



TURBOMECHANICA

Bd. Iuliu Maniu Nr. 244 District 6 Zip Code 061126 Bucharest - Romania

Tel .: (+4) 021 434 32 06; (+4) 021 434 07 41 Fax: (+4) 021 434 07 94

European Unique Identifier (EUID) ROONRC.J40/533/1991

Commerce Registry Code J40/533/1991

Tax Code RO3156315 Unique Registration Code 3156315

Subscribed share fully paid capital 36,944,247.50 RON

www.turbomecanica.ro; e-mail: office@turbomecanica.ro

No. 22 of 07.11.2022

QUARTERLY REPORT AS OF SEPTEMBER 30TH 2022

BOARD OF ADMINISTRATION OF TURBOMECHANICA S.A. REPORT

TURBOMECHANICA SA is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

The company's website is www.turbomecanica.ro

1. Turbomecanica Management

The management of the company is in a unitary system.

The Chairman of the Managing Board is also the General Director of the company and ensures the executive management.

The organization of the Turbomecanica management system is defined by the operative management that ensures the achievement of responsibilities and objectives based on a divisional type organization,

The management at operational level is ensured by the Directors of the 4 departments, which form the Managing Board.

Each operational department has specific structures under it.

There were no changes in this structure in 2022.

As at 30.09.2022, the non-executive management structure that ensures the current development of the activities has the following composition:

NAME	POSITION
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VIEHMANN Radu	President of BoD & CEO
ANGHEL Claudia	Financial & Commercial Director
VIEHMANN Timura Mendy	Quality & Organization Director
TICĂ Sorin Daniel	Production Director
VASILESCU Șerban-Ion	Technical & Conformity Director

The financial results will be included in the financial statements of Q1 – Q3 2022, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

2. Statement of profit and loss:

	30 SEPTEMBER 2022	30 SEPTEMBER 2021
Revenues	91.551.016	77.974.062
Other gains and loss	5.125.204	3.011.020
Change in inventories of finished goods and work in progress	(765.351)	7.887.585
Raw materials and consumables used	(35.927.598)	(29.463.847)
Employee benefits expense	(37.998.401)	(38.640.864)
Depreciation and amortisation expense	(8.226.096)	(8.256.870)
Finance cost, net	(1.758.921)	(1.522.940)
Othe operating expenses	(8.523.704)	(5.412.933)
Gross profit/Profit before tax	3.476.147	5.575.212
Income tax expense/ benefit	981.292	1.273.437
Net profit	2.494.855	4.301.775

The Company recorded:

- 1) operating revenues in amount of Lei 91,212,808 and
- 2) operating expenses in amount of Lei 86,026,083. The company registered in Q1-Q3 2022 an operating profit of Lei 5,186,726 and Net profit 2,494,855. Compared to last year, the net profit decreased by 1,8 mil lei.

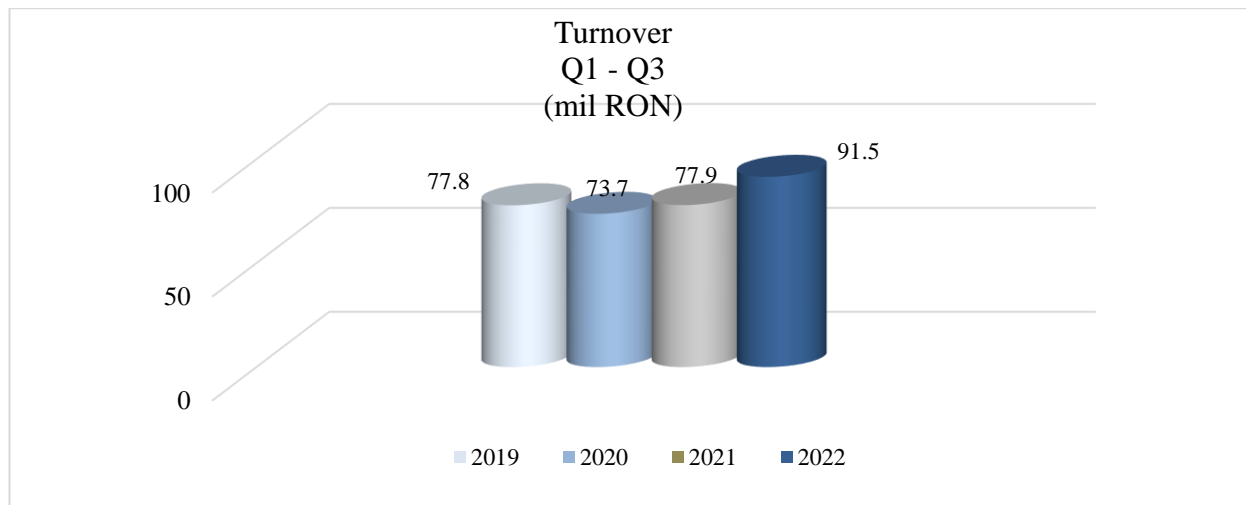
The largest share of this revenue was made through specific activities related to the production profile of the Company.

Turnover increase by 17.4% compared to the same period last year.

TBM registered a turnover of 91.5 mil. Lei, below the budgeted values (96,667,782 lei) but - at the same time - well above the Turnover average recorded in Q1-Q3 2019 – 2021.

(Lei)	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2022
Turnover	77.814.296	73.758.262	77.974.062	91.551.016

The expectations indicate a turnover in the end of 2022 in the budgeted provisions of 133,9 mil.Lei.



Looking through the prism of the inclusion of CA in the budgeted values, during the analyzed period we have a non-realization of 5,1 mil lei, of which 1.5 mil lei is related to the maintenance activity (non-realization of 2%) respectively 0.5 mil lei related to the manufacturing activity (non-realization of 21%) as well as the negative impact of 2.8 mil Lei related to the reversal of IFRS15. At the client level, the most significant failure in the maintenance activity is 1.8 mil Lei at IAR Brasov, respectively Rolls Royce for the manufacturing activity where the failure compared to the budgeted value is 0.5 mil lei as a result of the delay in the placement order by the customer.

The incomes corresponding to production in progress and variation of inventory has a negative balance of 765,351 Lei compared to 30.09.2021.

