



## **TURBOMECHANICA**

**Bd. Iuliu Maniu Nr. 244 District 6 Zip Code 061126 Bucharest - Romania**

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**European Unique Identifier (EUID) [ROONRC.J40/533/1991](#)**

**Commerce Registry Code J40/533/1991**

**Tax Code RO3156315 Unique Registration Code 3156315**

**Subscribed share fully paid capital 36,944,247.50 LEI**

**[www.turbomecanica.ro](http://www.turbomecanica.ro); e-mail: [office@turbomecanica.ro](mailto:office@turbomecanica.ro)**

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Our Reference: 14 Date: 25 August 2023

**SEMESTRIAL REPORT**  
**ACCORDING TO THE LAW 24/2017 ARTICLE 65 AND**  
**ASF REGULATION NO.5/2018**

**Report Date 25.08.2023**

**COMPANY TURBOMECHANICA SA**

**REGISTERED OFFICE: 244 Iuliu Maniu Blv., District 6, Bucharest ROMANIA.**

**TRADE REGISTRY NUMBER AND INCORPORATION DATE: J40 /533 /1991 ;**

**FORM OF OWNERSHIP: Majority private;**

**MAIN ACTIVITY: 3030 Manufacturing of Aircrafts and Spaceships;**

**SOLE REGISTRATION CODE: RO3156315;**

**REGULATED MARKET ON WHICH THE SECURITIES ISSUED ARE TRADED:**

**Bucharest Stock Exchange;**

**CALLED-UP AND PAID IN SHARE CAPITAL: 36.944.247,50 LEI**

## REPORT OF THE BOARD OF ADMINISTRATION OF TURBOMECANICA AS OF JUNE, 30<sup>TH</sup> 2023

**TURBOMECANICA SA** is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

### 1. Turbomecanica Management

The management of the company is in a unitary system.

The Chairman of the Managing Board is also the General Director of the company and ensures the executive management.

The organization of the Turbomecanica management system is defined by the operative management that ensures the achievement of responsibilities and objectives based on a divisional type organization,

The management at operational level is ensured by the Directors of the 4 departments, which form the Managing Board.

Each operational department has specific structures under it.

As at 30 June 2023, the non-executive management structure that ensures the current development of the activities has the following composition:

NAME	POSITION
VIEHMANN Radu	President of BoD & CEO
ANGHEL Claudia	Financial & Commercial Director
VIEHMANN Timura Mendy	Quality & Organization Director
TICĂ Sorin Daniel	Production Director
VASILESCU Șerban-Ion	Technical & Conformity Director

The financial results will be included in the financial statements at 30 JUNE 2023, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

### 2. Statement of profit and loss:

	<u>30 JUNE</u> <u>2023</u>	<u>30 JUNE</u> <u>2022</u>
Revenues	59.637.513	57.710.478

Other gains and loss	3.274.279	5.075.540
Change in inventories of finished goods and work in progress	5.371.798	4.140.035
Raw materials and consumables used	(24.830.353)	(26.912.784)
Employee benefits expense	(26.646.181)	(25.930.855)
Depreciation and amortisation expense	(3.751.785)	(5.436.542)
Finance cost, net	(674.212)	(933.320)
Other operating expenses	(5.066.613)	(6.531.650)
<b>Gross profit/Profit before tax</b>	<b>7.314.446</b>	<b>(1.180.903)</b>
Income tax expense/ benefit	1.170.658	423.539
<b>Net profit</b>	<b>6.143.788</b>	<b>757.364</b>

The informational content of the Incomes and Expenses allows highlighting some indicators that characterize the company's activity in terms of its volume and profitability.

The Company recorded operating revenues in amount of RON 65.293.665 and operating expenses in amount of RON 57.361.442. The company registered in H1 2023 an operating profit of RON 7.932.223. The largest share of this revenue was made through specific activities related to the production profile of the Company.

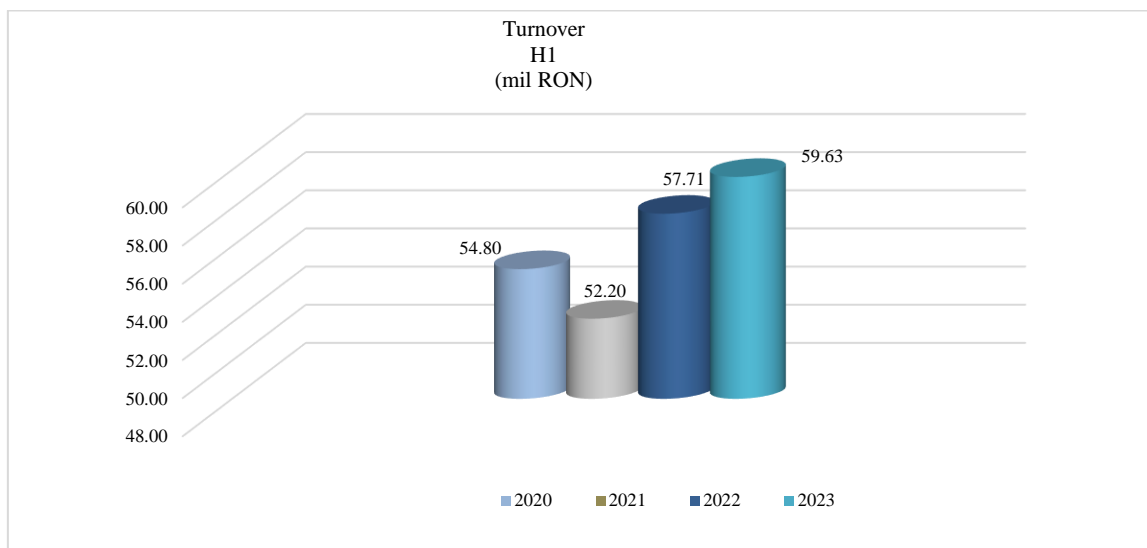
TBM recorded a turnover of 59,634,557 RON in the first six months of 2023, by 4.7 million RON, above the objective set by the average of the first two quarters of the last 3 years, which was 54.9 million RON, which represents exceeding the objective by 13%.

At the same time, looking through the prism of the inclusion of CA in the budgeted values, for the analyzed period we have a non-realization of 9.0 million RON, of which:

- 6.6 million RON related to the maintenance activity: IAR Brasov;
- 1.2 million RON related to the manufacturing activity: Leonardo.

However, considering the updated sales plan, there are prerequisites for achieving and even exceeding the budgeted turnover for 2023.

	<b>H1 2020</b>	<b>H1 2021</b>	<b>H1 2022</b>	<b>H1 2023</b>
<b>Turnover</b>	54.796.174	52.201.030	57.705.153	59.634.557



It should be taken into account that the value of 59.63 million RON is impacted by the reversal of the margin applied to the Turnover in 2022 according to IFRS 15 of 3.0 million RON (Turnover Q1 2023 without IFRS15 impact is 25.9 million RON.) This aspect also changed the Financial Result Situation, respectively the Net Result.

The average net profit margin was estimated in the pre-pandemic period at 10% for the MRO industry. Considering the Mission and Vision of the company, as well as the market conditions, TBM proposed that the excellence of the services provided be reflected in the profit margin obtained, reaching at least the industry average of 10%.

$$\text{Net Profit Margin} = 6.143.788 \text{ (Profit Net)} / 59.634.557 \text{ (Turnover)} * 100 = 10,30\%$$

During H1 of 2023, TBM recorded a net profit of 6.1 million RON, which represents a net profit margin of 10.30%, compared to 2022 when the margin was 1.3%.

The situation of the profit margin slightly above the established objective places TBM in the established target, as a result of the increase in operating income by 3.2 million RON in H1 2023 compared to H1 2022, respectively the decrease in operating expenses by 2.6 million RON.

Despite the unstable economic environment, we believe that the profit margin can be maintained at this level in the second part of the year, even though the profit margin was budgeted at a level of 8%. We specify that General Activity Budget was built on the premises of an approximately linear evolution of profit.

The analysis of this indicator must always take into account several influencing factors specific to the Company, which determine the evolution of income and expenses per month, among which we mention:

- The manufacture of small series products with a long manufacturing cycle.
- Capital repairs are also long lasting.

