



Report for first Quarter 2024 – Aquila Part Prod Com SA

Content of the report:

A) Financial Indicators

B) Condensed Interim Consolidated Financial Statements as at and for the three months period ended 31 March 2024

A) Financial Indicators:

		Mar-24
	Total current assets	757,599,950
	Total current liabilities	356,014,840
1. Liquidity Indicator	Total assets / Total current liabilities	2.13
	Total non-current liabilities	154,224,506
	Total equity	552,525,203
2. Gearing Ratio	Total non-current liabilities / Total equity x 100	28%
2. Gearing Ratio	Total non-current liabilities / Capital employed x 100	22%
	Trade receivables	283,295,429
	Revenues	623,829,014
3. Receivables days	Trade receivables / Revenues x days in the period (90)	41
	Total non-current assets	305,164,599
	Revenues	623,829,014
4. Asset Turnover	Revenues / Total non-current assets	2.04

B) Condensed Interim Consolidated Financial Statements as at and for the three months period ended 31 March 2024:

AQUILA GROUP

Condensed Interim Consolidated Financial Statements

As at and for the three months period ended 31 March 2024

AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	31-Mar-24	31-Dec-23
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	260,149,229	238,647,508
Investment property		13,669,597	13,804,884
Intangible assets		743,756	832,125
Goodwill	22	7,547,383	5,011,706
Loans to related parties	14	17,625,507	17,155,649
Deferred tax assets		4,851,671	5,655,698
Other non-current assets		577,457	542,696
Total non-current assets		305,164,600	281,650,266
Current assets			
Inventories	10	242,777,199	170,979,496
Trade receivables	11	283,295,429	286,415,011
Short term portion of loans to related parties	14	1,639,383	2,934,588
Other receivables		3,036,759	9,323,661
Prepayments		35,605,054	46,492,274
Short term deposits		176,800,000	185,000,000
Cash and cash equivalents	12	14,446,126	20,366,734
Total current assets		757,599,950	721,511,764
Total assets		1,062,764,550	1,003,162,030
EQUITY AND LIABILITIES			
Equity			
Share capital	15	180,590,088	180,590,088
Share premium		195,699,121	195,699,121
Own shares		(991,972)	(991,972)
Legal reserves		14,782,375	14,782,375
Translation reserve		1,014,447	657,836
Retained earnings		160,999,202	141,360,955
Total equity attributable to the owners of the Group		552,093,261	532,098,403
Non-controlling interests		431,943	437,486
Total equity		552,525,204	532,535,889

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	31-Mar-24	31-Dec-23
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	19	151,808,719	148,817,148
Trade payables	16	-	17,063
Contract liability		565,376	585,094
Deferred tax liabilities		1,850,411	1,497,471
Total non-current liabilities		154,224,506	150,916,776
Current liabilities			
Short-term bank borrowings	18	20,548,919	9,883,898
Lease liabilities	19	35,475,610	32,927,398
Trade payables	16	253,925,794	229,509,059
Employee benefits		31,667,235	30,310,697
Current tax liabilities		9,838,851	4,076,828
Contract liabilities		48,869	52,838
Other payables	17	4,509,561	12,948,647
Total current liabilities		356,014,840	319,709,365
Total liabilities		510,239,346	470,626,141
Total equity and liabilities		1,062,764,550	1,003,162,030

Chief Executive Officer
Vasile Constantin Catalin

Chief Financial Officer
Bascau Sorin

This is a free translation from the original binding Romanian version. The accompanying notes are an integral part of these consolidated financial statements.

AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	Three Months period ended	
		31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Revenues	6	623,829,014	561,974,956
Other income		2,898,097	2,589,419
Cost of goods sold and raw materials	10	(465,096,408)	(407,866,034)
Cost of fuel and transport services		(18,515,523)	(18,099,672)
Salaries and other employee benefits		(68,364,377)	(63,902,571)
Repairs, maintenance, and materials cost		(6,152,176)	(5,684,920)
Depreciation and amortization	13	(13,084,862)	(12,464,158)
Expected credit losses		(1,219,363)	(4,353,219)
Other operating expenses		(27,723,706)	(24,194,671)
Operating profit		26,570,696	27,999,130
Finance income – interest income		1,977,738	4,445,042
Finance costs		(1,615,590)	(1,080,079)
Financial result	7	362,149	3,364,963
Profit before tax		26,932,845	31,364,093
Income tax expense	9	(7,300,143)	(4,802,444)
Profit for the year		19,632,701	26,561,649
Profit for the year attributable to:			
- owners of the Group		19,638,245	26,560,560
- non-controlling interests		(5,544)	1,089
Profit for the year		19,632,701	26,561,649
Earnings per share			
Basic and diluted earnings per share	8	0.016	0.022

