



TURBOMECANICA

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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 RON

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No. 21 of 10.11.2023

QUARTERLY REPORT AS OF SEPTEMBER 30TH 2023

BOARD OF ADMINISTRATION OF TURBOMECANICA S.A. REPORT

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 September 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	Compliance & Safety Director
TICĂ Sorin Daniel	Production Director
VASILESCU Șerban-Ion	Technical & Conformity Director

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

2. Statement of profit and loss:

	30 SEPTEMBER 2023	30 SEPTEMBER 2022
Revenues	80.438.102	91.551.016
Other gains and loss	3.715.601	5.125.204
Change in inventories of finished goods and work in progress	12.938.753	(765.351)
Raw materials and consumables used	(39.566.793)	(35.927.598)
Employee benefits expense	(39.412.293)	(37.998.401)
Depreciation and amortisation expense	(5.639.575)	(8.226.096)
Finance cost, net	(919.687)	(1.758.921)
Other operating expenses	(7.117.984)	(8.523.704)
Gross profit/Profit before tax	4.436.124	(3.476.147)
Income tax expense/ benefit	727.226	981.292
Net profit	3.708.898	2.494.855

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 94.074.775 and operating expenses in amount of RON 88.796.063 RON. The company registered in Q3 2023 an operating profit of RON 5.278.712.

The largest share of this revenue was made through specific activities related to the production profile of the Company.

TBM recorded a turnover of 80.4 million RON in the first nine months of 2023, 3.1 RON above the objective set by the average over the last 5 years of the first three quarters, which was 77.3 million. RON, which represents exceeding the objective by 8%.

It is important to bear in mind that the turnover is 27.2 million RON, below the General Activity Budget 2023 forecasts, due to the seasonality of production and taking into account the delivery schedule.

Regarding the achievement of the indicator in 9 months 2023 compared to the one achieved in 9 months 2022, we note the decrease of 11.1 million lei in turnover, as a result of a combination of factors:

↘ decrease in maintenance activity by 15.7 million RON (-19%), of which:

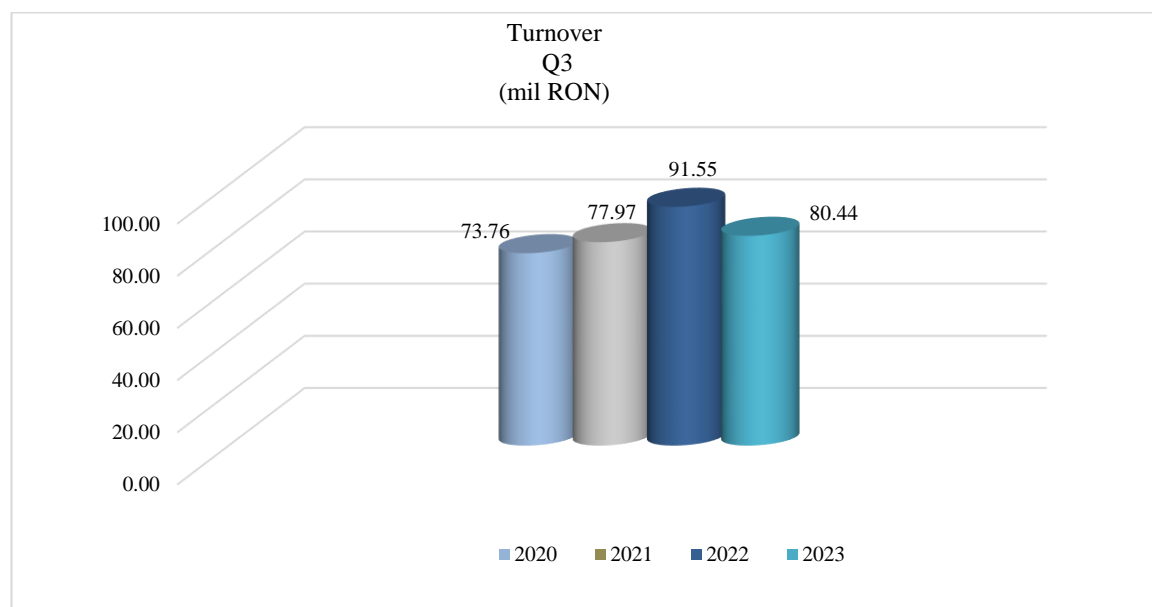
- 23.9 million RON, IAR
- + 6.3 million RON, MApN
- + 1.1 million RON, Avioane Craiova
- + 0.8 million RON, CIZ Craiova

↗ increase in manufacturing activity by 3.1 million RON (+25%), of which:

- + 2.1 million RON, Leonardo
- 3.3 million RON, Witzenmann
- + 1.2 million RON, Rolls Royce
- + 2.4 million RON, GE Hungary
- + 0.7 million RON, for other customers

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

	Q3 2020	Q3 2021	Q3 2022	Q3 2023
Turnover	73.758.262	77.974.062	91.545.691	80.435.146



It should be taken into account that the value of 80.44 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 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%.

