



AQUILA

Focus on Excellence



BOARD OF DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST HALF OF 2023

AQUILA PART PROD COM (BVB: AQ)

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ISSUER INFORMATION

Type of report Half Year Report
For the financial period 01.01.2023 – 30.06.2023
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According to Annex 15 ASF Regulation 5/2018

ISSUER INFORMATION

Name AQUILA Part Prod Com S.A.
Fiscal code 6484554
Registration number of the Trade Register J29/2790/1994
Registered Office Strada Malu Roșu, nr. 105A, Ploiești,
Prahova, România

INFORMATION ON FINANCIAL INSTRUMENTS

Subscribed and paid-up capital RON 180,000,360
The market on which the securities are
traded Bucharest Stock Exchange, Main
Segment, Premium Category
Number of shares 1,200,002,400
Symbol AQ

CONTACT DETAILS FOR INVESTORS

Phone/Mobile +40 723 331 943
E-mail investors.relations@aquila.ro
Website www.aquila.ro



CEO STATEMENT

Dear shareholders and partners,

In the first semester of 2023, we have achieved strong performance in all three business segments. The traditional and HoReCa sectors were the distribution channels with a higher growth pace. We continued to develop our own brands, focusing on marketing and distribution. With new partnerships, the number of points of sale through which the company sells products across all channels has reached 72,000. Operational excellence through efficiency, with digitalization component and sustainability, are AQUILA's priorities.

KEY ASPECTS OF THE FIRST HALF OF 2023

- In the first half of 2023, **AQUILA's revenues** recorded an increase of approximately 17% compared to the same period of 2022, reaching 1,122 million lei. The achieved results were mainly driven by the growth of the revenues from the distribution business segment, which accounts for over 90% of the company's turnover.
- Within the revenue structure, **all three business segments** recorded growth of 17% the distribution segment, of 27% the logistics segment, and of 1% the transportation segment. Revenues from the company's own brands increased by 38% in the first half of the year, reaching RON 39 million.
- **The gross margin** from goods sold remained steady, at around 22%.
- **EBITDA** increased by over 17%, an advance of RON 10 million compared to the same period of 2022, reaching approximately RON 70 million.
- The company's **net profit** grew by 29%, reaching RON 42 million.
- The number of sales points through which the company sells products across all retail channels for consumer goods reached 72,000 at the end of the first semester.
- AQUILA entered into a partnership with Hama Romania, a European leader in IT and Communication accessories, to provide complex logistics solutions. This collaboration aligns with the company's objectives and contributes to the development of the clients' portfolio by the expansion of available logistics operations.
- At the General Shareholders Meeting from April, an investment budget of EUR 12.7 million was approved for the current year. By June 30, 2023, the company had made **investments** totaling EUR 4.1 million in transportation means, IT equipment, and warehouse facilities.
- In the analyzed period, the company started the payment of dividends approved at the General Shareholders Meeting in April. The approved gross dividend was RON 0.04077 per share.
- On June 30, AQUILA published the Sustainability Report for 2022. In line with our strategy, during the first semester of 2023, we continued implementing measures to achieve our 2026 decarbonization targets: a 3% reduction in carbon footprint for warehouses and a 20% reduction for the vehicle fleet.

PERSPECTIVES



- The company aims to double its EBITDA by 2026, using 2021 as reference point, by developing the business and through M&A, by acquiring companies that have their own portfolio of brands or are distributors of well-known brands

KEY PERFORMANCE INDICATORS

(RON)	30-Jun-23	30-Jun-22	%
Revenues	1,121.57	960.91	17%
Distribution Revenues	1,047.48	895.83	17%
Logistics Revenues	41.09	32.46	27%
Transport Revenues	33.00	32.62	1%
EBITDA	69.82	59.43	17%
EBITDA Margin, %	6.2%	6.2%	
Net Profit	41.77	32.42	29%
Net Profit Margin, %	3.7%	3.4%	

- The 17% increase in distribution revenues in the first semester of 2023 compared to the same period of 2022 is primarily attributed to the organic growth of this business line across the three sales channels: traditional with 30%; HoReCa with 23%; and petrol stations and convenience stores with 21%.
- The revenues from logistic services grew by 27% compared to the first semester of 2022, reaching RON 41 million in the first half of 2023. This increase was a result of adjusting logistics tariffs.
- Revenues from transportation services increased by 1% compared to the first half of 2022, mainly due to tariff increases.

ANALYSIS OF THE ECONOMIC-FINANCIAL SITUATION

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU IFRS"), in compliance with the requirements of



The Order of the Ministry of Public Finance no. 2844/2016, with subsequent amendments for the approval of accounting regulations compliant with the International Financial Reporting Standards adopted by the EU.

For the purpose of preparing these consolidated financial statements, the functional currency of the Company is considered to be the Romanian Leu (RON).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(RON)	30-Jun-23	30-Jun-22	%
Revenues	1,121,573,898	960,913,551	17%
Other income	4,162,472	3,857,107	8%
Cost of goods sold	(821,868,978)	(699,032,889)	18%
Cost of fuel and transport services	(34,418,580)	(36,685,222)	(6)%
Salaries and other employee benefits	(128,049,168)	(110,072,900)	16%
Repairs, maintenance and materials cost	(11,469,359)	(10,299,000)	11%
Depreciation and amortization	(24,158,250)	(25,133,769)	(4)%
(Charge of Expected credit losses)/Reversal of credit losses	(7,550,173)	(1,409,862)	436%
Other operating expenses	(52,555,195)	(47,835,180)	10%
Operating profit	45,666,667	34,301,836	33%
Finance income – interest income	8,811,642	3,694,087	139%
Finance costs	(2,521,921)	(876,224)	188%
Net finance (cost)	6,289,721	2,817,863	123%
Profit before tax	51,956,388	37,119,699	40%
Income tax expense	(10,191,302)	(4,698,458)	117%
Profit for the period	41,765,086	32,421,241	29%
Profit for the period attributable to			
- owners of the Companies	41,762,202	32,419,589	29%
- non-controlling interests	2,884	1,652	75%
Earnings per share			
Basic and diluted earnings per share	0.035	0.027	30%
Items that are or will be reclassified to profit or loss from foreign operations - foreign exchange differences from translation	344,940	1,977	17,348%
Other comprehensive income after tax	344,940	1,977	17,348%
Total comprehensive income	42,110,026	32,423,218	30%
Total comprehensive income attributable to			
- owners of the Companies	42,107,142	32,421,566	30%
- non-controlling interests	2,884	1,652	75%