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	Three Months period ended	
		31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign operations - foreign currency translation difference		356,611	300,087
Other comprehensive income, net of tax		356,611	300,087
Total comprehensive income		19,989,312	26,861,736
Total comprehensive income attributable to:			
- owners of the Group		19,994,855	26,860,647
- non-controlling interests		(5,544)	1,089
Total comprehensive income		19,989,312	26,861,736

**Chief Executive
Officer**
Vasile Constantin Catalin

**Chief Financial
Officer**
Bascau Sorin

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings			
Balance at 1 January 2024 (audited)	180,590,088	195,699,121	(991,972)	14,782,375	657,836	141,360,955	532,098,403	437,486	532,535,889
<i>Comprehensive income</i>									
Profit for the period						19,638,245	19,638,245	(5,544)	19,632,701
Other comprehensive income									
Foreign operations - foreign currency translation difference					356,611		356,611		356,611
Total other comprehensive income					356,611	-	356,611	-	356,611
Total comprehensive income					356,611	19,638,245	19,994,856	(5,544)	19,989,312
Transactions with owners of the Company									
<i>Contributions and distributions</i>									
Dividends	-	-	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
<i>Other changes in equity</i>									
Balance at 31 March 2024 (unaudited)	180,590,088	195,699,121	(991,972)	14,782,375	1,014,447	160,999,200	552,093,259	431,942	552,525,203

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Chief Executive Officer
Vasile Constantin Catalin

Chief Financial Officer
Bascau Sorin

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings			
Balance at 1 January 2023 (audited)	180,590,088	195,699,121	(991,972)	9,397,735	(11,315)	98,707,569	483,391,226	430,291	483,821,517
<i>Comprehensive income</i>									
Profit for the period	-	-	-	-	-	26,560,560	26,560,560	1,089	26,561,649
<i>Other comprehensive income</i>									
Foreign operations - foreign currency translation difference					300,087	-	300,087	-	300,087
Total other comprehensive income	-	-	-	-	300,087	-	300,087	-	300,087
Total comprehensive income	-	-	-	-	300,087	26,560,560	26,860,647	1,089	26,861,736
Transactions with owners of the Company									
<i>Contributions and distributions</i>									
Dividends	-	-	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
Balance at 31 March 2023 (unaudited)	180,590,088	195,699,121	(991,972)	9,397,735	288,772	125,268,129	510,251,873	431,380	510,683,253

Chief Executive Officer
Vasile Constantin Catalin

Chief Financial Officer
Bascau Sorin

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	Three months period ended	
		31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Cash flows from operating activities			
Profit after tax		19,632,701	26,561,649
Adjustments for:			
Depreciation	13	13,084,862	12,464,158
Loss/(Gain) on disposal of property, plant and equipment		(1,305,803)	1,087,717
Other gain and losses		(180,307)	-
Expected credit losses		1,219,363	4,353,219
Financial result	7	(362,149)	(3,364,963)
Income tax expense	9	7,300,143	4,802,444
Changes in:			
Decrease/(increase) in inventories		(68,357,248)	(53,233,847)
Decrease/(increase) in trade receivables		5,167,154	8,866,137
Decrease/(increase) in other receivables		6,421,556	(5,184,920)
Decrease/(increase) in prepayments		11,794,991	(2,405,776)
Increase/(decrease) in trade payables		18,910,036	14,807,129
Increase/(decrease) in other payables		(11,035,578)	(2,718,483)
Increase/(decrease) in provisions and employee benefits		1,067,456	2,361,750
Increase/(decrease) in contract liabilities		(41,245)	(25,368)
Cash generated from operating activities		3,315,933	8,370,846
Interest paid to banks		(58,163)	(874,339)
Payments of interest portion of lease liability*		(2,439,942)	(653,303)
Income tax paid		(537,612)	(146,738)
Net cash from operating activities		280,216	6,696,467

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

	Note	Three-month period ended	
		31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(2,699,299)	(4,807,921)
Proceeds from sale of property, plant and equipment		1,537,360	533,450
Proceeds from loans granted to related parties		795,392	1,023,218
Interest received		1,896,373	4,416,426
Decrease/(increase) of short-term deposits		8,200,000	(18,000,000)
Cash transferred at acquisition of subsidiary		(8,913,034)	-
Net cash used in investing activities		816,793	(16,834,826)
Cash flows from financing activities			
Repayment of long-term bank loans		-	(611,963)
Proceeds from short-term bank loans		5,187,337	12,487,045
Payments of principal portion of lease liabilities*		(12,204,954)	(9,933,084)
Dividends paid		-	(168)
Net cash used in financing activities		(7,017,616)	1,941,830
Net increase/(decrease) in cash and cash equivalents		(5,920,608)	(8,196,530)
Cash and cash equivalents at 1 January (audited)	12	20,366,734	18,863,042
Cash and cash equivalents at 31 March (unaudited)	12	14,446,126	10,666,512

* For the three-month period ended 31 March 2023 the amounts representing payments of interest portion of lease liabilities were included in the line *Payments of principal portion of lease liabilities*.