In the first three quarters of 2023, TBM registered a net profit of 3.7 million RON, which represents a net profit margin of 4.61%, higher than the 2.7% margin recorded in the same period of 2022 at a net profit of 2.5 million RON.

$$\text{Net Profit Margin} = 3.708.898 \text{ (Net Profit)} / 80.435.146 \text{ (Turnover)} * 100 = 4,61\%$$

We note the decrease in profit compared to 6 months 2023 when a net profit of 6.1 million RON was recorded, respectively a margin of 10.3%. This situation is caused by the cumulative loss of RON 2.4 million RON, recorded for the July-September period, affected by the drop in deliveries as a result of the TBM holiday period.

We specify that General Activity Budget was built on the premises of an approximately linear evolution of profit, without taking into account the volatility of production, especially regarding the schedule of deliveries related to the maintenance of engines and mechanical assemblies.

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.

Considering the aspects presented above, as well as the influence that seasonality has on the evolution of revenues and expenses, it is necessary to continuously monitor revenues and expenses in relation to the sales plan for the year 2023, with the aim that, in case deviations occur, to be able to take the necessary measures regarding the achievement of the proposed financial indicators.

The revenues related to the cost of production in progress and the variation of stocks, had a significant increase compared to 30.09.2022, the increase comes from the variations (increase 11.2 million RON) from production in progress, release/launch of new orders (according to customer requirements).

Also, the increase/decrease comes from the production cost of semi-finished products, finished products and residual products obtained at the end of the period, as well as the differences between the predetermined price and the related production cost.

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 4th quarter 2023.

The difference from Other gains and losses is a reversal of provisions: unused vacation days from previous years, pensions - actuarial, loss of IFRS15 application margin, guarantees granted to clients, as well as from exchange rate differences and income from investment subsidies.

In the first 9 months of 2023, the company did not establish any provision.

The situation of provisions is detailed in Note 2 of the "Explanatory Notes".

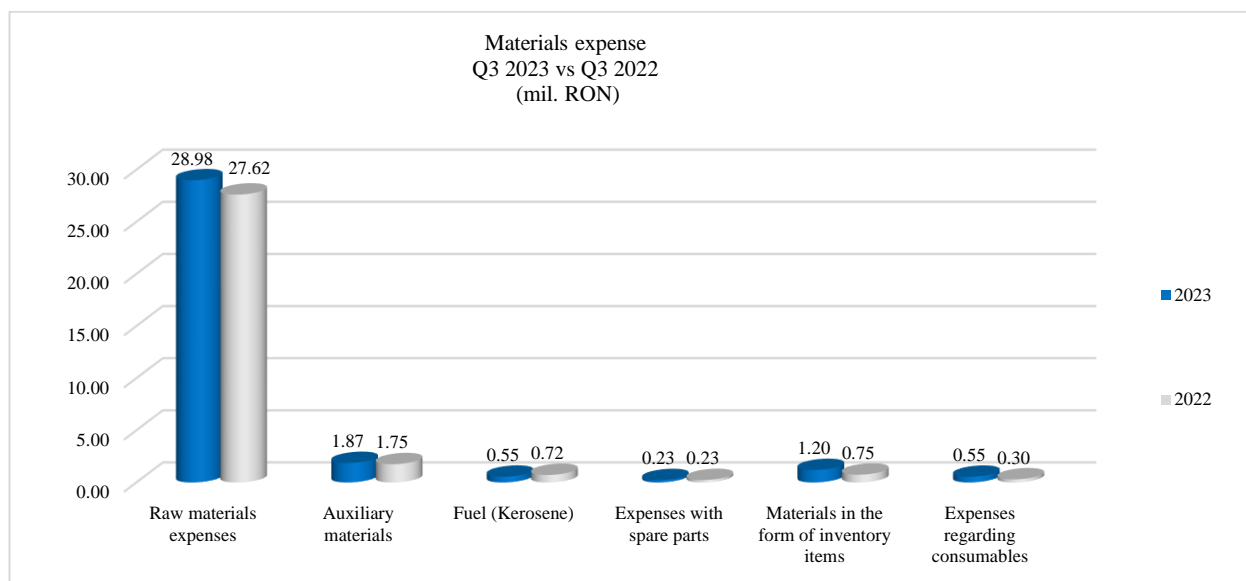
The expenses with raw materials and materials increased by 10.13% (3.6 million RON) compared to the same period last year.

Significant variations were recorded in the following expenses:

- Raw materials, positive variation 4.9%
- Regarding fuel (Kerosene) – for the engine bank sample, negative variation 23.1%
- Regarding fuel related to car park, negative variation 48.3%
- With spare parts, negative variation 3.5%
- With inventory items, positive variation of 60.29%
- With consumables, positive variation 84.1%
- Regarding purchased materials COVID 19, negative variation 100%
- Regarding energy, positive variation 30%

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.