Turnover

In the first semester of 2023, AQUILA's revenues recorded an increase of approximately 17% compared to the same period of 2022, reaching RON 1,122 million. The achieved results were mainly supported by the growth in the revenues from the distribution business segment, which accounts for over 90% of the company's turnover.

Operating expenses

Operating expenses before depreciation increased by RON 28 million, with the largest increases attributed to employee benefits expenses, which grew by RON 18 million. The rise in payroll expenses is mainly due to an 18% increase in the average employee cost.

Gross margin

The gross margin from goods sold remained constant, at approximately 22%.

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

(RON)	30-Jun-23	31-Dec-22	%
Property, plant and equipment	232,461,376	176,907,989	31%
Investment properties	14,111,716	13,717,978	3%
Intangible assets	1,013,232	1,204,593	(16)%
Goodwill	5,011,706	5,011,706	0
Loans to related parties	31,030,251	33,633,554	(8)%
Deferred tax assets	5,150,754	3,817,873	35%
Other non-current assets	505,158	585,416	(14)%
Total non-current assets	289,284,193	234,879,109	23%
Inventories	196,351,843	158,430,373	24%
Trade receivables	230,856,788	247,816,687	(7)%
Short term portion of loans to related parties	4,345,457	3,591,648	21%
Other receivables	4,065,842	1,398,818	191%
Prepayments	33,585,025	28,902,646	16%
Short term deposits	136,000,000	160,000,000	(15)%
Cash and cash equivalents	7,885,071	18,863,042	(58)%
Total current assets	613,090,026	619,003,214	(1)%
Total assets	902,374,219	853,882,323	6%
Share capital	180,590,088	180,590,088	0
Share premium	195,699,121	195,699,121	0
Own shares	(991,972)	(991,972)	0
Legal reserves	9,397,735	9,397,735	0
Translation reserve	333,625	(11,315)	(3,049)%
Retained earnings	91,589,704	98,707,569	(7)%



(RON)	30-Jun-23	31-Dec-22	%
Total equity attributable to the owners of the Group	476,618,301	483,391,226	(1)%
Non-controlling interests	433,175	430,291	1%
Total equity	477,051,476	483,821,517	(1)%
Non-current portion of Lease liabilities	145,326,841	90,131,640	61%
Trade payables	102,147	59,667	71%
Contract liability	378,493	247,519	53%
Deferred tax liabilities	1,513,134	1,036,563	46%
Total non-current liabilities	147,320,615	91,475,389	61%
Current portion of Long-term bank borrowings	823,022	2,050,922	(60)%
Short-term bank borrowings	5,406,965	-	
Current portion of Lease liabilities	30,218,663	32,949,238	(8)%
Trade payables	192,242,911	193,879,745	(1)%
Employee benefits	29,718,383	26,558,415	12%
Current tax liabilities	3,722,341	5,022,422	(26)%
Contract liabilities	52,716	52,140	(1)%
Provisions	147,320	132,113	12%
Other payables	15,669,807	17,940,422	(13)%
Total current liabilities	278,002,128	278,585,417	0%
Total liabilities	425,322,743	370,060,806	15%
Total equity and liabilities	902,374,219	853,882,323	6%

Tangible assets

Tangible assets increased by 31% compared to the end of 2022, reaching RON 232 million. This growth is primarily due to the extension of operational leasing contracts, impacting assets related to usage rights.

Tangible assets includes assets related to usage rights with a net book value of RON 39.8 million as of June 30, 2023 (December 31, 2022: RON 31.7 million) related to leased equipment, and RON 145.3 million as of June 30, 2023 (December 31, 2022: RON 98.8 million) related to land and buildings under leasing arrangements that do not meet the definition of investment property.

Intangible assets

Intangible assets decreased by 16% compared to the end of 2022, reaching RON 1 million. This decrease is primarily attributed to cumulative depreciation.

Inventories

The 24% increase in inventories compared to the end of 2022 reflects the growth in revenues and the accumulation of stocks for the HoReCa channel during the peak tourist season.

Trade Receivable

The 7% reduction in trade receivables compared to the end of 2022 is primarily due to the decreased in the share of sales through hypermarkets, a channel with longer payment terms compared to other sales channels.

Equity



Equity decreased by RON 6.8 million following the payment of dividends amounting to RON 49 million.

Non-Current liabilities

Non-current liabilities increased by 61% compared to the end of 2022, reaching RON 147 million. This increase is primarily attributed to the extension of operational leasing contracts.

Current liabilities debts

Contracting a loan of RON 5.4 million in the first half of 2023 and the increase in employee benefits by RON 3 million offset the decrease in other short-term liabilities compared to the end of 2022, resulting in a total short-term liabilities of RON 278 million in June 2023, remaining relatively stable compared to December 2022.

