



## Report for Third Quarter 2023 – Aquila Part Prod Com SA

### Content of the report:

#### A) Financial Indicators

#### B) Condensed Interim Consolidated Financial Statements as at and for the Nine months period ended 30 September 2023

#### A) Financial Indicators:

		Sep-23
	Total current assets	663,150,646
	Total current liabilities	296,547,051
<b>1. Liquidity Indicator</b>	<b>Total assets / Total current liabilities</b>	<b>2.24</b>
	Total non-current liabilities	153,258,972
	Total equity	506,439,239
<b>2. Gearing Ratio</b>	<b>Total non-current liabilities / Total equity x 100</b>	<b>30%</b>
<b>2. Gearing Ratio</b>	<b>Total non-current liabilities / Capital employed x 100</b>	<b>23%</b>
	Trade receivables	248,996,581
	Revenues	1,756,959,128
<b>3. Receivables days</b>	<b>Trade receivables / Revenues x days in the period (270)</b>	<b>38</b>
	Total non-current assets	293,094,616
	Revenues	1,756,959,128
<b>4. Asset Turnover</b>	<b>Revenues / Total non-current assets</b>	<b>5.99</b>

**B) Condensed Interim Consolidated Financial Statements as at and for the Nine months period ended 30 September 2023:**

**AQUILA GROUP**

**Condensed Interim Consolidated Financial Statements**

**As at and for the Nine months period ended 30 September 2023**

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**  
*(All amounts are in RON, if not otherwise stated)*

---

**CONTENTS**

<b>Condensed Interim Consolidated statements of financial position</b>	<b>1-2</b>
<b>Condensed Interim Consolidated statements of profit or loss and other comprehensive income</b>	<b>3-4</b>
<b>Condensed Interim Consolidated statements of changes in equity</b>	<b>5-6</b>
<b>Condensed Interim Consolidated statements of cash flows</b>	<b>7-8</b>
<b>Notes to the condensed interim consolidated financial statements</b>	
<b>Basis of preparation</b>	
1. Reporting entity and general information	9-10
2. Basis of preparation	10
3. Use of judgments and estimates	10
<b>Accounting policies</b>	
4. Change in accounting policy	10
5. New standards and interpretations not yet adopted	10-11
<b>Performance for the year</b>	
6. Revenue	11-12
7. Net finance costs	12
8. Earnings per share	12-13
<b>Income taxes</b>	
9. Income taxes	13
<b>Assets</b>	
10. Inventories	13
11. Trade receivables	14
12. Cash and cash equivalents	15
13. Property, plant and equipment	15-16
14. Loans to related parties	16
<b>Equity and liabilities</b>	
15. Capital and reserves	16-18
16. Trade payables	18
17. Other payables	19
18. Loans and borrowings	19
19. Leases	20
<b>Financial instruments</b>	
20. Financial instruments - Fair values and risk management	21
<b>Other information</b>	
21. Related parties	22-24
22. Contingencies	25
23. Segment reporting	25-26
24. Subsequent events	26

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**  
*(All amounts are in RON, if not otherwise stated)*

	Note	30-Sep-23 (Unaudited)	31-Dec-22 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	240,547,477	176,907,989
Investment property		13,958,303	13,717,978
Intangible assets		942,277	1,204,593
Goodwill		5,011,706	5,011,706
Loans to related parties	14	27,134,244	33,633,554
Deferred tax assets		4,962,463	3,817,873
Other non-current assets		538,147	585,416
<b>Total non-current assets</b>		<b>293,094,616</b>	<b>234,879,109</b>
<b>Current assets</b>			
Inventories	10	207,247,638	158,430,373
Trade receivables	11	248,996,581	247,816,687
Short term portion of loans to related parties	14	4,684,697	3,591,648
Other receivables		3,344,117	1,398,818
Prepayments		32,274,736	28,902,646
Short term deposits		156,000,000	160,000,000
Cash and cash equivalents	12	10,602,877	18,863,042
<b>Total current assets</b>		<b>663,150,646</b>	<b>619,003,214</b>
<b>Total assets</b>		<b>956,245,262</b>	<b>853,882,323</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15 (a)	180,590,088	180,590,088
Share premium		195,699,121	195,699,121
Own shares		(991,972)	(991,972)
Legal reserves		9,397,735	9,397,735
Translation reserve		1,304,487	(11,315)
Retained earnings		120,002,382	98,707,569
<b>Total equity attributable to the owners of the Companies</b>		<b>506,001,841</b>	<b>483,391,226</b>
Non-controlling interests		437,397	430,291
<b>Total equity</b>		<b>506,439,239</b>	<b>483,821,517</b>

*(continued on page 2)*

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**  
*(All amounts are in RON, if not otherwise stated)*

	Note	30-Sep-23	31-Dec-22
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	19	151,409,567	90,131,640
Trade payables	16	94,020	59,667
Contract liability		596,542	247,519
Deferred tax liabilities		1,158,843	1,036,563
<b>Total non-current liabilities</b>		<b>153,258,972</b>	<b>91,475,389</b>
<b>Current liabilities</b>			
Current portion of long-term bank borrowings	18	206,219	2,050,922
Short-term bank borrowings	18	6,528,301	-
Lease liabilities	19	32,203,169	32,949,238
Trade payables	16	216,068,948	193,879,745
Employee benefits		27,791,676	26,558,415
Current tax liabilities		5,717,226	5,022,422
Contract liabilities		52,854	52,140
Provisions		-	132,113
Other payables	17	7,978,659	17,940,422
<b>Total current liabilities</b>		<b>296,547,051</b>	<b>278,585,417</b>
<b>Total liabilities</b>		<b>449,806,023</b>	<b>370,060,806</b>
<b>Total equity and liabilities</b>		<b>956,245,262</b>	<b>853,882,323</b>