As a result, the monthly evolution of the financial indicators is not always linear, and when several aspects from those mentioned above are accumulated, significant deviations may appear in the monthly evolution, even if at the annual level the volume of production and repair is carried out in the budgeted terms.

The incomes corresponding to production in progress and variation of inventory have decreased by 1.23 mil. RON compared to 30.06.2022. The growth is a result of variations (increases /decreases) of production in progress, releasing/launching of new orders (conforming to the client conditions).

IFRS15 had an impact of 9.5 mil RON on the work in progress balance at 31.12.2022. The impact of this standard on the production in progress will be seen after the analysis of contracts/orders at 4<sup>th</sup> quarter 2023.

The decrease results as well from the production cost of semi-finished goods and residual products obtained in the end of the period, and also from the differences between predetermined price and the corresponding production cost.

The differences from Other gains and losses represent provisions reversal: days of leave untaken from previous years, pension provision – actuarial. During the second quarter of 2023 the company didn't set-up any provision.

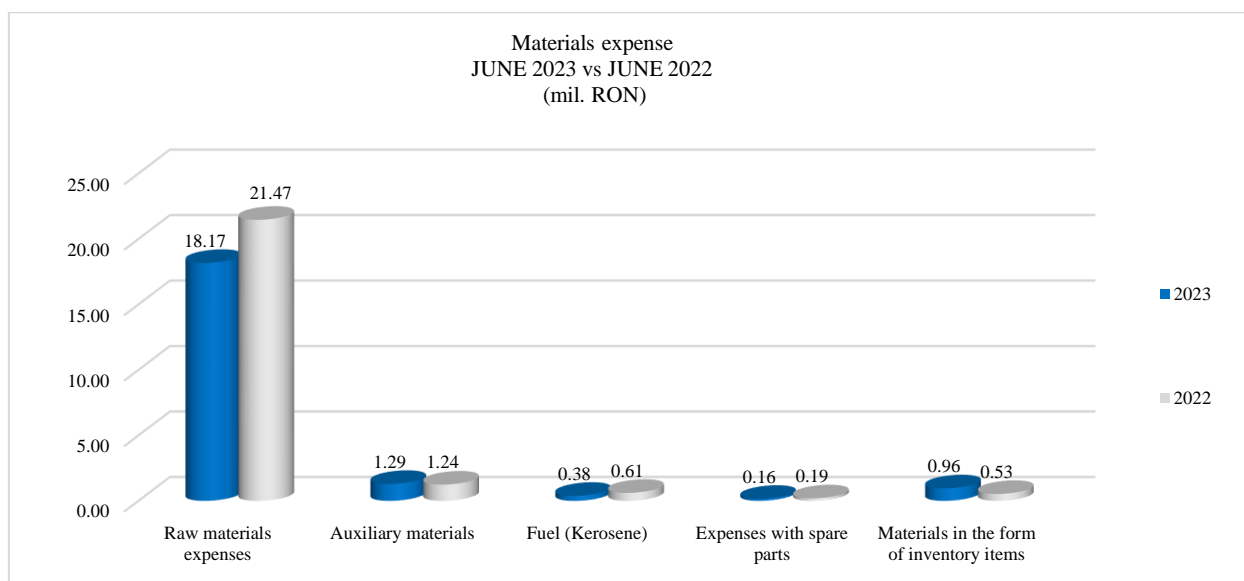
Raw material expenses decreased compared to the same period last year by 11,97% (2.9 mil RON)

Significant variations were recorded at:

- raw materials expenses negative variation 15.3%
- fuel (Kerosene) negative variation 36.9%
- fuel related to car park, negative variation 38.62%
- expenses with spare parts, negative variation 18.9%
- materials in the form of inventory positive variation 81.9%
- expenses regarding purchased materials COVID 19, negative variation 100%.

The company took measures, as last year, regarding the supply process by purchasing raw materials and necessary materials for the products that will be completed by the end of 2023.

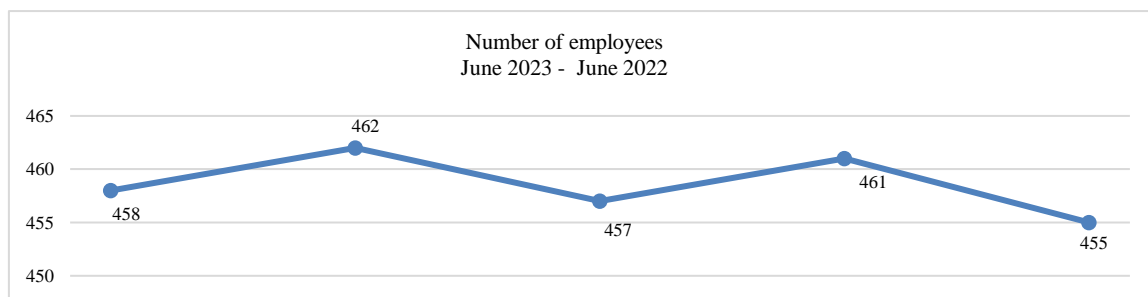
The chart below shows the most significant variations in materials costs.



It must be taken into account that the non-realization of expenses does not represent an economy, but a redistribution of them in the structure of the year, depending on the resettlement of production and deliveries per month. We specify that Budget was built on the premises of a linear evolution of profit.

Salary expenses increased by approximately 2.76% compared to the same period last year (0.7 Mil RON)

- to 458 employees on June 2022,
- to 462 employees on September 2022,
- to 457 employees on December 2022
- to 461 employees on March 2023
- to 455 employees on June 2023



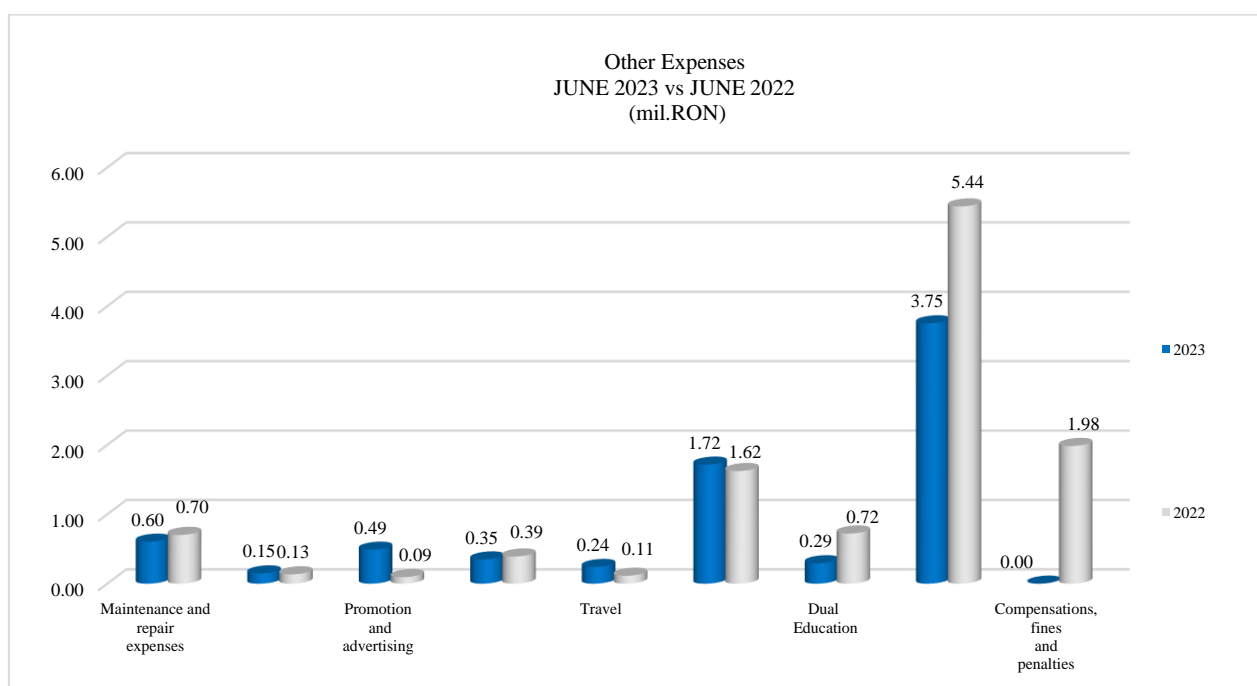
Other operational expenses decreased by approximately 22.42%, this being mainly due to:

Decrease of expenses:

- expenses with dual education scholarships. Turbomecanica offers attractive material benefits to students who enroll in Dual Education classes throughout school, in specializations, such as: aircraft mechanic, fine mechanics mechanic, miller, numerically controlled car operator, value 428.843 RON;
- maintenance and repair expenses, by 14.0%;
- personal transport expenses to/from the workplace with 10.9%;
- expenses with compensations, fines, penalties with 100%;

Increased expenses

- other third party services (mostly satellite equipment landmarks, Main Transmission Box repairs for internal clients: IAR Brasov, MApN, audit services, staff recruitment, personal recruitment services, security services, audit services) amounting 6.0%;
- with travel, the main reason of the trips being for motor technical assistance, 126.317 RON and TBM promotion at international fairs, to increase the portfolio of external clients;
- entertainment, promotion and advertising, 395.250 RON;
- expenses with insurance by 27.7%.