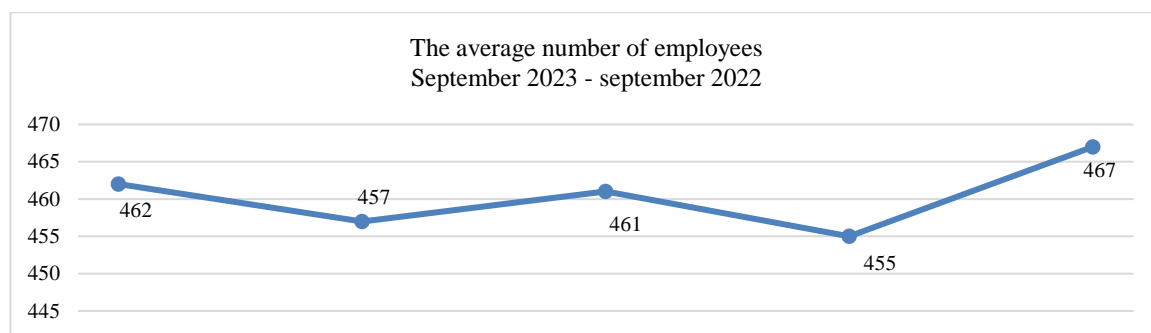


It must be taken into account that the non-realization of expenses does not represent an economy, but a redistribution of them in the structure of the year, depending on the resettlement of production and deliveries per month. We specify that Budget was built on the premises of a linear evolution of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

Salary expenses increased by approximately 3.72% compared to the same period last year (1.4 Mil RON)

No. employee environment is presented as follows:

- to 462 employess on September 2022,
- to 457 employess on December 2022
- to 461 employess on March 2023
- to 455 employees on June 2023
- to 467 employees on Septembrie 2023



The value of other operational expenses decreased by 16.49% compared to the same period.

Decrease in expenses:

- ✎ with scholarships for dual education. TBM offers attractive material benefits to students who enroll in Dual Education classes throughout their schooling. in specializations, such as: aircraft mechanic, milling machine, lathe, fine mechanics mechanic, numerically controlled machine operators, value 58.2% (449,713 RON);
- ✎ maintenance and repairs, as an effect of repairing some machines to optimize and make the production process more efficient, with 8.4%;
- ✎ personal transport to/from the workplace with 9.8%;
- ✎ compensations expenses, fines, penalties by 99.9%;

↘ protocol expenses 29.65%.

Increase expenses:

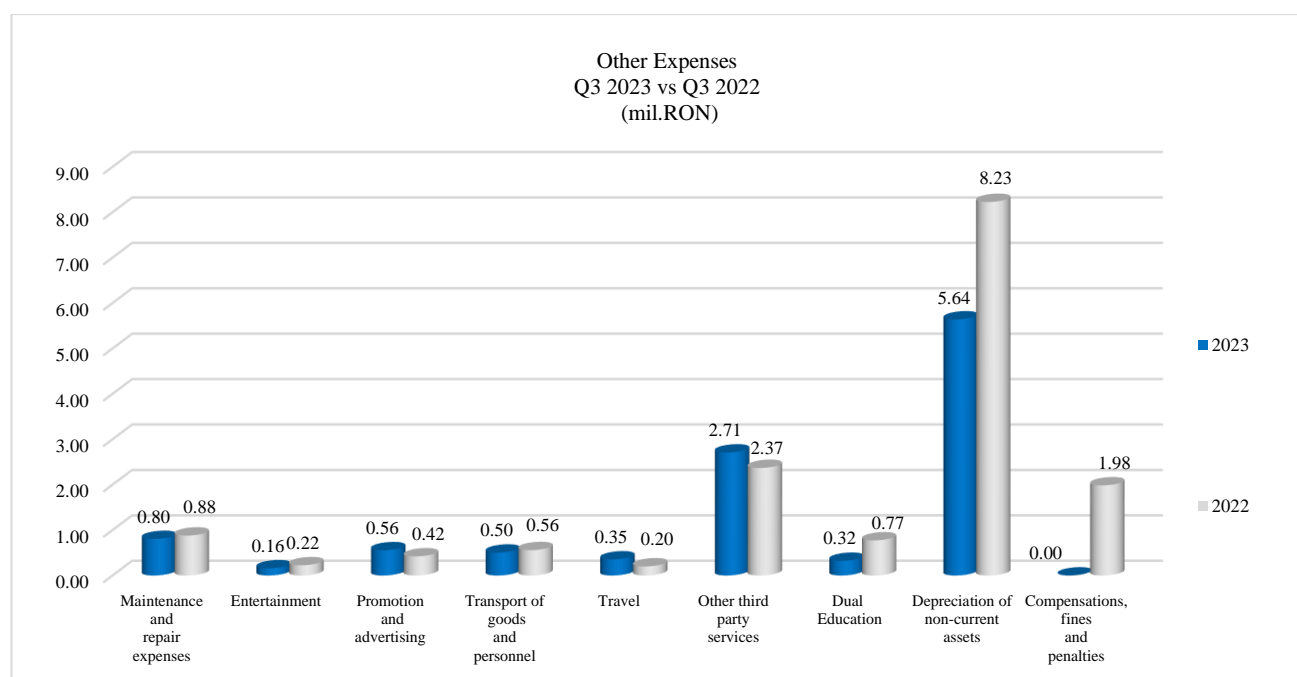
↗ other expenses executed by third parties, with 14.7% (in other expenses are recorded: expenses with satellite equipment, for Main Transmission Box repairs for internal customers: IAR Brasov, MAPN, guard expenses, services: audit, occupational medicine, water jet cutting and rectification services, casing metallization services, services: courier, personal recruitment, other services based on concluded contracts);

↗ trips in the country and abroad, worth 154,193 RON, the purpose being trips for technical assistance, engine repairs, fairs and exhibitions in the European Union, to attract new customers;

↗ advertisement and publicity, with 135,402 RON;

↗ professional staff training 20.7% (20,764 RON)

↗ insurance by 27.7%.