**Chief Executive Officer**  
Vasile Constantin Catalin

**Chief Financial Officer**  
Bascau Sorin

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

	Note	Nine Months period ended	
		30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Revenues	6	1,756,959,128	1,543,377,475
Other income		5,470,944	5,506,766
Cost of goods sold		(1,293,991,566)	(1,124,773,464)
Cost of fuel and transport services		(52,763,690)	(56,961,264)
Salaries and other employee benefits		(188,728,951)	(164,992,681)
Repairs, maintenance and materials cost		(17,415,003)	(16,222,413)
Depreciation and amortization	13	(35,938,014)	(39,526,009)
Reversal of Expected credit losses/(Expected credit losses)		(12,476,404)	(4,064,147)
Other operating expenses		(81,493,410)	(71,671,225)
<b>Operating profit</b>		<b>79,623,035</b>	<b>70,673,038</b>
Finance income – interest income		11,691,536	5,947,349
Finance costs		(5,503,098)	(2,937,553)
<b>Net finance (cost)</b>	7	<b>6,188,438</b>	<b>3,009,796</b>
<b>Profit before tax</b>		<b>85,811,474</b>	<b>73,682,834</b>
Income tax expense	9	(15,629,489)	(9,401,257)
<b>Profit for the year</b>		<b>70,181,985</b>	<b>64,281,577</b>
<b>Profit for the year attributable to:</b>			
- owners of the Group		70,174,879	64,277,273
- non-controlling interests		7,106	4,304
<b>Profit for the year</b>		<b>70,181,985</b>	<b>64,281,577</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	8	<b>0.059</b>	<b>0.054</b>

*(continued on page 4)*

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

---

	Note	Nine Months period ended 30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign operations - foreign currency translation difference		1,315,802	724,269
<b>Other comprehensive income, net of tax</b>		<b>1,315,802</b>	<b>724,269</b>
<b>Total comprehensive income</b>		<b>71,497,786</b>	<b>65,005,846</b>
<b>Total comprehensive income attributable to:</b>			
- owners of the Group		71,490,680	65,001,542
- non-controlling interests		7,106	4,304
<b>Total comprehensive income</b>		<b>71,497,786</b>	<b>65,005,846</b>

**Chief Executive  
Officer**  
Vasile Constantin Catalin

**Chief Financial  
Officer**  
Bascau Sorin

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

	Attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings			
<b>Balance at 1 January 2022 (audited)</b>	<b>30,589,788</b>	<b>345,699,421</b>	<b>(991,972)</b>	<b>4,752,335</b>	<b>240,012</b>	<b>102,678,414</b>	<b>482,967,998</b>	<b>420,820</b>	<b>483,388,818</b>
<b>Comprehensive income</b>									
<b>Profit</b>						64,277,273	<b>64,277,273</b>	4,304	<b>64,281,576</b>
<b>Other comprehensive income</b>									
Foreign operations - foreign currency translation difference					724,269		<b>724,269</b>		<b>724,269</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>724,269</b>	<b>-</b>	<b>724,269</b>	<b>-</b>	<b>724,269</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>724,269</b>	<b>64,277,273</b>	<b>65,001,542</b>	<b>4,304</b>	<b>65,005,845</b>
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
Issue of shares	150,000,300	(150,000,300)					-		-
Dividends						(52,992,370)	(52,992,370)		(52,992,370)
<b>Total contributions and distributions</b>	<b>150,000,300</b>	<b>(150,000,300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,992,370)</b>	<b>(52,992,370)</b>	<b>-</b>	<b>(52,992,370)</b>
<b>Total transactions with owners of the Company</b>	<b>150,000,300</b>	<b>(150,000,300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,992,370)</b>	<b>(52,992,370)</b>	<b>-</b>	<b>(52,992,370)</b>
<b>Other changes in equity</b>									
<b>Balance at 30 September 2022</b>	<b>180,590,088</b>	<b>195,699,121</b>	<b>(991,972)</b>	<b>4,752,335</b>	<b>964,281</b>	<b>113,963,324</b>	<b>494,977,177</b>	<b>425,125</b>	<b>495,402,302</b>

(continued on page 6)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

	Attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings			
<b>Balance at 1 January 2023 (audited)</b>	<b>180,590,088</b>	<b>195,699,121</b>	<b>(991,972)</b>	<b>9,397,735</b>	<b>(11,315)</b>	<b>98,707,569</b>	<b>483,391,226</b>	<b>430,291</b>	<b>483,821,517</b>
<b>Comprehensive income</b>									
<b>Profit</b>						70,174,879	<b>70,174,879</b>	7,106	<b>70,181,985</b>
<b>Other comprehensive income</b>									
Foreign operations - foreign currency translation difference					1,315,802		<b>1,315,802</b>		<b>1,315,802</b>
<b>Total other comprehensive income</b>	-	-	-	-	<b>1,315,802</b>	-	<b>1,315,802</b>	-	<b>1,315,802</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>1,315,802</b>	<b>70,174,879</b>	<b>71,490,680</b>	<b>7,106</b>	<b>71,497,786</b>
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
Dividends						(48,880,066)	<b>(48,880,066)</b>		<b>(48,880,066)</b>
<b>Total contributions and distributions</b>	-	-	-	-	-	<b>(48,880,066)</b>	<b>(48,880,066)</b>	-	<b>(48,880,066)</b>
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	<b>(48,880,066)</b>	<b>(48,880,066)</b>	-	<b>(48,880,066)</b>
<b>Balance at 30 Sep 2023 (unaudited)</b>	<b>180,590,088</b>	<b>195,699,121</b>	<b>(991,972)</b>	<b>9,397,735</b>	<b>1,304,487</b>	<b>120,002,382</b>	<b>506,001,840</b>	<b>437,397</b>	<b>506,439,237</b>

