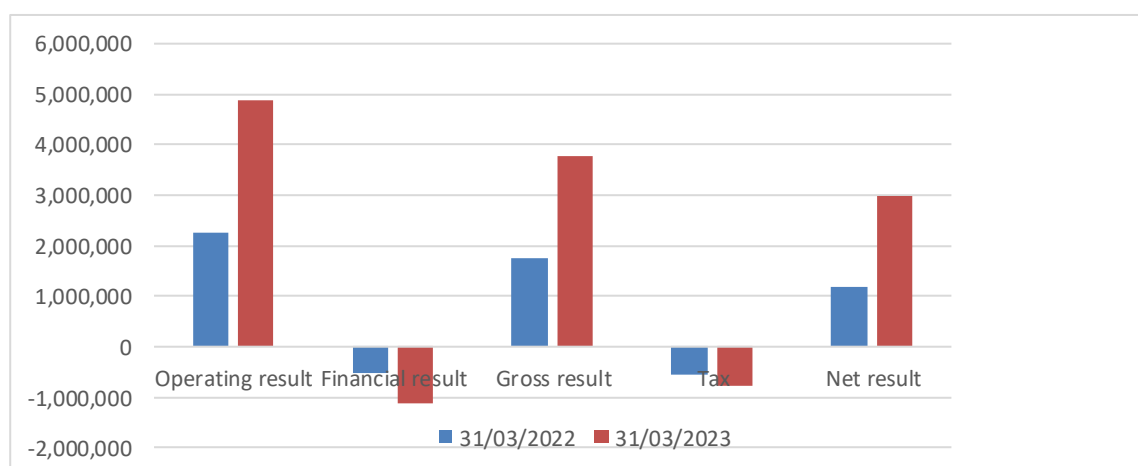




## 6.2 The situation of the profit and loss account

The situation of the profit and loss account: on 31.2023 compared to the same period last year is presented as follows:

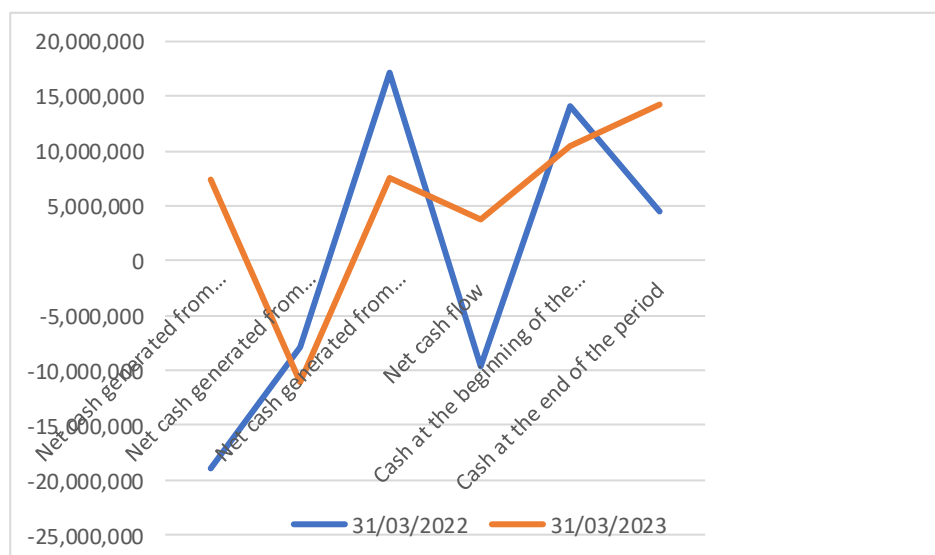
INDICATOR	31.03.2022	31.03.2023
Operating result	2,262,915	4,875,172
Financial result	-528,327	-1,120,986
Gross result	1,734,588	3,754,186
Tax	-545,615	-782,403
Net result	1,188,973	2,971,783



## 6.3. Cash flow statement

The statement of cash flows is summarized below:

Indicator	31.03.2022	31.03.2023
Net cash generated from operations	-18,891,593	7,367,367
Net cash generated from investment activities	-7,867,069	-11,105,561
Net cash generated from financial activity	17,126,691	7,539,256
Net cash flow	-9,631,971	3,801,062
Cash at the beginning of the period	14,120,744	10,452,249
Cash at the end of the period	4,488,773	14,253,311



#### 6.4. The main economic-financial indicators of the Compa Group

Indicator	31/03/2022	31/03/2023
Current liquidity	2.07	1.90
Degree of indebtedness	0.24	0.21
The speed of rotation of debits - customers	69.44	69.83
The speed of rotation of fixed assets	0.41	0.42
New investments	7,867,069	11,105,561
EBITDA	14,271,544	16,728,783