Net financial costs decreased by 259,108 RON, compared to the same period last year and represent the expenses with bank fees, interest.

Expenditures on depreciation of buildings, equipment, decreased with 30.4% compared to the same period last year.

The financial result was not impacted by any additional expenses regarding compensatory payments, non-fulfillment of contractual obligations, other expenses regarding tangible and intangible assets

### 3. Statement of financial position:

	<b>30 JUNE 2023</b>	<b>31 DECEMBER 2022</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Property, plant and equipment, net	60.637.721	61.375.822
Intangible assets, net	435.492	435.158
Other assets	6.000	6.000
<b>Total fixed assets</b>	<b>61.079.213</b>	<b>61.816.980</b>
<b>Current assets</b>		
Inventory	80.480.871	55.658.919
Trade receivables	(13.770.494)	28.706.415
Other current receivables	6.492.642	5.098.036
Contract assetes	0	12.219.893
Financial Investments	0	5.880.000
Cash and bank balances	42.769.180	12.043.696
<b>Total current assets</b>	<b>115.972.199</b>	<b>119.606.959</b>
<b>Total assets</b>	<b>177.051.411</b>	<b>181.423.939</b>
<b>Shareholder equity and liabilities</b>		
<b>Shareholder equity</b>		
Share Capital	36.944.248	36.944.248
Reserves	68.092.713	68.451.765
Retained earnings	15.957.516	17.954.675
Own shares	(599.408)	(599.408)
<b>Total shareholder equity</b>	<b>120.395.069</b>	<b>122.751.280</b>
<b>Long term liabilities</b>		
Leases	4.196.513	1.857.927
Deferred tax liabilities	2.050.962	2.050.962
Provisions LT	813.667	813.667
Provisions Lothor financial liabilities	4.627.545	4.627.544
<b>Total liabilities TL</b>	<b>11.688.688</b>	<b>9.350.100</b>
<b>Current liabilities</b>		
Trade abd other liabilities	13.772.354	6.743.521
Borrowings & Leasess	14.490.245	27.117.137
Current income tax	1.085.730	2.219.617
Provisions	1.626.713	4.295.456
Other current liabilities	13.992.613	8.946.828

<b>Total current liabilities</b>	<b>44.967.655</b>	<b>49.322.559</b>
<b>Total liabilities</b>	<b>56.656.343</b>	<b>58.672.659</b>
<b>Total shareholder equity and liabilities</b>	<b>177.051.411</b>	<b>181.423.939</b>

Tangible and intangible assets - there is a tendency to decrease these assets by making investments / modernizations of buildings, machines and equipment from TBM's patrimony.

Applying of IFRS 15 "Revenues from contracts with customers" significantly impacted the company financial position in 2022 due to reclassification of assets: receivables, inventories, other assets.

Details of IFRS 15 are specified in the published 2022 financial statements.

Stocks, receivables, other assets in H1 are booked at their initial value, without the influence of this international standard, and at the end of the year these assets will be analysed and the impact of IFRS 15 against them will be established.

Hence the major differences in stocks, other assets, other receivables, the main influence being from the production in progress.

The value of trade receivables represents the invoices issued in H1 by the company and not yet collected. Receivables are collected at the due date established on the basis of commercial contracts/orders concluded with clients. The much reduced and negative value is impacted by the 20% advances that the company invoiced to IAR SA, for the "Helicopters L" Turmo and Mechanical Ensemble Program.

The value of other receivables increased with the value granted for the purchase of tangible assets

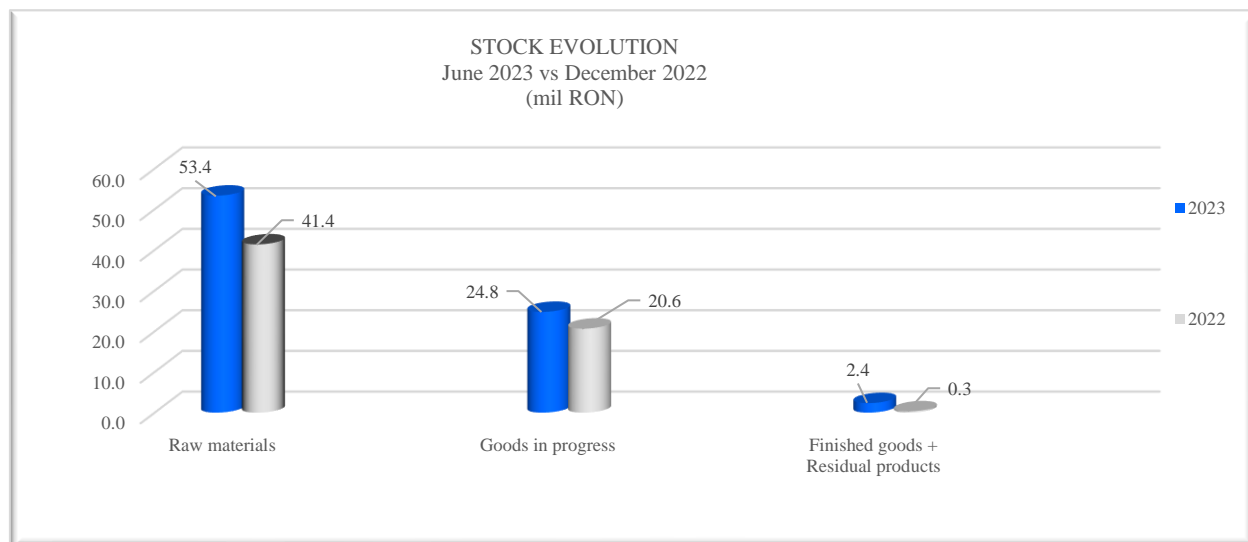
The contractual assets on 31.12.2022 represent the Impact of IFRS 15 on receivables for repair and manufacturing contracts: 12,219,893 RON.

The impact of IFRS15 on contractual receivables for the year 2023 will be determined at H2 2023.

In H1, the state securities purchased by the company in 2022 reached maturity and their value was collected in June 2023, together with the related interest. The yield on these government bonds was 6.35%. In H1, the company did not purchase any other state securities.

The value of inventories increased by 24.8 million RON, without IFRS15 impact (Inventories on 31.12.2022: no decrease according to IFRS 15: 65,205,672 RON - Impact of IFRS 15: 9,546,753) The company complied with its supply policy by purchasing of raw materials and necessary materials for the products that will be completed by the end of 2023. These measures were taken to prevent possible problems in the supply chain, which could cause delays in the production process. The impact of this increase is largely due to the production in progress and raw materials and purchased materials.

In the chart below, the variations of the H1 2023 stocks are mentioned, compared to December 2022.





Cash availability increased by 30.7 million RON compared to the end of 2022, the increase comes from:

- a) establishment of OVERNIGHT deposits at BRD, in the amount of 10.8 million RON;
- b) the establishment in the first 6 months of the year of bank deposits with maturity between 3 - 6 months, in the amount of 13.0 million RON.

The short-term loans granted in the form of a credit limit were used in a much higher proportion than on 31.12.2022.

Leasing debts increased with the registration of new equipment purchased through leasing and decreased with the value of the installments according to the maturities of the leasing contracts that the company has engaged.