**Chief Executive Officer**  
Vasile Constantin Catalin

**Chief Financial Officer**  
Bascau Sorin

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

	Note	Nine Months period ended	
		30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
<b>Cash flows from operating activities</b>			
<b>Profit after tax</b>		<b>70,181,985</b>	<b>64,281,577</b>
<b>Adjustments for:</b>			
Depreciation	13	35,938,014	39,526,009
Loss/(Gain) on disposal of property, plant and equipment		118,975	(1,419,303)
Impairment charge/ (reversal)		12,476,404	4,064,147
Net finance cost	7	(6,188,438)	(3,009,796)
Income tax expense	9	15,629,489	9,401,257
<b>Changes in:</b>			
Decrease/(increase) in inventories		(50,082,860)	(61,349,317)
Decrease/(increase) in trade receivables		(5,426,658)	(32,979,104)
Decrease/(increase) in other receivables		(17,027,986)	(14,549,471)
Decrease/(increase) in prepayments		(3,372,090)	(2,321,533)
Increase/(decrease) in trade payables		22,223,556	39,747,131
Increase/(decrease) in other payables		7,765,788	(5,643,635)
Increase/(decrease) in provisions and employee benefits		1,101,148	1,048,776
Increase/(decrease) in contract liabilities		349,737	4,837,039
<b>Cash generated from operating activities</b>		<b>83,687,064</b>	<b>41,633,777</b>
Interest paid		(4,545,488)	(1,052,798)
Income tax paid		(17,300,499)	(6,599,581)
<b>Net cash from operating activities</b>		<b>61,841,076</b>	<b>33,981,398</b>

*(Continued on page 8)*

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

	Note	Nine month period ended	
		30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(10,771,412)	(12,452,832)
Proceeds from sale of property, plant and equipment		1,877,422	1,885,569
Proceeds from loans granted to related parties		2,162,638	4,888,771
Interest received		11,409,533	5,879,492
Decrease/(increase) of short term deposits		4,000,000	55,000,000
<b>Net cash used in investing activities</b>		<b>8,678,181</b>	<b>55,201,000</b>
<b>Cash flows from financing activities</b>			
Repayment of long-term bank loans		(1,842,099)	(1,842,141)
Proceeds from short-term bank loans		6,528,301	-
Payment of lease liabilities		(34,589,611)	(31,769,083)
Dividends paid		(48,876,013)	(52,992,370)
<b>Net cash used in financing activities</b>		<b>(78,779,423)</b>	<b>(86,603,594)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8,260,166)</b>	<b>2,578,807</b>
<b>Cash and cash equivalents at 1 January (audited)</b>	<b>12</b>	<b>18,863,042</b>	<b>43,333,121</b>
<b>Cash and cash equivalents at 30 September (unaudited)</b>	<b>12</b>	<b>10,602,876</b>	<b>45,911,925</b>

**Chief Executive Officer**  
Vasile Constantin Catalin

**Chief Financial Officer**  
Bascau Sorin

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**1 REPORTING ENTITIES AND GENERAL INFORMATION**

*General information about the Group*

These financial statements are the consolidated financial statements of the group formed by AQUILA PART PROD COM SA (“the Company” or “Aquila” or “the Parent”) and its subsidiaries PRINTEX S.A. and TRIGOR AVD S.R.L. (together “the Aquila Group”). The Group’s entities headquarters and activities are the following:

<b>Entity</b>	<b>Headquarters</b>	<b>Trade Register no/ Unique registration code</b>	<b>Activity</b>
Aquila Part Prod Com SA	105A Malu Rosu Street, Ploiesti, Prahova County, Romania	J29/2790/1994 6484554	Wholesale of consumer goods, Rendering of logistic services, Internal and external transport of goods
Printex SA	5 Poligonului Street, Ploiesti, Prahova County, Romania	J29/107/1991 1348950	Rental and subleases of real estate
Trigor Avd S.R.L.	17 Otovasca Street, Chisinau, Chisinau County, Republica Moldova	1002600041675	Wholesale of consumer goods

Aquila’s subsidiaries are the following:

<b>Entity</b>	<b>% shareholding as at 30 September 2023 (unaudited)</b>	<b>% shareholding as at 31 Dec 2022 (audited)</b>
PRINTEX S.A.	95.75%	95.75%
TRIGOR AVD SRL	100%	100%

Based on General Shareholders meeting from 8<sup>th</sup> of June 2021, Aquila Part Prod Com SA increased the share capital with RON 16,975,040 through issue of 1,697,504 shares with a par value of RON 10. Issue of shares was performed against incorporation in full of the statutory share premium determined by the merger with Seca Distribution SRL (entity under common control). Additionally, the Company modified the par value of the shares from RON 10 to RON 0.15 through stock split, total number of shares issued by the Company after the stock split is 133,333,600.

In November 2021, Aquila Part Prod Com SA increased the share capital with RON 10,000,020 through issue of 66,666,800 shares with a par value of RON 0.15. The issued shares were used for the initial public offer where Aquila Part Prod Com SA received RON 355,157,710 (gross amount: RON 366,667,400, broker fee: RON 11,509,689).

Based on Extraordinary General Shareholders Resolution of Aquila Part Prod Com S.A. of 23 February 2022, the share capital increase is carried out to support the current activity of the Company; the share capital will be increased by an amount of RON 150,000,300, representing issuance premiums; the number of shares issued in the share capital increase is 1,000,002,000 new shares; each shareholder of the Company registered in the shareholders' registry on the record date will receive free of consideration a number of 5 newly issued shares for each share held on the record date.

As at 30 September 2023 and 31 December 2022, the shareholders of the Company, are Mr. Vasile Constantin Catalin and Mr. Dociu Alin Adrian, each holding 33.3% in each company and a series of other shareholders which hold a combined stake of 33.4%.

