

**STATEMENT OF COMPREHENSIVE INCOME ON MARCH 31 2023**  
**(expressed in lei, unless specified otherwise)**

	<b>March 31 2023</b>	<b>March 31 2022</b>
<b>Income from contracts</b>	<b>9,563,096</b>	<b>39,935,974</b>
Other operating income	1,432,256	107,167
Changes in inventories	(357,653)	(1,704,783)
Raw materials and consumables	(6,202,538)	(27,129,902)
Expenses on personnel	(1,451,773)	(3,554,552)
Amortization	(2,100,975)	(2,005,920)
Other operating expenses	(3,556,437)	(5,674,209)
<b>Operating profit</b>	<b>(2,674,024)</b>	<b>(26,225)</b>
Financial income	6	8
Financial expenses	(254,159)	(158,124)
<b>Profit/Loss before taxation</b>	<b>(2,928,177)</b>	<b>(184,341)</b>
Expenses with the tax on profit	0	0
<b>Profit/Loss</b>	<b>(2,928,177)</b>	<b>(184,341)</b>
<b>BASIC/DILUTED PER SHARE RESULT</b>	<b>0.0418</b>	<b>0.0026</b>

Vice-Chairman of the Board of Directors,  
 Roxana Scarlat

Head of Financial Department,  
 Giorgiana Ionita

**STATEMENT OF FINANCIAL POSITION ON MARCH 31 2023**  
**(expressed in lei, unless specified otherwise)**

	March 31 2023	December 31 2022
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	84,370,576	86,258,378
Intangible assets	238,009	244,242
Financial assets	12,575,521	12,575,521
Deferred tax	9,579	9,579
Fixed assets	153,484	153,484
<b>TOTAL FIXED ASSETS</b>	<b>97,347,169</b>	<b>99,241,204</b>
<b>Current assets</b>		
Inventories	3,904,591	4,236,392
Trade and other receivables	10,883,470	9,372,305
Other financial assets	-	-
Cash and cash equivalents	1,083,897	3,329,028
<b>TOTAL CURRENT ASSETS</b>	<b>15,871,958</b>	<b>16,937,725</b>
<b>TOTAL ASSETS</b>	<b>113,219,127</b>	<b>116,178,929</b>
Trade and other liabilities	37,964,521	36,097,098
Short-term loans from banking institutions	3,914,344	3,669,178
Financial leasing	2,531,383	2,599,571
Employee benefits due in short term	51,123	261,518
Long-term loans from banking institutions – current maturity	4,999,992	4,999,992
Liabilities with the tax on profit	-	-
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>49,461,363</b>	<b>47,627,357</b>
Long-term loans from banking institutions	3,331,145	4,580,816
Subsidies	450,328	511,282
Employee benefits due in long term	127,105	127,105
Leasing	2,149,164	2,704,173
Bond loans	5,015,000	5,015,000
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>11,072,742</b>	<b>12,938,376</b>
<b>TOTAL LIABILITIES</b>	<b>60,534,105</b>	<b>60,565,733</b>
<b>NET ASSETS</b>	<b>52,685,022</b>	<b>55,613,196</b>
Share capital	6,976,465	6,976,465
Legal reserve	1,617,005	1,617,005
Net reserves from revaluation	26,682,654	27,367,632
Other reserves	44,442,530	44,442,530
Retained earnings	(27,033,632)	(24,790,436)
<b>TOTAL EQUITY</b>	<b>52,685,022</b>	<b>55,613,196</b>
<b>TOTAL LIABILITIES</b>	<b>113,219,127</b>	<b>116,178,929</b>

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**STATEMENT OF CHANGES IN EQUITY ON MARCH 31 2023**  
 (expressed in lei, unless specified otherwise)

