

**STATEMENT OF COMPREHENSIVE INCOME ON SEPTEMBER 30 2023**  
 (expressed in lei, unless specified otherwise)

	<b>September 30 2023</b>	<b>September 30 2022</b>
<b>Income from contracts</b>	<b>28,264,336</b>	<b>66,987,964</b>
Other operating income	2,790,598	3,497,124
Changes in inventories	(557,172)	(1,374,359)
Raw materials and consumables	(18,360,957)	(44,289,333)
Expenses on personnel	(5,281,011)	(8,100,365)
Amortization	(5,892,214)	(5,604,590)
Other operating expenses	(8,241,583)	(17,927,201)
<b>Operating profit</b>	<b>(7,278,003)</b>	<b>(6,810,760)</b>
Financial income	95,721	246,733
Financial expenses	(827,579)	(1,375,447)
<b>Profit/Loss before taxation</b>	<b>(8,009,861)</b>	<b>(7,939,474)</b>
Expenses with the tax on profit	0	0
<b>Profit/Loss</b>	<b>(8,009,861)</b>	<b>(7,939,474)</b>
<b>BASIC/DILUTED PER SHARE RESULT</b>	<b>(0.1148)</b>	<b>(0.1138)</b>

Vice-Chairman of the Board of Directors,  
 Roxana Scarlat

Head of Financial-Accounting Department,  
 Giorgiana Ionita

**STATEMENT OF FINANCIAL POSITION ON ON SEPTEMBER 30 2023**  
**(expressed in lei, unless specified otherwise)**

	September 30 2023	December 31 2022
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	80,847,184	86,258,378
Intangible assets	252,870	244,242
Financial assets	11,373,000	12,575,521
Deferred tax	0	0
Fixed assets	198,898	153,484
<b>TOTAL FIXED ASSETS</b>	<b>92,671,952</b>	<b>99,231,625</b>
<b>Current assets</b>		
Inventories	4,380,340	4,236,392
Trade and other receivables	8,152,522	9,381,884
Cash and cash equivalents	1,039,136	3,329,028
<b>TOTAL CURRENT ASSETS</b>	<b>13,571,998</b>	<b>16,947,304</b>
<b>TOTAL ASSETS</b>	<b>106,243,950</b>	<b>116,178,929</b>
Trade and other liabilities	39,723,444	36,097,098
Short-term loans from banking institutions	3,989,990	3,669,178
Financial leasing	2,447,229	2,599,571
Employee benefits due in short term	136,708	261,518
Long-term loans from banking institutions – current maturity	4,998,682	4,999,992
Liabilities with the tax on profit	0	0
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>51,296,053</b>	<b>47,627,357</b>
Long-term loans from banking institutions	833,114	4,580,816
Subsidies	-	127,105
Bond loans	5,015,000	5,015,000
Employee benefits due in long term	328,421	511,282
Leasing	1,168,026	2,704,173
Deferred tax on profit	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>7,344,561</b>	<b>12,938,376</b>
<b>TOTAL LIABILITIES</b>	<b>58,640,614</b>	<b>60,565,733</b>
<b>NET ASSETS</b>	<b>47,603,336</b>	<b>55,613,196</b>

	<b>September 30 2023</b>	<b>December 31 2022</b>
Share capital	6,976,465	6,976,465
Legal reserve	1,617,005	1,617,005
Net reserves from revaluation	25,486,858	27,367,632
Other reserves	44,442,529	44,442,529
Retained earnings	(30,919,521)	(24,790,435)
<b>TOTAL EQUITY</b>	<b>47,603,336</b>	<b>55,613,196</b>
<b>TOTAL LIABILITIES</b>	<b>106,243,950</b>	<b>116,178,929</b>

Vice-Chairman of the Board of Directors,  
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Giorgiana Ionita