<b>Shareholder</b>	<b>Number of shares</b>	<b>Par value (RON)</b>	<b>Statutory Share capital (RON)</b>
Mr. Vasile Constantin Catalin	400,000,800	0.15	60,000,120
Mr. Dociu Alin Adrian	400,000,800	0.15	60,000,120
Other shareholders	400,000,800	0.15	60,000,120
<b>Total</b>	<b>1,200,002,400</b>		<b>180,000,360</b>

*This is a free translation from the original Romanian binding version.*

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

---

## **2 BASIS OF PREPARATION**

The condensed consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

### ***Going concern basis of accounting***

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue its operations in the foreseeable future.

As at 30 September 2023 the Group's financial position shows net current assets of RON 367 million, mainly as a result of short term deposits of RON 156 million related to IPO. The Group continues to trade profitably and generate positive cash flows and management has assessed that the Group is able to meet its obligations as they fall due.

The ongoing war in Ukraine and the related sanctions targeted against the Russian Federation have a continuous impact on the European economies and globally. The Group does not have any significant direct exposure to Ukraine, Russia or Belarus. Also, recent conflict from Israel does not affect Aquila business. However, the impact on the general economic situation may require timely revisions of certain assumptions and estimates.

Based on the facts described above, management has assessed that the going concern assumption adopted in the preparation of the consolidated financial statements to be appropriate.

## **3 USE OF JUDGEMENTS AND ESTIMATES**

In preparing these condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### ***Assumptions and estimation uncertainties***

- The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## **4 CHANGE IN ACCOUNTING POLICY**

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for year ended 31 December 2022.

## **5 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

The following standards, changes in standards and interpretations have been issued, but are not yet effective for the annual period beginning on 1 January 2023. The Group does not intend to adopt these standards before they become effective.

The Group expects that the adoption of the financial reporting standards below in the future periods will not have a material impact on the Group's financial statements.

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU.

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU.

- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

## 6 REVENUE

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Revenue	1,754,218,646	1,540,383,031
Rental income	2,740,482	2,994,444
<b>Total revenue</b>	<b>1,756,959,128</b>	<b>1,543,377,475</b>

Revenues in the Nine Months period this year are higher than those in the comparable period from prior year due to increased level of sales.

### Disaggregation of revenue from contracts with customers

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Distribution of goods	1,641,691,070	1,432,085,057
Logistics services	63,775,166	57,187,887
Transport services	48,752,410	51,110,088
<b>Total</b>	<b>1,754,218,646</b>	<b>1,540,383,031</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**Timing of revenue recognition**

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Products and services transferred at a point in time	1,685,558,286	1,464,112,037
Services transferred over time	68,660,360	76,270,994
<b>Total</b>	<b>1,754,218,646</b>	<b>1,540,383,031</b>

**7 NET FINANCE COSTS**

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Interest income	11,409,533	5,879,492
Other finance income	282,003	67,857
<b>Total finance income</b>	<b>11,691,536</b>	<b>5,947,349</b>
Interest expense	(4,402,898)	(1,925,174)
Net foreign exchange losses	(822,690)	(1,012,379)
Other financial expenses	(277,510)	-
<b>Total finance costs</b>	<b>(5,503,098)</b>	<b>(2,937,553)</b>
<b>Net finance costs</b>	<b>6,188,438</b>	<b>3,009,796</b>

**8 EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

*Profit attributable to ordinary shareholders*

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Profit attributable to the owners of the Group	70,174,879	64,277,273
<b>Profit attributable to ordinary shareholders</b>	<b>70,174,879</b>	<b>64,277,273</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**8 EARNINGS PER SHARE (continued)**

*Weighted-average number of ordinary shares (in number of shares)*

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Issued ordinary shares at 1 January (Note 15 a)	1,198,922,400	200.000.400
Issued ordinary shares at 23 Feb 2022 (Note 15 a)	-	1,000,002,000
<b>Weighted-average number of ordinary shares at 30 September</b>	<b>1,198,822,400</b>	<b>1,198,822,400</b>

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
<b>Earnings per share</b>		
Basic and diluted earnings per share (RON)	0.059	0.054

**9 INCOME TAXES**

*Amounts recognised in profit or loss*

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Current tax expense	16,651,798	9,883,539
Deferred tax expense/(income)	(1,022,309)	(482,282)
<b>Total income tax expense</b>	<b>15,629,489</b>	<b>9,401,257</b>

**10 INVENTORIES**

	30-Sep-23 (Unaudited)	31-Dec-22 (Audited)
Consumables	1,039,953	915,978
Goods for resale	209,702,911	159,232,781
Impairment Loss	(3,495,226)	(1,718,386)
<b>Total inventories</b>	<b>207,247,638</b>	<b>158,430,373</b>

The increase is in line with cost of sales, to sustain increased level of revenues.

Cost of inventories recognized as an expense in the statement of profit or loss for the Nine months period ended 30 September 2023 is RON 1,293,991,566 (Nine months period ended 30 September 2022: RON 1,124,773,464).