Under Other financial liabilities, the leaseback contracts for the OERLIKON thermal spraying system with a value of RON 3,445,640 and GLEASON PFAUTER mortising equipment with a value of RON 1,181,904 are highlighted. The company paid advances for these assets. According to the contractual terms, these assets will be received in the following period

Trade and other payables increased towards the end of the year, by 7.0 mil RON.

The increase is impacted by purchases of raw materials and materials and services, related to invoices from June, from:

- a) internal suppliers (1.5 million RON);
- b) external suppliers - extra-UE (4.7 million RON);
- c) internal providers of services, (0.8 million RON) whose maturity is in Q3. These invoices will be paid according to the due dates.

The company complied with its contractual payment terms to all suppliers and all debts to the state budget and the state social insurance budget.

Other current debts - increased by 5.0 million RON compared to the end of last year and all debts to the State Budget are highlighted (salary contributions, VAT, profit tax, non-resident tax, taxes and customs commissions, etc.).

The amount of 13.9 million RON also includes the amount of 8.5 million RON, which represents dividends to be distributed in 4<sup>th</sup> quarter 2023.

The short-term provisions decreased by 0.5 mil RON compared to 31.12.2022, they represent only the cancellation / reversal of the provisions established at the end of the year, for: days not taken from previous years, pensions / actuarial, reversal related to guarantees from customer contracts - IFRS15.

TBM has no unpaid tax debt to state authorities.

The short-term provisions decreased by 2.7 million RON compared to 31.12.2022, they represent the cancellation/reversal of the provisions established at the end of the year, for:

- a) unused vacation days from previous years;
- b) pensions/actuarial;
- c) margin losses, following the application of IFRS15;
- d) performance bonuses;
- e) invoices collected from customers, whose invoices were overdue (270 days from the due date).

Provisions related to the guarantees granted to customers according to the contracts concluded with them, guarantees that have been closed, are mentioned in the position "Inventories" in the Statement of financial position. (0.2 million RON)

More details in Note 2 "Provisions for risks and expenses" from "Explanatory notes"

The company's own capital is 120,395,069 RON, compared to 122,751,280 RON, which was at the end of 2022, a decrease of 2,356,212 RON.

All the details regarding changes in equity can be found in "Statement of changes in equity"

#### **4. Capital Market Aspects**

In relation with the capital market, Turbomecanica honored all the reporting obligations resulting from the legal provisions by publishing the mandatory current and periodical reports in the electronic system of the

Financial Supervisory Authority and the Stock Exchange, on the company website and via press releases. According to the provisions of the Corporate Governance Code, continuous and periodical information was disseminated simultaneously, both in Romanian and in English. Turbomecanica is listed on the BVB under the symbol TBM.

## 5. Environmental Aspects

Turbomecanica is constantly concerned with protecting the environment and is committed to reducing the generation of hazardous and non-hazardous waste as far as activity allows.

It was agreed in the contracts with the suppliers of hazardous waste to return the empty containers back to the supplier in order to reuse them for later deliveries.

The Integrated Environmental Authorization 1974/05.12.2022 and the Water Management Authorization allow the operation in conditions of full legality of the existing installations, equipment and processes in the Company.

It was decided to reduce the amount of waste from the absorption of hazardous waste (eg cloths) by hiring an authorized supplier to clean it for reuse.

## 6. Accounting records

Basis for the preparation and presentation of financial statements The company financial statements of TURBOMECANICA SA are prepared in accordance with the provisions of:

- ➔ the International Financial Reporting Standards (IFRS) adopted by the European Union;
- ➔ Accounting Law no. 82/1991, republished, as subsequently amended and supplemented;
- ➔ O.M.F.P. no. 2.844/2016 on the approval of the Accounting Regulations conforming to the International Financial Reporting Standards, as subsequently amended and supplemented;
- ➔ O.M.F.P. no. 2.861/2009 for the approval of the Norms regarding the organization and execution of inventories of items such as assets, debts and own capital;
- ➔ O.M.F.P. no. 1.826/2003 on the approval of the Explanatory Notes on certain measures relating to the organisation and conduct of management accounting;
- ➔ O.M.F.P. no. 2.634/2015 regarding the financial accounting documents, including subsequent amendments and additions;

The accounting is kept in Romanian and in the national currency.

The accounting for foreign currency transactions is carried out both in national currency and in foreign currency.

The financial year is the calendar year.

All documents regarding economic and financial operations have been recorded correctly every day.

Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet.

The financial year is the calendar year.

We state that the Financial Statements at 30 of JUNE 2023 are **Unaudited** financial.

**PRESIDENT OF THE BOARD OF DIRECTORS**

**RADU VIEHMANN**

**STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2023**

	<b>30 JUNE 2023</b>	<b>31 DECEMBER 2022</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Property, plant and equipment, net	60.637.721	61.375.822
Intangible assets, net	435.492	435.158
Other assets	6.000	6.000
<b>Total fixed assets</b>	<b>61.079.213</b>	<b>61.816.980</b>
<b>Current assets</b>		
Inventories	80.480.871	55.658.919
Trade receivables	(13.770.494)	28.706.415
Other receivables	6.492.642	5.098.036
Contract assets	0	12.219.893
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<b>Total current assets</b>	<b>115.972.199</b>	<b>119.606.959</b>
<b>Total assets</b>	<b>177.051.411</b>	<b>181.423.939</b>
<b>Shareholder equity and liabilities</b>		
<b>Shareholder equity</b>		
Issued Capital	36.944.248	36.944.248
Reserves	68.092.713	68.451.765
Retained earnings	15.957.516	17.954.675
Own shares	(599.408)	(599.408)
<b>Total shareholder equity</b>	<b>120.395.069</b>	<b>122.751.280</b>
<b>Long term liabilities</b>		
Borrowings. Leases	4.196.513	1.857.927
Deferred tax liabilities	2.050.962	2.050.962
Provisions	813.667	813.667
Other financial liabilities	4.627.545	4.627.544
<b>Total liabilities TL</b>	<b>11.688.688</b>	<b>9.350.100</b>
<b>Current liabilities</b>		
Trade and other liabilities	13.772.354	6.743.521
Borrowings, Leases	14.490.245	27.117.137

Income tax expense/benefit	1.085.730	2.219.617
Provisions ST	1.626.713	4.295.456
Other liabilities ST	13.992.613	8.946.828
<b>Total current liabilities</b>	<b>44.967.655</b>	<b>49.322.559</b>
<b>Total liabilities</b>	<b>56.656.343</b>	<b>58.672.659</b>
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**STATEMENT OF PROFIT AND LOSS  
AT 30 JUNE 2023**

	<b>30 JUNE 2023</b>	<b>30 JUNE 2022</b>
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Income tax expense/ benefit	1.170.658	423.539
<b>Net profit</b>	<b>6.143.788</b>	<b>757.364</b>

**CASH FLOW STATEMENT**  
**30 JUNE 2023**

EXPLANATIONS		NO. ln.	Executed 30/06/2023	Executed 30/06/2022
+	Turnover	01	59.634.557	57.705.153
+	Changes in inventories	02	5.374.757	4.145.360
+	Other operating revenues and provisions	03	284.354	180.721
=	<b>Total operating income</b>	04	<b>65.293.665</b>	<b>62.031.234</b>
+	Raw materials and consumables	05	21.940.615	24.898.198
+	Energy, fuels, etc.	06	2.889.738	2.014.586
+	Employee benefits	07	26.646.181	25.930.855
+	Expenses related to external labour conscriptions	08	3.883.107	3.332.712
+	Expenses with other taxes, fees and similar payments	09	398.926	512.429
+	Depreciation of non-current assets and provisions	10	1.083.042	1.090.476
+	Other operating expenses	11	519.833	2.171.394
=	<b>Total operating expenses</b>	12	<b>57.361.442</b>	<b>59.950.649</b>
	Operating results (+/-)	13	7.932.223	2.080.586
+	Financial revenues	14	995.342	370.515
-	Financial expenses	15	1.613.118	1.270.197
=	<b>Financial result (+/-)</b>	16	<b>-617.776</b>	<b>-899.683</b>
	Gross result (+/-)	17	7.314.446	1.180.903
	Deferred tax	18	1.170.658	423.539
	Net result (+/-)	19	6.143.788	757.364
<b>CASH FLOW</b>				
		20	<b>Executed 30/06/2023</b>	<b>Executed 30/06/2022</b>
+	Profit or loss (+/-)\	21	<b>6.143.788</b>	<b>757.364</b>
+	Damping included in cost	22	3.751.785	5.388.641
-	Stock variation (+/-)	23	24.757.625	12.784.826
-	Receivables variation (+/-)	24	-19.223.231	-18.910.776
+	Variation of providers and creditors (+/-)	25	-12.074.589	-16.164.529
-	Variation of other assets	26	-15.019.324	3.675.601
+	Variation of other liabilities	27	29.682.180	8.143.282
=	Net cash generated by operating activities (A)	28	36.988.095	575.107
+	Income from selling assets and fixed assets	29		0
-	Purchase of tangible assets	30	4.041.824	3.457.659
=	Net cash generated by investment activities (B)	31	-4.044.780	-2.414.629
+	Loans variation (+/-)	32	-12.359.875	4.915.153