IFRS15 had an impact of 8.3 mil Lei on the work in progress balance at 31.12.2021. The impact of this standard on the production in progress will be seen after the analysis of contracts/orders at 4th Wuarter 2022.

The decrease results as well from the production cost of semi-finished goods and residual products obtained in the end of the period, and also from the differences between predetermined price and the corresponding production cost.

The differences from other gains and losses represent provisions reversal: days of leave untaken from previous years, pension provision – actuarial. During the first 9 months of 2022 the company didn't set-up any provision.

Raw material expenses grow up compared to last year by 21.93%.

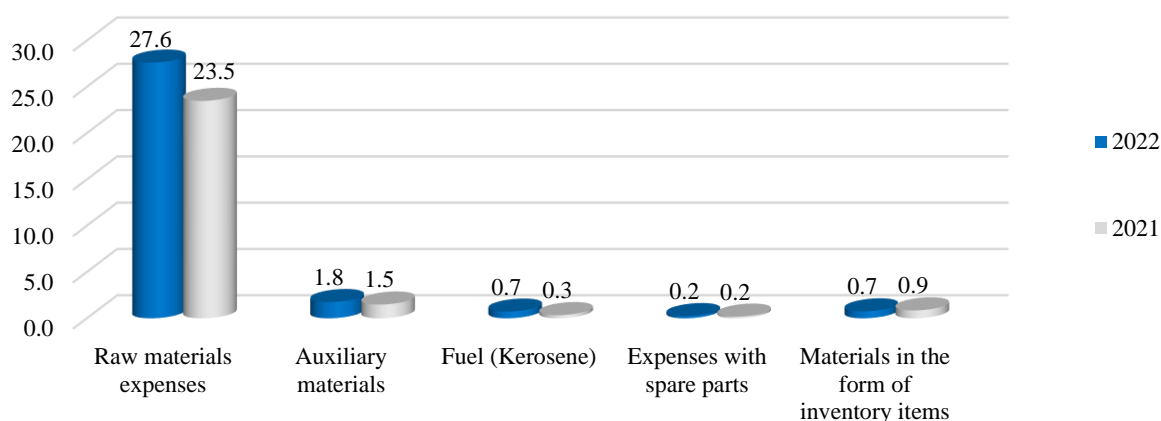
Significant variations were recorded at:

- raw materials expenses positive variation 17.6%, due to the increase in prices on the international market
- fuel (Kerosene) positive variation 111.3%;
- expenses with spare parts, positive variation 34.9%;
- materials in the form of inventory negative variation 12.5%;
- utility expenses, a 92% increase compared to the same period last year, as a result of the price energy and the current global context;
- expenses regarding purchased materials COVID 19, negative variation 75%.

Due to COVID 19 context, company decided to purchase Health & Safety materials: gloves, masks, disinfectants, worth 50,635 Lei.

The chart below shows the most significant variations in materials costs.

Materials expense
September 2022 vs September 2021
(mil. Lei)



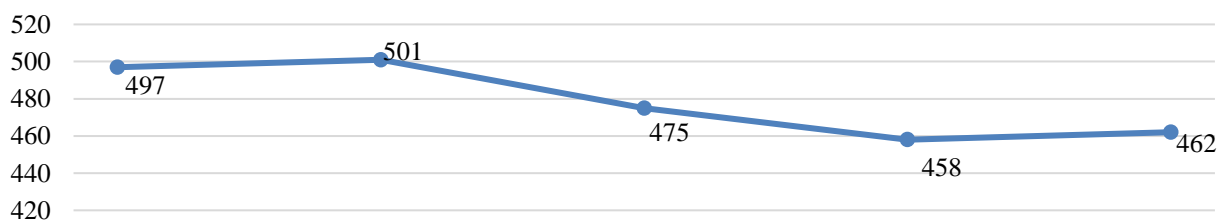
Salary expenses decreased by approximately 1.7% in the context of increasing the average number of employees from:

- to 497 employees on September 2021,
- to 501 employees on December 2021,
- to 475 employees on March 2022,
- to 458 employees on June 2022.
- to 462 employees on September 2022

In the first 9 months of 2022, holiday vouchers amounting to Lei 1.6 million were distributed to the company's employees.

The labour shortage in the aviation industry remains a real problem and challenge taking into consideration the need for qualified & specialised personnel and the high level of professional training and experience required by the specific activities in the field.

Number of employees
September 2021 - September 2022



Other operational expenses increased by approximately 57.47%, this being mainly due to:

Decrease of expenses:

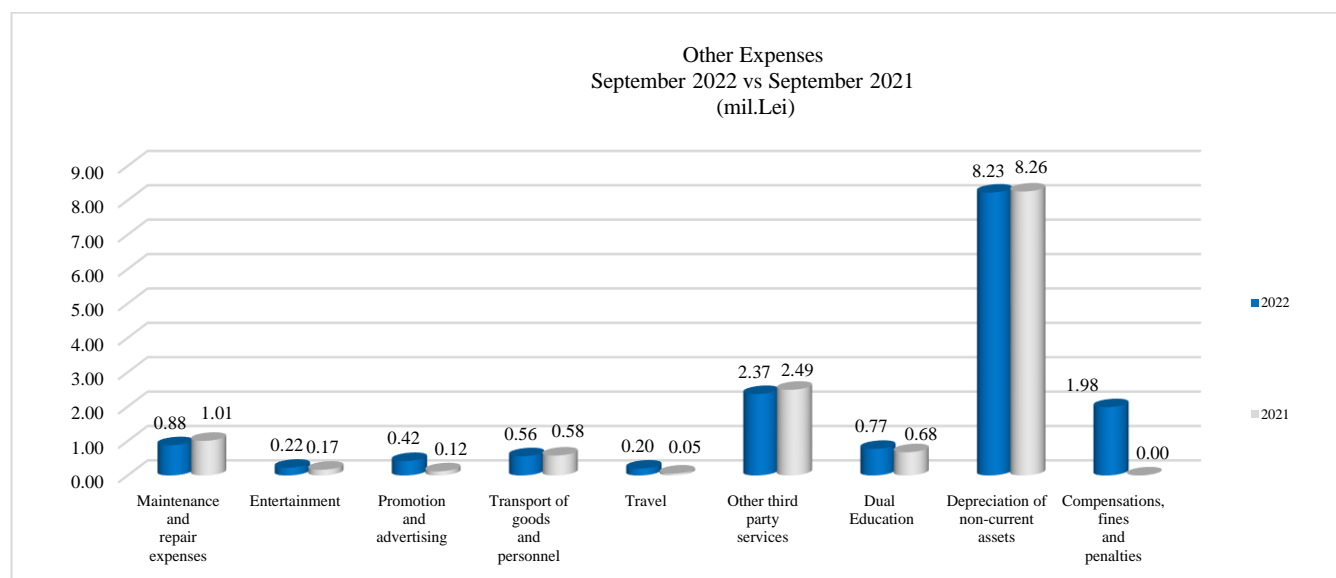
- other third party services (mostly satellite equipment landmarks, Main Transmission Box repairs for internal clients: IAR Brasov, MApN, audit services, personal recruitment, other services) amounting 5%.
- maintenance and repair expenses, by 127.420 Lei.
- rental expenses, by 19.2%.