Net financial costs decreased by 839,234 RON, compared to the same period last year and represent the expenses with bank fees, interest.

Expenditures on depreciation of buildings, equipment, decreased with 31.0% 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:

	30 SEPTEMBER 2023	31 DECEMBER 2022
Assets		
Fixed assets		
Property, plant and equipment, net	68.951.828	61.375.822
Intangible assets, net	652.662	435.158

Other assets	6.000	6.000
Total fixed assets	69.610.491	61.816.980
Current assets		
Inventory	95.902.943	55.658.919
Trade receivables	(22.615.385)	28.706.415
Other current receivables	8.614.355	5.098.036
Contract assets	0	12.219.893
Financial Investments	0	5.880.000
Cash and bank balances	32.087.768	12.043.696
Total current assets	113.989.681	119.606.959
Total assets	183.600.171	181.423.939
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	36.944.248	36.944.248
Reserves	67.999.374	68.451.765
Retained earnings	13.615.965	17.954.675
Own shares	(599.408)	(599.408)
Total shareholder equity	117.960.179	122.751.280
Long term liabilities		
Leases	5.656.123	1.857.927
Deferred tax liabilities	2.050.962	2.050.962
Provisions LT	731.338	813.667
Provisions Other financial liabilities	4.076.224	4.627.544
Total liabilities TL	12.514.647	9.350.100
Current liabilities		
Trade and other liabilities	17.117.850	6.743.521
Borrowings & Leases	21.709.581	27.117.137
Current income tax	(443.432)	2.219.617
Provisions	1.315.040	4.295.456
Other current liabilities	13.426.307	8.946.828
Total current liabilities	53.125.345	49.322.559
Total liabilities	65.639.993	58.672.659
Total shareholder equity and liabilities	183.600.171	181.423.939

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 Q3 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 Q3 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. (value 36,17 mil RON)

The value of other receivables increased by 3.5 million RON, the most significant values come from the granting of advances for the purchase of tangible assets (2.8 million RON) - details regarding the advances granted are mentioned in Note 1 "Fixed Assets" in the Explanatory Notes - and from VAT to be recovered, 2.4 million RON.

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

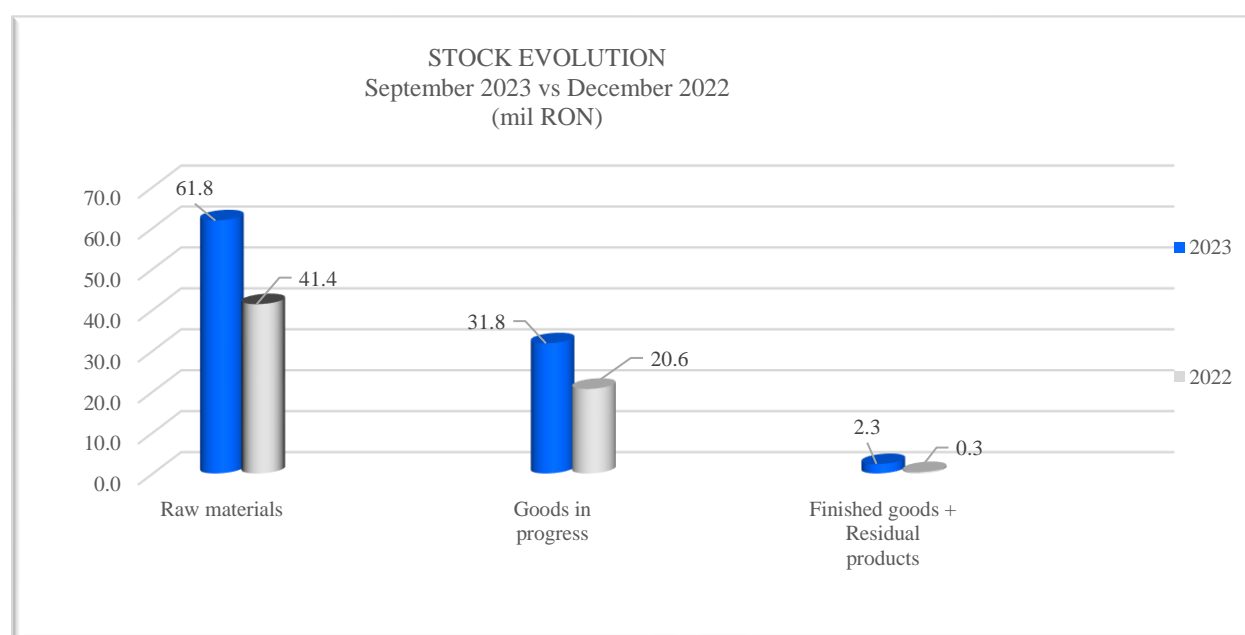
The impact of IFRS15 on contractual receivables for the year 2023 will be determined at H2 2023.

