



Report for third Quarter 2022 – Aquila Part Prod Com SA

Content of the report:

A) Financial Indicators

B) Condensed Interim Consolidated Financial Statements as at and for the nine months period ended 30 September 2022

A) Financial Indicators:

		Sep-22
	Total current assets	686,841,064
	Total current liabilities	344,764,157
1. Liquidity Indicator	Total assets / Total current liabilities	1.99
	Total non-current liabilities	94,349,775
	Total equity	495,402,302
2. Gearing Ratio	Total non-current liabilities / Total equity x 100	19%
2. Gearing Ratio	Total non-current liabilities / Capital employed x 100	16%
	Trade receivables	250,213,626
	Revenues	1,543,377,475
3. Receivables days	Trade receivables / Revenues x days in the period (180)	44
	Total non-current assets	247,675,170
	Revenues	1,543,377,475
4. Asset Turnover	Revenues / Total non-current assets	6.23



B) Condensed Interim Consolidated Financial Statements as at and for the nine months period ended 30 September 2022:

AQUILA GROUP

Condensed Interim Consolidated Financial Statements

As at and for the nine months period ended 30 September 2022

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

ASSETS	Note	30-Sep-22	31-Dec-21
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment	13	176,402,070	116,817,944
Investment property		13,310,797	13,855,243
Intangible assets		1,261,436	1,559,329
Goodwill		5,011,706	5,011,706
Loans to related parties	14	46,120,610	52,124,075
Deferred tax assets		4,989,594	4,507,312
Other non-current assets		578,957	316,990
Total non-current assets		247,675,170	194,192,599
Current assets			
Inventories	10	195,003,731	133,654,414
Trade receivables	11	250,213,626	220,942,310
Short term portion of loans to related parties	14	7,547,225	6,672,011
Other receivables		38,422,038	30,014,026
Prepayments		9,742,519	7,420,986
Short term deposits		140,000,000	195,000,000
Cash and cash equivalents	12	45,911,925	43,333,121
Total current assets		686,841,064	637,036,868
Total assets		934,516,234	831,229,467
EQUITY AND LIABILITIES			
Equity			
Share capital	15 (a)	180,590,088	30,589,788
Share premium		195,699,121	345,699,421
Own shares		(991,972)	(991,972)
Legal reserves		4,752,335	4,752,335
Translation reserve		964,281	240,012
Retained earnings		113,963,324	102,678,414
Total equity attributable to the owners of the Companies		494,977,177	482,967,998
Non-controlling interests		425,125	420,820
Total equity		495,402,302	483,388,818

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The accompanying notes are an integral part of these condensed interim consolidated financial statements.
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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

	Note	30-Sep-22	31-Dec-21
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	19	205,158	2,051,211
Lease liabilities		91,566,511	32,830,611
Trade payables	16	129,021	1,688,836
Contract liability		109,795	121,680
Deferred tax liabilities		2,339,290	2,339,290
Total non-current liabilities		94,349,775	39,031,628
Current liabilities			
Current portion of long-term bank borrowings	19	2,461,903	2,461,455
Lease liabilities		33,261,197	37,097,013
Trade payables	16	260,537,373	219,230,427
Employee benefits		25,313,173	24,275,624
Current tax liabilities		5,050,716	1,777,221
Contract liabilities	18	5,130,771	281,847
Provisions		226,766	98,660
Other payables	17	12,782,258	23,586,774
Total current liabilities		344,764,157	308,809,021
Total liabilities		439,113,932	347,840,649
Total equity and liabilities		934,516,234	831,229,467

**Chief Executive
Officer**
Vasile Constantin Catalin

**Chief Financial
Officer**
Bascau Sorin

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.
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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