=	Net cash used in financing activities (C)	33	-12.190.356	4.940.370
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>34</b>	<b>22.019.797</b>	<b>18.918.949</b>
	<b>Net cash flow</b>	<b>35</b>	<b>20.752.958</b>	<b>3.100.848</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>36</b>	<b>42.772.755</b>	<b>22.019.797</b>

**STATEMENT ON CHANGES IN OWN CAPITAL**  
**30 JUNE 2023**

Elements of equity capital	Balance on 1st of January 2023	Growth		Decrease		Balance on 30th of June 2023
		Total, of which	through transfer	total, of which	through transfer	
A	1	2	3	4	5	6
Subscribed capital	36.944.248					36.944.248
Adjustments of registered capital						
Deferred profit tax	2.475.277					2.475.277
Share premiums						
Revaluation reserve	49.443.231			359.052		49.084.179
Legal reserves	7.388.850					7.388.850
Statutory or contractual capital reserves						
Reserves representing revaluation reserves surplus	5.503.745	359.052		199.070		5.663.726
Other reserves	14.094.961					14.094.961
Own shares						0
Income related to own capital instruments						0
Loss related to own capital instruments	599.408					599.408
Profit/loss carried forward	Balance C	1.454.679		687.545		767.134
	Balance D					
Retained earnings due to the adoption of IAS 29 for the first time	Balance C					
	Balance D	101.798				101.798
Elements of equity capital	Balance on 1st of January 2023	Growth		Decrease		Balance on 30th of June 2023
		Total, of which	through transfer	Total, of which	through transfer	
Retained earnings due to the correction of	Balance C					
	Balance D	886.616		886.616		0



accounting errors							
Retained earnings - actuarial employee benefits	Balance D	463.209					463.209
Retained earnings resulting from the adoption of Accounting Regulations according to the Fourth Directive of European Economic Community	Balance C	258.730					258.730
	Balance D						
Retained earnings	Balance C		12.189.144		8.500.000		3.689.144
Profit or loss for the period	Balance C	12.189.144	71.737.859		75.994.781		7.932.223
	Balance D		2.783.776		995.342		1.788.434
Profit appropriation							
<b>TOTAL OWN CAPITAL</b>		<b>122.751.280</b>	<b>81.502.279</b>	<b>0</b>	<b>83.858.491</b>	<b>0</b>	<b>120.395.069</b>

The legal reserves are established according to the Law 31/1991 with subsequent amendments and completions and registered in accountancy according to the OG No. 64/2001 and OMFP No. 128/2005. These reserves have not been used.

Within "Other reserves" there are recorded the sums appropriated from the net profit as own finance sources. These reserves have not been used.

On 30th of June 2023 the legal reserve was 7,388,850 RON. The legal reserve is established according to Romanian Law as a transfer from the net income. The transfer can represent a maximum of 5% from gross profit to 20% of the registered capital.

In accordance with Decision no. 1/27.04.2023 AGOA, in Quarter II the following were recorded in the accounting records:

- a) Distribution of the profit of 2022, in the amount of 12,189,144.21 RON, on destinations:
  - 8,500,000 lei distribution of dividends and
  - 3,689,144.21 undistributed profit representing the own source of investment financing.
- b) Covering the debit balance of the carried over result from the correction of accounting errors, in the amount of 886,615.95 RON, from the credit balances of the accounts:
  - RON 199,070.47 from the carried forward result representing the revaluation surplus;
  - RON 687,545.48 from the result carried over from canceled amounts.

Reserves from the revaluation decreased by 359,052 lei, representing the values related to the outflows of scrapped fixed assets.

The net result for S1 2023 is 6,143,789 RON.

The equity decreased compared to 31.12.2022, with the value of 2,356,212 RON.

**FINANCIAL-ECONOMIC INDICATORS  
AT 30 JUNE 2023**

No.	Economic indicators	Formula	30 JUNE 2023	30 JUNE 2022
1	Current liquidity ratio	current assets / current liabilities	2,58	1,97
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital)*100	7,33	4,93
3	Receivable turnover ratio	( Accounts Receivable / Turnover ) * 180 days	22,54	52,30
4	Fixed assets turnover ratio	Turnover / Fixed assets	0,98	0,89

- The current liquidity indicator, the value is super unitary 2,58 (optimal value 2) increasing compared to the same period last year and reflects a good ability to pay, so a low risk for creditors, certifying that the company is able to cover its debts on short-term from current assets.
- The turnover rate of customer debts that expresses the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to society. Considering the dynamics of sales and the specifics of debt collection, we consider that the value of the indicator is a normal one. He much reduced value compared to the previous period, is influenced by the 20% advances that the company invoiced to IAR SA, for the "Helicopters L";
- The indicator of the degree of indebtedness, its value indicates the fact that the company does not have any problems of financing or liquidity. In the calculation of this indicator, the borrowed capital includes both bank loans and leasing debts. The value has increased significantly compared to the same period last year, due to the fact that the company has leased contracts for the purchase of machinery and equipment necessary to increase production capacity.
- **Total asset turnover** – this indicator shows how many times assets are transformed into sales during a period.

**EXPLANATORY NOTES**  
**30 JUNE 2023**

**1. FIXED ASSETS STATEMENT**

Gross values						
Asset elements	No.	Initial balance	Accrual	Degression		Final balance (col 5=1+2-3)
				total	of which: dismantling and rescission	
A	B	1	2	3	4	5
<b>Intangible assets</b>						
Development expenses	01					
Other non-current assets	02	22.521.969	1.686.842	1.253.129	X	22.955.682
Advances granted for fixed assets	03	1.530.064		306.193		1.223.871
Intangible assets in progress	04	0	433.714	433.714		0
<b>TOTAL (ln. 01 to 03)</b>	<b>05</b>	<b>24.052.033</b>	<b>2.120.556</b>	<b>1.993.036</b>	<b>X</b>	<b>24.179.553</b>
<b>Tangible assets</b>						
Lands	06	16.642.911	0	0		16.642.911
Buildings	07	13.739.711	0	0		13.739.711
Technical equipment and machinery	08	50.752.564	4.334.539	8.972.002	151.107	46.115.100
Other equipment, installations and furniture	09	623.882	14.822			638.703
Intangible assets in progress	10	2.667.700	7.772.480	4.302.198	0	6.137.981
Advances granted for fixed assets	11	1.821.138	17.564	593.203		1.245.499
<b>TOTAL</b>	<b>13</b>	<b>86.247.906</b>	<b>12.139.404</b>	<b>13.867.402</b>	<b>151.107</b>	<b>84.519.907</b>
Right-of-use asset	14	0	0	0	0	0
<b>Financial assets</b>	<b>15</b>	<b>463.083</b>	<b>4.207</b>	<b>0</b>	<b>0</b>	<b>467.290</b>
<b>FIXED ASSETS-TOTAL</b>	<b>16</b>	<b>110.299.939</b>	<b>10.901.612</b>	<b>7.039.544</b>	<b>151.107</b>	<b>109.166.750</b>

**1.1 FIXED ASSETS AMORTIZATION STATEMENT**

Asset elements	No.	Initial balance	Amortization during the year	Amortization of derecognized assets	Amortization by the end of the year (col.9=6+7-8)
A	B	6	7	8	9
<b>Intangible assets</b>					
Development expenses	17				
Other non-current assets	18	22.086.811	1.583.569	1.150.189	22.520.190
<b>TOTAL (in. 17 to 18)</b>	<b>19</b>	<b>22.086.811</b>	<b>1.583.569</b>	<b>1.150.189</b>	<b>22.520.190</b>
<b>Tangible assets</b>	<b>20</b>				

Lands					
Buildings	21	1.167.558	292.003		1.459.560
Technical equipment and machinery	22	18.009.101	2.950.020	95.463	18.009.101
Other equipment, installations and furniture	23	237.085	76.383		313.468
<b>TOTAL (in.21 to 23)</b>	24	<b>19.413.743</b>	<b>3.318.406</b>	95.463	<b>22.636.686</b>
<b>Right-of-use asset</b>	25	0	0	0	0
<b>AMORTIZATIONS TOTAL (19+24+25)</b>	– 26	<b>41.500.555</b>	<b>4.901.974</b>	<b>1.245.652</b>	<b>45.156.877</b>

The assets record is kept considering their net value.