Increased expenses:

- with travel, the main reason of the trips being for motor technical assistance, value 145.106 Lei and TBM promotion at international fairs, to increase the portfolio of external clients.

- compensations, fines, penalties following the fiscal inspection regarding the gift vouchers amounting to 1,9 million lei. For these expenses, TBM created a provision on 31.12.2021, a provision that was canceled (reversed) on the date of payment, in 1st Semester 2022.
- expenses with dual education scholarships by 18.48%. Turbomecanica offers attractive material benefits to students who enroll in Dual Education classes throughout school, in specializations, such as: aircraft mechanic, fine mechanics mechanic, miller, numerically controlled car operator.
- contribution expenses ARIE – Romanian Aeronautical Association, value 57.186 Lei;
- promotion and advertising expenses, an increase of 300,937 lei compared to the previous period.

Expenditures on depreciation of buildings, equipment, decreased by 0.4% compared to the same period last year.



The financial result, loss 1.710.579 Lei, was not impacted by any additional expenses regarding compensatory payments, non-fulfillment of contractual obligations, other expenses regarding tangible and intangible assets. The ROBOR increase had a negative effect on interest expenses (+48%) paid for credit lines opened at banks. Compared to the period 2020 - 2021, TBM's profit is less influenced by the health crisis. However, some of the employees were diagnosed with COVID-19 in 1st Semester 2022, which negatively influenced production.

The worldwide macroeconomic problems, but especially the regional ones caused by the war situation in Ukraine, will continue to increase the cost pressure on the financial performance of the Company (increase in the costs of raw materials, those related to transport, energy and gas) all the more on aviation and military industry. However, due to the fact that the RON inflation has remained close to the EUR inflation, the EUR-RON exchange rate continues to remain stable. On the other hand, variations in the EUR-USD exchange rate are more difficult to anticipate. Initially, the BNR anticipated the capping of inflation in the third quarter and the subsequent entry of the annual inflation rate on a downward trajectory. The annual inflation rate rose to 15.88% in September of this year, from 15.32% in August. The most recent forecasts of the NBR still indicate a reduced inflation in TRIM IV, followed by disinflation during 2-3 quarters of 2023. The National Strategy and Forecast Commission anticipates an inflation of 8% for 2023, an average rate of EUR = 4.98 lei, respectively USD = 5.08 lei. Material and electricity costs, although they tend to stabilize, still present risks/uncertainties in the context of the multiple crises of recent years.

This period of time witnessed a rising trend in the prices of energetic products, electrical energy, gas and oil products. This trend was also entertained by the conflict in Ukraine and the subsequent sanctions. The main challenge for this period will be to keep costs under control.

Despite the unstable economic environment, we continuously monitor and analyze these risks, and internal estimates indicate that the budgeted profit of 10 million lei can be recovered during the following months.

3. Statement of financial position:

	30 SEPTEMBER 2022	31 DECEMBER 2021
Assets		
Fixed assets		
Property, plant and equipment, net	63.940.164	63.583.402
Intangible assets, net	739.716	938.549
Other assets +contractual assets	6.000	6.000
Total fixed assets	64.685.880	64.527.951
Current assets		
Inventory	65.239.396	59.341.922
Trade receivables	15.184.535	20.270.368
Other receivables and prepayments	5.029.160	14.383.921
Cash and bank balances	22.313.106	18.961.360
Short-term financial investments	5.880.000	-
Total current assets	113.646.196	112.957.571
Total assets	178.332.076	177.485.522
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	36.944.248	36.944.248
Reserves	68.656.951	82.454.086
Retained earnings	7.987.757	1.800.022
Own shares	(599.408)	(599.408)
Total shareholder equity	112.989.547	120.598.947
Long term liabilities		
Borrowings LT	7.199.410	2.055.578
Deferred tax liabilities	3.989.086	3.989.086
Provisions LT	1.238.119	1.485.978
Total liabilities TL	12.426.615	7.530.642
Current liabilities		
Short term loans	5.637.938	5.551.518
Borrowings ST	29.062.836	27.895.049
Income tax expense/benefit	557.753	1.927.794
Provisions ST	700.615	4.798.822
Other liabilities ST	16.956.772	9.182.750
Total current liabilities	52.915.914	49.355.933

Total liabilities	<u>65.342.529</u>	<u>56.886.575</u>
Total shareholder equity and liabilities	<u>178.332.076</u>	<u>177.485.522</u>

Tangible and intangible assets (ERP-SAP program) decreased, compared to 31.12.2021, as a result of recording depreciation in the first 9 months of 2022.

Applying of IFRS 15 “Revenues from contracts with customers” significantly impacted the company financial position in 2021 due to reclassification of assets: receivables, inventories, other assets. Details of IFRS 15 are specified in the published 2021 financial statements.

Stocks, receivables, other assets in Q1 – Q3 2022 are booked at their initial value, without the influence of this international standard, and at the end of the year these assets will be analysed and the impact of IFRS 15 against them will be established.