	Note	Nine month period ended	
		30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Revenues	6	1,543,377,475	1,379,212,449
Other income		5,506,766	1,802,736
Cost of goods sold		(1,124,773,464)	(1,030,996,295)
Cost of fuel and transport services		(56,961,264)	(41,014,275)
Salaries and other employee benefits		(164,992,681)	(143,493,982)
Repairs, maintenance and materials cost		(16,222,413)	(14,942,336)
Depreciation and amortization		(39,526,009)	(35,670,485)
Impairment gains/(losses)	11	(3,947,268)	2,849,572
Change in provisions, net		(116,879)	439,959
Other operating expenses		(71,671,225)	(61,008,417)
Operating profit		70,673,038	57,178,926
Finance income – interest income	7	5,947,349	1,071,056
Finance costs	7	(2,937,553)	(8,154,627)
Net finance (cost)		3,009,796	(7,083,571)
Profit before tax		73,682,834	50,095,355
Income tax expense	9	(9,401,257)	(6,270,248)
Profit for the year		64,281,577	43,825,107
Profit for the year attributable to:			
- owners of the Companies		64,277,273	43,816,942
- non-controlling interests		4,304	8,165
Profit for the year		64,281,577	43,825,107
Earnings per share			
Basic and diluted earnings per share	8	0.054	0.044

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

	Nine month period ended		
	Note	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign operations - foreign currency translation difference		724,269	239,147
Other comprehensive income, net of tax		724,269	239,147
Total comprehensive income		65,005,846	44,064,254
Total comprehensive income attributable to:			
- owners of the Companies		65,001,542	44,056,089
- non-controlling interests		4,304	8,165
Total comprehensive income		65,005,846	44,064,254

**Chief Executive
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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

Note	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 2021 (audited)	3,614,728	-	-	1,080,139	-	93,730,027	98,424,894	397,053	98,821,947
Comprehensive income									
Profit for the year						43,816,942	43,816,942	8,165	43,825,107
Other comprehensive income									
Foreign operations - foreign currency translation difference					239,147		239,147		239,147
Total other comprehensive income	-	-	-	-	239,147	-	239,147	-	239,147
Total comprehensive income	-	-	-	-	239,147	43,816,942	44,056,089	8,165	44,064,254
Transactions with owners of the Companies									
Contributions and distributions									
Dividends to the owners of the Companies						(21,395,289)	(21,395,289)		(21,395,289)
Total contributions and distributions	-	-	-	-	-	(21,395,289)	(21,395,289)	-	(21,395,289)
Total transactions with owners of the Companies	-	-	-	-	-	(21,395,289)	(21,395,289)	-	(21,395,289)
Other changes in equity									
Acquisition of subsidiary under common control						(20,586,698)	(20,586,698)		(20,586,698)
Incorporation of statutory merger premium	16,975,040	-	-	-	-	(16,975,040)	-	-	-
Balance at 30 September 2021 (unaudited)	20,589,768	-	-	1,080,139	239,147	78,589,942	100,498,996	405,218	100,904,214

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

Note	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 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						64,277,273	64,277,273	4,304	64,281,577
Other comprehensive income									
Foreign operations - foreign currency translation difference	-				724,269		724,269		724,269
Total other comprehensive income	-	-	-	-	724,269	-	724,269	-	724,269
Total comprehensive income	-	-	-	-	724,269	64,277,273	65,001,542	4,304	65,005,846
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 September 2022 (unaudited)	180,590,088	195,699,121	(991,972)	4,752,335	964,281	113,963,324	494,977,177	425,125	495,402,302

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

	Note	Nine month period ended	
		30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Cash flows from operating activities			
Profit for the year		64,281,577	43,825,107
Adjustments for:			
Depreciation	13	39,526,009	35,670,485
Loss/(Gain) on disposal of property, plant and equipment		(1,419,303)	978,706
Impairment charge/ (reversal)	11	3,947,268	(2,849,572)
Changes in provisions, net		116,879	(439,959)
Net finance cost	7	(3,009,796)	7,083,571
Income tax expense	9	9,401,257	6,270,248
Changes in:			
Decrease/(increase) in inventories		(61,349,317)	(26,259,059)
Decrease/(increase) in trade receivables		(32,979,104)	21,150,259
Decrease/(increase) in other receivables		(14,549,471)	398,365
Decrease/(increase) in prepayments		(2,321,533)	(1,793,852)
Increase/(decrease) in trade payables		39,747,131	19,899,635
Increase/(decrease) in other payables		(5,643,635)	(5,191,938)
Increase/(decrease) in provisions and employee benefits		1,048,776	1,343,152
Increase/(decrease) in contract liabilities		4,837,039	3,571,747
Cash generated from operating activities		41,633,777	103,656,895
Interest paid		(1,052,798)	(4,589,972)
Income tax paid		(6,599,581)	(6,765,547)
Net cash from operating activities		33,981,398	92,301,377