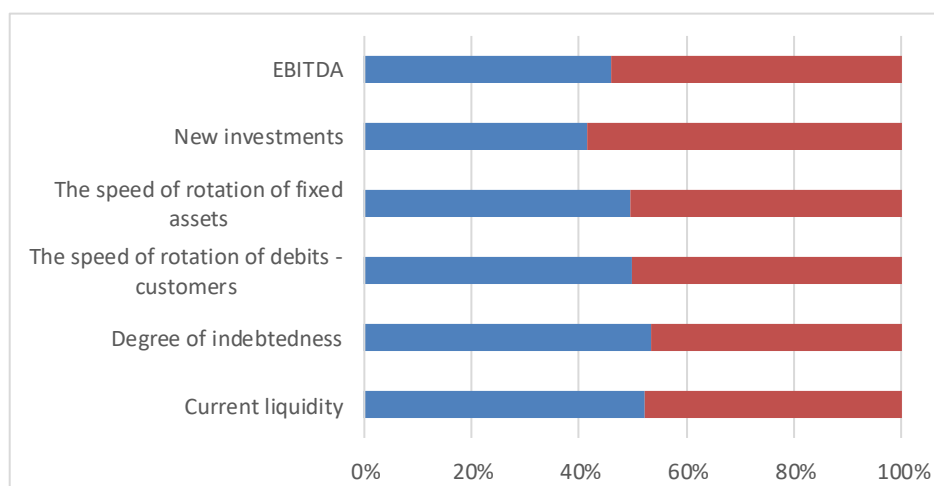
Current liquidity = current assets / current debts

The turnover speed of debits - customers = Average customer balance / Turnover x 90

The speed of rotation of fixed assets = Turnover / Fixed assets

Degree of indebtedness = borrowed capital / capital engaged

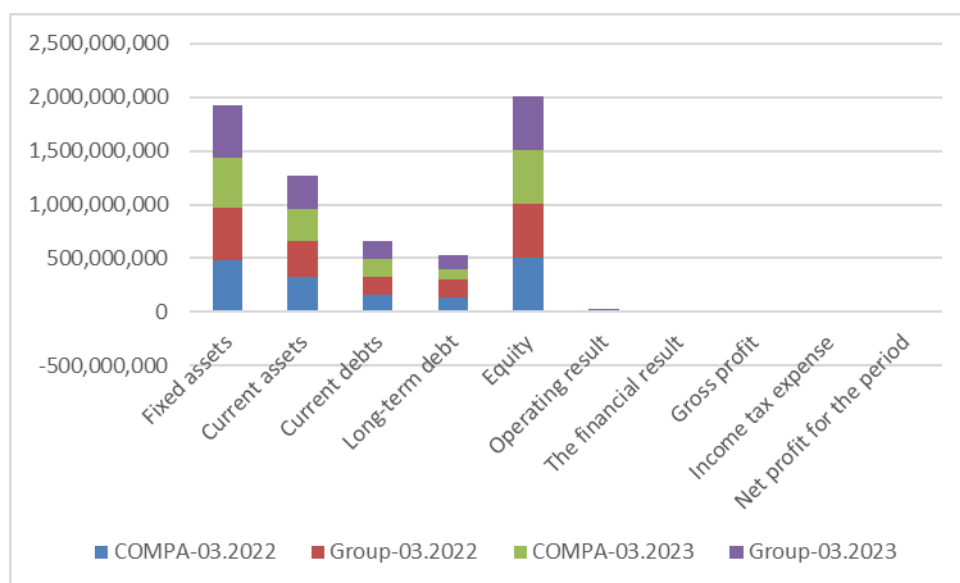
EBITDA = net profit + interest expenses + tax expenses + depreciation and amortization expenses





#### 6.5. Comparison of the main group indicators - parent company

INDICATORI	COMPA-03.2022	Group-03.2022	COMPA-03.2023	Group-03.2023
Fixed assets	477,868,339	491,864,239	463,008,846	487,025,159
Current assets	321,382,412	332,463,896	299,070,976	319,323,797
Current debts	162,101,702	160,131,301	165,401,596	167,768,102
Long-term debt	138,346,074	160,254,561	96,136,225	134,320,419
Equity	498,802,974	503,942,272	500,542,000	504,260,435
Operating result	2,380,124	2,262,915	4,964,150	4,875,172
The financial result	-459,598	-528,327	-808,719	-1,120,986
Gross profit	1,920,526	1,734,588	4,155,431	3,754,186
Income tax expense	-532,050	-545,615	-766,189	-782,403
Net profit for the period	1,388,476	1,188,973	3,389,242	2,971,783





## **7. CONSOLIDATED INTERIM FINANCIAL REPORT ON 31.03.2023**

### **7.1. STATEMENT OF CONFORMITY OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENT**

#### **STATEMENT**

**in accordance with the provisions of art. 30 of the Accounting Law no. 82/1991**

The consolidated the first 9 months -yearly financial reports were prepared on 31.03.2023 for::

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Entity: COMPA S.A.