Chief Executive Officer
Vasile Constantin Catalin

Chief Financial Officer
Bascau Sorin

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AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

1 REPORTING ENTITIES AND GENERAL INFORMATION

General information about the Group

These financial statements are the consolidated financial statements of the group formed by AQUILA PART PROD COM SA (“the Company” or “Aquila” or “the Parent”) and its subsidiaries PRINTEX S.A., TRIGOR AVD S.R.L. and ROMTEC EUROPA S.R.L. (together “the Aquila Group”).

The Group’s entities headquarters and activities are the following:

Entity	Headquarters	Trade Register no/ Unique registration code	Activity
Aquila Part Prod Com SA	105A Malu Rosu Street, Ploiesti, Prahova County, Romania	J29/2790/1994 6484554	Wholesale of consumer goods, Rendering of logistic services, Internal and external transport of goods
Printex SA	5 Poligonului Street, Ploiesti, Prahova County, Romania	J29/107/1991 1348950	Rental and subleases of real estate
Trigor Avd S.R.L.	17 Otovasca Street, Chisinau, Chisinau County, Republica Moldova	1002600041675	Wholesale of consumer goods
Romtec Europa S.R.L. (*)	53 Iasi – Hlincea Road, Iasi, Iasi County, Romania	J22/2242/1994 RO6267105	Manufacture of chemical products

(*) On 26 February 2024 AQUILA PART PROD COM S.A. obtained control of Romtec Europa SRL (“Romtec”), the Impact of the acquisition being presented in Note 22.

Aquila’s subsidiaries are the following:

Entity	% shareholding as at 31 March 2024 (unaudited)	% shareholding as at 31 Dec 2023 (audited)
PRINTEX S.A.	95.75%	95.75%
TRIGOR AVD SRL	100%	100%
ROMTEC EUROPA SRL	100%	-

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

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

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

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

1 REPORTING ENTITIES AND GENERAL INFORMATION (continued)

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

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

As at 31 March 2024, the shareholders of the Company are Vasile Constantin Catalin (33.4%), Dociu Alin Adrian (25%) and a series of other shareholders. The structure of ownership is presented below.

Shareholder	Number of shares	Par value (RON)	Statutory Share capital (RON)
Vasile Constantin Catalin	400,000,800	0.15	60,000,120
Dociu Alin Adrian	300,000,600	0.15	45,000,090
Other shareholders	500,001,000	0.15	75,000,150
Total	1,200,002,400		180,000,360

2 BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Going concern basis of accounting

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

As at 31 March 2024 the Group's financial position shows net current assets of RON 401.6 million (31 December 2023: 401.8 million), mainly as a result of short term deposits of RON 177 million related to IPO. The Group continues to trade profitably and generate positive cash flows and management has assessed that the Group is able to meet its obligations as they fall due.

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

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

As at 31 March 2024 and 31 December 2023, the Group's net assets amount to RON 552.5 million and RON 532.5 million, respectively.

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(All amounts are in RON, if not otherwise stated)

3 USE OF JUDGEMENTS AND ESTIMATES

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

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

Assumptions and estimation uncertainties

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

4 CHANGE IN ACCOUNTING POLICY

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for year ended 31 December 2023.

5 STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

(i) Standards and Interpretations endorsed by the EU

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS amendments which have been adopted by the Group as follows:

a) as of 1 January 2023:

- IFRS 17 insurance contracts,
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments),
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments),
- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Group's accounting policies, except as indicated below:

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The Amendments are effective for annual periods beginning on or after January 1, 2023. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Group revisited the accounting policy information disclosures to ensure compliance with the amended standard. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes.

5 STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (continued)

(i) Standards and Interpretations endorsed by the EU

The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

b) as of 1 January 2024:

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

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

Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains.

Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

(ii) The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

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5 STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (continued)

(ii) *The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union (continued)*

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

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

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

6 REVENUE

	Three-month period ended	
	31-Mar-24	31-Mar-23
	(Unaudited)	(Unaudited)
Revenue	622,807,639	561,155,965
Rental income	1,021,375	818,991
Total revenue	623,829,014	561,974,956

Revenues in the three months period ended 31 March 2024 are higher than those in the comparable period due to increased level of sales.