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AQUILA GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

	Note	Nine month period ended	
		30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(12,452,832)	(4,311,407)
Payments for purchase of intangible assets		-	(993,743)
Payments for purchase of subsidiary, net of cash acquired		-	(22,400,000)
Proceeds from sale of property, plant and equipment		1,885,569	1,421,138
Proceeds from loans granted to related parties		4,888,771	6,390,079
Dividends received		-	8,800
Interest received		5,879,492	1,051,427
Short term investments		55,000,000	-
Cash transferred at acquisition of subsidiary		-	2,916,455
Net cash used in investing activities		55,201,000	(15,917,251)
Cash flows from financing activities			
Repayment of long-term bank loans		(1,842,141)	(1,819,825)
Proceeds from short-term bank loans		-	9,784,375
Repayment of short-term bank loans		-	(4,299,616)
Payment of lease liabilities	20	(31,769,083)	(31,076,533)
Dividends paid	15	(52,992,370)	(21,395,289)
Net cash used in financing activities		(86,603,594)	(48,806,889)
Net increase/(decrease) in cash and cash equivalents		2,578,804	27,577,240
Cash and cash equivalents at 1 January (audited)	12	43,333,121	26,514,346
Cash and cash equivalents at 30 September (unaudited)	12	45,911,925	54,091,586

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AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(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. and TRIGOR AVD S.R.L. (together "the Aquila Group"). The Group's entities headquarters and activities are the following:

Entity	Headquarters	Registration	Activity
Aquila Part Prod Com SA	105A Malu Rosu Street, Ploiesti, Prahova County, Romania	Trade Register no: J29/2790/1994 Unique registration code: 6484554	Wholesale of consumer goods, Rendering of logistic services, Internal and external transport of goods
Printex SA	5 Poligonului Street, Ploiesti, Prahova County, Romania	Trade Register no: J29/107/1991 Unique registration code: 1348950	Rental and subleases of real estate
Trigor Avd S.R.L.	17 Otovasca Street, Chisinau, Chisinau County, Republica Moldova	Trade Register no: 1002600041675	Wholesale of consumer goods

Aquila's subsidiaries are the following:

Entity	% shareholding as at 30 Sep 2022 (unaudited)	% shareholding as at 31 Dec 2021 (audited)
PRINTEX S.A.	95.75%	95.75%
TRIGOR AVD SRL	100%	100%

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 150,000,300 RON, 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 September 2022, the shareholders of the Company, are Mr. Vasile Constantin Catalin and Mr. 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)
Mr. Vasile Constantin Catalin	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

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

1 REPORTING ENTITIES AND GENERAL INFORMATION (continued)

As at 31 December 2021, the shareholders of the Company, are Mr. Vasile Constantin Catalin and Mr. 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)
Mr. Vasile Constantin Catalin	66,666,800	0.15	10,000,020
Mr. Dociu Alin Adrian	66,666,800	0.15	10,000,020
Other shareholders	66,666,800	0.15	10,000,020
Total	200,000,400		30,000,060

2 BASIS OF ACCOUNTING

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 2021 ('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.

2 BASIS OF ACCOUNTING (continued)

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 September 2022 the Group's financial position shows net current assets of RON 342 million, mainly as a result of short term deposits of RON 140 million related to IPO, the Group not having any utilised short-term borrowings at this date. 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.

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 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.

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

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 2021.

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 2022. 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.

(i) Standards and interpretations that have not yet been endorsed by the EU

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023);
- Amendments to different standards due to "Annual Improvements to IFRS Standards 2018–2020"; and
- IFRS 14 "Regulatory Deferral Accounts" (applicable for annual periods beginning on or after 1 January 2016). The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

6 REVENUE

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Revenue	1,540,383,031	1,376,536,743
Rental income	2,994,444	2,675,706
Total revenue	1,543,377,475	1,379,212,449

Revenues in the first six months period this year are higher than those in the comparable period from prior year due to impact of Trigor business acquisition (RON 36 million , acquisition in May 2021) but also from increased level of sales.