LIQUIDITY INDICATORS

	30-Jun-23	31-Dec-22
DIO (Days Inventory Outstanding)	43	35
DSO (Days Sales Outstanding)	37	40
DPO (Days Payable Outstanding)	42	43

SUBSEQUENT EVENTS

AQUILA signed a contract with Raiffeisen Bank International to benefit from Market Maker services for the Issuer starting from August 7.

ABOUT AQUILA

AQUILA operates in Romania and the Republic of Moldova, with an integrated business model, with activity in the following business segments: distribution, logistics, and transport. AQUILA sells consumer goods in over 72,000 points of sale across all FMCG retail channels, covering over 90% of the market. The integrated product portfolio totals over 10,000 products, well-known brands from different categories such as: personal care products - Rexona, Dove; sweets - Kinder, Raffaello, Snickers or Mars; coffee – Lavazza; cleaning products - Dero, Cif or Coccolino; pet



food – Whiskas, Pedigree; hygiene products – Kleenex, Kotex, Zewa, Tena, Libresse; baby diapers – Huggies; frozen vegetables and canned food – Bonduelle; vegetable sour cream and vegetable whipped cream – Gran Cucina and Hulala; fish and fish products – Frosta.

The company was founded in 1994 by the entrepreneurs Alin Adrian Dociu and Constantin Cătălin Vasile. Since November 2021 it is listed on the Bucharest Stock Exchange (BVB), following an initial public offering worth RON 367 million, the largest initial public offering carried out by an entrepreneurial company on the local capital market. The company's shares (symbol AQ) are included in the Bucharest Stock Exchange reference index– BET and in the Global Micro Cap index of FTSE Russell. Starting from September 1, 2023, the company's shares will be also included in the MSCI Frontier IMI and MSCI Romania IMI indices.

MANAGEMENT STATEMENT

Based on the best available information, we confirm that the consolidated financial statements prepared for the first half of the fiscal year 2023, ending on June 30, 2023, provide a true and fair view of the assets, liabilities, financial position, and income and expense situation of AQUILA Part Prod Com, according to the provisions of the applicable accounting standards. The Half Year Report for the period from January 1, 2023, to June 30, 2023, submitted to the market operator, the Bucharest Stock Exchange, and the Financial Supervisory Authority, presents accurate and complete information about the company.

Chairman of the Board of Directors

Alin-Adrian Dociu

ECONOMIC-FINANCIAL INDICATORS

	Jun-2023
Total current assets	613,090,026
Total current liabilities	278,002,122
1. Liquidity Indicator-Total assets / Total current liabilities	2.21
Total non-current liabilities	147,320,615
Total equity	477,051,482



2. Gearing Ratio- Total non-current liabilities / Total equity x 100	31%
2. Gearing Ratio- Total non-current liabilities / Capital employed x 100	24%
Trade receivables	230,856,788
Revenues	1,121,573,898
3. Receivables days- Trade receivables / Revenues x days in the period (180)	37
Total non-current assets	289,284,193
Revenues	1,121,573,898
4. Asset Turnover- Revenues / Total non-current assets	3.88

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2023
(All amounts are in RON, if not otherwise stated)

ASSETS	Note	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Non-current assets			
Property, plant and equipment	13	232,461,376	176,907,989
Investment properties		14,111,716	13,717,978
Intangible assets		1,013,232	1,204,593
Goodwill		5,011,706	5,011,706
Loans granted to affiliates	14	31,030,251	33,633,554



Deferred tax assets		5,150,754	3,817,873
Other non-current assets		505,158	585,416
Total non-current assets		289,284,193	234,879,109
Current assets			
Inventories	10	196,351,843	158,430,373
Trade receivables	11	230,856,788	247,816,687
Short term portion of loans to related parties	14	4,345,457	3,591,648
Other receivables		4,065,842	1,398,818
Prepayments		33,585,025	28,902,646
Short term deposits		136,000,000	160,000,000
Cash and cash equivalents	12	7,885,071	18,863,042
Total current assets		613,090,026	619,003,214
Total assets		902,374,219	853,882,323
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		9,397,735	9,397,735
Translation reserve		333,625	(11,315)
Retained earnings		91,589,704	98,707,569
Total equity attributable to the owners of the Group		476,618,301	483,391,226
Non-controlling interests		433,175	430,291
Total equity		477,051,476	483,821,517

LIABILITIES	Note	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Long-term liabilities			
Non-current portion of Lease liabilities	19	145,326,841	90,131,640
Trade payables	16	102,147	59,667
Contract liability		378,493	247,519
Deferred tax liabilities		1,513,134	1,036,563
Total non-current liabilities		147,320,615	91,475,389
Current liabilities			
Current portion of long-term bank borrowings	18	823,022	2,050,922
Short-term bank borrowings	18	5,406,965	-
Current portion of Lease liabilities	19	30,218,663	32,949,238
Trade payables	16	192,242,911	193,879,745
Employee benefits		29,718,383	26,558,415



Current tax liabilities		3,722,341	5,022,422
Contract liabilities		52,716	52,140
Provisions		147,320	132,113
Other payables	17	15,669,807	17,940,422
Total current liabilities		278,002,128	278,585,417
Total liabilities		425,322,743	370,060,806
Total equity and liabilities		902,374,219	853,882,323

Chief Executive Officer
Vasile Constantin Cătălin

Chief Financial Officer
Bascau Sorin

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**
(All amounts are expressed in RON, if not otherwise stated)