County: 32 Sibiu

Address: Sibiu locality, Henri Coandă street, no. 8, CP 550234

Trade register number: J 32/129/1991

Form of ownership: 34 Joint stock companies

Predominant activity

(code and name CAEN class): 2932 - Manufacture of other parts and accessories for motor vehicles and their engines

Registration Number: RO788767

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**The undersigned DUMITRESCU MIHAELA ,**

Having the quality of Economic Director, according to art.10 paragraph (1) of the Accounting Law no.82 / 1991, I assume the responsibility for the preparation of the consolidated quarter -yearly financial reports on 31.03.2023 and I confirm the following:

- a) The accounting policies used in preparing the quarter -yearly financial reports are in accordance with the applicable accounting regulations.
- b) The the quarter-yearly financial reports provide a true and fair view of the financial position, financial performance and other information relating to the activity carried out.
- c) The legal person carries out its activity in conditions of continuity.

**CFO,**

**DUMITRESCU MIHAELA**



## 7.2. CONSOLIDATED INTERIM FINANCIAL REPORT AT 31.03.2023

### Consolidated statement of financial position for – 31.03.2023

(all amounts are expressed in RON, unless otherwise specified)

	Nota	31.03.2023	31.12.2022
<b>Assets:</b>			
<b>Fixed assets</b>			
Tangible fixed assets	4.1.	438,128,064	438,788,991
Real estate investments	4.2.	38,586,451	38,586,451
Intangible assets	5	8,589,805	8,819,693
Other receivables (Subsidies and settlements from joint operations)	6	1,581,768	1,581,768
Other fixed assets	7	139,071	139,071
<b>Fixed assets- total</b>		<b>487,025,159</b>	<b>487,915,974</b>
<b>Current assets</b>			
Stocks	9	119,740,392	132,879,122
Trade and other receivables	6	177,402,313	161,948,096
Other receivables (Subsidies and settlements from joint operations)	6	7,927,781	12,577,659
Cash and cash equivalents	9	14,253,311	10,452,249
<b>Current assets - total</b>		<b>319,323,797</b>	<b>317,857,126</b>
<b>Total assets</b>		<b>806,348,956</b>	<b>805,773,100</b>
<b>Equity:</b>			
Capital issued	11	21,882,104	21,882,104
Share capital adjustments	11	-376,509	-376,509
Reserves	11	388,572,858	388,034,753
Reserve adjustment	11	23,150,986	23,150,986
Reported result	11	67,847,264	67,034,358
Current result	11	2,971,105	1,304,325
Minority interests	11	212,627	211,950
<b>Equity - total</b>		<b>504,260,435</b>	<b>501,241,967</b>
<b>Long-term debts:</b>			
Financial debts	13	98,103,371	104,964,984
Advance income (advance income, subsidies)	14	35,941,201	37,007,682
Provisions	15	275,847	218,461
<b>Long-term debts - total</b>		<b>134,320,419</b>	<b>142,191,127</b>
<b>Current debts:</b>		<b>0</b>	<b>0</b>
Financial debts	13	33,937,112	18,479,985
Trade and similar debts;	14	106,757,699	116,745,110
Other debts	14	19,080,810	18,353,181
Debts from contracts with clients		2,209,375	2,919,520
Current tax liabilities	11	182,646	4,773
Advance income (advance income, subsidies)	15	5,600,460	5,837,437
<b>Current debts - total</b>		<b>167,768,102</b>	<b>162,340,006</b>
<b>Total debts</b>		<b>302,088,521</b>	<b>304,531,133</b>
<b>Equity and total debts</b>		<b>806,348,956</b>	<b>805,773,100</b>



**Consolidated statement of profit or loss and other comprehensive income – 31.03.2023**  
(all amounts are expressed in RON, unless otherwise specified)