Disaggregation of revenue from contracts with customers

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Distribution of goods	1,432,085,057	1,276,915,454
Logistics services	57,187,887	55,603,687
Transport services	51,110,088	44,017,602
Total	1,540,383,031	1,376,536,743

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

6 REVENUE (continued)

Timing of revenue recognition

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Products and services transferred at a point in time	1,464,112,037	1,302,793,366
Services transferred over time	76,270,994	73,743,377
Total	1,540,383,031	1,376,536,743

7 NET FINANCE COSTS

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Interest income	5,879,492	1,051,427
Other finance income	67,857	19,629
Total finance income	5,947,349	1,071,056
Interest expense	(1,925,174)	(4,589,972)
Net foreign exchange losses	(1,012,379)	(3,564,656)
Total finance costs	(2,937,553)	(8,154,628)
Net finance costs	3,009,796	(7,083,572)

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 and considering that the increase in number of shares in February 2022 was not cash, but from share premium incorporation it is treated as if it had occurred since the beginning of Jan 1, 2021, the earliest period presented.

Profit attributable to ordinary shareholders

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Profit attributable to the owners of the Companies	64,277,273	43,816,942
Profit attributable to ordinary shareholders	64,277,273	43,816,942

AQUILA GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022
(All amounts are in RON, if not otherwise stated)

8 EARNINGS PER SHARE (continued)

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

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1 January (Note 15 a)	199,820,400	302,500
Issued ordinary shares at 23 Feb 2022 (Note 15 a)	1,000,002,000	1,000,002,000
Weighted-average number of ordinary shares at 30 September	1,199,822,400	1,000,002,000

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Earnings per share		
Basic and diluted earnings per share (RON)	0.054	0.044

9 INCOME TAXES

(i) Amounts recognised in profit or loss

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Current tax expense	9,883,539	5,854,802
Deferred tax expense/(income)	(482,282)	415,446
Total income tax expense	9,401,257	6,270,248

10 INVENTORIES

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Consumables	877,442	760,503
Goods for resale	194,126,289	132,893,911
Total inventories	195,003,731	133,654,414

Cost of inventories recognized as an expense in the statement of profit or loss for the nine month period ended 30 September 2022 is RON 1,124,773,464 (nine month period ended 30 September 2021: RON 1,030,996,295).

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11 TRADE RECEIVABLES

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Trade receivables from third parties, gross	252,917,836	226,117,301
Trade receivables from related parties, gross	11,613,571	5,842,129
Bad debt allowance	(14,317,781)	(11,017,120)
Total trade receivables, net	250,213,626	220,942,310

Short term trade receivables from related parties are presented in Note 22.

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

	30 September 2022 (unaudited)			
	Weighted average ECL rate	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.86%	207,792,888	(1,778,124)	206,014,764
Past due 1-30 days	4.69%	36,528,771	(1,713,660)	34,815,111
Past due 31-60 days	25.15%	8,047,706	(2,024,196)	6,023,510
Past due 61-90 days	51.98%	2,693,701	(1,400,190)	1,293,511
Past due more than 90 days	78.17%	9,468,340	(7,401,611)	2,066,730
Total		264,531,407	(14,317,781)	250,213,626

	31 December 2021 (Audited)			
	Weighted average ECL rate	Gross value	Bad debt allowance	Net trade receivables
Neither past due nor impaired	0.89%	179,869,149	(1,593,732)	178,275,417
Past due 1-30 days	4.34%	38,367,921	(1,666,847)	36,701,074
Past due 31-60 days	26.96%	5,638,199	(1,519,879)	4,118,319
Past due 61-90 days	53.99%	2,330,306	(1,258,029)	1,072,277
Past due more than 90 days	86.53%	5,753,855	(4,978,632)	775,223
Total		231,959,430	(11,017,120)	220,942,310