	Note	30-Jun-23 (unaudited)	30-Jun-22 (audited)
Revenues	6	1,121,573,898	960,913,551
Other income		4,162,472	3,857,107
Cost of goods sold		(821,868,978)	(699,032,889)
Cost of fuel and transport services		(34,418,580)	(36,685,222)
Salaries and other employee benefits		(128,049,168)	(110,072,900)
Repairs, maintenance and materials cost		(11,469,359)	(10,299,000)
Depreciation and amortization	13	(24,158,250)	(25,133,769)
Reversal of Expected credit losses/(Expected credit losses)		(7,550,173)	(1,409,862)



Other operating expenses		(52,555,195)	(47,835,180)
Operating profit		45,666,667	34,301,836
Finance income – interest income	7	8,811,642	3,694,087
Finance costs	7	(2,521,921)	(876,224)
Net finance (cost)	7	6,289,721	2,817,863
Profit before tax		51,956,388	37,119,699
Income tax expense	9	(10,191,302)	(4,698,458)
Profit for the year		41,765,086	32,421,241
Profit for the year attributable to:			
- owners of the Companies		41,762,202	32,419,589
- non-controlling interests		2,884	1,652
Profit for the year		41,765,086	32,421,241
Earnings per share			
Basic and diluted earnings per share	8	0.035	0.027
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
<i>Foreign operations - foreign currency translation difference</i>		344,940	1,977
Other comprehensive income, net of tax		344,940	1,977
Total comprehensive income		42,110,026	32,423,218
Total comprehensive income attributable to:			
- owners of the Companies		42,107,142	32,421,566
- non-controlling interests		2,884	1,652
Total comprehensive income		42,110,026	32,423,218

Chief Executive Officer
Vasile Constantin Cătălin

Chief Financial Officer
Bascau Sorin



Attributable to the owners of the Company	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022 (audited)	30,589,788	345,699,421	(991,972)	4,752,335	240,012	102,678,414	482,967,998	420,820	483,388,818
Comprehensive income									
Profit for the year	-	-	-	-	-	32,419,589	32,419,589	1,652	32,421,241
Other comprehensive income									
Foreign operations - foreign currency translation difference	-	-	-	-	1,977	-	1,977	-	1,977
Total other comprehensive income	-	-	-	-	1,977	-	1,977	-	1,977
Total comprehensive income	-	-	-	-	1,977	32,419,589	32,421,566	1,652	32,423,218
Transactions with owners of the Companies									
Contributions and distributions									
Issue of shares	150,000,300	(150,000,300)	-	-	-	-	-	-	-
Dividends to the owners of the Companies	-	-	-	-	-	(52,992,370)	(52,992,370)	-	(52,992,370)
Total contributions and distributions	150,000,300	(150,000,300)	-	-	-	(52,992,370)	(52,992,370)	-	(52,992,370)
Total transactions with owners of the Companies	150,000,300	(150,000,300)	-	-	-	(52,992,370)	(52,992,370)	-	(52,992,370)
Other changes in equity									
Balance at 30 June 2022 (unaudited)	180,590,088	195,699,121	(991,972)	4,752,335	241,989	82,105,634	462,397,195	422,473	462,819,668

Attributable to the owners of the Company	Share capital	Share premium	Own shares	Legal reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
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
Comprehensive income									
Profit for the year	-	-	-	-	-	41,762,202	41,762,202	2,884	41,765,086
Other comprehensive income									
Foreign operations - foreign currency translation difference	-	-	-	-	344,940	-	344,940	-	344,940
Total other comprehensive income	-	-	-	-	344,940	41,762,202	344,940	2,884	42,110,026
Total comprehensive income					344,940	41,762,202	42,107,142	2,884	42,110,026
Transactions with owners of the Companies									
Contributions and distributions									
Dividends to the owners of the Companies	-	-	-	-	-	(48,880,066)	(48,880,066)	-	(48,880,066)
Total contributions and distributions	-	-	-	-	-	(48,880,066)	(48,880,066)	-	(48,880,066)
Total transactions with owners of the Companies	-	-	-	-	-	48,880,066)	(48,880,066)	-	(48,880,066)
Other changes in equity									
	-	-	-	-	-	-	-	-	-
Balance at 30 June 2023 (unaudited)	180,590,088	195,699,121	(991,972)	9,397,735	333,625	91,589,704	476,618,301	433,175	477,051,476

Chief Executive Officer
Vasile Constantin Cătălin

Chief Financial Officer
Bascau Sorin



www.aquila.ro



investor.relations@aquila.ro



0244 595 034



Malu Roșu 105A, Ploiești

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
 (All amounts are expressed in RON, if not otherwise stated)

Cash flows from operating activities	Note	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Profit after tax		41,765,086	32,421,241
Adjustments for:			
Depreciation	13	24,158,250	25,133,769
Loss/(Gain) on disposal of property, plant and equipment		(172,855)	(1,077,797)
Impairment charge/ (reversal)		7,550,173	1,409,862
Net finance cost		(6,289,721)	(2,817,863)
Income tax expense	9	10,191,302	4,698,458
Changes in:			
Decrease/(increase) in inventories		(38,812,768)	(50,019,190)
Decrease/(increase) in trade receivables		10,791,931	(13,459,860)
Decrease/(increase) in other receivables		(11,318,766)	2,318,936
Decrease/(increase) in prepayments		(4,682,379)	(2,220,150)
Increase/(decrease) in trade payables		(1,594,354)	(17,734,655)
Increase/(decrease) in other payables		6,652,708	(1,254,156)
Increase/(decrease) in provisions and employee benefits		3,175,175	2,847,180
Increase/(decrease) in contract liabilities		131,550	(200,771)
Cash generated from operating activities		41,545,331	(19,954,996)
Interest paid		(1,947,118)	(1,012,043)
Income tax paid		(12,339,863)	(5,110,302)
Net cash from operating activities		27,258,350	(26,077,341)