Disaggregation of revenue from contracts with customers

	Three-month period ended	
	31-Mar-24	31-Mar-23
	(Unaudited)	(Unaudited)
Distribution of goods	584,750,834	523,791,293
Logistics services	21,219,598	20,756,354
Transport services	16,837,206	16,608,319
Total	622,807,639	561,155,965

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6 REVENUE (Continued)

Timing of revenue recognition

	Three-month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Products and services transferred at a point in time	601,588,041	537,742,868
Services transferred over time	21,219,598	23,413,097
Total	622,807,639	561,155,965

7 FINANCIAL RESULT

	Three-month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Interest income	1,896,373	4,416,426
Other finance income	81,365	28,616
Total finance income	1,977,738	4,445,042
Interest expense	(2,498,105)	(874,338)
Net foreign exchange losses	935,459	(104,807)
Other financial expenses	(52,943)	(100,934)
Total finance costs	(1,615,590)	(1,080,079)
Financial result	362,149	3,364,963

8 EARNINGS PER SHARE

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

Profit attributable to ordinary shareholders

	Three-month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Profit attributable to the owners of the Group	19,638,245	26,560,560
Profit attributable to ordinary shareholders	19,638,245	26,560,560

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

	Three-month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Issued ordinary shares at 1 January (Note 15 a)	1,200,002,400	1,200,002,400
Weighted-average number of ordinary shares at 31 March	1,198,922,400	1,198,922,400

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8 EARNINGS PER SHARE (continued)

	Three-month period ended	
	31-Mar-24	31-Mar-23
Earnings per share	(Unaudited)	(Unaudited)
Basic and diluted earnings per share (RON)	0.016	0.022

9 INCOME TAXES

Amounts recognised in profit or loss

	Three-month period ended	
	31-Mar-24	31-Mar-23
	(Unaudited)	(Unaudited)
Current tax expense	4,421,660	5,168,922
Current tax expense – additional*	1,976,908	-
Deferred tax expense/(income)	901,575	(366,478)
Total income tax expense	7,300,143	4,802,444

* Starting 1 January 2024, a minimum tax on turnover was introduced for taxpayers who record a turnover higher than 50,000,000 EUR during the previous year, taxpayers that, for the reporting year, compute a corporate income tax cumulated from the beginning of the fiscal year/modified fiscal year to the end of the quarter/year of calculation, lower than the tax on turnover determined based on a specific formula provided by the legislation are obliged to pay corporate income tax at the level of the minimum tax on turnover.

Therefore, starting January 1, 2024, the Group computed the additional tax payable in accordance to the above-mentioned changes, this being included in the final income tax liability/expense.

10 INVENTORIES

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Commodities	240,905,126	172,434,358
Consumables	2,868,542	1,259,293
Raw materials	1,848,098	-
Finished goods and work in progress	570,058	-
Impairment loss	(3,414,624)	(2,714,155)
Total inventories	242,777,199	170,979,496

Cost of goods sold and raw materials includes:

- cost of commodities sold, which for the three months period ended 31 March 2024 is RON 464,483,732 (three months period ended 31 March 2023: RON 407,866,034).
- cost of raw materials and consumables used in production of finished goods and the related expense, recognized in the statement of profit or loss starting 2024. For the period ended 31 March 2024 the expense is RON 612,676.

The inventories net change allowance of the current period of RON 177,868-reversal (31 March 2023: RON 389,484-expense), is included in „Other operating expenses”.

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11 TRADE RECEIVABLES

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Trade receivables from third parties, gross	320,461,579	314,412,136
Trade receivables from related parties, gross	14,925,057	14,306,990
Discounts accrued granted to customers*	(24,714,858)	(17,092,884)
Loss allowance	(27,376,347)	(25,211,231)
Total trade receivables, net	283,295,430	286,415,011

*Discounts accrued for the customers represent accruals as at year end to be granted to the clients based on the accomplishment of sales volumes and other contractual enforcements, which are estimated at period ends.