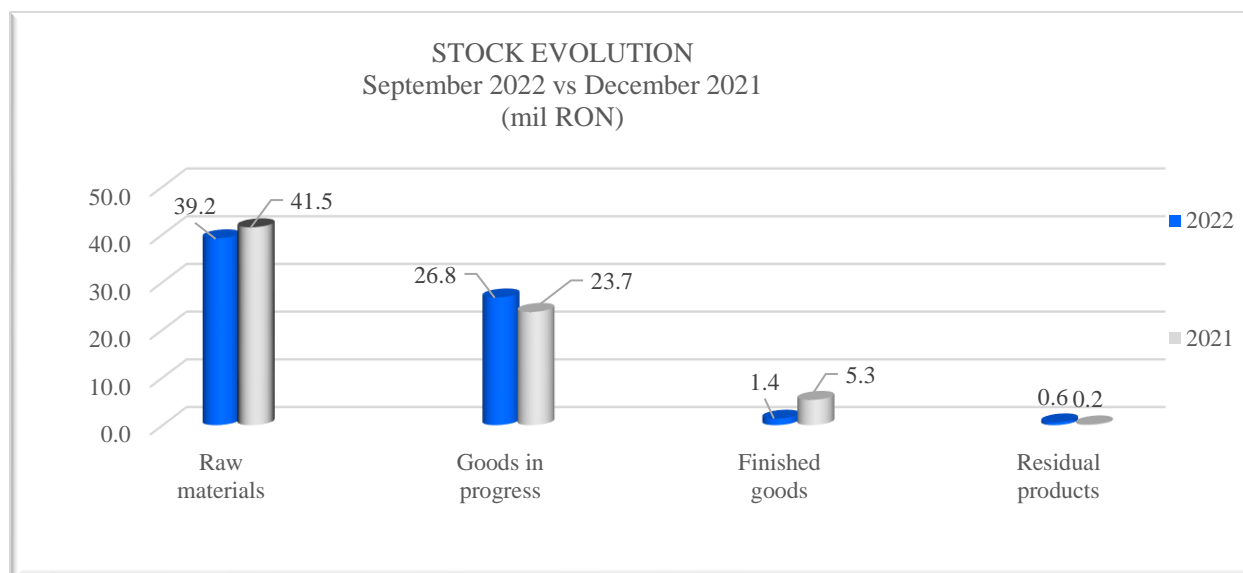
Hence the major differences in stocks, other assets, other receivables, the main influence being from the production in progress.

The impact of IFRS 15 on receivables and other assets reached 11,952,778, at 31.12.2021, value reclassified into contractual assets.

The value of inventories, without the impact of IFRS 15, increased by 5.9 million Lei. (Stocks at 31.12.2021 worth 59,341,922 Lei) The company complied with its supply policy by purchasing the necessary raw materials and materials for the products that will be completed by Q4 2022. These measures were taken to prevent possible problems in the supply chain, which could generate delays in the production process.

Considering the current economic context, TBM was supplied at much higher prices than at the end of last year.

In the chart below, the variations of the Q1 – Q3 2022 stocks are mentioned, compared to December 2021.



In accordance with AGEA Decision no. 2/28.04.2022 TBM in June 2022, purchased state securities, (safe investments) value 5,880,000 Lei, these can be found under Short-term financial investments.

The short-term loans granted in the form of a credit limit were used in a much higher proportion than on 31.12.2021.

The company complied with its contractual payment terms to all suppliers and all debts to the state budget and the state social insurance budget. TBM has no unpaid tax debt to state authorities.

Other current debts - increased compared to the end of last year by 84.65% and all debts to the State Budget are highlighted (salary contributions, VAT, profit tax, non-resident tax, taxes and customs commissions, dividends, etc.). The significant value is represented by the dividends that will be distributed to the shareholders in the amount of 10.1 mil. Lei.

Cash and cash equivalents increased by Lei 3.3 mil. compared to the end of 2021. The company in Q1- Q3 set up bank deposits, value 19 mil. Lei.

Long-term debts had a increased trend towards the end of 2021, by 5.1 mil Lei and represent leasing contracts regarding the purchase of equipment:

- Magiscope Crack Detector
- TURMO Vibration Control KIT
- Flow meter
- Data acquisition system
- YCM turning machine
- HIKMICRO M30 Thermographic Camera

The short-term provisions decreased by 4.09 mil Lei compared to 31.12.2021, they represent only the cancellation / reversal of the provisions established at the end of the year, for: performance bonuses, days not taken from previous years, pensions / actuarial, uncollected receivables within the legal term.

Reserves decreased, in accordance with HGOA no. 1 of 28.04.2022, point 3, with the value of 13,779,390 Lei, as follows:

- a) The "Other Reserves" account decreased by the amount allocated to the carried forward result.
- b) Losses from previous years from the Retained Earnings decreased by the same amount.

The company's own capital at Q1 Q3 2022 is 112,989,547 Lei compared to 120,598,948 Lei in the end of 2021. Equity decreased compared to 31.12.2021, with the value of 7,609,400 Lei, representing:

- the difference in value between the profit of 2021: 11,749,227 Lei and the profit obtained by the company in 1st Semester in the amount of 2,494,855 Lei
- the entries from the Retained Earnings – loss coverage for previous years from the profit of 2021 (1.6 mil.Lei)

4. Capital Market Aspects

In relation with the capital market, Turbomecanica honored all the reporting obligations resulting from the legal provisions by publishing the mandatory current and periodical reports in the electronic system of the Financial Supervisory Authority and the Stock Exchange, on the company website and via press releases. According to the provisions of the Corporate Governance Code, continuous and periodical information was disseminated simultaneously, both in Romanian and in English.

Turbomecanica is listed on the BVB under the symbol TBM.

5. Environmental Aspects

Turbomecanica is constantly concerned with protecting the environment and is committed to reducing the generation of hazardous and non-hazardous waste as far as activity allows.

It was agreed in the contracts with the suppliers of hazardous waste to return the empty containers back to the supplier in order to reuse them for later deliveries.

The Integrated Environmental Authorization and the Water Management Authorization allow the operation in conditions of full legality of the existing installations, equipment and processes in the Company.

It was decided to reduce the amount of waste from the absorption of hazardous waste (eg cloths) by hiring an authorized supplier to clean it for reuse.

6. Accounting records

The accounting activity was conducted in accordance with the OMFP no. 2844/2016 for the approval of accounting regulations, in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market and in accordance with the Accounting Law no. 82/1991 with all its subsequent amendments.