**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**11 TRADE RECEIVABLES**

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables from third parties, gross	277,841,947	271,243,625
Trade receivables from related parties, gross	14,063,218	10,793,659
Loss allowance	(22,540,108)	(15,275,500)
Discounts accrued granted to customers	(20,368,476)	(18,945,097)
<b>Total trade receivables, net</b>	<b>248,996,581</b>	<b>247,816,687</b>

Short term trade receivables from related parties are presented in Note 21.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

<b>30 September 2023 (unaudited)</b>				
	<b>Weighted average ECL rate</b>	<b>Gross value</b>	<b>Bad debt allowance</b>	<b>Net trade receivables</b>
Neither past due nor impaired	0.92%	206,439,404	(1,892,584)	204,546,820
Past due 1-30 days	4.50%	39,860,594	(1,794,297)	38,066,298
Past due 31-60 days	24.04%	4,986,635	(1,198,614)	3,788,022
Past due 61-90 days	51.94%	3,268,935	(1,697,801)	1,571,135
Past due more than 90 days	93.97%	16,981,120	(15,956,812)	1,024,307
<b>Total</b>		<b>271,536,689</b>	<b>(22,540,108)</b>	<b>248,996,581</b>

  

<b>31 December 2022 (audited)</b>				
	<b>Weighted average ECL rate</b>	<b>Gross value</b>	<b>Bad debt allowance</b>	<b>Net trade receivables</b>
Neither past due nor impaired	0.97%	198,876,632	(1,934,289)	196,942,343
Past due 1-30 days	4.41%	44,670,974	(1,967,923)	42,703,050
Past due 31-60 days	23.56%	4,530,418	(1,067,296)	3,463,122
Past due 61-90 days	31.40%	3,791,048	(1,190,272)	2,600,777
Past due more than 90 days	81.22%	11,223,115	(9,115,720)	2,107,395
<b>Total</b>		<b>263,092,187</b>	<b>(15,275,500)</b>	<b>247,816,687</b>

The movement in the loss allowance for trade receivables is as follows:

	<b>Nine months period ended</b>	
	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance as at 1 January</b>	<b>15,275,500</b>	<b>11,017,120</b>
Amounts written off		(715,812)
Impairment recognized	7,264,608	4,974,192
<b>Balance as at 30 Sep / 31 December</b>	<b>22,540,108</b>	<b>15,275,500</b>

*This is a free translation from the original Romanian binding version.*

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**12 CASH AND CASH EQUIVALENTS**

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Bank current accounts	8,157,115	18,786,514
Cash in hand	166,345	76,528
Promissory notes and cheques in bank	2,279,416	-
<b>Total cash and cash equivalents</b>	<b>10,602,877</b>	<b>18,863,042</b>

**13 PROPERTY, PLANT AND EQUIPMENT**

The movements in property, plant and equipment for the 9-months periods ended 30 September 2023 and 30 September 2022 were as follows:

	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures and fittings</b>	<b>Fixed assets in progress</b>	<b>Total</b>
<b>Gross carrying amount</b>					
<b>Balance at 1 January 2022</b>	<b>183,809,485</b>	<b>222,093,112</b>	<b>14,968,715</b>	<b>692,508</b>	<b>421,563,820</b>
Additions	77,699,242	17,934,337	481,187	1,237,233	97,351,999
Disposals	(288,210)	(8,684,159)	-	-	(8,972,369)
<b>Balance at 30 September 2022</b>	<b>261,220,517</b>	<b>231,343,290</b>	<b>15,449,902</b>	<b>1,929,741</b>	<b>509,943,450</b>
<b>Balance at 1 January 2023</b>	<b>260,690,599</b>	<b>235,368,575</b>	<b>15,653,363</b>	<b>3,010,990</b>	<b>514,723,527</b>
Additions	56,944,416	36,467,770	1,852,387	4,693,380	99,957,953
Transfer from fixed assets in progress	-	2,872,526	-	(2,872,526)	-
Transfer to Investment Property	(845,315)	-	-	-	(845,315)
Disposals	-	(11,367,960)	(267,847)	-	(11,635,807)
<b>Balance at 30 September 2023</b>	<b>316,789,700</b>	<b>260,468,384</b>	<b>17,237,904</b>	<b>7,704,370</b>	<b>602,200,358</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance at 1 January 2022</b>	<b>115,856,118</b>	<b>179,209,398</b>	<b>9,680,359</b>	<b>-</b>	<b>304,745,875</b>
Depreciation	20,386,449	12,757,303	807,450	-	33,951,203
Accumulated depreciation of disposals	(22,892)	(5,132,805)	-	-	(5,155,698)
<b>Balance at 30 September 2022</b>	<b>136,219,675</b>	<b>186,833,896</b>	<b>10,487,809</b>	<b>-</b>	<b>333,541,380</b>
<b>Balance at 1 January 2023</b>	<b>138,170,613</b>	<b>188,966,591</b>	<b>10,678,334</b>	<b>-</b>	<b>337,815,538</b>
Depreciation	19,403,051	15,040,030	822,635	-	35,265,716
Transfer to Investment Property	(133,841)	-	-	-	(133,841)
Accumulated depreciation of disposals	-	(11,026,685)	(267,847)	-	(11,294,532)
<b>Balance at 30 September 2023</b>	<b>157,439,823</b>	<b>192,979,936</b>	<b>11,233,122</b>	<b>-</b>	<b>361,652,881</b>
<b>Net carrying amounts</b>					
<b>At 30 September 2022</b>	<b>125,000,842</b>	<b>44,509,394</b>	<b>4,962,093</b>	<b>1,929,741</b>	<b>176,402,070</b>
<b>At 1 January 2023</b>	<b>122,519,986</b>	<b>46,401,984</b>	<b>4,975,029</b>	<b>3,010,990</b>	<b>176,907,989</b>
<b>At 30 Sep 2023</b>	<b>159,349,877</b>	<b>67,488,448</b>	<b>6,004,782</b>	<b>7,704,370</b>	<b>240,547,477</b>

*This is a free translation from the original Romanian binding version.*

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

---

**13 PROPERTY, PLANT AND EQUIPMENT (continued)**

Property, plant and equipment includes right-of-use assets with a net carrying value of RON 50,634,659 as at 30 September 2023 (31 December 2022: RON 31,707,016) related to leased equipment and of RON 137,173,144 as at 30 September 2023 (31 December 2022: RON 98,758,932) related to leased properties that do not meet the definition of investment property.