	<b>Nota</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Income	15	203,678,288	199,326,832
Other incomes	15	3,138,472	4,453,620
<b>Total income</b>		<b>206,816,760</b>	<b>203,780,452</b>
Variation of stocks of finished products and production in progress	16	-7,463,302	-10,866,048
Raw materials and consumables used	16	-127,257,048	-126,601,437
Expenses with employee benefits	17	-43,627,227	-38,522,906
Depreciation and amortization expenses	16	-11,918,339	-12,087,419
Services provided by third parties	16	-7,933,473	-9,047,933
Other expenses	16	-3,742,200	-4,391,794
<b>Total expenses</b>		<b>-201,941,588</b>	<b>-201,517,537</b>
<b>Operating result</b>	<b>17</b>	<b>4,875,172</b>	<b>2,262,915</b>
Financial income	18	9,622	-19,929
Financial expenses	18	-1,056,259	-460,999
Other financial gains / losses	18	-74,349	-47,398
<b>Net financing costs</b>		<b>-1,120,986</b>	<b>-528,327</b>
<b>Profit before tax</b>		<b>3,754,186</b>	<b>1,734,588</b>
<b>(Expenses) / Deferred income tax income</b>	<b>10</b>	<b>-313,533</b>	<b>-287,153</b>
<b>Current income tax expense</b>	<b>10</b>	<b>-468,870</b>	<b>-258,462</b>
<b>Net profit for the period, of which:</b>		<b>2,971,783</b>	<b>1,188,973</b>
Attributable to non-controlling interests	0	678	265
Attributable to the mother society	0	2,971,105	1,188,708
<b>Other elements of the overall result:</b>			
Of which, other items of comprehensive income that will not be subsequently reclassified to profit or loss:	10	46,685	70,121
<b>Other comprehensive income, net of tax</b>		<b>46,685</b>	<b>70,121</b>
<b>Total overall result for the year, of which:</b>		<b>3,018,468</b>	<b>1,259,094</b>
Attributable to non-controlling interests		678	265
Attributable to the mother society		3,017,790	1,258,829
<b>Consolidated result per basic / diluted share</b>		<b>0.0136</b>	<b>0.0054</b>

## CONSOLIDATED REPORT 31.03.2023



### Consolidated statement of changes in share capital for the year ended at 31.03.2023

(all amounts are expressed in RON, unless otherwise specified)

Equity capital item	Registered Capital	Adjustments related to own shares	Losses related to own shares	Legal reserve	Legal reserve adjustments	Revalued reserves	Other reserve	Other reserves adjustments	Reported Results	Totally attributable to the company's shareholders	Things that do not control	TOTAL
Balance at 01.01.2022	21,882,104	-715,325	-3,285,532	4,957,516	22,679,066	83,891,130	290,500,278	472,028	82,093,326	502,474,591	208,588	502,683,179
Profit for the year	0	0	0	0	0	0	0	0	1,304,325	1,304,325	3,362	1,307,687
Other comprehensive income, of which:	0	0	0	0	0	0	277,951	0	0	277,951	0	277,951
Income tax relating to other comprehensive income	0	0	0	0	0	0	277,951	0	0	277,951	0	277,951
Transactions with shareholders, recognised directly in equity, of which:	0	338,816	3,285,532	0	0	0	8,407,878	-108	-15,058,968	-3,026,850	0	-3,026,850
Repurchase of own shares	0	338,816	3,285,532	0	0	0	0	0	0	3,624,348	0	3,624,348
Profit distribution	0	0	0	0	0	0	8,407,878	-108	-15,058,968	-6,651,198	0	-6,651,198
Balance at 31.12.2022	21,882,104	-376,509	0	4,957,516	22,679,066	83,891,130	299,186,107	471,920	68,338,683	501,030,017	211,950	501,241,967

Equity capital item	Registered Capital	Adjustments related to own shares	Losses related to own shares	Legal reserve	Legal reserve adjustments	Revalued reserves	Other reserve	Other reserves adjustments	Reported Results	Totally attributable to the company's shareholders	Things that do not control	TOTAL
Balance at 01.01.2023	21,882,104	-376,509	0	4,957,516	22,679,066	83,891,130	299,186,107	471,920	68,338,683	501,030,017	211,950	501,241,967
Profit for the year	0	0	0	0	0	0	0	0	2,971,105	2,971,105	678	2,971,782
Other comprehensive income, of which:	0	0	0	0	0	0	46,685	0	0	46,685	0	46,685
Income tax related to other elements of the overall result	0	0	0	0	0	0	46,685	0	0	46,685	0	46,685
Transactions with shareholders, recognised directly in equity, of which:	0	0	0	0	0	0	491,419	0	-491,419	0	0	0
Profit distribution	0	0	0	0	0	0	491,419	0	-491,419	0	0	0
Balance at 31.03.2023	21,882,104	-376,509	0	4,957,516	22,679,066	83,891,130	299,724,212	471,920	70,818,369	504,047,808	212,627	504,260,435