Cash flows from investing activities	Note	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Payments for purchase of property, plant and equipment		(6,971,654)	(8,614,094)
Proceeds from sale of property, plant and equipment		172,855	1,379,764
Proceeds from loans granted to related parties		1,358,587	3,261,334
Interest received		8,732,000	3,685,259
Acquisition of Short-Term deposits		24,000,000	85,000,000
Net cash used in investing activities		27,291,789	84,712,263
Cash flows from financing activities			
Repayment of long-term bank loans		(1,227,472)	(1,230,359)
Proceeds from short-term bank loans		31,931,366	-
Repayment of short-term bank loans		(26,524,400)	-
Payment of lease liabilities		(20,831,590)	(20,707,832)
Dividends paid		(48,876,013)	(52,992,370)
Net cash used in financing activities		(65,528,109)	74,930,561
Net increase/(decrease) in cash and cash equivalents		(10,977,971)	(16,295,640)
Cash and cash equivalents at 1st January (audited)	12	18,863,042	43,333,121
Cash and cash equivalents at 30 June (unaudited)	12	7,885,071	27,037,481

Chief Executive Officer
 Vasile Constantin Cătălin

Chief Financial Officer
 Bascau Sorin

1 REPORTING ENTITIES AND GENERAL INFORMATION



www.aquila.ro



investor.relations@aquila.ro



0244 595 034



Malu Roșu 105A, Ploiești

General information about the Group

These financial statements are the consolidated financial statements of the group formed by AQUILA PART PROD COM S.A. ("the Company" or "AQUILA" or "the Parent") and its subsidiaries PRINTEX S.A. and TRIGOR AVD S.R.L. (collectively "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 S.A.	105A Malu Rosu Street, Ploiești, Prahova County, Romania	J29/2790/1994 6484554	Wholesale of consumer goods, Rendering of logistic services, Internal and external transport of goods
Printex S.A.	5 Poligonului Street, Ploiești, Prahova County, Romania	J29/107/1991 1348950	Rental and subleases of real estate
Trigor AVD S.R.L.	17 Otovasca Street, Chișinău, Chișinău County, Republica Moldova	1002600041675	Wholesale of consumer goods

AQUILA's subsidiaries are the following:

Entity	% shareholding as at 30 June 2023 (unaudited)	% shareholding as at 31 Dec 2022 (audited)
PRINTEX S.A.	95.75%	95.75%
TRIGOR AVD S.R.L.	100%	100%

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

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

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

As at 30 June 2023 and 31 December 2022, the shareholders of the Company, are Mr. Vasile Constantin Catalin and Mr. Docu 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	Statutory Share capital (RON)
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		(RON)	
Mr. Vasile Constantin Cătălin	400,000,800	0.15	60,000,120
Mr. Dociu Alin Adrian	400,000,800	0.15	60,000,120
Other shareholders	400,000,800	0.15	60,000,120
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 2022 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Going concern basis of accounting

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

As at 30 June 2023 the Group's financial position shows net current assets of RON 335 million, mainly as a result of short term deposits of RON 136 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. However, the impact on the general economic situation may require timely revisions of certain assumptions and estimates.

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

3 USE OF JUDGMENTS 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 CHANGES IN ACCOUNTING POLICIES

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



5 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

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

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

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

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

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

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

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

6 REVENUE



	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Revenue	1,119,799,221	958,775,776
Rental income	1,774,677	2,137,775
Total revenue	1,121,573,898	960,913,551

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

Disaggregation of revenue from contracts with customers

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Distribution of goods	1,045,700,910	893,689,823
Logistics services	41,093,537	32,463,437
Transport services	33,004,774	32,622,516
Total	1,119,799,221	958,775,776

Timing of revenue recognition

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Products and services transferred at a point in time	1,073,773,151	908,519,443
Services transferred over time	46,026,070	50,256,333
Total	1,119,799,221	958,775,776

7 NET FINANCE COSTS

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Interest income	8,732,000	3,685,259
Other finance income	79,642	8,828
Total finance income	8,811,642	3,694,087
Interest expense	(2,008,770)	(1,012,044)
Net foreign exchange losses	(301,013)	135,820
Other financial expenses	(212,138)	-
Total finance costs	(2,521,921)	(876,224)
Net finance costs	6,289,721	2,817,863

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

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Profit attributable to the owners of the Companies	41,762,202	32,419,589
Profit attributable to ordinary shareholders	41,762,202	32,419,589

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

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Issued ordinary shares at 1 January	1,198,922,400	200,000,400
Issued ordinary shares at 23 February 2022	-	1,000,002,000
Weighted-average number of ordinary shares at 30 June	1,198,922,400	1,198,922,400

Earnings per share

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Basic and diluted earnings per share (RON)	0.035	0.027

9 INCOME TAXES

(i) Amounts recognized in profit or loss

	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Current tax expense	11,047,611	4,832,823
Deferred tax expense/(income)	(856,309)	(134,365)
Total income tax expense	10,191,302	4,698,458

10 INVENTORIES

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Consumables	944,236	915,978
Goods for resale	197,359,087	159,232,781
Loss allowance	(1,951,480)	(1,718,386)
Total inventories	196,351,843	158,430,373

The increase in inventories is in line with the cost of sales and revenues. The cost of inventories recognized as an expense in the profit or loss statement for the six-month period ended June 30, 2023, is RON 821,868,978 (six-month period ended June 30, 2022: RON 699,032,889).