In Q2, 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 Q3, the company did not purchase any other state securities.

The value of stocks increased by 40.2 million RON, without IFRS15 impact (Stocks on 31.12.2022: no decrease according to IFRS 15: 65,205,672 RON - IFRS 15 impact: 9,546,753) The company respected its supply policy through the purchase 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 generate delays in the production process.

The impact of this increase is largely due to the raw materials and materials purchased (20.4 million RON) and for part of the material requirement for the year 2024, a decision of TBM to counter price fluctuations. A significant increase is represented by the production in progress, (11.2 million RON) orders launched for products with a long manufacturing cycle.

In the chart below, the variations of the Q3 2023 stocks are mentioned, compared to December 2022.



Cash availability increased by 20.0 million RON compared to the end of 2022, the increase comes from the establishment in the first 9 months of the year of bank deposits with maturity between 3 - 6 months, in the amount of 20.0 million RON.

As previously mentioned, the state bonds were no longer extended, resulting in a decrease of 5.8 million RON. The difference from cash and cash equivalents is represented by the available lei/currency in bank accounts.

The short-term loans granted in the form of a credit limit were used in a higher proportion compared to 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.

To other financial liabilities are highlighted, Leaseback contracts for:

- a) OERLIKON thermal spraying system with a value of 3,445,640 RON,
- b) GLEASON PFAUTER mortising equipment with a value of 1,181,904 RON and
- c) Denture rectification equipment - GLEASON, advance in the amount of - RON 551,320.

The company paid advances for these assets. According to the contractual terms, these assets will be received in the following period.

Trade debts and other debts - increased compared to the end of the year by 10.4 million RON, these represent debts to suppliers. The increase is impacted by purchases of raw materials and materials (see also the increase in stocks on this element), services, leasing, from:

- a) material internal suppliers (9.5 million RON);
- b) external suppliers – intra-community/extra-community, materials and services (1.7 million RON);
- c) suppliers of fixed assets – (4.1 million RON) related to leasing, from fz. Gleason, Oerlikon, RO-Mega.

The company respected all 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 4.4 million RON compared to the end of last year and all debts to the State Budget are highlighted (salary contributions, non-resident tax, taxes and customs commissions, etc.).

The value of 13.4 million RON also includes the value of 8.5 million RON, which represents dividends to be distributed in the Q4 of 2023.

TBM has no unpaid fiscal debt to the state authorities.

Current profit tax - considering that in Q3 the net profit decreased compared to the profit in Q2, the cumulative calculation of the tax determined a lower tax payment for the 9-month fiscal period, compared to the 6-month fiscal period.

The short-term provisions decreased by 2.9 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 117,960,179 RON, compared to 122,751,280 RON, which was at the end of 2022, a decrease of 4,791,101 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 TURBOMECHANICA 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 SEPTEMBER 2023 are **Unaudited** financial.

PRESIDENT OF THE BOARD OF DIRECTORS
Eng. RADU VIEHMANN

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

No.	Economic indicators	Formula	30 SEPTEMBER 2023	30 SEPTEMBER 2022
1	Current liquidity ratio	current assets / current liabilities	2,15	2,15
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital)*100	8,25	6,37
3	Receivable turnover ratio	(Accounts Receivable / Turnover) * 270 days	10,22	52,28
4	Fixed assets turnover ratio	Turnover / Fixed assets	1,16	1,42

- The value of the current liquidity indicator is above one (2.15) (the optimal value is 2) it has remained at the same level as the previous period 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 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 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.
- 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";
- Fixed assets turnover ratio **is a measure of the efficiency of the use of assets. The total asset turnover is measured as the ratio between the net turnover and the fixed assets of the company and means how many times the assets are transformed into sales during a period. The value of the indicator is within normal limits**

GENERAL MANAGER,
Eng. RADU VIEHMANN

ECONOMIC- COMMERCIAL MANAGER,
CLAUDIA ANGHEL

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

	30 SEPTEMBER 2023	31 DECEMBER 2022
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Fixed assets		
Property, plant and equipment, net	68.951.828	61.375.822
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Shareholder equity and liabilities		
Shareholder equity		
Issued Capital	36.944.248	36.944.248
Reserves	67.999.374	68.451.765
Retained earnings	13.615.965	17.954.675
Own shares	(599.408)	(599.408)
Total shareholder equity	117.960.179	122.751.280
Long term liabilities		
Borrowings. Leases	5.656.123	1.857.927
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Total liabilities TL	12.514.647	9.350.100
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**GENERAL MANAGER,
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

**STATEMENT OF PROFIT AND LOSS
AT 30 SEPTEMBER 2023**

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**GENERAL MANAGER,
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