All documents regarding economic and financial operations have been recorded correctly every day. Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet.

We state that the Financial Statements at 30 of SEPTEMBER 2022 are unaudited financial.

PRESIDENT OF THE BOARD OF DIRECTORS

RADU VIEHMANN

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**FINANCIAL-ECONOMIC INDICATORS
AT 30 SEPTEMBER 2022**

No.	Economic indicators	Formula	30 SEPTEMBER 2022	30 SEPTEMBER 2021
1	Current liquidity ratio	current assets / current liabilities	2,15	2,48
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital)*100	6,37	2,81
3	Receivable turnover ratio	(Accounts Receivable / Turnover) * 270 days	52,28	27,78
4	Fixed assets turnover ratio	Turnover / Fixed assets	1,42	1,19

- The current liquidity indicator, the value is super unitary 2.15 reflects a good ability to pay, so a low risk for creditors, certifying that the company is able to cover its debts on short-term from current assets.
- The turnover rate of customer debts that expresses the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to society. Considering the dynamics of sales and the specifics of debt collection, we consider that the value of the indicator is a normal one.
The increased value, compared to the same period last year, was impacted by the contracts concluded with the company BT Leasing, for the purchase of the equipment mentioned below:
- The indicator of the degree of indebtedness, its value indicates the fact that the company does not have any problems of financing or liquidity. In the calculation of this indicator, the borrowed capital includes both bank loans and leasing debts.
- **Total asset turnover** – this indicator shows how many times assets are transformed into sales during a period.

**GENERAL MANAGER,
RADU VIEHMANN**

**ECONOMIC- COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

**STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2022**

	30 SEPTEMBER 2022	31 DECEMBER 2021
Assets		
Fixed assets		
Property, plant and equipment, net	63.940.164	63.583.402
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Other receivables and prepayments	5.029.160	2.431.143
Contractual assets	0	11.952.778
Cash and bank balances	22.313.106	18.961.360
Short Term financial Investments	5.880.000	-
Total current assets	113.646.196	112.957.571
Total assets	178.332.076	177.485.522
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Share Capital	36.944.248	36.944.248
Reserves	68.656.951	82.454.086
Retained earnings	7.987.757	1.800.022
Own shares	(599.408)	(599.408)
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Long term liabilities		
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Deferred tax liabilities	3.989.086	3.989.086
Provisions LT	1.238.119	1.485.978

Total liabilities TL	12.426.615	7.530.642
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Total shareholder equity and liabilities	178.332.076	177.485.522

**GENERAL MANAGER,
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

**STATEMENT OF PROFIT AND LOSS
AT 30 SEPTEMBER 2022**

	30 SEPTEMBER 2022	30 SEPTEMBER 2021
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Net profit	2.494.855	4.301.775

**GENERAL MANAGER,
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

STATEMENT ON CHANGES IN OWN CAPITAL
30 SEPTEMBER 2022

Elements of equity capital		Balance on 1st of January 2022	Growth		Decrease		Balance on 30th of September 2022
			Total, of which	through transfer	total, of which	through transfer	
A		1	2	3	4	5	6
Subscribed capital		36.944.248					36.944.248
Adjustments of registered capital							
Deferred profit tax		2.475.277					2.475.277
Share premiums							
Revaluation reserve		49.666.162			17.746		49.648.417
Legal reserves		7.388.850					7.388.850
Reserves representing revaluation reserves surplus		32.372.107	17.746				32.389.852
Other reserves		27.874.351			13.779.390		14.094.961
Own shares							0
Income related to own capital instruments							0
Loss related to own capital instruments		599.408					599.408
Profit/loss carried forward	Balance C	858.690					858.690
	Balance D						
Retained earnings due to the adoption of IAS 29 for the first time	Balance C						
	Balance D	101.798					101.798
Elements of equity capital		Balance on 1st of January 2022	Growth		Decrease		Balance on 30th of September 2022
			Total, of which	through transfer	Total, of which	through transfer	
Retained earnings due to the correction of accounting errors	Balance C						
	Balance D	1.089.881					1.089.881
Retained earnings -	Balance D	530.653					530.653

actuarial employee benefits							
Retained earnings resulting from the adoption of Accounting Regulations according to the Fourth Directive of European Economic Community	Balance C	258.730					258.730
	Balance D						
Retained earnings	Balance D	41.716.400			15.424.361		26.292.038
Profit or loss for the period	Balance C	11.749.226	111.035.242		117.597.743		5.186.726
	Balance D		3.479.921		788.050		2.691.873
Profit appropriation							
TOTAL OWN CAPITAL		120.598.947	107.573.067	0	115.182.468	0	112.989.547

The legal reserves are established according to the Law 31/1991 with subsequent amendments and completions and registered in accountancy according to the OG No. 64/2001 and OMFP No. 128/2005. These reserves have not been used.

Within "Other reserves" there are recorded the sums appropriated from the net profit as own finance sources.

On 30th of September 2022 the legal reserve was 7.388.850 RON. The legal reserve is established according to Romanian Law as a transfer from the net income. The transfer can represent a maximum of 5% from gross profit to 20% of the registered capital.

In QI, in accordance with HGOA no. 1 of 28.04.2022, point 3, the amount of 13,779,390 RON from the "Other reserves" account was allocated to cover accounting losses from previous years.