	Share capital	Income/loss related to the sale or cancellation of equity	Reserves from revaluation	Legal reserves	Other reserves	Other equity	Retained earnings	Total
<b>December 31 2021</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>6,827,207</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(12,482,452)</b>	<b>58,212,857</b>
Loss of the financial year	-	-	-	-	-	-	(10,569,929)	<b>(10,569,929)</b>
Retaking of the reserve from revaluation to other reserves			161,161				(161,161)	-
Remeasurement of pension benefit schemes							134,037	134,037
Revaluation of financial investments at fair value							(2,062,353)	(2,062,353)
Tangible asset revaluation			19,929,525					19,929,525
Land revaluation			4,312,585					4,312,585
Deferred tax related to the above items			(3,862,845)				351,422	(3,511,424)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>20,540,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,307,984)</b>	<b>8,232,441</b>
Distributed dividends	-	-	-	-	-	-	-	-
Allocations of other reserves	-	-	-	-	-	-	-	-
<b>December 31 2022</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>27,367,632</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(24,790,435)</b>	<b>55,613,199</b>
Loss of the financial year	-	-	-	-	-	-	(2,928,177)	(2,928,177)
Retaking of the reserve from revaluation to other reserves			(684,978)				684,980	-
<b>March 31 2023</b>	<b>6,976,465</b>	<b>1,132,496</b>	<b>26,682,654</b>	<b>1,617,005</b>	<b>37,460,379</b>	<b>5,849,655</b>	<b>(27,033,632)</b>	<b>52,685,022</b>

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**CASH-FLOW STATEMENT ON MARCH 31 2023**  
**(expressed in lei, unless specified otherwise)**

	<b>March 31 2023</b>	<b>December 31 2022</b>
+/- Business income	(2,928,177)	(10,569,929)
+ Amortization included in costs	2,100,975	7,189,139
- Changes in inventories (+/-)	(331,801)	(9,062,923)
- Changes in receivables (+/-)	1,511,165	(12,801,200)
+ Changes in suppliers and client lenders (+/-)	3,309,973	(18,898,019)
- Changes in other assets (+/-)	(3,055,859)	9,701,623
+ Changes in other liabilities (+/-)	(4,438,068)	12,140,220
<b>A = Cash flow from operating activity</b>	<b>(78,802)</b>	<b>2,023,911</b>
+ Amounts from the sell of assets and fixed assets	0	0
- Acquisitions of tangible assets	1,161,824	5,098,270
<b>+ B = Cash flow from investment activity</b>	<b>(1,161,824)</b>	<b>(5,098,270)</b>
+ Changes in loans (+/-), out of which:	(1,004,505)	(4,605,207)
* Short-term credits	245,166	394,785
+ Dividends to be paid	0	1,635
<b>+ C = Cash flow from financial activity</b>	<b>(1,004,505)</b>	<b>(4,603,572)</b>
+ Liquid assets at the beginning of the year	3,329,028	11,006,959
<b>+ Net cash flow (A+B+C)</b>	<b>(2,245,131)</b>	<b>(7,677,931)</b>
<b>= Liquid assets at the end of the period</b>	<b>1,083,897</b>	<b>3,329,028</b>

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## FINANCIAL INDICATORS ON MARCH 31 2023

(all amounts expressed in lei, unless specified otherwise)

<b>PROFITABILITY AND RETURN ON CAPITAL</b>	<b>March 31 2023</b>
<b>Equity efficiency ratio</b>	
Net profit (A)	(2,928,177)
Equity (B)	52,685,022
<b>A/B</b>	<b>-0.06%</b>
<b>Operating profit ratio</b>	
Gross profit (A)	(2,928,177)
Operating income (B)	10,637,699
<b>A/B</b>	<b>-0.27%</b>
<b>Net profit ratio</b>	
Net profit (A)	(2,928,177)
Total income (B)	10,637,705
<b>A/B</b>	<b>-0.27%</b>
<b>Total assets ratio</b>	
Gross profit (A)	(2,928,177)
Total assets (B)	113,219,127
<b>A/B</b>	<b>-0.03%</b>
<b>SOLVENCY</b>	<b>March 31 2023</b>
<b>Liability ratio</b>	
Total liabilities (A)	60,534,105
Total assets (B)	113,219,127
<b>A/B</b>	<b>53.47%</b>
<b>Financial autonomy ratio</b>	
Equity (A)	52,685,022
Total assets less net current liabilities (B)	63,757,764
<b>A/B</b>	<b>82.63%</b>
<b>LIQUIDITY AND WORKING CAPITAL</b>	<b>March 31 2023</b>
<b>Quick liquidity ratio</b>	
Current assets (A)	15,871,958
Inventories (B)	3,904,591
Current liabilities (C)	49,461,363
<b>(A-B)/C</b>	<b>24.20%</b>