All purchased fixed assets are recorded within the debit account 231 “Tangible Assets in Progress”. They are amortized during the month after their purchase, and 223 “Technical installations in progress of supply”

Depreciation is calculated starting from the month following commissioning.

In the position of technical installations and machines, new purchases were registered, consisting of:

a) Measuring and control devices and installations:

Recorder TVMUGR HONEYWELL

- Internal micrometers

- Access card printer

- Precision scale

b) Technical installations being supplied:

- Engine Oil Pump Test Stand CFM56

- KELLENBERGER Grinding machine

## 2. PROVISIONS FOR RISKS AND EXPENSES

Title of the provision	Balance on 1 <sup>st</sup> January 2023	Growth	Decrease	Balance on 30th of June 2023
0	1	2	3	4=1+2-3
Adjustment for customer receivables impairment	312.031		100.689	211.342
Adjustment for debtors receivables impairment	0			0
Adjustment for raw materials stocks impairment	13.348.485			13.348.485
Adjustment for supplies stocks impairment	440.700			440.700
Impairment of stocks in progress	4.365.900		192.985	4.172.915
Adjustment of materials and stocks at other partners	0			0
Adjustments for the depreciation of chemicals	219.537			219.537
Adjustment for manufactured items impairment	137.547			137.547
Impairment of residual products	105.583			105.583
Provisions for guarantees granted to customers	1.016.104			1.016.104
Provisions for retirement and similar obligations	941.926		69.186	872.740
Other provisions	3.151.093		2.599.557	551.536
<b>TOTAL</b>	<b>24.038.906</b>	<b>0</b>	<b>2.962.417</b>	<b>21.076.488</b>

The reductions consist in the reversal of the provisions set up on 31.12.2022 and which involved a cash outflow during 2<sup>nd</sup> Semester 2023.

The value of the pensions paid to the employees who retired during this period according to CCM are registered in provisions for pensions and similar obligations, value 69.186 RON.

The company has established provisions for debts towards employees as a result of retirements and annual leave provided by Collective Labor Agreement (CCM), Provision for customer receivables impairment

In other provisions are registered the reversal / cancellation of the provisions regarding (Note 21 of the 2022 financial statements)

- the performance bonuses,
- the value of the holidays not performed from the previous years.
- for margin loss from IFRS15 application

To the extent that the employees in 2023 take vacation days related to 2022, their value is reversed until the concurrence of the established provision. Provisions in the amount of 198,874 RON were transferred in H1.

Also, as the generating event intervenes, the value of the performance bonuses is reversed, value 1,700,000 RON.

The adjustments for the depreciation of customer receivables decreased with the value of the invoices collected in 2023 and which were provisioned, amounting to 100,689 RON.

In H1, the value of 700,683 RON was reversed, representing a loss from the application of IFRS15.

At the depreciation of the stocks in progress, the provisions related to the warranty claims that were finalized/closed in H1 2023 were reversed, value 192,985 RON.

In the second semester of 2023, provisions in the amount of 2.962.417 lei were remitted, these are considered non-taxable income for profit tax calculation.

In H1 2023, the company did not set up any provision.

### 3. TAX ON PROFIT

The calculation of fiscal loss is according with methodological Norms of application of Law 227/2015 (with all subsequent amendments).

The gross profit or loss is defined according to the form “Profit and loss account” and we apply the stipulations of Law No. 227/2015 (with all subsequent amendments). All sums are expressed in RON.

Gross profit	7,229,518
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To establish the tax profit, the expenses that have overpassed the admitted deductibility limit are added to the non-deductible expenses, according from the Law 227/2015

Non taxable income	2,962,417
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Non-deductible expenses	5,287,240
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Deductions (tax amortization)	2,480,918
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Elements similar to income (revaluation account 105 surplus)	243,189
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Items similar to income consist of the reserve representing the revaluation surplus taxed at the exit of the asset

TAX PROFIT: 7,316,612

The non-taxable income in the amount of Lei 2,962,417 represents the value of the provisions reversed in H1 (provisions constituted at the end of 2022 which were considered non-deductible expenses when calculating the profit tax on 31.12.2022) and now with the partial reversal of to them, they are considered non-taxable income. (Note 2 – Provisions for risks and expenses).

The non-deductible expenses, the largest share of 70.9%, in a total amount of 5,287,240 RON, represent expenses with amortization, while the rest in percentage of 29.1% represents:

- car park related expenses,
- protocol expenses,
- social expenses,
- technological losses that exceed the own consumption norm necessary for the manufacture of a product,
- advertisement and publicity expenses.

Deductions (fiscal depreciation) represent the difference between accounting and fiscal depreciation.

The elements similar to income are made up of the reserve representing the surplus realized from revaluation taxed at the exit of the immobilization.

#### 4. REVIEW OF EXPLOITATION RESULTS

No.	Indicator	Period	Period
		30.06.2023	30.06.2022
1.	Net turnover	59.634.557	57.705.153
2.	The costs of goods and services provided	35.252.071	36.738.277
3.	Expenses of the basic activities	18.941.900	18.582.106
4.	Expenses of auxiliary activity	2.790.220	3.022.965
5.	Indirect manufacture expenses	13.519.951	15.133.206
6.	Gross result related to net turnover (1-2)	24.382.486	20.966.876
7.	Retail expenses	1.172.902	626.794
8.	General administration expenses	15.561.715	18.440.218
9.	Other exploitation expenses	284.354	180.721
10.	Exploitation results (6-7-8+9)	<b>7.932.223</b>	<b>2.080.586</b>

#### 5. STATEMENT OF RECEIVABLES AND DEBTS

Receivables	Balance on 30th of JUNE 2023	Liquidity term	
	(col.2+3)	under 1 year	over 1 year
0	1	2	3
<b>Total, of which:</b>	<b>23.210.228</b>	<b>23.210.228</b>	
Suppliers debtorss-debtors	601.192	601.192	
Customers	21.954.197	21.954.197	

Personnel and social security receivables	550.971	550.971	
VAT under settlement	128.167	128.167	
Other receivables regarding state and public institutions receivables	173.852	173.852	
Debtors	0	0	
Provision for customer receivables impairment	198.151	198.151	

Debts	Balance on 30th of JUNE 2023	Chargeability term		
	(col.2+3+4)	under 1 year	1-5 years	over 5 years
0	1	2	3	4
<b>Total, of which:</b>	<b>89.578.970</b>	<b>78.703.951</b>	<b>8.824.058</b>	<b>2.050.962</b>
Short term bank loans	8.932.061	8.932.061		
Long term loans	14.382.242	5.558.184	8.824.058	
Suppliers	13.772.354	13.772.354		
Creditors	35.526.540	35.526.540		
Expenses regarding with personnel and social security	3.957.202	3.957.202		
Tax for non-residents	0	0		
VAT to pay	519.823	519.823		
Other debts regarding state and public institutions	25.976	25.976		
Deferred tax	3.136.692	1.085.730		2.050.962
Other debts	9.275.678	9.275.678		
Dividens	9.275.678	9.275.678		
Other creditors	50.403	50.403		

Bank loans	Balance on 30th of JUNE 2023
BRD – GSG	0
Bank Transilvania	8.932.061
Short term loans from Shareholders	4.880.000
<b>Short term loans</b>	<b>13.812.061</b>
<b>Total</b>	<b>13.812.061</b>

Short-term bank loans at BRD and BT represent the credit limits that are made available to the company as working capital.  
The company has no long-term bank loans.