STATEMENT ON CHANGES IN OWN CAPITAL
30 SEPTEMBER 2023

Elements of equity capital		Balance on 1st of January 2023	Growth		Decrease		Balance on 30th of September 2023
			Total, of which	through h transf er	total, of which	through h transfe r	
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			452.391		48.990.840
Legal reserves		7.388.850					7.388.850
Statutory or contractual capital reserves							
Reserves representing revaluation reserves surplus		5.503.745	452.391		199.070		5.727.066
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	Balan ce C	1.454.679			687.545		767.134
	Balan ce D						
Reatined earnings due to the adoption of IAS 29 for the first time	Balan ce C						
	Balan ce D	101.798					101.798
Elements of equity capital		Balance on 1st of January 2023	Growth		Decrease		Balance on 30th of September 2023
			Total, of which	through h transf er	Total, of which	through h transfe r	
Retained earnings due to the correction of accounting errors	Balan ce C						
	Balan ce D	886.616			886.616		0
Retained earnings - actuarial employee benefits		463.209					463.209

Retained earnings resulting from the adoption of Accounting Regulations according to the Fourth Directive of European Economic Community	Balan ce C	258.730					258.730
	Balan ce D						
Retained earnings	Balan ce C		12.189.14 4		8.500.000		3.689.144
Profit or loss for the period	Balan ce C	12.189.14 4	102.452.6 21		109.363.0 53		5.278.712
	Balan ce D		3.176.744		1.606.930		1.569.814
Profit appropriation							
TOTAL OWN CAPITAL		122.751.2 80	111.917.4 12	0	116.708.5 14	0	117.960.17 9

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 September 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 452,391 lei, representing the values related to the outflows of scrapped fixed assets.

The net result for Quarter III 2023 is 3,708,898 RON.

The equity decreased compared to 31.12.2022, with the value of 4,791,101 RON.

CASH FLOW STATEMENT
30 SEPTEMBER 2023

EXPLANATIONS		NO. ln.	Executed 30/09/2023	Executed 30/09/2022
+	Turnover	01	80.435.146	91.545.691
+	Changes in inventories	02	12.941.709	(760.026)
+	Other operating revenues and provisions	03	697.920	427.144
=	Total operating income	04	94.074.775	91.212.808
+	Raw materials and consumables	05	35.613.991	32.285.259
+	Energy, fuels, etc.	06	3.952.802	3.642.340
+	Employee benefits	07	39.412.293	37.998.401
+	Expenses related to external labour conscriptions	08	5.602.521	5.079.843
+	Expenses with other taxes, fees and similar payments	09	671.060	727.933
+	Depreciation of non-current assets and provisions	10	2.576.829	3.880.030
+	Other operating expenses	11	966.568	2.412.277
=	Total operating expenses	12	88.796.063	86.026.083
	Operating results (+/-)	13	5.278.712	5.186.726
+	Financial revenues	14	1.606.930	788.050
-	Financial expenses	15	2.449.518	2.498.629
=	Financial result (+/-)	16	(842.588)	(1.710.579)
	Gross result (+/-)	17	4.436.124	3.476.147
	Deferred tax	18	727.226	981.292
	Net result (+/-)	19	3.708.898	2.494.855
	CASH FLOW	20	Executed 30/09/2023	Executed 30/09/2022
+	Profit or loss (+/-)\	21	3.708.898	2.494.855
+	Damping included in cost	22	5.639.575	8.178.195
-	Stock variation (+/-)	23	39.649.009	7.384.822
-	Receivables variation (+/-)	24	(23.002.607)	(16.361.401)
+	Variation of providers and creditors (+/-)	25	(15.688.489)	(17.002.248)
-	Variation of other assets	26	(7.822.401)	3.013.232
+	Variation of other liabilities	27	35.468.153	(4.295.460)
=	Net cash generated by operating activities (A)	28	20.304.136	(4.661.312)
+	Income from selling assets and fixed assets	29		
-	Purchase of tangible assets	30	5.669.486	3.967.563
-	Expenses for Tangible and intangible fixed assets executed under own direction	31	2.956	5.325
=	Net cash generated by investment activities (B)	32	(5.672.442)	(3.972.888)

+	Loans variation (+/-)	33	(4.872.123)	866.492
=	Net cash used in financing activities (C)	34	(4.857.233)	12.029.557
	Cash and cash equivalents at the beginning of the period	35	22.314.306	18.918.949
	Net cash flow	36	9.774.462	3.395.357
	Cash and cash equivalents at the end of the period	37	32.088.768	22.314.306

GENERAL MANAGER
RADU VIEHMANN

ECONOMIC - COMMERCIAL MANAGER
CLAUDIA ANGHEL

EXPLANATORY NOTES
30 SEPTEMBER 2023

1. FIXED ASSETS STATEMENT

Gross values						
Asset elements	No .	Balance on 1 st January 2023	Accrual	Degression		Balance on 30th of September 2023 (col 5=1+2-3)
				total	of which: dismantling and rescission	
A	B	1	2	3	4	5
Intangible assets						
Development expenses	01					
Other non-current assets	02	22.521.969	2.057.432	1.253.129	X	23.326.272
Advances granted for fixed assets	03	1.530.064		550.878		979.186
Intangible assets in progress	04	0	804.304	804.304		0
TOTAL (ln. 01 to 03)	05	24.052.033	2.861.736	2.608.311	X	24.305.458
Tangible assets						
Lands	06	16.642.911	0	0		16.642.911
Buildings	07	13.739.711	29.188	0		13.768.899
Technical equipment and machinery	08	50.752.564	12.686.720	3.889.585	139.783	59.549.698
Other equipment, installations and furniture	09	623.882	19.923			643.804
Intangible assets in progress	10	2.667.700	4.050.757	4.033.736	0	2.684.721
Advances granted for fixed assets	11	1.821.138	0	13.538		1.807.600
TOTAL	13	86.247.906	16.786.586	7.936.859	139.783	95.097.633
Right-of-use asset	14					
Financial assets	15	463.083	4.222	2.222	0	465.083
FIXED ASSETS-TOTAL	16	110.763.022	19.652.544	10.547.392	139.783	119.868.174