Equity decreased compared to 31.12.2021, with the value of 7.609.400 RON, representing:

- the difference in value between the profit of 2021: 11,749,227 RON and the profit obtained by the company in the first semester in the amount of 2.494.855 RON
- the records from the Reported Result (1,6 mil RON)

**GENERAL MANAGER
RADU VIEHMANN**

**ECONOMIC - COMMERCIAL MANAGER
CLAUDIA ANGHEL**

CASH FLOW STATEMENT
30 SEPTEMBER 2022

EXPLANATIONS		NO. ln.	Executed 30/09/2022	Executed 30/09/2021
+	Turnover	01	91.545.691	77.974.062
+	Changes in inventories	02	-760.026	7.887.585
+	Other operating revenues and provisions	03	427.144	983.582
=	Total operating income	04	91.212.808	86.845.229
+	Raw materials and consumables	05	32.285.259	27.587.519
+	Energy, fuels, etc.	06	3.642.340	1.892.804
+	Employee benefits	07	37.998.401	38.640.864
+	Expenses related to external labour conscriptions	08	5.079.843	4.826.489
+	Expenses with other taxes, fees and similar payments	09	727.933	712.193
+	Depreciation of non-current assets and provisions	10	3.880.030	5.318.453
+	Other operating expenses	11	2.412.277	887.581
=	Total operating expenses	12	86.026.083	79.865.903
	Operating results (+/-)	13	5.186.726	6.979.325
+	Financial revenues	14	788.050	283.810
-	Financial expenses	15	2.498.629	1.687.923
=	Financial result (+/-)	16	-1.710.579	-1.404.113
	Gross result (+/-)	17	3.476.147	5.575.212
	Deferred tax	18	981.292	1.273.437
	Net result (+/-)	19	2.494.855	4.301.775
CASH FLOW				
	CASH FLOW	20	Executed 30/09/2022	Executed 30/09/2021
+	Profit or loss (+/-)\	21	2.494.855	4.301.775
+	Damping included in cost	22	8.178.195	5.318.453
-	Stock variation (+/-)	23	7.384.822	42.583.423
-	Receivables variation (+/-)	24	-16.361.401	-40.598.666
+	Variation of providers and creditors (+/-)	25	-17.002.248	2.307.317
-	Variation of other assets	26	3.013.232	-12.043.952
+	Variation of other liabilities	27	-4.295.460	-15.517.171
=	Net cash generated by operating activities (A)	28	-4.661.312	6.469.569
+	Income from selling assets and fixed assets	29	0	
-	Purchase of tangible assets	30	3.967.563	3.945.555
=	Net cash generated by investment activities (B)	31	-3.972.888	-3.945.555
+	Loans variation (+/-)	32	866.492	9.125.114

=	Net cash used in financing activities (C)	33	12.029.557	10.207.055
	Cash and cash equivalents at the beginning of the period	34	18.918.949	5.148.791
	Net cash flow	35	3.395.357	12.731.069
	Cash and cash equivalents at the end of the period	36	22.314.306	17.879.861

**GENERAL MANAGER
RADU VIEHMANN**

**ECONOMIC - COMMERCIAL MANAGER
CLAUDIA ANGHEL**

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EXPLANATORY NOTES
30 SEPTEMBER 2022

1. FIXED ASSETS STATEMENT

Gross values						
Asset elements	No.	Initial balance	Accrual	Degression		Final balance (col 5=1+2-3)
				total	of which: dismantling and rescission	
A	B	1	2	3	4	5
Intangible assets						
Development expenses	01					
Other non-current assets	02	21.560.277	810.750	34.155	X	22.336.871
Advances granted for fixed assets	03					
Intangible assets in progress	04	0	776.595	776.595	X	0
TOTAL (ln. 01 to 03)	05	21.560.277	1.587.344	810.750	X	22.336.871
Tangible assets						
Lands	06	16.642.911	0	0		16.642.911
Buildings	07	13.739.711	0	0		13.739.711
Technical equipment and machinery	08	39.969.476	8.098.808	611.651	16.891	47.456.633
Other equipment, installations and furniture	09	528.123	89.372			617.495
Intangible assets in progress	10	2.576.909	1.390.654	1.362.771	0	2.604.792
Advances granted for fixed assets	11	583.809	29.911	0		613.720
Advances leasing	12		568.071			568.071
TOTAL	13	74.040.940	10.176.817	1.974.423	16.891	82.243.334
Right-of-use asset	14	479.014		479.014	0	0
Financial assets	15	6.000		0	0	6.000
FIXED ASSETS-TOTAL	16	96.086.231	11.764.161	3.264.186	16.891	104.586.205

1.1 FIXED ASSETS AMORTIZATION STATEMENT

Asset elements	No.	Initial balance	Amortization during the year	Ammortization of derecognized assets	Ammortization by the end of the year (col.9=6+7-8)
A	B	6	7	8	9
Intangible assets					
Development expenses	17				
Other non-current assets	18	20.669.629	927.526	0	21.597.155

TOTAL (in. 17 to 18)	19	20.669.629	927.526	0	21.597.155
Tangible assets					
Lands	20				
Buildings	21	583.280	438.276	0	1.021.556
Technical equipment and machinery	22	9.183.822	6.718.672	3.019	15.899.475
Other equipment, installations and furniture	23	106.626	93.721		200.348
TOTAL (in.21 to 23)	24	9.873.729	7.250.669	3.019	17.121.378
Right-of-use asset	25	431.113	47.901	479.014	0
AMORTIZATIONS	-				
TOTAL (19+24+25)	26	30.974.471	8.226.096	0 482.033	38.718.534

The assets record is kept considering their net value.

All purchased fixed assets are recorded within the debit account 231 “Tangible Assets in Progress”. They are amortized during the month after their purchase, and 223 “Technical installations in progress of supply” Depreciation is calculated starting from the month following commissioning.

In the position of technical installations and machines, new purchases were registered, consisting of:

a) Measuring and control devices and installations:

- Magiscop Crack Detector
- TURMO Vibration Control KIT
- Flow meter
- Data acquisition system
- YCM turning machine/turret with rotary tool

b) Technical installations being supplied:

- KELLENBERGER Grinding machine
- KASTO TWIN U4 saw cutting machine

In the position Advances to suppliers for leasing, the advances for the purchase under leasing were registered:

- Electric well pump
- Magiscop Crack Detector
- Drawbridge

2. PROVISIONS FOR RISKS AND EXPENSES

Title of the provision	Balance on 1st January 2022	Growth	Decrease	Balance on 30th of SEPTEMBER 2022
0	1	2	3	4=1+2-3
Adjustment for customer receivables impairment	340.313		42.215	298.098
Adjustment for debtors receivables impairment	0			0
Adjustment for raw materials stocks impairment	14.133.750			14.133.750
Adjustment for supplies stocks impairment	492.824			492.824
Impairment of stocks in progress	2.844.157		798.078	2.046.079
Adjustment of materials and stocks at other partners	0			0

Adjustment for packaging material impairment	0			0
Adjustment for manufactured items impairment	189.552			189.552
Impairment of residual products	151.133			151.133
Provisions for guarantees granted to customers	335.622			335.622
Provisions for retirement and similar obligations	1.150.356		247.859	902.497
Other provisions	4.798.822		4.098.207	700.615
TOTAL	24.436.528	0	5.186.358	19.250.169

The reductions consist in the reversal of the provisions set up on 31.12.2021 and which involved a cash outflow during Q1 – Q3 2022.