**STATEMENT OF CHANGES IN EQUITY ON SEPTEMBER 30 2023**  
 (expressed in lei, unless specified otherwise)

	Share capital	Income/loss related to the sale or cancellation of equity	Reserves from revaluation	Legal reserves	Other reserves	Other equity	Retained earnings	Total
<b>December 31 2021</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>6,827,207</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(12,482,452)</b>	<b>47,380,755</b>
Loss of the financial year	-	-	-	-	-	-	(10,569,929)	<b>(10,569,929)</b>
Retaking of the reserve from revaluation to other reserves			161,161				(161,161)	-
Remeasurment of pension benefit schemes							134,037	134,037
Revaluation of financial investments at fair value							(2,062,353)	(2,062,353)
Revaluation of tangible assets			19,929,525					19,929,525
Land revaluation			4,312,585					4,312,585
Deferred tax related to the above items			(3,862,845)				351,422	(3,511,424)
<b>Total comprehensive income</b>	-	-	<b>20,540,425</b>	-	-	-	<b>(12,307,981)</b>	<b>8,242,441</b>
Distributed dividends	-	-	-	-	-	-	-	-
Allocations of other reserves	-	-	-	-	-	-	-	-
<b>December 31 2022</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>27,367,632</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(24,790,435)</b>	<b>55,613,196</b>
Loss of the financial year							(8,009,861)	<b>(8,009,861)</b>
Retaking of the reserve from revaluation to other reserves			(1,282,876)				1,282,876	-
<b>September 30 2023</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>26,084,756</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(31,517,421)</b>	<b>47,603,336</b>

Vice-Chairman of the Board of Directors,  
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**CASH-FLOW STATEMENT ON SEPTEMBER 30 2023**  
**(expressed in lei, unless specified otherwise)**

	<b>September 30 2023</b>	<b>December 31 2022</b>
+/- Business income	(8,009,861)	(10,569,929)
+ Amortization included in costs	5,892,214	7,189,139
- Changes in inventories (+/-)	143,948	(9,062,923)
- Changes in receivables (+/-)	(1,239,362)	(12,801,200)
+ Changes in suppliers and client lenders (+/-)	3,626,346	(18,898,019)
- Changes in other assets (+/-)	(7,183,559)	9,701,623
+ Changes in other liabilities (+/-)	(4,692,774)	12,140,220
<b>A = Cash flow from operating activity</b>	<b>5,094,898</b>	<b>2,023,911</b>
+ Amounts from the sell of assets and fixed assets	290,904	0
- Acquisitions of tangible assets	2,559,005	5,098,270
<b>+ B = Cash flow from investment activity</b>	<b>(2,268,101)</b>	<b>(5,098,270)</b>
+ Changes in loans (+/-), out of which:	(5,116,689)	(4,605,207)
* Short-term credits	167,160	394,785
+ Dividends to be paid	0	1,635
<b>+ C = Cash flow from financial activity</b>	<b>(5,116,689)</b>	<b>(4,603,572)</b>
+ Liquid assets at the beginning of the year	3,329,028	11,006,959
<b>+ Net cash flow (A+B+C)</b>	<b>(2,289,892)</b>	<b>(7,677,931)</b>
<b>= Liquid assets at the end of the period</b>	<b>1,039,136</b>	<b>3,329,028</b>

Vice-Chairman of the Board of Directors,  
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**FINANCIAL INDICATORS ON SEPTEMBER 30 2023**  
 (all amounts expressed in lei, unless specified otherwise)

**PROFITABILITY AND RETURN ON CAPITAL** **September 30 2023**

**Equity efficiency ratio**

Net profit (A)	(8,009,862)
Equity (B)	47,603,336
<b>A/B</b>	<b>-16.83%</b>

**Operating profit ratio**

Gross profit (A)	(8,009,862)
Operating income (B)	30,497,762
<b>A/B</b>	<b>-26.26%</b>

**Net profit ratio**

Net profit (A)	(8,009,862)
Total income (B)	30,593,483
<b>A/B</b>	<b>-26.18%</b>

**Total assets ratio**

Gross profit (A)	(8,009,862)
Total assets (B)	106,243,950
<b>A/B</b>	<b>-7.54%</b>

**SOLVENCY**

**September 30  
2023**

**Liability ratio**

Total liabilities (A)	58,640,614
Total assets (B)	106,243,950
<b>A/B</b>	<b>55.19%</b>

**Financial autonomy ratio**

Equity (A)	47,603,336
Total assets less net current liabilities (B)	54,947,897
<b>A/B</b>	<b>86.63%</b>

**LIQUIDITY AND WORKING  
CAPITAL****September 30 2023****General liquidity ratio**

Current assets (A)	13,571,998
Current liabilities (B)	51,296,053
<b>A/B</b>	<b>26.46%</b>

**Quick liquidity ratio**

Current assets (A)	13,571,998
Inventories (B)	4,380,340
Current liabilities (C)	51,296,053
<b>(A-B)/C</b>	<b>17.92%</b>

**Client collection period**

Trade receivables (A)	6,501,796
Net turnover (B)	28,264,336
<b>A/B*270 days</b>	<b>62</b>

**Inventory immobilization period**

Inventories (A)	4,380,340
Net turnover (B)	28,264,336
<b>A/B*270 days</b>	<b>42</b>

**Supplier payment period**

Suppliers (A)	9,013,005
Material expenses (B)	18,324,755
<b>A/B*270 days</b>	<b>133</b>