11 TRADE RECEIVABLES

	30-Jun-23	31-Dec-22
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	(unaudited)	(audited)
Trade receivables from third parties, gross	260,178,122	271,243,625
Trade receivables from related parties, gross	14,302,464	10,793,659
Loss allowance	(21,589,616)	(15,275,500)
Discounts accrued granted to customers	(22,034,182)	(18,945,097)
Total trade receivables, net	230,856,788	247,816,687

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 December 2022 (audited)	Weighted average rate of losses	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.97%	198,876,632	(1,934,289)	196,942,343
Past due 1-30 days	4.41%	44,670,974	(1,967,923)	42,703,050
Past due 31-60 days	23.56%	4,530,418	(1,067,296)	3,463,122
Past due 61-90 days	31.40%	3,791,048	(1,190,272)	2,600,777
Past due more than 90 days	81.22%	11,223,115	(9,115,720)	2,107,395
Total		263,092,187	(15,275,500)	247,816,687
30 June 2023 (unaudited)	Weighted average rate of losses	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.99%	182,530,875	(1,811,791)	180,719,083
Past due 1-30 days	4.77%	38,305,915	(1,825,411)	36,480,503
Past due 31-60 days	25.22%	14,140,846	(3,566,120)	10,574,726
Past due 61-90 days	51.96%	2,302,322	(1,196,195)	1,106,127
Past due more than 90 days	86.97%	15,166,447	(13,190,098)	1,976,349
Total		252,446,404	(21,589,616)	230,856,788

The reconciliation between the initial balance and the final balance of adjustments for the impairment of trade receivables is as follows:

Six months period ended	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Balance as at 1 January	15,275,500	11,017,120
Amounts written off	-	(715,812)
Impairment recognized	6,314,116	4,974,192
Balance as at 31 March / 31 December	21,589,616	15,275,500



12 CASH AND CASH EQUIVALENTS

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Bank current accounts	6,462,392	18,786,514
Petty cash	139,796	76,528
Promissory notes and cheques in banks	1,282,883	-
Total cash and cash equivalents	7,885,071	18,863,042

13 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment for the 6-months periods ended 30 June 2023 and 30 June 2022 were as follows:

	Land and buildings	Plant and equipment	Fixtures and fittings	Fixed assets in progress	Total
Gross carrying amount					
Balance at 1 January 2022	183,809,485	222,093,112	14,968,715	692,508	421,563,820
Additions	1,867,787	11,711,284	37,193	1,209,487	14,825,751
Disposals	(288,210)	(5,185,719)	-	-	(5,473,929)
Balance at 30 June 2022	185,389,061	228,618,678	15,005,908	1,901,995	430,915,642
Balance at 1 January 2023	260,690,599	235,368,575	15,653,363	3,010,990	514,723,527
Additions	53,915,945	21,275,978	1,593,229	3,722,574	80,507,725
Transfer from fixed assets in progress	-	1,942,487	-	(1,942,487)	-
Transfer to Investment Property	(845,315)	-	-	-	(845,315)
Disposals	(544,434)	(4,576,373)	-	(12,142)	(5,132,949)
Balance at 30 June 2023	313,216,795	252,068,180	17,246,592	6,721,421	589,252,988
Accumulated depreciation and impairment losses					
Balance at 1 January 2022	115,856,118	179,209,398	9,680,359	-	304,745,875
Depreciation	12,342,255	10,805,787	575,414	-	23,723,456
Accumulated depreciation of disposals	(22,892)	(5,276,680)	-	-	(5,299,572)
Balance at 30 June 2022	128,175,480	184,738,505	10,255,773	-	323,169,759
Balance at 1 January 2023	138,170,613	188,966,591	10,678,334	-	337,815,538
Depreciation	13,315,754	9,901,687	529,540	-	23,746,981
Transfer to Investment Property	(147,930)	-	-	-	(147,930)
Accumulated depreciation of disposals	(539,016)	(4,083,962)	-	-	(4,622,978)
Balance at 30 June 2023	150,799,421	194,784,317	11,207,874	-	356,791,612
Net carrying amounts					
At 30 June 2022	57,213,581	43,880,172	4,750,135	1,901,995	107,745,883
At 1 January 2023	122,519,986	46,401,984	4,975,029	3,010,990	176,907,989
At 30 June 2023	162,417,373	57,283,863	6,038,718	6,721,421	232,461,376

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment includes right-of-use assets with a net carrying value of RON 39,829,412 as at 30 June 2023 (31 December 2022: RON 31,707,016) related to leased equipment and of RON 145,275,771 as at 30 June 2023 (31 December 2022: RON 98,758,932) related to leased properties that do not meet the definition of investment property.



14 LOANS TO RELATED PARTIES FROM RELATED PARTIES

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

Loans to related parties

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Novadex	12,050,771	12,645,536
Aquila Agricola	6,322,632	6,660,195
Best Coffee Solutions	2,662,831	2,937,655
Nordexim	14,339,474	14,981,816
Total	35,375,708	37,225,202
Short-term portion	4,345,457	3,591,648
Long-term portion	31,030,251	33,633,554

15 CAPITAL AND RESERVES

(a) Share capital

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

30 June 2023	
Share capital (nominal value)	180,000,360
Restatement adjustment in accordance with IAS29	589,728
Restated share capital balance	180,590,088
31 December 2022	
Share capital (nominal value)	180,000,360
Restatement adjustment in accordance with IAS29	589,728
Restated share capital balance	180,590,088

The number of shares of the Group was as follows:

Ordinary shares six-month period ended <i>Number of shares</i>	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
	In issue at 30 June – fully paid	1,200,002,400

The par value of the shares is RON 0.15 as at 30 June 2023, 31 December 2022 and 31 December 2021. All ordinary shares rank equally with regard to the above companies' residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time, distributed from the statutory profits and are entitled to one vote per share at



general meetings of the above companies. The above companies recognize changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register.