**14 LOANS TO RELATED PARTIES**

The Group has loans to related parties which are considered purchased or originated credit-impairment financial assets ("POCI").

*Loans to related parties*

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Novadex	11,461,012	12,645,536
Aquila Agricola	6,351,595	6,660,195
Best Coffee Solutions	2,549,400	2,937,655
Nordexim	11,456,934	14,981,816
<b>Total</b>	<b>31,818,941</b>	<b>37,225,202</b>
Short-term portion	<b>4,684,697</b>	<b>3,591,648</b>
Long-term portion	<b>27,134,244</b>	<b>33,633,554</b>

**15 CAPITAL AND RESERVES**

**(a) Share capital**

As at 30 September 2023 the share capital of RON 180,590,088 (31 December 2022 RON 180,590,088) includes the effect of restatement required by the application of IAS 29 Financial Reporting in Hyperinflationary Economies until 31 December 2003. The reconciliation of share capital is as follows:

30 September 2023

Share capital (nominal value)	180,000,360
Restatement adjustment in accordance with IAS 29	589,728
<b>Restated share capital balance</b>	<b>180,590,088</b>

31 December 2022

Share capital (nominal value)	180,000,360
Restatement adjustment in accordance with IAS 29	589,728
<b>Restated share capital balance</b>	<b>180,590,088</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**15 CAPITAL AND RESERVES (continued)**

The number of shares of the Group was as follows:

<i>Number of shares</i>	<b>Ordinary shares</b>	
	<b>Nine Months period ended</b>	
	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>In issue at 30 September – fully paid</b>	<b>1,200,002,400</b>	<b>1,200,002,400</b>

The par value of the shares is RON 0.15 as at 30 September 2023, 31 December 2022 and 31 December 2021. All ordinary shares rank equally with regard to the above companies' residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time, distributed from the statutory profits and are entitled to one vote per share at general meetings of the above companies. The above companies recognize changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register.

**(b) Dividends**

The Group companies may distribute dividends from statutory earnings only, as per separate financial statements prepared in accordance with statutory accounting regulations.

The dividends declared by the Companies were as follows:

	<b>Distribution of dividends</b>	
	<b>Nine Months period ended</b>	
	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
To the owners of the Parent	48,880,066	52,992,370
<b>Total</b>	<b>48,880,066</b>	<b>52,992,370</b>
Weighted-average number of ordinary shares at 30 September (Note 8)	1,198,922,400	1,198,922,400
<b>Dividend per share</b>	<b>0.04</b>	<b>0.04</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**15 CAPITAL AND RESERVES (continued)**

**(c) Capital management**

The Group manages its capital such as to make sure that the Group entities will be able to continue as a going concern and to maximize the profits for the shareholders, by optimization of the balances of liabilities and equity.

The structure of the Group's capital comprises liabilities, which include borrowings, cash and cash equivalents, and equity attributable to the owners of the Group. Equity comprises share capital, reserves and retained earnings.

The Group's capital risk management includes a regular review of the equity structure. As part of this review, management considers the cost of equity and the risk associated to each class of equity. The Group balances its general structure of capital by the payment of dividends, by issuance of new shares, as well as by contracting new liabilities or extinguishing the existent ones.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity attributable to the owners of the Group. Net debt is calculated as total borrowings less cash and cash equivalents.

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Borrowings and lease liabilities	190,441,275	125,131,800
Less: Cash and bank balances	(10,602,877)	(18,863,042)
<b>Net debt</b>	<b>179,838,399</b>	<b>106,268,758</b>
<b>Total equity attributable to the owners of the Group</b>	<b>506,439,239</b>	<b>483,821,517</b>
<b>Gearing ratio</b>	<b>0.36</b>	<b>0.22</b>

**16 TRADE PAYABLES**

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables to third parties	245,779,882	217,385,720
Trade payables to related parties	196,564	310,825
Refund liabilities	(29,813,478)	(23,757,133)
<b>Total</b>	<b>216,162,968</b>	<b>193,939,412</b>
Current	216,068,948	193,879,745
Non-current	94,020	59,667

Trade payables to related parties are presented in Note 21.

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**17 OTHER PAYABLES**

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
VAT payable	4,530,237	7,513,734
Dividends payable	5,329	9,318
Sundry creditors	2,402,725	2,300,070
Other payables	1,040,368	8,117,300
<b>Total</b>	<b>7,978,659</b>	<b>17,940,422</b>

\*Other payables include the liability for dividends to be paid by the subsidiary Trigor to the founding shareholders in amount of RON 707,505 at 30 September 2023 (31 December 2022: RON 5,999,456).

**18 LOANS AND BORROWINGS**

**(a) Long-term bank borrowings**

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>2,050,922</b>	<b>4,512,666</b>
Repayments	(1,842,099)	(2,453,463)
Foreign exchange impact	(2,603)	(8,282)
<b>Balance at 30 September / 31 December</b>	<b>206,219</b>	<b>2,050,922</b>
Current portion	206,219	2,050,922
Long term portion	-	-

**(b) Short-term bank borrowings, used amounts at the end of the period:**

<b>Entity</b>	<b>Lender</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
AQUILA PART PROD COM SA	Raiffeisen Bank	4.528.650	-
AQUILA PART PROD COM SA	Unicredit Bank	1.999.652	-
<b>Total</b>		<b>6.528.301</b>	<b>-</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**19 LEASES**

*(i) Right-of-use assets*

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

Nine month period ended 30 September 2023	Land and buildings	Equipment (Transport vehicles)	Total
<b>Balance at 1 January</b>	<b>98,758,932</b>	<b>31,707,016</b>	<b>130,465,948</b>
Depreciation charge for the year	(18,603,425)	(11,548,712)	(30,152,137)
Additions to right-of-use assets	57,017,637	33,762,859	90,780,496
Disposals		(3,286,504)	(3,286,504)
<b>Balance at 30 September</b>	<b>137,173,144</b>	<b>50,634,659</b>	<b>187,807,803</b>