1.1 FIXED ASSETS AMORTIZATION STATEMENT

Asset elements	No .	Balance on 1 st January 2023	Amortization during the year	Amortization of derecognized assets	Balance on 30th of September 2023 (col.9=6+7-8)
A	B	6	7	8	9

Intangible assets					
Development expenses	17				
Other non-current assets	18	22.086.811	1.736.988	1.150.189	22.673.610
TOTAL (in. 17 to 18)	19	22.086.811	1.736.988	1.150.189	22.673.610
Tangible assets					
Lands	20				
Buildings	21	1.167.558	438.170		1.605.727
Technical equipment and machinery	22	18.009.101	4.499.527	128.315	22.380.313
Other equipment, installations and furniture	23	237.085	115.079		352.164
TOTAL (in.21 to 23)	24	19.413.743	5.052.776	128.315	24.338.205
Right-of-use asset	25	0	0	0	0
AMORTIZATIONS	–				
TOTAL (19+24+25)	26	41.500.555	6.789.764	1.278.504	47.011.815

The record of fixed assets is kept at the net value.

All fixed assets purchased are recorded in the debit account 231 "Tangible fixed assets in progress". (item Tangible fixed assets in progress). If the purchased fixed asset does not require assembly and technological tests, the Verbal Receipt Process is drawn up and registered in the category of fixed assets to which it belongs. It is subject to depreciation from the month following the month in which it was purchased. For the fixed means that require assembly and technological tests, the Verbal Reception Process is drawn up upon their completion.

The balance of the account represents the value of purchases that are in the assembly phase or technological samples and are to be received for commissioning

Depreciation is calculated starting from the month following commissioning.

The balance of the account represents the value of purchases that are in the assembly phase or technological samples and are to be received for commissioning.

In the Other Fixed Assets position, there were improvements to the SAP IT system.

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

- ➔ Measuring and control devices and installations:
 - Recorder TVMUGR HONEYWELL
 - IPLEX industrial videoscope
 - Rugometer M400
 - Internal micrometers
 - Access card printer
 - Precision scale
- ➔ Machinery and work equipment:
 - OKK VC-X350 machining center
 - Grinding machine KELLENBERGER K100
 - Engine Oil Pump Test Stand CFM56
 - Modernization of the ecrusation installation
 - KENOVA tool presetter
 - Industrial water demineralization station
 - Mordanting line

2. PROVISIONS FOR RISKS AND EXPENSES

Title of the provision	Balance on 1 st January 2023	Growth	Decrease	Balance on 30th of September 2023
0	1	2	3	4=1+2-3
Adjustment for customer receivables impairment	312.031		142.689	169.342
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			0
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		151.515	790.411
Other provisions	3.151.093		2.911.230	239.863
TOTAL	24.038.906	0	3.398.419	20.640.486

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 151.515 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 value of the holidays not performed from the previous years - 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 414,219 RON.
- ➔ for margin loss from IFRS15 application - the value of 797,011 RON was reversed, representing a loss from the application of IFRS15
- ➔ the performance bonuses - 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 142,689 RON.

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

In the first 9 months of the year, provisions in the amount of 3,398,419 RON were remitted, these are considered non-taxable income for profit tax calculation

In Q1 – Q3 2023, the company did not set up any provision.

3. TAX 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	3,265,466
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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	3,398,419
Non-deductible expenses	8,575,612
Deductions (tax amortization)	3,729,395
Elements similar to income (revaluation account 105 surplus)	338,503

Items similar to income consist of the reserve representing the revaluation surplus taxed at the exit of the asset

TAX PROFIT:	5,051,767
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The non-taxable income in the amount of Lei 3,398,419 represents the value of the provisions reversed in Q1 – Q3 (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 65.76%, in a total amount of 8,575,612 RON, represent expenses with amortization, while the rest in percentage of 34.24% represents:

- car park related expenses, (fuel, spare parts, service)
- protocol expenses,
- social expenses,
- technological losses that exceed the own consumption norm necessary for the manufacture of a product,
- advertisement and publicity expenses,
- profit tax expense.