**Client collection period**

Trade receivables (A)	7,590,469
Net turnover (B)	9,563,096
<b>A/B*90 days</b>	<b>71</b>

**Inventory immobilization period**

Inventories (A)	3,904,591
Net turnover (B)	9,563,096
<b>A/B*90 days</b>	<b>37</b>

**Supplier payment period**

Suppliers (A)	7,831,554
Material expenses (B)	6,201,670
<b>A/B*90 days</b>	<b>114</b>

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## ANNEX 30.B. ECONOMIC & FINANCIAL INDICATORS

Indicator	Calculation method	Result	Optimal values
Current liquidity indicator	Current assets/ Current liabilities	$15,871,958/49,461,363 = 0.32$	2
Indebtedness indicator	Borrowed capital/Own capital	$17,260,481/52,685,022 = 0.33$	Minimum value
Debits turnover speed – clients	Client average balance/Turnover x 90 days	$7,590,469/9,563,096 \times 90 \text{ days} = 71 \text{ days}$	Maximum value
Fixed assets turnover speed	Turnover/ Fixed assets	$9,563,096/97,347,169 = 0.10$	Minimum value

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## EXPLANATORY NOTES – ASSETS, RECEIVABLES AND LIABILITIES BALANCE ON MARCH 31 2023

### ECONOMICAL & FINANCIAL STATEMENT

#### 1. BALANCE ON 31.03.2023

Assets	March 31 2023	December 31 2022
Fixed assets	97,347,169	99,241,204
Current assets	15,871,958	16,937,725
<b>TOTAL ASSETS</b>	<b>113,219,127</b>	<b>116,178,929</b>
Current liabilities	49,461,363	47,627,357
Long-term liabilities	11,072,742	12,938,376
<b>TOTAL LIABILITIES</b>	<b>60,534,105</b>	<b>60,565,733</b>
<b>NET ASSETS</b>	<b>52,685,022</b>	<b>55,613,196</b>

Share capital and reserves	March 31 2023	December 31 2022
Share capital	6,976,465	6,976,465
Other equity items	5,849,655	5,849,655
Reserves from revaluation	26,682,654	27,367,632
Other reserves	39,077,383	39,077,383
Earnings related to equity	1,132,496	1,132,496
Retained earnings	(24,105,455)	(14,220,507)
Current result	(2,928,177)	(10,569,929)
<b>TOTALEQUITY</b>	<b>52,685,022</b>	<b>55,613,196</b>

On 31.03.2022 there is a decrease in net assets by 2,928,174 lei compared to 2022.

## 1.1. Fixed assets

The structure of fixed assets on 31.03.2023 is as follows:

<b>Fixed assets</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Intangible assets	238,009	244,242
Tangible assets	84,370,576	86,258,378
Financial assets	12,729,005	12,729,005
Deferred tax	9,579	9,579
<b>TOTAL</b>	<b>97,347,169</b>	<b>99,241,204</b>

On 31.03.2022, the total fixed assets decreased by 1,894,035 lei compared to the beginning of the year, registering in the first quarter of 2023 the value of 97,347,169 lei.

Intangible assets registered a decrease of 6,233 lei compared to the beginning of the year.