Vice-Chairman of the Board of Directors,  
Roxana ScarlatHead of Financial-Accounting Department,  
Giorgiana Ionita

## ANNEX 30.B. ECONOMIC & FINANCIAL INDICATORS

Indicator	Calculation method	Result	Optimal values
Current liquidity indicator	Current assets/ Current liabilities	$13,571,998/51,296,053 = 0.26$	2
Indebtedness indicator	Borrowed capital/Equity	$17,273,875/47,603,336 = 0.36$	Minimal value
Debits turnover speed – clients	Mean client balance/Turnover x 270 days	$6,501,796/28,264,336 \times 270$ days = 62 days	Maximum value
Fixed assets turnover speed	Turnover/ Fixed assets	$28,264,336/92,671,952 = 0,30$	Minimal value

Vice-Chairman of the Board of Directors,  
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## 1. ECONOMIC & FINANCIAL STATEMENT ON SEPTEMBER 30 2023

### 1.1 BALANCE ON 30.09.2023

Assets	September 30 2023	December 31 2022
Fixed assets	92,671,952	99,231,625
Current assets	13,571,998	16,947,304
<b>TOTAL ASSETS</b>	<b>106,243,950</b>	<b>116,178,929</b>
Current liabilities	51,296,053	47,627,357
Long-term liabilities	7,344,561	12,938,376
<b>TOTAL LIABILITIES</b>	<b>58,640,614</b>	<b>60,565,733</b>
 <b>NET ASSETS</b>	 <b>47,603,336</b>	 <b>55,613,196</b>

Share capital and reserves	September 30 2023	December 31 2022
Share capital	6,976,465	6,976,465
Other equity items	5,849,655	5,849,655
Reserves from revaluation	25,486,858	27,367,632
Other reserves	39,077,383	39,077,383
Earnings related to equity instruments	1,132,496	1,132,496
Retained earnings	(22,909,659)	(14,220,506)
Current result	(8,009,861)	(10,569,929)
<b>TOTAL EQUITY</b>	<b>47,603,336</b>	<b>55,613,196</b>

On 30.09.2023, there is a decrease in net assets by 8,009,861 lei compared to 2022, a decrease caused by the recorded loss.

The structure of tangible assets on 30.09.2023 is as follows:

<b>Tangible assets</b>	<b>September 30 2023</b>	<b>December 31 2022</b>
Land and constructions	48,053,330	48,875,786
Technical installations and machines	20,185,956	22,877,588
Other installations, equipment and furniture	822,815	1,102,252
Tangible assets in progress	46,287	1,133,795
Advance payments	11,169	135,990
Rights to use the lease assets	11,727,627	12,132,967
<b>TOTAL</b>	<b>80,847,184</b>	<b>86,258,378</b>

On 30.09.2023, a decrease in tangible assets in the amount of 5,411,194 lei is recorded, due to the decrease in advance payments, technical installations and machines and land and constructions. Also, tangible assets in progress decreased compared to 2022, reaching to 46,287 lei.

The structure of inventories on 30.09.2023 is as follows:

<b>Inventories</b>	<b>September 30 2023</b>	<b>December 31 2022</b>
Raw materials and consumables	1,700,143	2,383,35
Production in progress and semi-finished products	395,384	332,421
Finished products and merchandise	2,284,813	1,520,616
<b>TOTAL</b>	<b>4,380,340</b>	<b>4,236,392</b>

On 30.09.2023 there is an increase in inventories by 143,948 lei compared to 2022.

<b>Receivables</b>	<b>September 30 2023</b>	<b>December 31 2022</b>
Trade receivables	6,483,569	6,524,871
Other receivables	1,668,953	2,857,013
<b>TOTAL</b>	<b>8,152,522</b>	<b>9,381,884</b>

The Electroarges SA trade receivables decreased on 30.09.2023 compared to 31.12.2022, with the amount of 41,302 lei, while the total receivables decreased by 1,229,362 lei.

The structure of liabilities on 30.09.2023 is as follows:

<b>Liabilities</b>	<b>September 30 2023</b>	<b>December 31 2022</b>
Trade liabilities	39,723,444	36,097,098
Loans from banking institutions	11,435,901	11,268,741
Other liabilities	136,708	261,518
<b>Total short-term liabilities</b>	<b>51,296,053</b>	<b>47,627,357</b>
Loans from banking institutions	833,114	4,580,816
Subsidies	0	127,105
Bond loans	5,015,000	5,015,000
Financial leasing	1,168,026	2,704,173
Other liabilities	328,421	511,282
<b>Total long-term liabilities</b>	<b>7,344,561</b>	<b>12,938,376</b>
<b>TOTAL</b>	<b>58,640,614</b>	<b>60,565,733</b>

On 30.09.2023 there is an increase in trade liabilities with the amount of 3,626,346 lei and at the same time there is also a decrease in debts with long-term loans to banking institutions with the amount of 3,747,702 lei.