The value of the pensions paid to the employees who retired during this period according to CCM are registered in provisions for pensions and similar obligations, value 247,859 Lei.

The company has established provisions for debts towards employees as a result of retirements and annual leave provided by Collective Labor Agreement (CCM), Provision for customer receivables impairment

In other provisions are registered the reversal / cancellation of the provisions regarding (Note 21 of the 2021 financial statements)

- the performance bonuses,
- the value of the holidays not performed from the previous years.
- for obligations according to fiscal inspection - gift vouchers

To the extent that the employees in 2022 take vacation days related to 2021, their value is reversed until the concurrence of the established provision.

Also, as the generating event intervenes, the value of the performance bonuses is reversed, value 1,800,000 lei. Regarding the provision made for the gift vouchers, it was reversed following the payment of these obligations to ANAF 2022, amounting to 1,984,351 lei.

The adjustments for the depreciation of customer receivables decreased with the value of the invoices collected in 2022 and which were provisioned, amounting to 42.215 lei.

At the depreciation of the stocks in progress, the provisions related to the warranty claims that were finalized/closed in the Q1 – Q3 were reversed, amounting to 798.078 lei.

In Q1 – Q3 2022, provisions in the amount of 5.186.358 lei were remitted, these are considered non-taxable income for profit tax calculation.

In Q1 – Q3, the company did not set up any provision.

3. TAX PROFIT

The calculation of fiscal loss is according with methodological Norms of application of Law 227/2015 (with all subsequent amendments).

The gross profit or loss is defined according to the form “Profit and loss account” and we apply the stipulations of Law No. 227/2015 (with all subsequent amendments). All sums are expressed in LEI.

Gross profit 3.052.607

To establish the tax profit, the expenses that have overpassed the admitted deductibility limit are added to the non-deductible expenses, according from the Law 227/2015

Non taxable income 5.186.358

Non-deductible expenses	12.752.757
Deductions (tax amortization)	4.301.305
Elements similar to income (revaluation account 105 surplus)	24.252

Items similar to income consist of the reserve representing the revaluation surplus taxed at the exit of the asset

TAX PROFIT: 6.341.953

The non-taxable income in the amount of Lei 5.186.358 represents the value of the provisions reversed in Q1 – Q3 (provisions constituted at the end of 2021 which were considered non-deductible expenses when calculating the profit tax on 31.12.2021) and now with the partial reversal of to them, they are considered non-taxable income. (Note 2 – Provisions for risks and expenses).

The non-deductible expenses, the largest share of 64,5%, in total value of 8.226.096 lei (Note 1.1), represent expenses with depreciation, 15.6% compensations, fines, penalties (gift vouchers - tax inspection value 1,984,358 lei) while the rest in percentage of 19.9% represents:

- car park related expenses,
- protocol expenses,
- social expenses,
- technological losses that exceed the own consumption norm necessary for the manufacture of a product,
- advertisement and publicity expenses,
- profit tax expenses.

Deductions (fiscal depreciation) represent the difference between accounting and fiscal depreciation.

The elements similar to income are made up of the reserve representing the surplus realized from revaluation taxed at the exit of the immobilization.

4. REVIEW OF EXPLOITATION RESULTS

No.	Indicator	Period	Period
		30.09.2021	30.09.2022
1.	Net turnover	77.974.062	91.545.691
2.	The costs of goods and services provided	47.695.961	58.318.369
3.	Expenses of the basic activities	23.082.613	32.344.866
4.	Expenses of auxiliary activity	4.406.649	4.451.877
5.	Indirect manufacture expenses	20.206.699	21.521.626
6.	Gross result related to net turnover (1-2)	30.278.101	33.227.322
7.	Retail expenses	815.361	1.221.583
8.	General administration expenses	23.466.997	27.251.482

9.	Other exploitation expenses	983.582	432.469
10.	Exploitation results (6-7-8+9)	6.979.325	5.186.726

5. STATEMENT OF RECEIVABLES AND DEBTS

Receivables	Balance on 30th of SEPTEMBER 2022	Liquidity term	
	(col.2+3)	under 1 year	over 1 year
0	1	2	3
Total, of which:	17.014.201	17.014.201	
Suppliers debtors-debtors	36.157	36.157	
Customers	15.480.891	15.480.891	
Personnel and social security receivables	1.126.366	1.126.366	
VAT under settlement	29.525	29.525	
Other receivables regarding state and public institutions receivables	539.836	539.836	
Debtors	99.524	99.524	
Provision for customer receivables impairment	298.098	298.098	

Debts	Balance on 30th of SEPTEMBER 2022	Chargeability term		
	(col.2+3+4)	under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total, of which:	63.138.811	51.950.317	7.199.408	3.989.086
Short term bank loans	22.775.885	22.775.885		
Long term loans	13.486.359	6.286.951	7.199.408	
Suppliers	5.517.092	5.517.092		
Creditors	2.178	2.178		
Expenses regarding with personnel and social security	3.599.698	3.599.698		
Tax for non-residents	0	0		
VAT to pay	1.993.805	1.993.805		
Other debts regarding state and public institutions	557.753	557.753		
Deferred tax	3.989.086			3.989.086
Other debts (Dividens)	11.163.065	11.163.065		
Other creditors	53.891	53.891		

Bank loans	Balance on 30th of SEPTEMBER 2022
	BRD – GSG
Bank Transilvania	7.721.272

Short term loans from Shareholders	4.880.000
Short term loans	27.655.885
Long term loans	0
Total	27.655.885

Short-term bank loans at BRD and BT represent the credit limits that are made available to the company as working capital.

Long-term loans represent contracts concluded for the purchase of leasing equipment, for increasing production capacity

6. PRINCIPLES, POLICIES AND ACCOUNTING METHODS

General provisions

The financial statements are set up according to the O.M.F.P. 2844/2016 (IFRS), to the Law on Accountancy No. 82/1991, with subsequent amendments.