**Consolidated statement of cash flows at 31.03.2023**  
(all amounts are expressed in RON, unless otherwise specified)

Explanations	31.03.2023	31.03.2022
<b>Cash flows from operating activities:</b>		
Profit before tax	3,754,186	1,734,588
Depreciation and amortization expenses	11,996,372	12,037,212
(Increases) / Decreases in stocks	13,138,730	10,962,605
(Increases) / Debt decreases	-10,804,339	-46,578,012
Increases / (Debt decreases)	-9,792,954	7,314,330
Adjust other non-monetary items	-924,627	-4,362,317
<b>Net cash generated from operations</b>	<b>7,367,367</b>	<b>-18,891,593</b>
<b>Cash flows from investment activity:</b>		
Acquisitions of tangible assets and real estate investments	-10,886,877	-7,664,774
Acquisitions of intangible assets	-218,684	-202,295
<b>Net cash generated from investment activities</b>	<b>-11,105,561</b>	<b>-7,867,069</b>
<b>Cash flows from financial activity</b>		
(Increases) / Decreases in bank loans	8,595,515	17,576,228
Interest rates	-1,056,259	-449,537
<b>Net cash generated from financial activity</b>	<b>7,539,256</b>	<b>17,126,691</b>
<b>Net cash generated from total activity</b>	<b>3,801,062</b>	<b>-9,631,971</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,452,249</b>	<b>14,120,744</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14,253,311</b>	<b>4,488,773</b>



## EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT AT 31.03.2023

(all amounts are expressed in RON, unless otherwise specified)

### 1. GENERAL INFORMATION

COMPAS is a joint stock company, based in Sibiu, str. Henri Coandă no.8, CP 550234

**Field of activity of the company:** 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 CAEN code is 2932 "Manufacture of other parts and accessories for motor vehicles and motor vehicles".

#### The form of ownership of the company

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

#### The evolution of the Group

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

Since 1991, COMPAS has been organized in factories / workshops, set up by product families as cost centers, which over time have become profit centers, in order to decentralize and facilitate the establishment of joint ventures.

Financial investments COMPAS S.A. as a parent company, representing participation titles held in shares or shares in commercial entities are presented in the table below:

The company in which COMPAS holds the securities	Social headquarters	The value of securities held by COMPAS	% in share capital
COMPAS I.T. S.R.L.	No.8, Henri Coandă, Sibiu	200,000	100.00
TRANS .C.A.S. S.R.L.	No.12, Henri Coandă, Sibiu	742,500	99.00
RECASERV S.R.L.	No 51, Henri Coandă Sibiu	70,000	70.00
ARINI HOSPITALITY SRL	No.8, Henri Coandă, Sibiu	19,703,000	100,00%
<b>TOTAL</b>		<b>24,215,500</b>	

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

- Deac Ioan – Chairman & CEO,
- Miclea Ioan – Vice-President & CFO
- Maxim Mircea-Florin - member of the Board
- Balteş Nicolae - member of the Board
- Neacşu Vlad Nicolae - member of the Board

### 2. BASICS OF PREPARATION

#### Declaration of conformity

The consolidated interim financial report has 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 since the 2012 financial statements.



### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group are those presented in the Financial Statements concluded on 31.12.2022 and have not changed during the interim report.

#### 4.1. TANGIBLE ASSETS

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

Explanations	31.03.2023	01.01.2023
Land	52,983,700	52,983,700
Construction	107,569,145	106,900,648
Equipment and vehicles	233,087,800	234,642,043
Other tangible fixed assets	710,199	737,347
Tangible fixed assets in course of construction	43,777,219	43,525,253
<b>Total</b>	<b>438,128,064</b>	<b>438,788,991</b>

Tangible assets representing "Tangible fixed assets in progress" are measured at historical cost. The group chose for the valuation of tangible assets of the nature of lands and constructions the model of revaluation at fair value.

In the fair value hierarchy, the revaluation of buildings and land of the group at fair value is classified as level 2 data. The valuation technique used in the fair value valuation of level 2 is the method of comparing prices. Prices comparable to nearby buildings and constructions are adjusted according to specific characteristics, such as the size of the property, etc. The most important entry date for this valuation method is the price per square meter.

There were no transfers between the level at which the fair value measurements are classified during 2023. Depreciation of all tangible fixed assets is determined by the straight-line method.