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
		30.09.2023	30.09.2022
1.	Net turnover	80.435.146	91.545.691
2.	The costs of goods and services provided	49.416.547	58.318.369
3.	Expenses of the basic activities	25.133.227	32.344.866
4.	Expenses of auxiliary activity	4.294.928	4.451.877
5.	Indirect manufacture expenses	19.988.392	21.521.626
6.	Gross result related to net turnover (1-2)	31.018.599	33.227.322
7.	Retail expenses	2.961.786	1.221.583
8.	General administration expenses	23.476.021	27.251.482
9.	Other exploitation expenses	697.920	432.469
10.	Exploitation results (6-7-8+9)	5.278.712	5.186.726

5. STATEMENT OF RECEIVABLES AND DEBTS

Receivables	Balance on 30th of September 2023	Liquidity term	
	(col.2+3)	under 1 year	over 1 year
0	1	2	3
Total, of which:	19.430.853	19.430.853	
Suppliers debtorss-debtors	0		
Customers	14.896.619	14.896.619	
Personnel and social security receivables	577.649	577.649	
VAT under settlement	218.001	218.001	
Other receivables regarding state and public institutions receivables	2.869.300	2.869.300	
Debtors	869.284	869.284	
Provision for customer receivables impairment	169.342	169.342	

Debts	Balance on 30th of September 2023	Chargeability term		
	(col.2+3+4)	under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total, of which:	101.662.443	89.879.133	9.732.347	2.050.962
Short term bank loans	16.419.813	16.419.813		
Long term loans	15.022.115	5.289.768	9.732.347	
Suppliers	17.117.851	17.117.851		
Creditors	37.512.004	37.512.004		

Expenses regarding with personnel and social security	3.943.205	3.943.205		
Tax for non-residents	0	0		
VAT to pay	0	0		
Other debts regarding state and public institutions	25.428	25.428		
Other debts	2.050.962			2.050.962
Dividends	9.259.054	9.259.054		
Other creditors	312.011	312.011		

Bank loans	Balance on 30th of September 2023
BRD – GSG	7.494.706
Bank Transilvania	8.925.107
Short term loans from Shareholders	4.880.000
Short term loans	21.299.813
Total	21.299.813

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 indebtness 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 N0. 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 September the following differences of exchange rates have been registered: (RON)

at revenues (account 765)	629.849
at expenses (account 665)	590.791

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 year 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 September 2023 has been of 4.9746 for 1 EUR and 4.6864 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.	30.09.2023	30.09.2022
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.	30.09.2023	30.09.2022
1.	Employees			
	1. Average number related to the period	no	467	447
	2. paid or payable salaries related to the period	ron	37.721.575	36.345.347
	3. expenses on social security	ron	1.690.718	1.653.054

The company has not granted loans to managers and administrators in this reporting period.

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

The variation in the number of personnel as well as personnel expenses were explained in the Financial Result Statement

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%).

c

) **Net turnover, total** **80.435.146 RON**
 - Of which export 14.098.455 RON

The structure of turnover on main manufactures is the following:

	RON	euro	usd
Motor Turmo IV C Repairs + Overhaul	29.087.682	5.889.625	6.380.837
Main rotor hub Repairs + Overhaul	11.338.764	2.295.854	2.487.335
Repairs + Overhaul main gearbox	8.536.254	1.728.407	1.872.561
Repairs + Overhaul rear transmission	2.931.737	593.613	643.122
Intermediate gearbox Repairs + Overhaul	1.300.058	263.234	285.188
Current engine repairs, parts, aviation parts and spare parts	68.728	13.916	15.077
Current engine repairs, technical assistance, PSD engine T 56	67.240	13.615	14.750
Repairs, engine transformation Viper	2.890.211	585.205	634.013
Transmission shaft repairs	1.407.630	285.015	308.786
RK fan bearing repairs	613.622	124.245	134.608
Sweep damper repairs	97.912	19.825	21.478
Aggregate repairs	56.349	11.410	12.361
TOTAL IAR + MApN	58.396.186	11.823.962	12.810.114
Aeroteh parts repairs + others	4.498.251	910.798	986.762
Unison parts and parts	363.003	73.500	79.630

Export aviation	8.895.370	1.801.120	1.951.338
Industrial components	5.203.085	1.053.512	1.141.378
Others	3.079.251	623.482	675.482
TOTAL SALES	80.435.146	16.286.374	17.644.704
On geographical zones, the turnover is distributed as follows:			
EUROPE	13.961.041	2.826.808	3.062.572
USA	103.211	20.898	22.641
ASIA	34.203	6.925	7.503
TOTAL EXPORT	14.098.455	2.854.632	3.092.716
ROMANIA	66.336.691	13.431.743	14.551.988
NET TURNOVER	80.435.146	16.286.374	17.644.704

For the currency equivalent, the value of 4.9388 RON was taken into account for 1 euro and 4.5586 RON for one usd (average values displayed by BNR).

The net result Q1 – Q3 2023: 3,708,898 RON

GENERAL MANAGER
RADU VIEHMANN

ECONOMIC – COMMERCIAL MANAGER
CLAUDIA ANGHEL

Statement of the President of the Board and General Manager

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

We hereby declare, that all accounting policies used by Turbomecanica S.A. in drafting the accounting reports at 30 September 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 Q1 – Q3 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 September 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 - 30.09.2023.

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 September 2023 have not been audited.

President of the board and General Manager
Eng. RADU VIEHMANN