Following the ELECTROARGES SA EGMS Decision of 17.10.2022, an issue of 6,000,000 Electroarges SA bonds in dematerialized form was approved, which will not be listed on the stock exchange, with a maximum total nominal value of 15,000,000 lei.

The offer for sale of corporate bonds was carried out in the form of a private placement.

The price set by the offer was 2.5 lei/bond with a fixed interest rate of 4.75% per year, with a due date (maturity) of 60 months.

A number of 2,006,000 bonds were issued with a nominal value of 2.5 lei/bond, with a total value of 5,015,000 lei.

## 1.2 PROFIT & LOSS ACCOUNT ON 30.09.2023

	<b>September 30 2023</b>	<b>September 30 2022</b>
<b>Income from sales</b>	<b>28,264,336</b>	<b>66,987,964</b>
Other operating income	2,790,598	3,497,124
Changes in inventories	(557,172)	(1,374,359)
Total operating expenses	(37,775,765)	(75,921,489)
<b>Operating profit/(loss)</b>	<b>(7,278,003)</b>	<b>(6,810,760)</b>
Net financial income/(expenses)	(827,579)	(1,128,714)
<b>Profit/(Loss) before taxation</b>	<b>(8,009,861)</b>	<b>(7,939,474)</b>
Tax expenses	0	0
<b>Profit/(Loss)</b>	<b>(8,009,861)</b>	<b>(7,939,474)</b>

On 30.09.2023 a net loss in the amount of 8,009,861 lei is recorded, due to the decrease in turnover.

The turnover decreased on 30.09.2023 by 42% compared to 30.09.2022.

The structure of operating expenses on 30.09.2023 is as follows:

	<b>September 30 2023</b>	<b>September 30 2022</b>
<b>Operating expenses</b>		
Raw materials and consumables	18,360,957	44,289,333
Expenses on personnel	5,281,011	8,100,365
Amortization	5,892,214	2,604,590
Other operating expenses	8,241,583	17,927,201
<b>TOTAL</b>	<b>37,775,765</b>	<b>75,921,489</b>

On 30.09.2023. a significant decrease in the expenses with raw materials and materials can be observed, by 25,928,376 lei compared to the similar period of the previous year. There is also a decrease of 2,819,354 lei in expenses on personnel compared to 30.09.2022. The decrease of these expenses was determined by the decrease of turnover compared to the previous period.

On 30.09.2023 the amortization registers an increased value than the similar period of 2022, with 3,287,624 lei. At the same time. expenses with utilities and external services also decreased, compared to the same period of the last year.

## 2. ELECTROARGES SA SHARE CAPITAL

The of the company's subscribed capital on 30.09.2023 is 6,976,465 lei, the nominal value of a share being 0,10 lei/share.

The shareholding structure on 30.09.2023 is as follows:

Shareholder	Shares	Percent %
Investments Constantin SRL	25,699,543	36.84%
Trans Expedition Feroviar SRL	8,963,266	12.85%
Standard Equity SRL	7,542,172	10.81%
Natural persons	21,763,833	31.20%
Legal persons	5,795,836	8.30%
<b>TOTAL</b>	<b>69,764,650</b>	<b>100%</b>

The structure of the board of directors on 30.09.2023 is as follows:

Item no,	Board Member	Position	Number of shares
1,	Stefan Constantin	Board Chairman	0
2,	Cardinal Main SRL by permanent representative Roxana Scarlat	Board Vice-Chairman	0
3,	CsoarpiSaints SRL by permanent representative Adrian Ionescu	Board Member	0

## 3. CONTINGENT LIABILITIES

There are no significant contingent liabilities at the balance sheet date.

## 4. COMMITMENTS

On 30.09.2023 the company had the following commitments granted for credits:

- Loans at a single bank – Raiffeisen Bank Pitesti Branch
- Guarantees: receivables assignment contract and movable mortgage contract on the pledged assets.

## **5. INFORMATION RELATING TO THE AUDIT OF FINANCIAL SITUATIONS**

The financial statements prepared on 30.09.2023 were not audited.

## **6. FURTHER EVENTS**

There are no further events that can influence these financial statements.

Vice-Chairman of the Board of Directors,  
Roxana Scarlat

Head of Financial-Accounting Department,  
Giorgiana Ionita