#### 4.2. REAL ESTATE INVESTMENTS

The evolution of real state investments from January 1, 2023 to March 31, 2023 is as follows:

Explanations	31.03.2023	01.01.2023
Real estate investments	38,360,308	38,360,308
Real estate investments in progress	226,143	226,143
<b>Total</b>	<b>38,586,451</b>	<b>38,586,451</b>

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

### 5. INTANGIBLE FIXED ASSETS

The evolution of intangible fixed assets from January 1, 2023 to March 31, 2023 is as follows:

Explanations	31.03.2023	01.01.2023
Establishment expenses	104,656	113,890
Software and software licences	3,741,409	3,879,554
Software and software licences	4,743,740	4,826,249



<b>Total</b>	<b>8,589,805</b>	<b>8,819,693</b>
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## 6. TRADE RECEIVABLES AND OTHER RECEIVABLES

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

<b>Explanations</b>	<b>31.03.2023</b>	<b>01.01.2023</b>
Trade receivables	166,119,325	149,934,159
Advances paid to suppliers	4,687,927	6,357,481
Receivables from staff	4,061	16,485
Receivables from the consolidated state and local budget	4,555,079	3,858,099
Sundry debtors	325,227	449,322
Prepaid expenses	1,710,694	1,332,550
Subsidies receivable (European funds projects, subsidies for personnel costs)	9,509,549	14,159,427
<b>Total</b>	<b>186,911,862</b>	<b>176,107,523</b>

The Group's commercial policy requires the recording of impairment adjustments for receivables exceeding 365 days, except for those receivables registered with partners to which the Company is also indebted, the debts registering approximately the same seniority as uncollected receivables.

Receivables in foreign currency are valued in lei at the official exchange rate of the BNR on 31.03.2023.

## 7. OTHER FIXED ASSETS

The fixed assets held by the Group are as follows:

<b>Explanations</b>	<b>31.03.2023</b>	<b>01.01.2023</b>
Guarantee for customs clearance at home	103,000	103,000
Other guarantees	36,071	36,071
<b>Total</b>	<b>139,071</b>	<b>139,071</b>

## 8. STOCKS

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

<b>Explanations</b>	<b>31.03.2023</b>	<b>01.01.2023</b>
Raw materials	45,454,953	50,306,961
Materials and packaging	22,655,815	23,422,210
Semi-manufactures and work in progress	40,288,005	40,768,671
Finished products and goods	11,341,619	18,381,280
<b>Total</b>	<b>119,740,392</b>	<b>132,879,122</b>



## 9. CASH AND CASH EQUIVALENTS

Explanations	31.03.2023	01.01.2023
Bank accounts in RON	11,675,140	8,024,023
Bank accounts in foreign currency	2,422,310	2,331,575
Cash equivalents	436	309
Cash in RON	124,039	83,382
Cash in Currency	31,386	12,960
<b>Total</b>	<b>14,253,311</b>	<b>10,452,249</b>

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

## 10. PROFIT TAX

The Group's profit / current income tax is determined on the basis of the statutory profit, adjusted with non-deductible expenses and non-taxable income, at a rate of 16% for 3 months 2023 and 3 months 2022

Explanations	31.03.2023	31.03.2022
Current income tax cheating	-464,246	-251,821
Microenterprise income tax check-off	-4,624	-6,641
Deferred income tax assets/liabilities	-313,533	-287,153
<b>Total</b>	<b>-782,403</b>	<b>-545,615</b>

## 11. EQUITY

The shareholding structure on 31.03.2023 is as follows:

Explanations	Number of Shares	% of total share capital
Romanian and foreign shareholders (legal entities)	59,590,451	27.23%
Shareholders (individuals) Romanian and foreign	159,230,587	72.77%
<b>Total number of shares</b>	<b>218,821,038</b>	<b>100.00%</b>

The Company's shares have a nominal value of 0.1 RON / share. Since June 1997, the Company's shares are traded on the Bucharest Stock Exchange, and since July 2001 it is listed on the standard category.

The Group's equity includes the following:

Explanations	31.03.2023	01.01.2023
Subscribed and paid-up capital	21,882,104	21,882,104
Treasury shares	-376,509	-376,509
Revaluation reserves	83,891,130	83,891,130
Legal reserves	4,957,516	4,957,516
Adjustment of legal reserves	22,679,066	22,679,066
Other reserves	299,724,212	299,677,526
Adjustment other reserves	471,920	471,920



Profit current year	2,971,105	1,304,325
Profit distribution	0	-491,419
Retained earnings	67,847,264	67,034,358
Minority interests	212,627	211,950
<b>Total</b>	<b>504,260,435</b>	<b>501,241,967</b>

## 12. FINANCIAL DEBTS

Long-term and short-term financial debts are as follows:

Credit institution	Type of loan	31.03.022	01.01.2023
BRD GROUP SOCIETE GENERALE-ROMANIA	Production credit line	41,945,456	34,528,251
BRD GROUP SOCIETE GENERALE-ROMANIA	Investment credit	22,386,048	24,243,205
ING BANK-SIBIU	Production credit line	18,395,488	21,565,424
ING BANK-SIBIU	Investment credit	22,182,213	23,880,331
BANCA TRANSILVANIA SIBIU	Investment credit	21,017,211	15,030,160
BANCA TRANSILVANIA SIBIU	State aid bridging loan	4,072,706	4,129,499
BANCA TRANSILVANIA SIBIU	VAT credit	833,712	0
IMPULS-Leasing Romania I.F.N. SA	Financial leasing contracts	1,207,650	68,099
<b>Total</b>		<b>132,040,484</b>	<b>123,444,969</b>

The financial debts in foreign currency are valued in lei at the official exchange rate of the BNR from 31.03.2023.