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

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

31 March 2024 (unaudited)				
	Weighted average ECL rate	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.96%	222,489,082	(2,132,010)	220,357,072
Past due 1-30 days	4.66%	53,385,136	(2,487,581)	50,897,555
Past due 31-60 days	24.75%	9,993,048	(2,472,874)	7,520,174
Past due 61-90 days	50.79%	3,236,708	(1,643,942)	1,592,765
Past due more than 90 days	86.42%	21,567,803	(18,639,939)	2,927,865
Total		310,671,777	(27,376,346)	283,295,430

31 December 2023 (audited)				
	Weighted average ECL rate	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.94%	226,593,561	(2,121,704)	224,471,857
Past due 1-30 days	4.63%	54,162,282	(2,506,973)	51,655,309
Past due 31-60 days	24.76%	8,526,108	(2,110,684)	6,415,424
Past due 61-90 days	51.69%	3,200,646	(1,654,364)	1,546,282
Past due more than 90 days	87.85%	19,143,646	(16,817,506)	2,326,140
Total		311,626,243	(25,211,231)	286,415,012

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

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Balance as at 1 January	25,211,229	15,275,500
Acquisition of subsidiary impact (Note 22)	947,613	-
Impairment recognized	1,233,330	9,899,944
Translation difference	(15,825)	35,787
Balance as at 31 Mar / 31 December	27,376,347	25,211,231

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12 CASH AND CASH EQUIVALENTS

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Bank current accounts	12,859,674	17,635,913
Promissory notes and cheques in bank	1,450,289	2,661,525
Cash in hand	136,163	69,296
Total cash and cash equivalents	14,446,126	20,366,734

13 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant, and equipment for the 3-months periods ended 31 March 2024 and 31 March 2023 were as follows:

	Land and buildings	Plant and equipment	Fixtures and fittings	Fixed assets in progress	Total
Gross carrying amount					
Balance at 1 January 2023	260,690,599	235,368,575	15,653,363	3,010,990	514,723,527
Additions	1,398,421	7,819,226	1,289,662	497,915	11,005,224
Transfer to investment property	(845,315)	-	-	-	(845,315)
Disposals	-	(1,121,034)	-	-	(1,121,034)
Balance at 31 March 2023	261,243,705	242,066,767	16,943,025	3,508,905	523,762,403
Balance at 1 January 2024	312,144,558	259,781,705	17,604,592	5,890,106	595,420,961
Acquisition of subsidiary (Note 22)	9,754,910	8,544,022	324,500	196,613	18,820,045
Additions	2,059,345	14,266,472	81,291	1,832,895	18,240,002
Transfer from fixed assets in progress*	-	926,769	-	(926,769)	-
Disposals	-	(6,028,558)	-	-	(6,028,558)
Translation difference	5,600	233,626	122	-	239,348
Balance at 31 March 2024	323,964,412	277,724,036	18,010,505	6,992,845	626,691,797
Accumulated depreciation and impairment losses					
Balance at 1 January 2023	138,170,613	188,966,591	10,678,334	-	337,815,538
Depreciation	6,567,028	4,804,492	245,734	-	11,617,254
Transfer to investment property	(137,363)	-	-	-	(137,363)
Accumulated depreciation of disposals	(539,016)	(581,497)	-	-	(1,120,513)
Balance at 31 March 2023	144,061,262	193,189,586	10,924,068	-	348,174,915
Balance at 1 January 2024	157,185,724	188,051,096	11,536,632	-	356,773,453
Acquisition of subsidiary (Note 22)	501,845	1,823,755	260,355	-	2,585,956
Depreciation	6,710,522	5,812,137	311,007	-	12,833,665
Accumulated depreciation of disposals	-	(5,801,484)	-	-	(5,801,484)
Translation difference	-	150,856	122	-	150,978
Balance at 31 March 2024	164,398,091	190,036,360	12,108,116	-	366,542,568

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13 PROPERTY, PLANT AND EQUIPMENT (continued)

Net carrying amounts

At 31 March 2023	117,182,443	48,877,181	6,018,957	3,508,905	175,587,488
At 1 January 2024	154,958,834	71,730,609	6,067,960	5,890,106	238,647,508
At 31 March 2024	159,566,321	87,687,675	5,902,389	6,992,845	260,149,229

Property, plant and equipment includes right-of-use assets with a net carrying value of RON 64,455,703 as of 31 March 2024 (31 December 2023: RON 50,659,513) related to leased equipment and of RON 129,113,458 as at 31 March 2024 (31 December 2023: RON 132,972,488) related to leased properties that do not meet the definition of investment property.

* The fixed assets transferred from fixed assets in progress refers mainly to coffee machines. They are used by the Company or sold to sundry customers. They are depreciated over a period of 7 years (HoReCa professional types) or 2 to 3 years (office-use types).

14 LOANS TO RELATED PARTIES

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

Loans to related parties

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Novadex	10,455,528	11,138,748
Aquila Agricola	6,470,091	6,483,263
Best Coffee Solutions	2,339,271	2,468,226
Nordexim	-	-
Total	19,264,890	20,090,237
Short-term portion	1,639,383	2,934,588
Long-term portion	17,625,507	17,155,649

15 CAPITAL AND RESERVES

(a) Share capital

As at 31 March 2024 the share capital of RON 180,590,088 (31 December 2023 RON 180,590,088) includes the effect of restatement required by the application of IAS 29 Financial Reporting in Hyperinflationary Economies until 31 December 2003.