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

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Balance as at 1 January	11,017,120	11,603,821
Impairment recognized/(reversed)	3,947,268	(2,849,572)
Amounts written off	(646,607)	-
Balance as at 30 September	14,317,781	8,754,249

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12 CASH AND CASH EQUIVALENTS

	30-Sep-22 (Unaudited)	31-Dec-21 (Audited)
Bank current accounts	44,365,703	42,541,957
Cash in hand	155,224	70,689
Promissory notes and cheques in bank	1,390,998	720,475
Total cash and cash equivalents	45,911,925	43,333,121

13 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment for the 9-months periods ended 30 September 2022 and 30 September 2021 were as follows:

	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
Gross carrying amount					
Balance at 1 January 2021	183,466,116	193,093,904	14,182,292	589,267	391,331,579
Acquisition of subsidiary	1,790,524	4,358,100	-	-	6,148,624
Additions	2,491,388	8,264,408	193,022	731,153	11,679,971
Disposals	(463,507)	(6,065,158)	(6,429)	(721,048)	(7,256,142)
Balance at 30 September 2021	187,284,521	199,651,255	14,368,885	599,372	401,904,033
Balance at 1 January 2022	183,809,485	222,093,112	14,968,715	692,508	421,563,820
Additions	77,699,242	17,934,337	481,187	1,237,233	97,351,999
Disposals	(288,210)	(8,684,159)	-	-	(8,972,369)
Balance at 30 September 2022	261,220,517	231,343,290	15,449,902	1,929,741	509,943,450
Accumulated depreciation and impairment losses					
Balance at 1 January 2021	88,431,694	150,719,980	8,277,655	-	247,429,329
Depreciation	17,983,960	15,735,850	937,794	-	34,657,605
Accumulated depreciation of disposals	(12,026)	(5,427,387)	(1,831)	-	(5,441,244)
Balance at 30 September 2021	106,403,629	161,028,443	9,213,618	-	276,645,690
Balance at 1 January 2022	115,856,118	179,209,398	9,680,359	-	304,745,875
Depreciation	20,386,449	12,757,303	807,450	-	33,951,203
Accumulated depreciation of disposals	(22,892)	(5,132,805)	-	-	(5,155,698)
Balance at 30 September 2022	136,219,675	186,833,896	10,487,809	-	333,541,380
Net carrying amounts					
At 30 September 2021	80,880,892	38,622,812	5,155,267	599,372	125,258,343
At 1 January 2022	67,953,367	42,883,714	5,288,356	692,508	116,817,945
At 30 September 2022	125,000,842	44,509,394	4,962,093	1,929,741	176,402,070

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13 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment includes right-of-use assets with a net carrying value of RON 34,034,345 as at 30 September 2022 (31 December 2021: RON 33,968,731) related to leased equipment and of RON 101,052,817 as at 30 September 2022 (31 December 2021: RON 42,776,905) related to leased properties that do not meet the definition of investment property.

14 LOANS TO RELATED PARTIES AND LONG TERM RECEIVABLES FROM RELATED PARTIES

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

(a) Loans to related parties

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Novadex	13,268,589	15,121,550
Aquila Agricola	6,788,595	7,157,250
Aquila Construct	-	-
Best Coffee Solutions	3,063,020	3,503,183
Nordexim	30,547,631	32,774,621
Aquila Trade Solutions	-	239,481
Total	53,667,835	58,796,085
Short-term portion	7,547,225	6,672,011
Long-term portion	46,120,610	52,124,074

15 CAPITAL AND RESERVES

(a) Share capital

As at 30 September 2022 the share capital of RON 180,590,088 (31 December 2021 RON 30,589,788) 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 September 2022

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

31 December 2021

Share capital (nominal value)	30,000,060
Restatement adjustment in accordance with IAS 29	589,728
Restated share capital balance	30,589,788

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15 CAPITAL AND RESERVES (continued)

The number of shares of the Group was as follows:

	Ordinary shares	
	Nine month period ended	
<i>Number of shares</i>	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
In issue at 1 January	200,000,400	302,500
In issue at 30 September – fully paid	1,200,002,400	133,333,600

At 30 September 2022, the par value of the shares of Aquila Part Prod Com SA is RON 0.15.