## 13. COMMERCIAL AND OTHER DEBTS

The statement of trade payables and other payables is as follows:

Explanations	31.03.2023	01.01.2023
Suppliers	106,375,147	116,059,440
Advances received from customers	382,552	685,670
Debts from contracts with customers	2,209,375	2,919,520
Liabilities related to personnel	9,214,676	6,069,510
Debts to the general consolidated state and local budget	9,481,038	11,751,643
Current income tax liabilities	182,646	4,773
Dividends payable	385,012	390,174
Sundry creditors	84	141,855
Prepaid income	1,726,009	2,098,749
Investment subsidies from AMPOSDRU and AMPOSCEE contracts	39,801,703	40,724,863
Inventory gains on fixed assets	13,949	21,507
<b>Total</b>	<b>169,772,191</b>	<b>180,867,704</b>

Debts in foreign currency are valued in lei at the official exchange rate of the NBR on 31.03.2023.



#### 14. PROVISIONS

Explanations	Provisions for guarantees to customers	Provisions for employee benefits	Other provisions for risks and charges	Total provisions
<b>01.01.2023</b>	<b>26,945</b>	<b>108,700</b>	<b>82,816</b>	<b>218,461</b>
Provisions accrued 3 months 2023	0	0	57,386	<b>57,386</b>
Provisions reversed 3 months 2023	0	0	0	<b>0</b>
<b>31.03.2023</b>	<b>26,945</b>	<b>108,700</b>	<b>140,202</b>	<b>275,847</b>

#### 15. INCOME AND ACTIVITY SEGMENTS

Group revenues structure is as follows:

Explanations	31.03.2023	31.03.2022
<b>Total turnover, of which:</b>	<b>203,678,288</b>	<b>199,326,832</b>
Revenue from sales of finished products	<b>198,553,648</b>	<b>194,331,855</b>
Revenue from services rendered	<b>1,693,792</b>	<b>1,753,927</b>
Revenue from sale of goods	<b>3,100,793</b>	<b>2,727,971</b>
Income from other activities (rents, sales of materials, waste, semi-finished goods, packaging)	<b>216,289</b>	<b>218,312</b>
Income from subsidies related to turnover (projects and partnership contracts AMPOSDRU projects)	<b>113,765</b>	<b>294,767</b>
<b>Other operating income</b>	<b>3,138,472</b>	<b>4,453,620</b>
<b>Total operating income</b>	<b>206,816,760</b>	<b>203,780,452</b>

Other operating income consists of:

Explanations	31.03.2023	31.03.2022
Income from the production of fixed assets	2,047,604	2,577,084
Income from investment grants (AMPOSDRU and AMPOSCEE projects and partnership contracts)	923,160	1,292,166
Other operating income	167,708	584,370
<b>Total Other operating income</b>	<b>3,138,472</b>	<b>4,453,620</b>
<b>Explanations</b>	<b>31.03.2023</b>	<b>31.03.2022</b>

#### Segments of activity

The Group's management regularly evaluates its activity in order to identify the activity segments 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, deferred tax receivables, post-employment benefits receivables 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.



## 16. EXPENDITURE ACCORDING TO DESTINATION

The operating expenses depending on their destination, made in the first 9 months of 2022 and 2021 are presented in the table below:

Explanations	31.03.2023	31.03.2022
Stock differences	7,463,302	10,866,048
Material expenses	114,401,053	114,456,233
Energy and water costs	12,855,995	12,145,204
Employee benefits expenses	43,627,227	38,522,906
Value adjustments on fixed assets	11,996,372	12,037,212
Value adjustments on current assets	-78,033	50,207
Expenditure on services provided by third parties	7,933,473	9,047,933
Expenses on other taxes, duties and similar charges	1,554,045	1,088,357
Other operating expenses	2,188,155	3,303,437
<b>Total operating expenses</b>	<b>201,941,588</b>	<b>201,517,537</b>

## 17. EXPENSES WITH EMPLOYEE BENEFITS

Employee benefit expenses include salaries, allowances and social security contributions. Short-term benefits are recognized as an expense as the services are provided.