The reconciliation of share capital is as follows:

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

The number of shares of the Group was as follows:

	Ordinary shares	
	Three Months period ended	
<i>Number of shares</i>	31-March-24	31-March-23
	(Unaudited)	(Unaudited)
In issue at 31 March – fully paid	1,200,002,400	1,200,002,400

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15 CAPITAL AND RESERVES (continued)

The par value of the shares is RON 0.15 as at 31 March 2024, 31 December 2023 and 31 March 2023. All ordinary shares rank equally regarding the above companies' residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time, distributed from the statutory profits and are entitled to one vote per share at general meetings of the above companies. The above companies recognize changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register.

(b) Dividends

The Group companies may distribute dividends from statutory earnings only, as per separate financial statements prepared in accordance with statutory accounting regulations. For the three months period ended 31 March 2024 and 31 March 2023 no dividends were declared.

(c) Capital management

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

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

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

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

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Borrowings and lease liabilities	207,833,248	191,628,444
Less: Cash and bank balances	(14,446,126)	(20,366,734)
Net debt	193,387,122	171,261,710
Total equity	552,525,204	532,535,889
Gearing ratio	0.35	0.32

16 TRADE PAYABLES

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Trade payables to third parties	279,786,340	246,973,388
Trade payables to related parties	821,918	978,243
Accruals for discounts to be received*	(26,682,464)	(18,425,509)
Total	253,925,794	229,526,122
Current	253,925,794	229,509,059
Non-current	-	17,063

*Accruals for discounts to be received represent discounts accrued as at year end to be received from suppliers based on the accomplishment of the acquired volumes of inventories and contractual enforcements. Trade payables to related parties are presented in Note 21.

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17 OTHER PAYABLES

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
VAT payable	764,929	8,828,789
Dividends payable	13,119	13,119
Sundry creditors	2,426,784	2,098,752
Other payables	1,304,730	2,007,987
Total	4,509,561	12,948,647

As at 31 December 2023 “Other payables” include the liability for dividends to be paid by the subsidiary Trigor to the founding shareholders in amount of RON 1,230,266, which was fully paid as at 31 March 2024.

18 LOANS AND BORROWINGS

Short-term bank borrowings, used amounts at the end of the period:

Entity	Lender	31-Mar-24	31-Dec-23
		(Unaudited)	(Audited)
AQUILA PART PROD COM SA	UniCredit Bank	15,070,886	-
AQUILA PART PROD COM SA	Raiffeisen Bank	-	9,883,898
ROMTEC EUROPA SRL	UniCredit Bank	2.000.000	-
ROMTEC EUROPA SRL	Exim Bank	3.477.684	-
Total		20,548,919	9,883,898

At the date of acquisition of Romtec, the related balance of the bank loans was RON 5,477,684 (Note 22).

19 LEASES

(i) Right-of-use assets

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

Three period ended 31 March 2024	Land and buildings	Equipment	Total
Balance at 1 January	132,972,488	52,447,661	185,420,149
Depreciation charge for the period	(6,266,439)	(3,297,772)	(9,564,211)
Additions as business acquisition (Note 22)		2,454,102	2,454,102
Additions	2,407,409	13,252,697	15,660,106
Disposals	-	(400,985)	(400,985)
Balance at 31 March	129,113,458	64,455,703	193,569,161

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19 LEASES (continued)

(i) Right-of-use assets (continued)

Three period ended 31 March 2023	Land and buildings	Equipment	Total
Balance at 1 January	98,758,932	31,707,016	130,465,948
Depreciation charge for the period	(6,304,715)	(3,605,976)	(9,910,692)
Additions	1,392,688	5,911,244	7,303,932
Disposals	-	(768,547)	(768,547)
Balance at 31 March	93,846,905	33,243,737	127,090,641

(ii) Amounts recognised in profit or loss

	Three-Month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Interest on lease liabilities	2,439,942	653,303
Expenses related to short term lease and low value lease	182,496	762,311

(iii) Amounts recognised in statement of cash flows

	Three-Month period ended	
	31-Mar-24 (Unaudited)	31-Mar-23 (Unaudited)
Total cash outflows for leases	(12,204,954)	(10,586,387)

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classifications and fair values