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 150,000,300 RON, 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. All ordinary shares rank equally with regard to the Parent's 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 Parent recognizes 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:

	Distribution of dividends	
	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
To the owners of the Parent	52,992,370	21,395,289
Total	52,992,370	21,395,289
Weighted-average number of ordinary shares at 30 September (Note 8)	1,199,822,400	1,000,002,000
Dividend per share	0.04	0.02

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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.

<i>In RON</i>	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Borrowings and lease liabilities	127,494,769	74,440,290
Less: Cash and bank balances	(45,911,925)	(43,333,121)
Net debt	81,582,844	31,107,169
Total equity attributable to the owners of the Group	495,402,302	483,388,818
Gearing ratio	0.16	0.06

16 TRADE PAYABLES

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Trade payables to third parties	235,898,568	197,332,315
Trade payables to related parties	242,158	390,493
Refund liabilities	24,525,668	23,196,454
Total	260,666,394	220,919,262
Current	260,537,373	219,230,426
Non-current	129,021	1,688,836

Trade payables to related parties are presented in Note 22.

Refund liabilities are recognised for volume discounts accrued as at period end to be granted to customers. Such volume discounts are invoiced to customer within less than one year.

Non-current trade payables as at 31 December 2021 represent payables to Felix Development for the acquisition by Aquila Part Prod Com SA of warehouse localised in Ploiesti. The contract was concluded in 27 March 2017, transaction price being EUR 3 million and is payable in equal monthly instalments until April 2023.

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17 OTHER PAYABLES

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
VAT payable	567,367	6,183,204
Dividends payable	9,055,460	12,854,434
Sundry creditors	2,129,596	1,495,293
Other payables	1,029,835	3,053,843
Total	12,782,258	23,586,774

18 CONTRACT LIABILITY

The contract liabilities as at September 30, 2022 primarily relate to the advance consideration received from customers for a small new line of consumer goods which require such advances, durable goods, for which revenue is recognized at a point in time. This will be recognized as revenue when the goods will be delivered to the customers which is expected to occur in the current year.

19 LOANS AND BORROWINGS

(a) Long-term bank borrowings

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Balance at 1 January	4,512,666	6,863,198
Reimbursements	(1,842,141)	(1,819,825)
Foreign exchange impact	(3,465)	83,620
Balance at 30 September	2,667,061	5,126,993
Current portion	2,461,903	2,460,958
Long term portion	205,158	2,666,035

(b) Short-term bank borrowings

As of at 30 September 2022 and 31 December 2021, the Company has short-term credit facilities but the balance is null.

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20 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.

Nine month period ended 30 September 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	(19,404,261)	(3,387,603)	(22,791,864)
Additions to right-of-use assets	77,680,173	9,297,976	86,978,148
Disposals	-	(5,844,759)	(5,844,759)
Balance at 30 September	101,052,817	34,034,345	135,087,162

Nine month period ended 30 September 2021	Land and buildings	Equipment (Transport vehicles)	Total
Balance at 1 January	65,681,080	37,105,367	102,786,447
Addition as business acquisition	1,595,531	3,140,730	4,736,261
Depreciation charge for the year	(17,460,043)	(10,974,857)	(28,434,900)
Additions to right-of-use assets	1,561,115	5,870,669	7,431,784
Disposals	-	-	-
Balance at 30 September	51,377,683	35,141,909	86,519,592

(ii) Amounts recognised in profit or loss

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Interest on lease liabilities	1,410,368	1,937,210
Expenses related to short term lease and low value lease	1,339,744	3,611,157

(iii) Amounts recognised in statement of cash flows

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Total cash outflows for leases	(31,769,083)	(31,076,533)

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21 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:

30-Sep-22	Note	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
Loans to related parties	18	Lifetime ECL (credit impaired)	53,667,835	-	53,667,835
Trade receivables	15	Lifetime ECL (simplified model)	264,531,407	(14,317,781)	250,213,626
			318,199,242	(14,317,781)	303,881,461

31-Dec-21 (Audited)	Note	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
Loans to related parties	18	Lifetime ECL (credit impaired)	58,796,085	-	58,796,085
Trade receivables	15	Lifetime ECL (simplified model)	231,959,430	(11,017,120)	220,942,310
			290,755,515	(11,017,120)	279,738,395

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22 RELATED PARTIES

(a) Main shareholders

As at 31 December 2021 and 31 December 2020 the shareholders of AQUILA PART PROD SA are Mr. Vasile Constantin Catalin and Mr. Dociu Alin Adrian with 33.3% each.

