**AQUILA**

**Questions & Answers**

**Teleconference for the presentation of preliminary financial results for 2023**

**March 1st, 2024**

**1. When can we anticipate receiving guidance for 2024?**

**Answer:**

For 2024, considering that we are a listed company, we must have the budget approved by the General Shareholders' Meeting. At this moment, we can anticipate that investments will remain at similar levels to those of last year, and our strategy will continue to be guided by the plan presented at the time of the listing. Certainly, the majority of the investments will be directed towards expanding the fleet. We also need to consider the influences of tax increases, at least in the first quarter of this year. However, for the whole year, we anticipate growth both in volume and value. Last year, we recorded a growth of approximately 5% in volume, and we will continue to focus on channels that have shown good results and have potential for development, such as traditional retail, HoReCa, and gas stations. Regarding product categories, we will focus particularly on frozen fruits and vegetables, especially on our own brands, given the increased consumer interest in these products.

**2. What is the estimated deadline for the completion of the transaction with Parmafood?**

**Answer:**

It is difficult to anticipate accurately as we depend on obtaining the necessary approvals from the Competition Council and the Foreign Investment Commission. However, we are confident that we will finalize the transaction in the first half of the year. Consequently, we will consolidate Romtec in the first quarter and Parmafood in the first semester, with the disclaimer that anything can happen in terms of negotiations and unforeseen events, so we have to consider this as well.

**3. Considering the solid performance of Trigor AVD in Moldova, are you considering expanding the business?**

**Answer:**

We are thrilled with the team and the results of Trigor AVD Moldova. Yes, we plan to expand the business, but opportunities for acquisitions are more limited. We continue to focus on our team there to diversify the product range, and attract new suppliers, and eventually, customers.

**4. How do legislative changes impact the business, both those from the latter part of 2023 and those anticipated for 2024?**

**Answer:**

Anticipating all legislative changes that will occur throughout the year, especially in an election year, is challenging. However, we can observe that legislative changes that came into effect from January 1st, 2024, brought tax and VAT increases, and will certainly add additional pressure on consumption. Therefore, it is necessary to proceed cautiously regarding the calibration of the selling prices and the margins for the year 2024.

**5. What is your estimate for the gross margin in 2024 compared to the fiscal year 2023? Is it realistic an increase in the current environment?**

**Answer:**

We are confident that we can maintain a similar margin in 2024 compared to 2023. Despite observing pressures on consumption and cost increases, especially regarding wage costs in 2023, we are determined to absorb their effects, including the tax increase, and adapt to changes in consumer behavior. On the other hand, we focus on launching new products and strengthening our own brands with the products launched last year, continuing to add new products and suppliers to our distribution portfolio. Additionally, we expect to include Romtec in the consolidation, and we are confident that Parmafood will also be integrated starting from the first semester of 2024.

**6. Are there any prospects for another M&A this year?**

**Answer:**

We will focus more on the integration process and finalizing the transaction with Parmafood, which is of a larger scale and has the potential to bring significant synergies. Integrating both companies requires considerable effort and attention.

At the same time, we continue to explore potential acquisition opportunities, and depending on the progress of negotiations, we will decide whether further transactions will take place this year or next year. However, our primary focus will be on successfully integrating the transactions already announced.

**7. How do you anticipate the evolution of the sales and EBITDA of Romtec over the next 3 years? What will be the proposal for the dividend from the 2023 results?**

**Answer:**

Regarding sales and EBITDA at Romtec, at this point, we see a very high growth potential over the next 3 years. However, we cannot provide specific figures for the next three years as we are in the process of getting to know and integrating the company. Our team has already been in Iași in the past few days as well as throughout the due diligence process.

After completing the analysis process and integration, we will be able to provide a clearer perspective on the evolution of sales and EBITDA. Nevertheless, we are extremely confident in the growth potential of sales and EBITDA at Romtec. Their product portfolio is well-positioned for the gas station channel and has growth potential also in retail, in both the local and international markets. There are significant growth opportunities both among existing customers and through the development of new products. We aim to have a comprehensive portfolio in the car cosmetics area, products dedicated to vehicle maintenance.

Regarding the dividend for the financial year 2023, we will continue our dividend distribution policy communicated, in line with our commitment to distribute 40% of distributable profit as dividends. This is a way to reward shareholders and attract new investors. This year we have coverage from both Wood & Company and Raiffeisen Bank International analysts.

**8. What represents the balance sheet position of RON 185 million in short-term investments?**

**Answer:**

It is about short-term bank deposits. As you know, we still have a good cash position. As mentioned during the IPO, a portion of it is for acquisitions. We will continue to hold cash in the form of short-term bank deposits.

**9. Do you plan to promote Gradena and La Masa products to export?**

**Answer:**

There are potential opportunities in terms of exports. However, our main focus is on growing the Gradena and La Masă brands in the Romanian market, where there is room for growth. That is why we have already started TV and online campaigns together with influencers to promote the Gardena brand, as we still see growth potential in the frozen fruits and vegetables category.

Additionally, we have started looking into the canned segment, including possible acquisitions in this area. We are excited to see that Parmafood also has a diversified portfolio in terms of canned goods, sauces, and various spreadable products, which complement our product portfolio.

While exports represent an opportunity, our main objective for the first half of 2024 is to consolidate market share and increase awareness of our brands in the domestic market. We have encouraging results, very good ones actually, both in terms of figures and the outcomes of the marketing campaigns.

In the future, as we strengthen our position in the Romanian market, we also consider expanding into foreign markets, namely countries where our products are already sold in stores. At the moment, we have only a few studies, but the logistics, at least for frozen products, entail quite a high cost. As we increase market share in Romania, we will certainly also consider the diaspora. It is important to ensure that there is demand and interest in our products in these countries and to approach this opportunity with caution.

**10. Will be redistributed in 2024 the CAPEX part that was not completed in 2023, according to the guidance?**

**Answer:**

Yes, absolutely. This concerns investments necessary in the fleet, however, the main reason for the delay has been a certain delay in the delivery of vehicles caused by the supplier. It is essential to continue the fleet renewal process for several reasons. On one hand, we aim to reduce our carbon footprint, and on the other hand, this contributes to reducing maintenance and repair costs, considering the considerable size of our fleet.