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

(b) Financial risk management

(i) Credit risk

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

31-Mar-24	Note	12-month / lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Loans to related parties	14	Lifetime ECL (credit impaired)	75,523,594	(56,258,704)	19,264,890
Trade receivables	11	Lifetime ECL (simplified model)	310,671,777	(27,376,346)	283,295,431
			386,195,371	(83,635,050)	302,560,321

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20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

31-Dec-23	Note	12-month / lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Loans to related parties	14	Lifetime ECL (credit impaired)	49,885,790	(29,795,551)	20,090,239
Trade receivables	11	Lifetime ECL (simplified model)	311,626,242	(25,211,231)	286,415,011
			361,512,032	(55,006,782)	306,505,250

21 RELATED PARTIES

(a) Main shareholders

As at 31 December 2023 and 31 March 2023 the shareholders of AQUILA PART PROD SA are Mr. Vasile Constantin Catalin and Mr. Dociu Alin Adrian with 33.3% each. In January 2024 Alin Adrian Dociu reduced his percentage of its stock in Aquila (AQ) from 33.33% to 25%. For the new structure refer to Note 1.

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

	31-Mar-24 (Unaudited)	31-Dec-23 (Audited)
Shareholders	5,329	5,329
Minority shareholders	7,790	7,790
Total	13,119	13,119

(b) Presentation of related parties

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

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

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21 RELATED PARTIES (continued)

(c) Balances with Related Parties

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Balances: Trade Payables		
Lorac Impex S.R.L.	750,000	750,000
Aquila Construct	-	10,544
Best Distribution	50,069	130,979
Best Coffee Solutions	4,327	-
Novadex	17,523	86,720
Total	821,918	978,243

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Balances: Prepayments		
Lorac Impex S.R.L.	759,217	759,217
Sobain Management	179,000	500
Aquila Agricola	100,000	-
Total	1,038,217	759,717

	31-Mar-24	31-Dec-23
	(Unaudited)	(Audited)
Balances: Trade Receivables		
Aquila Construct	331,553	169,032
Best Coffee Solutions	2,452,203	2,127,127
Aquila Agricola	71,350	62,894
Aquila Asig	7,836	4,108
Nordexim	11,630,087	11,509,599
Standard AVD	415,120	415,546
Lorac Impex S.R.L.	7,542	9,244
Sobain Management	8,609	8,960
Just Blvck Corporation S.R.L.	756	480
Total	14,925,057	14,306,990

(d) Transactions with related parties

	31-Mar-24	31-Mar-23
	(Unaudited)	(Unaudited)
Purchases (without VAT)		
Aquila Construct	1,469	1,120
Best Coffee Solutions	10,907	11,735
Best Distribution	131,641	266,647
Nordexim	485,596	649,583
Lorac Impex S.R.L.	1,700,850	1,355,250
Sobain Management	701,970	844,436
Novadex	40,682	65,804
Total	3,073,114	3,194,576

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21 RELATED PARTIES (continued)

d) Transactions with related parties (continued)

Sales (without VAT)	31-Mar-24	31-Mar-23
	(Unaudited)	(Unaudited)
Aquila Construct	435,280	436,382
Best Coffee Solutions	435,789	278,686
Best Distribution	7,300	6,699
Aquila Agricola	7,106	5,700
Aquila Asig	3,132	1,757
Nordexim	1,754,203	1,643,134
Lorac Impex S.R.L.	2,379	4,948
Sobain Management	525	-
Just Blvck Corporation S.R.L.	644	-
Total	2,646,358	2,377,306

(e) **Loans to related parties** granted by the Group are presented in Note 14.

22 ACQUISITION OF SUBSIDIARY

On 26 February 2024, the Company perfected the transaction for the acquisition of 100% of the shares of Romtec. Europa SRL ("Romtec") previously owned by Green Ideas Group MTC SRL (80%) and by FLM Group Green MTC SRL (20%), after receiving the approval from the Competition Council.

The primary reason for Aquila's acquisition of Romtec was to expand the Group in Romania and increase global operational profitability. With this initial investment in manufacturing capacity, it is intended to contribute to the development of the local industry and diversify the portfolio with products from over 20 brands manufactured in Romania.

Following the acquisition of subsidiary, the Group has computed a temporary goodwill (*), based on preliminary figures, as follows:

Identifiable net assets acquired (preliminary value)	RON 9,226,721
<u>Total consideration recorded</u>	<u>11,762,399</u>
Temporary goodwill (*)	2,535,677

(*) According to IFRS 3, which outlines the accounting principles for business combinations, such as acquisitions or mergers, the key points related to evaluation period are:

- If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts.
- Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date.
- The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error in accordance with IAS 8.
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23 CONTINGENCIES

There were no significant changes in contingent liabilities in the current interim period compared with December 31, 2023.