## 6. PRINCIPLES, POLICIES AND ACCOUNTING METHODS

### General provisions

The financial statements are set up according to the O.M.F.P. 2844/2016 (IFRS), to the Law on Accountancy No. 82/1991, with subsequent amendments.

The financial statements have been set according to the historic cost and presented in lei.

The costs of indebtedness and the expenses related to maintenance of a state of functioning at projected parameters of fixed assets, do not capitalize.

### **The grounds for setting up financial statements**

These are individual financial statements of TURBOMECHANICA S.A. Company. These financial statements are the responsibility of the Company's management and are set up according to the accountancy norms of Romania, that is the Accountancy Law No. 82/1991, republished, the Order of the Ministry of Public Finances 2844/2016 (IFRS)

### **The use of estimations**

The setting up of financial statements according to accountancy norms of Romania require the management to make some estimations and presumption that affect the value of assets and debts, and the description of assets and potential debts on the date of setting up the financial statements, as well as the value of income and expenses related to the accounting period. The actual results may be different from these estimations. These estimations are periodically reviewed and, if the need arises for adjustments, the latter are recorded in the profit and loss account within the period they become known. Even if these estimations are somehow imprecise, the cumulated effect of the imprecision on financial statements is considered to be insignificant.

### **The operating continuity**

These unconsolidated financial statements have been set up based on the principal of operating continuity, which states that the Company would continue its normal functioning in a predictable future, without confronting the impossibility to continue its operation or to significantly reduce its activity

### **Tangible assets**

The tangible and intangible assets are recorded in accountancy according to the Accountancy Law No. 82/1991, with subsequent amendments and completions.

Following the revaluation applied in compliance with HG 1553/2003, O.M.F.P. 2844/2016 the tangible and intangible assets are registered at their net value.

The last revaluation unfolded according to the International Standards for Evaluation and Regulations of International Standards of Financial Reporting, by an independent evaluator, authorized S.C. NEOCONSULT VALUATION S.A., based on the agreement No. 4026 from 09.10.2020

As intangible assets, the accountancy only registers licenses and IT programs purchased from the providers.

Within the profit and loss account, the amortization of intangible assets is included at "Amortizations and provisions for tangible and intangible assets impairment" and "Expenses" respectively.

The amortization related to the fixed assets revaluated in December 2009, 2012, 2014, 2017, 2020 is mentioned within the "non-deductible expenses" according to the methodological Norms for application of the Law NO. 227/2015 and UO 34/2009.

Tangible and intangible assets are subject to amortization in compliance with Law 15/1994. The amortization method is the linear one.

The classification of fixed assets and their normal terms of functioning are established by the committee for reception and commissioning of fixed assets according to H.G. 2139/2004 for the approval of the Catalogue of classification and normal functioning terms of fixed assets.



The expenses that occur once the fixed asset is commissioned, such as repair and maintenance and administrative costs, are registered within the profit and loss account for the period of their occurrence. If it's possible to demonstrate that these expenses resulted in a future growth of economic benefits expected to be obtained through the use of an element of fixed asset over the performance standards initially evaluated, the expense is capitalized as additional cost.

The tangible and intangible assets are subject to amortization in conformity with the Law 15/1994. The amortization method is the linear one, based on the estimated useful lifespan, from the moment of their commissioning, so as the cost shall decrease to the residual value estimated during the considered functioning period.

Within the profit and loss account, the amortization of intangible assets is included at "Amortizations and provisions for tangible and intangible assets impairment" and "Expenses" respectively.

The main lifespans used with different categories of tangible assets are:

	Years
Buildings	10 - 50
Plants and machinery	3 - 15
Other equipment and furniture	3 - 15

The tangible assets that are scrapped or sold are cancelled from the balance together with corresponding cumulated amortization. Any profit or loss resulted from such an operation is included in the current profit and loss account.

According to the provisions of HG 2139/2004 related to the approval of the Catalogue for classification and normal durations of fixed assets' functioning, the Company has chosen to apply the minimal duration of fixed assets' functioning.

Any growth resulted from the revaluation of tangible assets is included in own capitals under reserves from revaluation, with the exception of those cases when such a growth compensates a decrease from the revaluation of the same asset, priorly registered within the profit and loss account, in which case the growth is registered in profit and loss account at the level of the previous decrease. A decrease of accounting value of the lands and buildings is registered in the profit and loss account as long as it exceeds the value, if it is the case, of the revaluation reserve, related to the previous revaluation of the relative asset.

Amortization of tangible assets is registered in the profit and loss account. In case of subsequent selling or scrapping the revaluated tangible assets, the surplus from the revaluation left within the revaluation reserve is transferred directly to the retained result. There won't be made any transfer from the revaluation reserve to the retained result, except for the case of derecognized asset. However, a part of the surplus may be transferred as the asset is used by the entity. In this case, the value of transferred surplus shall represent the difference between the amortization calculated based on revaluated accounting value and the value of amortization calculated based on the initial cost of the asset.

### **Intangible assets**

An intangible asset must be recognized if, and only if, it is estimated that the future economic benefits attributed to the asset shall be obtained by the Company and the cost of the asset may be precisely evaluated.

The costs related to the purchase of software are capitalized and amortized based on the linear method. If it is retained as necessary, the accounting value of each intangible asset is annually reviewed and adjusted for the decrease of its value.

### **Inventories**

The record keeping of materials is organized based on quantities and values, grouped upon administrations, depending on the product for which they are designated within the manufacturing technologies.

By their entrance in the patrimony, the inventories (raw material, material, goods) are registered by their purchase prices. For imported materials, the acquisition price includes only expenses mentioned in Import Customs Declarations. For the materials purchased within the EU, the acquisition price includes the expenses recorded in the provider's invoice (or in an equivalent document) as well as expenses for transportation recorded in invoices issued by the transporter. The expenses related to the manipulation, deposit, etc. are registered in the account 308.1 "Differences in prices and materials" and is distributed upon materials consumed in the following period.

The record keeping of materials from own production is made by the planned cost. The cost does not include administrative and distribution expenses. The differences between actual and planned costs is registered in the account 308.2 "Price differences of unfinished goods" and 308.3 "Price difference of materials and inventories of own production" and are distributed upon materials of own production consumed in the following period.

The record keeping of manufacture in progress is made by the actual production costs. To distribute the expenses the orders method is being used. The indirect manufacture expenses are summarized monthly and distributed on the expenses related to direct workmanship, including related expenses registered within that month.

For inventories of finished goods, the cost does not include administration and distribution costs. The finished goods are registered by the ante calculation cost. The differences between the actual cost and the ante calculated one by the closure of the order is registered in account 348 "Price differences of finished goods" and are settled simultaneously with the finished goods.

By the exit of the inventories from administration, there has been used the method of "Weighted Average Cost" which supposes the calculation of costs of each element based on weighted average costs of similar elements from within inventory at the beginning of the period and costs of similar elements manufactured or purchased during the period. The average cost is calculated at the exit of inventories.

### **Receivables and debts**

The record keeping of customers and providers, of other receivables and bonds is organized by categories, as well as by each legal entity or natural persons.

The commercial receivables are recorded by their nominal value.

The debts registered within the accountancy are current debts and are recorded by their nominal value.

### **The IT system**

From the IT point of view, the accounting system is registered within the IT System SAP.

### **Availabilities and availability equivalents**

To prepare the cash flow statements, the availabilities and availability equivalents include: cash at cash-desks, bank cash available any time, financial instruments in cash, without overdraft.

The treasury and treasury equivalents include liquidity assets and other equivalent values that include cash at cash-desks, current bank accounts and visible short-term bank deposits, with a three months maturity.

### **Revenues and expenses**

The revenues have been evaluated and registered at the just value of the received means of payment. The company has not performed transactions that might provide commercial decrease.

There have been registered as revenues only transactions that have generated benefits to the company. Because the delivered products have different manufacture cycles for more than a month, the related expenses have been registered for the whole period related to the manufacture cycle and recognized simultaneously with the delivery of the products, and the registration of the revenues respectively.

The revenues are registered based on the “issued invoices” subsequently to the delivery of the products according to the “delivery notes”. In special situations, if the client requires the deposit of the products within the plant and their delivery at a later reciprocally convenient date, a “minutes of custody” is being prepared, in which the customer recognizes that the property rights have been transferred to him.