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

	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Mr. Vasile Constantin Catalin	-	-
Mr. Dociu Alin Adrian	-	-
Minority shareholders	8,042	8,042
Total	8,042	8,042

The transactions with shareholders are dividend payments, as follows:

	Nine month period ended	
	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Total transactions with shareholders of dividend payments	52,992,370	21,395,289

(b) Balances with related parties

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

Related Party	Relationship	Nature of transactions
Aquila Construct	Entity under common control	Loan granting, Receipt of loan
Best Coffee Solutions	Entity under common control	Loan granting, sale of merchandise
Aquila Agricola	Entity under common control	Loan granting, sale of merchandise
Novadex	Entity under common control	Loan granting, sale of merchandise
Nordexim	Entity under common control	Sale of merchandise
Aquila Asig	Entity under common control	Insurance agent
Best Distribution Moldova	Entity under common control	Sale of merchandise, Acquisition of services
Lorac Impex S.R.L.	Member of key management personnel	Consulting Services

For loans granted to related parties and long term receivables please refer to Note 14.

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22 RELATED PARTIES (continued)

Balances: trade payables	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Aquila Construct	4,733	-
Best Coffee	817	-
Aquila Asig	-	127,757
Nordexim	221,968	-
Novadex	14,640	262,736
Total	242,158	390,493

Balances: trade receivables	30-Sep-22	31-Dec-21
	(Unaudited)	(Audited)
Aquila Construct	214,998	884,970
Best Coffee	328,687	338,404
Aquila Agricola	9,990	23,326
Aquila Asig	5,628	1,255
Novadex	-	3,306
Nordexim	11,046,217	4,590,869
Lorac Impex S.R.L.	8,052	-
Total	11,613,571	5,842,129

(d) Transactions with related parties

	Nine month period ended	
Purchases (without VAT)	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Aquila Construct	3,977	10,542
Best Coffee	46,427	578,942
Nordexim	1,124,967	250,847
Lorac Impex S.R.L.	4,870,525	4,722,425
Novadex	110,630	316,199
Total	6,156,528	5,878,955

	Nine month period ended	
Sales (without VAT)	30-Sep-22	30-Sep-21
	(Unaudited)	(Unaudited)
Aquila Construct	1,252,588	1,063,138
Best Coffee	429,292	265,361
Aquila Agricola	29,471	22,493
Aquila Asig	7,545	6,308
Nordexim	11,287,131	8,891,144
Lorac Impex S.R.L.	13,252	-
Novadex	-	2,778
Total	13,019,279	10,251,223

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23 CONTINGENCIES

There were no significant changes in contingent liabilities in the current interim period compared with December 31, 2021.

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 distribution of consumer goods products.

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

Revenue per segments:

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Distribution of goods	1,435,079,501	1,279,591,160
Logistics services	57,187,887	55,603,687
External transport services	51,110,088	44,017,602
Total	1,543,377,475	1,379,212,449

Profit per segments:

	Nine month period ended	
	30-Sep-22 (Unaudited)	30-Sep-21 (Unaudited)
Distribution of goods	64,658,594	54,397,060
Logistics services Romania	5,597,803	2,699,997
External transport services	416,641	81,869
Total	70,673,038	57,178,926

The Group does not allocate assets and liabilities per segments.

25 Subsequent events

According to the resolutions of Ordinary General Shareholders Meeting of Aquila Part Prod Com S.A. of 24.10.2022, approve the distribution of special gross dividend at a value of RON 0.02632 per share.

**Chief Executive
Officer**
Vasile Constantin Catalin

**Chief Financial
Officer**
Bascau Sorin