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24 SEGMENT REPORTING

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

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

Income statement for the year ended 31 March 2024:

	SOCI 2024 (Mar YTD)				Total
	Distribution	Logistics	Transport	Unallocated	
Revenues	585,772,210	21,219,598	16,837,206	-	623,829,014
Other income	1,504,181	222,043	1,171,872	-	2,898,097
Cost of goods sold and raw materials	(464,776,376)	(276,690)	(43,342)	-	(465,096,408)
Cost of fuel related to transport services	(9,647,138)	(2,975,182)	(5,893,203)	-	(18,515,523)
Salaries and other employee benefits	(54,352,293)	(8,618,726)	(5,393,358)	-	(68,364,377)
Repairs, maintenance and materials cost	(3,906,738)	(568,528)	(1,676,910)	-	(6,152,176)
Depreciation and amortisation	(11,349,852)	(611,033)	(1,123,977)	-	(13,084,862)
Expected credit losses	(1,219,363)	-	-	-	(1,219,363)
Other operating expenses	(15,457,484)	(7,850,058)	(4,416,164)	-	(27,723,706)
Operating profit/ (loss)	26,567,147	541,424	(537,875)	-	26,570,696
Finance income – interest income	-	-	-	1,977,738	1,977,738
Finance costs	-	-	-	(1,615,590)	(1,615,590)
Financial result					362,149
Profit before tax					26,932,844
Income tax expense	-	-	-	(7,300,143)	(7,300,143)
Profit for the year	-	-	-		19,632,701

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24 SEGMENT REPORTING (continued)

Income statement for the year ended 31 March 2023:

	SOCl 2023 (Mar YTD)				Total
	Distribution	Logistics	Transport	Unallocated	
Revenues	524,610,284	20,756,354	16,608,319	-	561,974,956
Other income	2,328,297	81,923	179,198	-	2,589,418
Cost of goods sold	(407,544,777)	(274,665)	(46,592)	-	(407,866,034)
Cost of fuel related to transport services	(10,285,485)	(2,471,243)	(5,342,943)	-	(18,099,672)
Salaries and other employee benefits	(51,854,850)	(6,682,153)	(5,365,568)	-	(63,902,571)
Repairs, maintenance and materials cost	(3,429,016)	(701,631)	(1,554,273)	-	(5,684,920)
Depreciation and amortisation	(7,260,492)	(4,003,477)	(1,200,188)	-	(12,464,158)
Expected credit losses	(4,353,219)	-	-	-	(4,353,219)
Change in provisions, net	(17,101,446)	(3,671,376)	(3,421,849)	-	(24,194,671)
Other operating expenses	25,109,296	3,033,732	(143,898)	-	27,999,130
Operating profit	524,610,284	20,756,354	16,608,319	-	561,974,956
Finance income – interest income	-	-	-	4,445,042	4,445,042
Finance costs	-	-	-	(1,080,079)	(1,080,079)
Financial result					3,364,963
Profit before tax				-	31,364,093
Income tax expense	-	-	-	(4,802,444)	(4,802,444)
Profit for the year					26,561,649

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

25 SUBSEQUENT EVENTS

(a) Acquisition of new companies

Parmafood companies

On 26 aprilie 2024 Aquila finalized the transaction for the acquisition of 100% of the shares of Parmafood Trading SRL and Parmafood Group Distribution SRL (together "Parmafood companies"), following the fulfillment of all suspensive conditions stipulated in the contract.

The Parmafood companies have a combined history of three decades, with a significant presence in distribution activities across HoReCa, Modern Retail, and Traditional Retail channels, and operate logistics warehouses equipped with integrated stock management systems. Parmafood Group Distribution SRL and Parmafood Trading SRL reported a combined turnover of RON 277.5 million in 2023 (+13% compared to 2022) and a combined net profit of RON 16.6 million.

(b) Economic environment

At present, we are monitoring very closely the current situation and developments of economic conditions and regularly conduct a risk assessment on this basis. We are in constant dialogue with our customers and suppliers in the region, which also enables us to identify any impact on our business and supply chains at an early stage and act accordingly.

The war in the Ukraine is still creates increased geopolitical risks and further challenges for global supply chains are to be expected which will impact the global economy. We anticipate that the global challenging conditions will persist for the following months, however, at this stage, Management doesn't expect that future possible economic evolution will have a significant negative impact on the Group operations and on the recoverable value of the Group long term assets. No other significant subsequent events occurred until date of the financial statements which require disclosures. Also, recent conflict from Israel does not affect the Group's activities.

Chief Executive Officer
Vasile Constantin Catalin

Chief Financial Officer
Bascau Sorin