The tangible assets decreased since the beginning of the year by 1,887,802 lei. Their detailed situation can be found below.

<b>Tangible assets</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Land and constructions	48,104,666	48,875,786
Technical installations and machines	22,006,313	22,877,588
Other installations, equipment and furniture	992,835	1,102,252
Tangible assets in progress	1,133,795	1,133,795
Assets – rights to use	12,132,967	12,132,967
Advance payments	0	135,990
<b>TOTAL</b>	<b>84,370,576</b>	<b>86,258,378</b>

Regarding the tangible assets on 31.03.2023, there is a decrease of the lands and constructions, a slight increase of the technical installations and machines and equipment and furniture compared to the beginning of the year.

## 1.2. Inventories

The structure of inventories on 31.03.2023 is as follows:

<b>Inventories</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Raw materials and consumables	2,121,143	2,383,355
Production in progress and semi-finished products	335,911	332,421
Finished products and merchandise	1,447,538	1,520,616
<b>TOTAL</b>	<b>3,904,591</b>	<b>4,236,392</b>

On 31.03.2023 there is a slight decrease in inventories by 331,801 lei compared to 2022.

## 1.3. Receivables

The structure of receivables on 31.03.2023 is as follows:

<b>Receivables</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Trade receivables	7,590,469	6,543,097
Other receivables	3,293,001	2,829,208
<b>TOTAL</b>	<b>10,883,470</b>	<b>9,372,305</b>

On 31.03.2023, there is an increase in receivables by 1,511,165 lei compared to 2022.

## 1.4. Liabilities

The structure of liabilities on 31.03.2023 is as follows:

<b>Liabilities</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Trade liabilities	37,964,521	36,097,098
Loans from banking institutions	8,914,336	8,669,170
Financial leasing	2,531,383	2,599,571
Other liabilities	51,123	261,518
<b>Total short-term liabilities</b>	<b>49,461,363</b>	<b>47,627,357</b>
Loans from banking institutions	3,331,145	4,580,816
Subsidies	450,328	511,282
Financial leasing	2,149,164	2,704,173
Other liabilities	127,105	127,105
Bond loans	5,015,000	5,015,000
<b>Total long-term liabilities</b>	<b>11,072,742</b>	<b>12,938,376</b>
<b>TOTAL</b>	<b>60,534,105</b>	<b>60,565,733</b>

On 31.03.2023, a slight decrease in liabilities can be noticed. The Electroarges SA total liability situation decreased by 31,628 lei.

## 2. PROFIT & LOSS ACCOUNT ON 31.03.2023

	<b>March 31 2023</b>	<b>March 31 2022</b>
<b>Income from sales</b>	<b>9,563,096</b>	<b>39,935,974</b>
Other operating income	1,432,256	107,167
Changes in inventories	(357,653)	(1,704,783)
Total operating expenses	(13,311,723)	(38,364,583)
<b>Operating profit/(loss)</b>	<b>(2,674,024)</b>	<b>(26,225)</b>
Net financial income/(expenses)	(254,153)	(158,116)
<b>Profit/(Loss) before taxation</b>	<b>(2,928,177)</b>	<b>(184,341)</b>
Tax expenses	0	0
<b>Profit/(Loss)</b>	<b>(2,928,177)</b>	<b>(184,341)</b>

On 31.03.2023, a significant operating loss is recorded compared to 31.03.2022.

The turnover decreased on 31.03.2023 compared to 31.03.2022 by 30,372,878 lei.

The structure of operating expenses on 31.03.2023 is as follows:

<b>Operating expenses</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
Raw materials and consumables	6,202,538	27,129,902
Expenses on personnel	1,451,773	3,554,552
Amortization	2,100,975	2,005,920
Other operating expenses	3,556,437	5,674,209
<b>TOTAL</b>	<b>13,311,723</b>	<b>38,364,583</b>

In the current period, there is a decrease in all expenses compared to the previous period by 25,052,860 lei.

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