(b) Dividends

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

The dividends declared by the Companies were as follows:

Six month period ended	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
To the owners of the Parent	48,880,066	52,992,370
Total	48,880,066	52,992,370
Weighted-average number of ordinary shares at 30 June	1,198,922,400	1,198,922,400
Dividend per share	0.04	0.04

15 CAPITAL AND RESERVES (continued)

(c) Capital management

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

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

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

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

(RON)	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Borrowings and lease liabilities	181,775,491	125,131,800
Less: Cash and bank balances	(7,885,071)	(18,863,042)
Net debt	173,890,420	106,268,758



Total equity attributable to the owners of the Group	477,051,476	483,821,517
Gearing ratio	0.36	0.22

16 TRADE PAYABLES

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Trade payables to third parties	192,254,622	217,385,720
Trade payables to related parties	90,436	310,825
Accruals for discounts to be received	-	(23,757,133)
Total	192,345,058	193,939,412
Current	192,242,911	193,879,745
Non-current	102,147	59,667

Trade payables to related parties are presented in Note 21.

17 OTHER PAYABLES

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
VAT payable	5,174,481	7,513,734
Dividends payable	5,329	9,318
Sundry creditors	2,400,377	2,300,070
Other payables*	8,089,620	8,117,300
Total	15,669,807	17,940,422

*Other payables include the liability for dividends payable by the subsidiary TRIGOR AVD S.R.L. to the founding shareholders in the amount of RON 1,924,859 at 30 June 2023 (31 December 2022: RON 5,999,456).

18 LOANS AND BORROWINGS

(a) Long-term bank borrowings

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Balance at 1 January	2,050,922	4,512,666
Repayments	(1,227,472)	(2,453,463)
Foreign exchange impact	(427)	(8,282)
Balance at 30 June / 31 December	823,022	2,050,922
Current portion	823,022	2,050,922
Long term portion	-	-

(b) Short-term bank borrowings

Entity	Lender	30-Jun-23 (unaudited)	31-Dec-22 (audited)
AQUILA PART PROD COM SA	Unicredit Bank	5,406,966	-
Total		5,406,966	-



19 LEASES

(i) Rights-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.

Six months period ended 30 June 2023	Land and buildings	Equipment (Transport vehicles)	Total
Balance at 1 January	98,758,932	31,707,016	130,465,948
Depreciation charge for the year	(12,719,071)	(7,025,363)	(19,744,434)
Additions to right-of-use assets	59,235,909	15,147,758	74,383,668
Disposals	-	-	-
Balance at 30 June	145,275,771	39,829,412	185,105,182

19 LEASES (continued)

Six months period ended 30 June 2022	Land and buildings	Equipment (Transport vehicles)	Total
Balance at 1 January	42,776,905	33,968,731	76,745,636
Depreciation charge for the year	(11,407,353)	(6,244,280)	(17,651,633)
Additions to right-of-use assets	1,868,319	5,144,199	7,012,518
Disposals	-	(3,278,405)	(3,278,405)
Balance at 30 June	33,237,871	29,590,245	62,828,116

(ii) Amounts recognized in profit or loss

Six months period ended	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Interest on lease liabilities	1,852,891	821,599
Expenses related to short term lease and low value lease	1,879,964	2,334,358

(iii) Amounts recognized in the statement of cash flows

Six months period ended	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
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Total cash outflows for leases	(20,831,590)	(20,676,770)
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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 the financial assets of the Group, as well as the Group's maximum exposure to credit risk:

30-Jun-23	Note	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Loans to related parties	18	Lifetime ECL (credit impaired)	50,361,125	(14,985,415)	35,375,710
Trade receivables	15	Lifetime ECL (simplified model)	252,446,404	(21,589,616)	230,856,788
			302,807,529	(36,575,031)	266,232,498

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

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

21 RELATED PARTIES

(a) Main shareholders

As of June 30, 2023, and December 31, 2022, the shareholders of AQUILA Part Prod Com S.A. are Vasile Constantin Cătălin and Dociu Alin Adrian, each holding a participation share of 33.3%.

The balances related to the shareholders are related to dividend payments, as follows:

	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Shareholders	-	1,276
Minority shareholders	5,329	8,042
Total	5,329	9,318



(b) Balances with related parties

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

Related Party	Relationship	Nature of transactions
Aquila Construct	Common shareholder	Rent, receiving of services
Best Coffee Solutions	Common shareholder	Loan granting, sales of goods
Best Distribution	Common shareholder	Purchases or sales of goods
Aquila Agricola	Common shareholder	Loan granting, rendering of services
Novadex	Common shareholder	Loan granting, rent
Nordexim	Common shareholder	Loan granting, purchases or sales of goods
Aquila Asig	Common shareholder	Rendering of services
Total Green Energy	Common shareholder	No transactions in current period
Potential Construct	Common shareholder	No transactions in current period
Aquila Trade Solution	Common shareholder	No transactions in current period
Aquila Ag	Common shareholder	Rent
Eperon Limited	Common shareholder	No transactions in current period
Aquila Property Management	Common shareholder	No transactions in current period
Lorac Impex S.R.L.	Member of key management personnel	Consulting Services, sales of goods
Sobain Management S.R.L.	Member of key management personnel	Consulting Services, sales of goods
Just Blvck Corporation S.R.L.	Member of key management personnel	Purchases or sales of goods