Nine Months period ended 30 September 2022	Land and buildings	Equipment (Transport vehicles)	Total
<b>Balance at 1 January</b>	<b>42,776,905</b>	<b>33,968,731</b>	<b>76,745,636</b>
Depreciation charge for the year	(19,404,261)	(3,387,603)	(22,791,864)
Additions to right-of-use assets	77,680,173	9,297,976	86,978,149
Disposals	-	(5,844,759)	(5,844,759)
<b>Balance at 30 September</b>	<b>101,052,817</b>	<b>34,034,345</b>	<b>135,087,162</b>

*(ii) Amounts recognised in profit or loss*

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Interest on lease liabilities	4,260,071	1,410,368
Expenses related to short term lease and low value lease	2,455,868	1,339,744

*(iii) Amounts recognised in statement of cash flows*

	Nine Months period ended	
	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)
Total cash outflows for leases	(34,589,611)	(31,769,083)

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

---

**20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

**(a) Accounting classifications and fair values**

For the purchased or originated credit-impaired financial assets, loans to related parties and long term trade receivables from related parties, the net carrying amount of the financial assets represents an approximation of fair value. For the bank borrowings, the incremental costs are not material, interest is based on variable interest rates and carrying amount approximates fair value.

**(b) Financial risk management**

**(i) Credit risk**

The tables below detail the credit quality of Group's financial assets, as well as the Group's maximum exposure to credit risk:

<b>30-Sep-23</b>	<b>Note</b>	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Net carrying amount</b>
Loans to related parties	18	Lifetime ECL (credit impaired)	50,347,735	(18,528,795)	31,818,941
Trade receivables	15	Lifetime ECL (simplified model)	271,536,689	(22,540,108)	248,996,581
			<b>321,884,424</b>	<b>(41,068,902)</b>	<b>280,815,522</b>

<b>31-Dec-22</b>	<b>Note</b>	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Net carrying amount</b>
Loans to related parties	14	Lifetime ECL (credit impaired)	52,033,574	(14,808,372)	37,225,202
Trade receivables	11	Lifetime ECL (simplified model)	263,092,187	(15,275,500)	247,816,687
			<b>315,125,761</b>	<b>(30,083,872)</b>	<b>285,041,889</b>



**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**21 RELATED PARTIES**

**(a) Main shareholders**

As at 30 September 2023, 31 December 2022 and 31 December 2021 the shareholders of AQUILA PART PROD SA are Mr. Vasile Constantin Catalin and Mr. Dociu Alin Adrian with 33.3% each.

The balances with shareholders are related to dividends payable, as follows:

	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Shareholders	-	1,276
Minority shareholders	5,329	8,042
<b>Total</b>	<b>5,329</b>	<b>9,318</b>

**(b) Presentation of related parties**

The table below presents the -nature of the related parties relationship and transactions:

<b>Related Party</b>	<b>Relationship</b>	<b>Nature of transactions</b>
Aquila Construct SRL	Common shareholder	Rent, receiving of services
Best Coffee Solutions	Common shareholder	Loan granting, sales of goods
Best Distribution	Common shareholder	Purchases or sales of goods
Aquila Agricola SRL	Common shareholder	Loan granting, rendering of services
Novadex & CA SRL	Common shareholder	Loan granting, rent
Nordexim Coffee Services SRL	Common shareholder	Loan granting, purchases or sales of goods
Aquila Asig – Agent de Brokeraj SRL	Common shareholder	Rendering of services
Total Green Energy SRL	Common shareholder	No transactions in current period
Potential Construct SRL	Common shareholder	No transactions in current period
Aquila Trade Solution SRL	Common shareholder	No transactions in current period
Aquila Ag	Common shareholder	Rent
Epernon Limited	Common shareholder	No transactions in current period
Aquila Property Management SRL	Common shareholder	No transactions in current period
Standard AVD	Common shareholder	Sales of Goods
Lorac Impex SRL	Member of key management personnel	Consulting Services, sales of goods
Sobain Management SRL	Member of key management personnel	Consulting Services, sales of goods
Just Blvck Corporation SRL	Member of key management personnel	Purchases or sales of goods

For loans granted to related parties please refer to Note 14.

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**21 RELATED PARTIES (continued)**

**(c) Balances with Related Parties**

<b>Balances: Trade Payables</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Aquila Construct	6,066	4,733
Best Distribution	144,888	238,880
Sobain Management	400	
Novadex	45,210	57,994
<b>Total</b>	<b>196,564</b>	<b>301,607</b>

<b>Balances: Trade Receivables</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Aquila Construct	195,585	174,116
Best Coffee Solutions	2,297,139	521,571
Aquila Agricola	40,539	18,896
Aquila Asig	11,185	3,377
Nordexim	11,292,788	10,052,007
Standard AVD	220,467	-
Lorac Impex S.R.L.	1,161,242	21,180
Sobain Management	1,169,240	1,119,000
Aquila Ag	-	11,730
Just Blvck Corporation S.R.L.	3,249	-
<b>Total</b>	<b>16,391,435</b>	<b>11,921,876</b>

**(d) Transactions with related parties**

<b>Purchases (without VAT)</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Aquila Construct	1,120	3,977
Best Coffee Solutions	34,132	46,427
Best Distribution	876,794	-
Nordexim	1,401,899	1,124,967
Lorac Impex S.R.L.	5,184,796	4,870,525
Sobain Management	3,174,940	-
Novadex	131,499	110,630
<b>Total</b>	<b>10,805,180</b>	<b>6,156,528</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

---

**21 RELATED PARTIES (continued)**

<b>Sales (without VAT)</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Aquila Construct	1,412,533	1,252,588
Best Coffee Solutions	1,570,803	429,292
Best Distribution	13,744	
Aquila Agricola	18,187	29,471
Aquila Asig	6,562	7,545
Nordexim	5,667,713	11,287,131
Standard AVD	219,348	-
Lorac Impex S.R.L.	9,120	13,252
Sobain Management	870	
<b>Total</b>	<b>8,924,758</b>	<b>13,019,279</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**22 CONTINGENCIES**

There were no significant changes in contingent liabilities in the current interim period compared with December 31, 2022.