The revenue registered in advance represent the consideration of transactions evaluated by the just value of the means of payment provided in the agreement, but for which the property rights have not been transferred through the transfer of goods in customer’s property.

The record keeping of revenues and expenses is organized by types and nature of revenues and expenses.

The record keeping of expenses by destination is organized in administration accountancy.

### **Exchange rate differences**

The differences in exchange rate are registered in the profit and loss account and are considered revenues and expenses of the period. Exchange rate differences are calculated according to BNR rate for debts, receivables and liquidity, and by the rate recorded in Customs Declarations for goods.

In 2023 on 30th of June the following differences of exchange rates have been registered:

at revenues (account 765)	348,198
at expenses (account 665)	315,473

### **Profit tax**

The tax is calculated according to the Romanian Law and is based on the results retained in financial statements by the Company, prepared in compliance with the Order of the Ministry Public Finances 2844/2016 (IFRS) and after the corresponding deductions.

The current profit tax is calculated as a percentage applied to the obtained profit, according to Romanian Law, adjusted for some positions in compliance with fiscal legislation, at a 16% rate for Q2 2023. The loss registered in previous years may be covered in following periods.

### **Value Added Tax**

The Value Added Tax (VAT) related to the sales must be paid to fiscal authorities to the 25th of the next month, based on a declaration on VAT, regardless the collection of receivables from the clients. When the VAT related to the purchase is larger than the VAT related to sales, the difference shall be retrieved, on a request basis, from fiscal authorities and is object to a prior verification executed by these authorities. The VAT related to sales and purchase transactions unfinished by the date of balance , must be recognized on gross basis and presented separately as current asset or current liability. In case of depreciation adjustments for irrecoverable receivables, they are registered as related expenses, including VAT. The VAT collected is maintained in accountancy until the elimination of receivable for fiscal reasons.

### **Foreign currency transactions**

The transactions expressed in foreign currency are registered in accountancy at the exchange rate on the date of transaction. The cash assets and liabilities expressed in foreign currency shall be converted in lei by the exchange rate from the date of accounting balance. The exchange rate on 30th of June 2023 has been of 4.9634 for 1 EUR and 4.5750 for 1 USD.

All the resulted differences on the discount and conversion of the sums in foreign currency are recognized within the profit and loss account for the year in which they have been executed. The loss realized and non-realized are registered as expenses, including those related to loans, and the profits from currency exchange or cash deposits are included in the profit and loss account for that year

### Subsequent events

There has not been registered any subsequent event.

## 7. SHARES AND BONDS

Nr. crt		U.M.	30.06.2023	30.06.2022
1.	Share capital subscribed	lei	36.944.248	36.944.248
	The effects of inflation on share capital	lei	-	-
2.	Issued shares (by types)			
	number		369.442.475	369.442.475
	total value	lei		
3.	Redeemable shares	number		
	the closest date or the deadline for ransom			
	mandatory or non-mandatory nature of ransom		-	-
	the value of an eventual ransom premium	lei	-	-

## 8. INFORMATION ON EMPLOYEES, ADMINISTRATORS AND MANAGERS

Nr. crt.		U.M.	30.06.2023	30.06.2022
1.	Employees			
	1. Average number related to the period	no	455	459
	2. paid or payable salaries related to the period	ron	25.504.274	24.804.091
	3. expenses on social security	ron	1.141.907	1.126.764

The company has not granted loans to managers and administrators in H1 2023.

According to the provisions of Law no. 165/2018, the employees receive the legal amount of meal tickets.

## 9. INFORMATIVE DATA

a) Data presenting the company:

- legal form of the company: joint-stock company
- address of headquarters: Bd. IULIU MANIU no. 244, sector 6, BUCHAREST

-	registered capital:	36.944.248	RON
-	amount of shares:	369.442.475	

**b) Shareholder structure:**

VIEHMANN RADU (25,92 %), CIORAPCIU DANA MARIA (15,16%),  
 CIORAPCIU SORIN TUDOR (9,57%), ANGHEL CLAUDIA ( 6,98 %),  
 OTHER SHAREHOLDERS (42,37%).

<b>c) Net turnover, total</b>	<b>59.634.557</b>	<b>RON</b>
- Of which export	<b>9.552.112</b>	<b>RON</b>

The structure of turnover on main manufactures is the following:

	<b>RON</b>	<b>euro</b>	<b>usd</b>
Motor Turmo IV C RK + PSD + RPC	21.397.081	4.337.100	4.688.538
Main rotor hub RK + PSD	8.838.764	1.791.581	1.936.754
RK + PSD main gearbox	7.695.629	1.559.872	1.686.270
RK + PSD rear transmission	1.706.737	345.949	373.981
Intermediate gearbox RK + PSD	950.058	192.573	208.177
Current engine repairs, parts, aviation parts and spare parts	68.352	13.855	14.977
Current engine repairs, technical assistance, PSD engine T 56	67.240	13.629	14.734
Repairs, engine transformation Viper	2.890.211	585.834	633.304
Transmission shaft repairs	929.727	188.452	203.722
RK fan bearing repairs	613.622	124.379	134.457
Sweep damper repairs	97.912	19.846	21.454
Aggregate repairs	56.349	11.422	12.347
<b>TOTAL IAR + MApN</b>	<b>45.311.683</b>	<b>9.184.490</b>	<b>9.928.716</b>
Aeroteh parts repairs + others	3.580.518	725.756	784.565
Unison parts and parts	291.917	59.170	63.965
Export aviation	6.083.312	1.233.062	1.332.978
Industrial components	3.468.800	703.111	760.085
Others	898.327	182.087	196.842
<b>TOTAL SALES</b>	<b>59.634.557</b>	<b>12.087.678</b>	<b>13.067.151</b>
On geographical zones, the turnover is distributed as follows:			
EUROPE	9.430.287	1.911.480	2.066.369
USA	96.938	19.649	21.241
ASIA	24.887	5.044	5.453
<b>TOTAL EXPORT</b>	<b>9.552.112</b>	<b>1.936.174</b>	<b>2.093.063</b>
<b>ROMANIA</b>	<b>50.082.445</b>	<b>10.151.504</b>	<b>10.974.088</b>
<b>NET TURNOVER</b>	<b>59.634.557</b>	<b>12.087.678</b>	<b>13.067.151</b>

For the currency equivalent, the value of 4.9335 RON was taken into account for 1 euro and 4.5637 RON for one usd (average values displayed by BNR).

The net result Q2 2023: **6,143,788 ron**

**GENERAL MANAGER  
RADU VIEHMANN**

**ECONOMIC – COMMERCIAL MANAGER  
CLAUDIA ANGHEL**

## ADMINISTRATOR'S STATEMENT

I, Radu Viehmann, Engineer, Chairman and General Manager, herewith undertakes the responsibility for the drafting of the accounting reports at 30 June 2023.

We hereby declare, that all accounting policies used by Turbomecanica S.A. in drafting the accounting reports at 30 June 2023 are in compliance with the Accounting Regulations, for companies whose securities are admitted for trading on a regulated market, with OMFP no. 2844/2016 for the approval of the International Standards for Financial Reporting, and with the Accounting Law no. 82/1991 with its subsequent amendments.

We hereby confirm that in half-year of 2023 the company did not record any cases of non-compliance with laws or regulations that could significantly influence the accounting reports.

We declare that the accounting reports as at 30 June 2023 of Turbomecanica S.A. provide an accurate image of the financial position, financial performance and other information related to the work carried out between 01.01.2023 - 30.06.2023.

We declare that Turbomecanica S.A. carries out its activity in terms of continuity and does not intend nor needs to liquidate or reduce its business volume as a result of:

- loss of important clients
- applying a reorganization plan
- outstanding payments
- failure to observe the rescheduling agreements
- liquidity problems, litigation as a defendant and plaintiff with shareholders, debtors, significant creditors, state bodies, claiming
- market risk sector
- other factors

We hereby declare that the Board Members are not aware of material uncertainties related to events or conditions that may cause significant doubts on the ability of the company to continue its operations.

We hereby mention the fact that the accounting reports drafted at 30 JUNE 2023 have not been audited.

**PRESIDENT OF THE BOARD OF ADMINISTRATORS  
ENG. RADU VIEHMANN**