21 RELATED PARTIES (continued)

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

Balances: trade payables	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Aquila Construct	6,066	4,733
Best Distribution	84,370	238,880
Lorac	-	9,217
Novadex	-	57,994
Total	90,436	310,825

Balances: trade receivables	30-Jun-23 (unaudited)	31-Dec-22 (audited)
Aquila Construct	208,966	174,116
Best Coffee Solutions	1,306,635	521,571
Aquila Agricola	33,497	18,896
Aquila Asig	9,084	3,377
Nordexim	10,649,329	10,052,007
Lorac Impex S.R.L.	1,162,288	11,963
Sobain Management	929,518	-
Aquila Ag	-	11,730
Just Blvck Corporation S.R.L.	3,146	-



Total	14,302,464	10,793,659
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(d) Transactions with related parties

Purchases (without VAT)	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Aquila Construct	1,120	-
Best Coffee Solutions	23,225	31,170
Best Distribution	460,587	-
Nordexim	1,163,959	603,858
Lorac Impex S.R.L.	3,554,020	943,279
Sobain Management	1,719,036	-
Novadex	93,031	86,798
Total	7,014,977	1,665,105

21 RELATED PARTIES (continued)

Sales (without VAT)	30-Jun-23 (unaudited)	30-Jun-22 (unaudited)
Aquila Construct	912,487	894,367
Best Coffee Solutions	679,342	284,963
Best Distribution	10,989	-
Aquila Agricola	12,270	21,076
Aquila Asig	4,796	2,947
Nordexim	3,516,320	7,027,229
Lorac Impex S.R.L.	7,073	3,341
Sobain Management	462	-
Just BLVCK Corporation SRL	2,891	-
Total	5,146,631	8,233,923

22 CONTINGENCIES

There have been no significant changes in contingent liabilities during the current interim period compared to December 31, 2022.

23 SEGMENT REPORTING

The Group has analyzed its business segments, such as goods distribution, transportation, and logistic services, and has determined reportable business segments based on the organization and management of revenue-generating activities. The Group has identified the following reportable business segments: goods distribution, logistic services, and external transportation services, considering the similarities among these activities. Distribution of goods refers to sales of consumer goods products (FMCG).

The Group's revenues are primarily derived from domestic sales within Romania.

Income statement for the year ended 30 June 2023:

	Distribution	Logistics	Transport	Unallocated	Total
Revenues	1,047,475,587	41,093,537	33,004,774	-	1,121,573,898
Other income	3,448,427	309,350	404,695	-	4,162,472
Cost of goods sold	(821,129,092)	(664,310)	(75,575)	-	(821,868,978)
Cost of fuel related to transport services	(19,524,680)	(4,719,997)	(10,173,901)	-	(34,418,579)
Salaries and other employee benefits	(102,115,190)	(15,044,396)	(10,889,581)	-	(128,049,167)
Repairs, maintenance, and materials cost	(7,370,459)	(1,266,260)	(2,832,640)	-	(11,469,360)
Depreciation and amortisation	(21,208,344)	(1,035,216)	(1,914,690)	-	(24,158,249)
Reversal of expected credit losses	(7,550,173)	-	-	-	(7,550,173)
Other operating expenses	(30,604,881)	(14,705,032)	(7,245,283)	-	(52,555,196)
Operating profit/ (loss)	41,421,195	3,967,674	277,798	-	45,666,667
Finance income				8,811,642	8,811,642
Finance costs				(2,521,921)	(2,521,921)
Net finance (cost)/income				6,289,721	6,289,721
Profit before tax				6,289,721	51,956,389
Income tax expense				(10,191,302)	(10,191,302)
Profit				(3,901,581)	41,765,086

23 SEGMENT REPORTING (continued)

Income statement for the year ended 30 June 2022:

	Distribution	Logistics	Transport	Unallocated	Total
Revenues	895,827,598	32,463,437	32,622,516	-	960,913,551
Other income	2,726,206	822,309	308,594	-	3,857,107
Cost of goods sold	(698,366,681)	(553,203)	(113,007)	-	(699,032,889)
Cost of fuel related to transport services	(16,975,570)	(8,069,851)	(11,639,802)	-	(36,685,222)
Salaries and other employee benefits	(87,857,740)	(12,534,143)	(9,681,017)	-	(110,072,900)
Repairs, maintenance, and materials cost	(6,166,849)	(1,515,145)	(2,617,006)	-	(10,299,000)
Depreciation and amortisation	(15,826,350)	(6,631,715)	(2,675,706)	-	(25,133,769)
Reversal of expected credit losses	(1,409,862)	-	-	-	(1,409,862)
Other operating expenses	(35,084,497)	(5,761,865)	(6,988,818)	-	(47,835,180)
Operating profit/ (loss)	36,866,255	(1,780,177)	(784,246)	-	34,301,836
Finance income	-	-	-	3,694,087	3,694,087
Finance costs	-	-	-	(876,224)	(876,224)
Net finance (cost)/income	-	-	-	2,817,863	2,817,863
Profit before tax	-	-	-	2,817,863	37,119,699



Income tax expense	-	-	(4,698,458)	(4,698,458)
Profit	-	-	(1,880,595)	32,421,241

The Group does not allocate assets and liabilities by segments as management does not use such information for the decision-making process.

24 SUBSEQUENT EVENTS

AQUILA signed a contract with Raiffeisen Bank International to benefit from Market Maker services for the Issuer starting from August 7.

Chief Executive Officer
Vasile Constantin Cătălin

Chief Financial Officer
Bascau Sorin



www.aquila.ro



Investor.relations@aquila.ro



0244595034



Malu Roșu, 105A, Ploiești



AQUILA

Focus on Excellence