**23 SEGMENT REPORTING**

The Group has analysed the segments of operations such as distribution of goods, transportation and logistics services and determined the segments based on management organization by types of revenues obtained. The Group has determined as reportable segments distribution of goods, logistic services and external transport services considering the nature of similarities of the activities. Distribution of goods refers to sales of consumer goods products (FMCG).

Goods and services revenues are mostly related to internal market sales in Romania as presented in Note 6.

**Income statement for the year ended 30 September 2023:**

	SOCl 2023 (Sep YTD)				Total
	Distribution	Logistics	Transport	Unallocated	
Revenues	1,644,431,553	63,775,166	48,752,410	-	1,756,959,129
Other income	4,429,554	560,297	481,093	-	5,470,944
	-	-	-	-	-
Cost of goods sold	(1,292,964,197)	(915,925)	(111,444)	-	(1,293,991,566)
Cost of fuel related to transport services	(29,901,592)	(7,465,773)	(15,396,325)	-	(52,763,690)
Salaries and other employee benefits	(149,657,298)	(23,000,412)	(16,071,241)	-	(188,728,951)
Repairs, maintenance and materials cost	(11,232,533)	(1,856,476)	(4,325,994)	-	(17,415,003)
Depreciation and amortisation	(31,683,201)	(1,636,581)	(2,618,232)	-	(35,938,014)
Reversal of Expected credit losses/(Expected credit losses)	(12,476,404)	-	-	-	(12,476,404)
Other operating expenses	(47,749,301)	(22,798,236)	(10,945,872)	-	(81,493,410)
<b>Operating profit/ (loss)</b>	<b>73,196,580</b>	<b>6,662,060</b>	<b>(235,605)</b>	<b>-</b>	<b>79,623,036</b>
Finance income – interest income				11,691,536	11,691,536
Finance costs				(5,503,098)	5,503,098)
<b>Net finance (cost)/income</b>				<b>6,188,438</b>	<b>6,188,438</b>
<b>Profit before tax</b>				<b>6,188,438</b>	<b>85,811,474</b>
Income tax expense				(15,629,489)	(15,629,489)
<b>Profit for the year</b>				<b>(9,441,051)</b>	<b>70,181,985</b>

**AQUILA GROUP**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts are in RON, if not otherwise stated)**

**23 SEGMENT REPORTING (continued)**

**Income statement for the year ended 30 September 2022:**

	<b>SOCI 2022 (Sep YTD)</b>				<b>Total</b>
	<b>Distribution</b>	<b>Logistics</b>	<b>Transport</b>	<b>Unallocated</b>	
Revenues	1,435,079,500	57,187,887	51,110,088	-	1,543,377,475
Other income	3,761,368	965,646	779,754	-	5,506,769
Cost of goods sold	(1,123,826,201)	(784,159)	(163,105)	-	(1,124,773,465)
Cost of fuel related to transport services	(25,928,765)	(13,370,580)	(17,661,920)	-	(56,961,265)
Salaries and other employee benefits	(132,783,870)	(17,515,021)	(14,693,791)	-	(164,992,682)
Repairs, maintenance and materials cost	(9,153,047)	(2,480,708)	(4,588,658)	-	(16,222,413)
Depreciation and amortisation	(24,933,793)	(10,745,532)	(3,846,684)	-	(39,526,009)
Reversal of Expected credit losses/(Expected credit losses)	(3,947,267)	-	-	-	(3,947,267)
Change in provisions, net	(116,879)	-	-	-	(116,879)
Other operating expenses	(53,492,451)	(7,659,730)	(10,519,045)	-	(71,671,225)
<b>Operating profit/ (loss)</b>	<b>64,658,594</b>	<b>5,597,803</b>	<b>416,641</b>	<b>-</b>	<b>70,673,038</b>
Finance income – interest income	-	-	-	5,947,349	5,947,349
Finance costs	-	-	-	(2,937,553)	(2,937,553)
<b>Net finance (cost)/income</b>				<b>3,009,796</b>	<b>3,009,796</b>
<b>Profit before tax</b>				<b>3,009,796</b>	<b>73,682,834</b>
Income tax expense	-	-	-	(9,401,257)	(9,401,257)
<b>Profit for the year</b>				<b>(6,391,461)</b>	<b>64,281,577</b>

The Group does not allocate assets and liabilities per segments, as the management doesn't use such information for decision making process.

**24 SUBSEQUENT EVENTS**

At the beginning of November, the Company has signed a sale purchase pre-agreement for 100% of the shares of Romtec Europa S.R.L.

The transaction will take place subject to the completion of a specific audit by specialized firms and obtaining the necessary approvals from the Competition Council. The total value of the transaction is EUR 3.2 million, from which the existing debts at the date of the signing of the shares purchase agreement will be deducted.

Romtec Europa SRL is currently owned 80% by Green Ideas Group MTC SRL and 20% by FLM Group Green MTC SRL. At the end of 2022, Romtec had 47 employees, a turnover of RON 25 million, and a net profit of RON 1.3 million.

**Chief Executive Officer**  
Vasile Constantin Catalin

**Chief Financial Officer**  
Bascau Sorin