Explanations	31.03.2023	31.03.2022
Salaries and allowances	42,854,891	37,754,183
Insurance and social protection expenditure	772,336	768,723
<b>Total</b>	<b>43,627,227</b>	<b>38,522,906</b>

## 18. LOSS (GAIN)

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

Explanations	31.03.2023	31.03.2022
Foreign exchange gains related to monetary items denominated in foreign currency	16,389	13,402
Interest losses	-1,046,637	-441,820
Other financial gains	-90,738	-99,909
<b>Total losses/gains</b>	<b>-1,120,986</b>	<b>-528,327</b>

## 19. EARNINGS PER SHARE (EPS)

The calculation of earnings per share for 3 months 2023 and 3 months 2022 can be summarized as follows.

Explanations	31.03.2023	31.03.2022
Number of shares at the beginning of the year	218,821,038	218,821,038
Number of shares at end of reporting period	218,821,038	218,821,038
<b>Net profit</b>	<b>3,389,242</b>	<b>1,188,973</b>
<b>Basic/diluted earnings per share (RON/share)</b>	<b>0.0155</b>	<b>0.0054</b>

In 2022, following the redemption of own shares and the free distribution to employees of a number of 6,060,000 shares, a total of 444,153 shares remained undistributed.



These shares do not have voting rights and dividend rights. Also, a number of 649,100 shares, with a nominal value of 64,910 lei, are owned by the affiliated company Recaserv SRL, as a result, these shares do not have voting rights or the right to dividends.

The calculation of the earnings per share with voting and dividend rights is as follows:

Explanations	31.03.2023	31.03.2022
Total number of shares	218,821,038	218,821,038
Shares without voting rights and dividend	-1,093,253	-7,153,253
Number of shares with voting and dividend rights end at end of reporting period	217,727,785	211,667,785
<b>Net profit</b>	<b>3,389,242</b>	<b>1,188,973</b>
<b>Basic / diluted earnings per voting and dividend share (in RON per share):</b>	<b>0.0156</b>	<b>0.0056</b>

## 20. AFFILIATED PARTIES

The affiliated entities of COMPA SA are the following:

Company in which the securities are held	Headquarters	% in share capital	Value of securities	Main object of activity
COMPA IT SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	200,000	Custom software development activities
TRANS CAS SRL	Str.Henri Coanda, nr.12, Sibiu, jud.Sibiu	99.00	742,500	Road haulage
RECASERV SRL	Str.Henri Coanda, nr.51, Sibiu, jud.Sibiu	70.00	70,000	Catering activities for events
ARINI HOSPITALITY SRL	Str.Henri Coanda, nr.8, Sibiu, jud.Sibiu	100.00	23,203,000	Hotels and similar accommodation facilities
<b>TOTAL</b>			<b>24,215,500</b>	

On 09.01.2023 AGEA approved the increase of the share capital of the affiliated company ARINI HOSPITALITY SRL with the amount of 3,500,000 lei, through a cash contribution. In March 2023, the share capital was paid, increasing from 19,703,000 lei to 23,203,000 lei.

The transactions carried out with the companies in which COMPA holds participations were the following (the amounts include VAT):

Explanations	31.03.2023			31.03.2022		
THE COMPANY IN WHICH THE SHARES ARE OWNED	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES	LOAN GRANTED TO AFFILIATES	PURCHASES OF GOODS AND SERVICES	SALES OF GOODS AND SERVICES
TRANSCAS S.R.L.	0	3,924,969	188,843	0	3,892,342	164,002
COMPA IT S.R.L.	0	859,513	32,394	0	755,650	14,375
RECASERV S.R.L.	0	468,952	12,982	0	361,502	12,582
ARINI HOSPITALITY S.R.L.	3,743,057	0	167,816	414,835	0	2,648



The mutual debts and receivables registered on 31.03.2023 and 31.03.2022 are the following:

Receivables due to Compa SA from:

Explanations	31.03.2023	31.03.2022
TRANSCAS S.R.L.	188,031	113,644
COMPA IT S.R.L.	37,442	18,813
RECASERV S.R.L.	16,671	23,649
ARINI HOSPITALITY S.R.L.	3,745,692	916,601

Debts payable by COMPA SA to:

Explanations	31.03.2023	31.03.2022
TRANSCAS S.R.L.	2,819,174	2,872,264
COMPA IT S.R.L.	663,163	1,069,200
RECASERV S.R.L.	445,272	341,324

Administrators of the COMPA Group:

NAME	FUNCTION
DEAC Ioan	Chairman & CEO
MICLEA Ioan	Vicepresident
MAXIM Mircea Florin	Administrator
BALTEȘ Nicolae	Chairman of the Audit Committee
NEACȘU Vlad- Nicolae	Member of the Audit Committee

On behalf of the Board of Directors,

Chairman & CEO,

Ioan DEAC

CFO

Mihaela Dumitrescu