The financial statements have been set according to the historic cost and presented in lei.

The costs of indebtedness and the expenses related to maintenance of a state of functioning at projected parameters of fixed assets, do not capitalize.

The grounds for setting up financial statements

These are individual financial statements of TURBOMECANICA S.A. Company. These financial statements are the responsibility of the Company's management and are set up according to the accountancy norms of Romania, that is the Accountancy Law No. 82/1991, republished, the Order of the Ministry of Public Finances 2844/2016 (IFRS)

The use of estimations

The setting up of financial statements according to accountancy norms of Romania require the management to make some estimations and presumption that affect the value of assets and debts, and the description of assets and potential debts on the date of setting up the financial statements, as well as the value of income and expenses related to the accounting period. The actual results may be different from these estimations. These estimations are periodically reviewed and, if the need arises for adjustments, the latter are recorded in the profit and loss account within the period they become known. Even if these estimations are somehow imprecise, the cumulated effect of the imprecision on financial statements is considered to be insignificant.

The operating continuity

These unconsolidated financial statements have been set up based on the principal of operating continuity, which states that the Company would continue its normal functioning in a predictable future, without confronting the impossibility to continue its operation or to significantly reduce its activity

Tangible assets

The tangible and intangible assets are recorded in accountancy according to the Accountancy Law No. 82/1991, with subsequent amendments and completions.

Following the revaluation applied in compliance with HG 1553/2003, O.M.F.P. 2844/2016 the tangible and intangible assets are registered at their net value.

The last revaluation unfolded according to the International Standards for Evaluation and Regulations of International Standards of Financial Reporting, by an independent evaluator, authorized S.C. NEOCONSULT VALUATION S.A., based on the agreement No. 4026 from 09.10.2020

As intangible assets, the accountancy only registers licenses and IT programs purchased from the providers. Within the profit and loss account, the amortization of intangible assets is included at “Amortizations and provisions for tangible and intangible assets impairment” and “Expenses” respectively.

The amortization related to the fixed assets revaluated in December 2009, 2012, 2014, 2017, 2020 is mentioned within the “non-deductible expenses” according to the methodological Norms for application of the Law NO. 227/2015 and UO 34/2009.

Tangible and intangible assets are subject to amortization in compliance with Law 15/1994. The amortization method is the linear one.

The classification of fixed assets and their normal terms of functioning are established by the committee for reception and commissioning of fixed assets according to H.G. 2139/2004 for the approval of the Catalogue of classification and normal functioning terms of fixed assets.

The expenses that occur once the fixed asset is commissioned, such as repair and maintenance and administrative costs, are registered within the profit and loss account for the period of their occurrence. If it's possible to demonstrate that these expenses resulted in a future growth of economic benefits expected to be obtained through the use of an element of fixed asset over the performance standards initially evaluated, the expense is capitalized as additional cost.

The tangible and intangible assets are subject to amortization in conformity with the Law 15/1994. The amortization method is the linear one, based on the estimated useful lifespan, from the moment of their commissioning, so as the cost shall decrease to the residual value estimated during the considered functioning period.

Within the profit and loss account, the amortization of intangible assets is included at “Amortizations and provisions for tangible and intangible assets impairment” and “Expenses” respectively.

The main lifespans used with different categories of tangible assets are:

	Years
Buildings	10 - 50
Plants and machinery	3 - 15
Other equipment and furniture	3 - 15

The tangible assets that are scrapped or sold are cancelled from the balance together with corresponding cumulated amortization. Any profit or loss resulted from such an operation is included in the current profit and loss account.

According to the provisions of HG 2139/2004 related to the approval of the Catalogue for classification and normal durations of fixed assets' functioning, the Company has chosen to apply the minimal duration of fixed assets' functioning.

Any growth resulted from the revaluation of tangible assets is included in own capitals under reserves from revaluation, with the exception of those cases when such a growth compensates a decrease from the revaluation of the same asset, priority registered within the profit and loss account, in which case the growth is registered in profit and loss account at the level of the previous decrease. A decrease of accounting value of the lands and buildings is registered in the profit and loss account as long as it exceeds the value, if it is the case, of the revaluation reserve, related to the previous revaluation of the relative asset.

Amortization of tangible assets is registered in the profit and loss account. In case of subsequent selling or scrapping the revaluated tangible assets, the surplus from the revaluation left within the revaluation reserve is transferred directly to the retained result. There won't be made any transfer from the revaluation reserve to the retained result, except for the case of derecognized asset. However, a part of the surplus may be transferred as the asset is used by the entity. In this case, the value of transferred surplus shall represent the difference between the amortization calculated based on revaluated accounting value and the value of amortization calculated based on the initial cost of the asset.

Intangible assets

An intangible asset must be recognized if, and only if, it is estimated that the future economic benefits attributed to the asset shall be obtained by the Company and the cost of the asset may be precisely evaluated.

The costs related to the purchase of software are capitalized and amortized based on the linear method. If it is retained as necessary, the accounting value of each intangible asset is annually reviewed and adjusted for the decrease of its value.

Inventories

The record keeping of materials is organized based on quantities and values, grouped upon administrations, depending on the product for which they are designated within the manufacturing technologies.

By their entrance in the patrimony, the inventories (raw material, material, goods) are registered by their purchase prices. For imported materials, the acquisition price includes only expenses mentioned in Import Customs Declarations. For the materials purchased within the EU, the acquisition price includes the expenses recorded in the provider's invoice (or in an equivalent document) as well as expenses for transportation recorded in invoices issued by the transporter. The expenses related to the manipulation, deposit, etc. are registered in the account 308.1 "Differences in prices and materials" and is distributed upon materials consumed in the following period.

The record keeping of materials from own production is made by the planned cost. The cost does not include administrative and distribution expenses. The differences between actual and planned costs is registered in the account 308.2 "Price differences of unfinished goods" and 308.3 "Price difference of materials and inventories of own production" and are distributed upon materials of own production consumed in the following period.

The record keeping of manufacture in progress is made by the actual production costs. To distribute the expenses the orders method is being used. The indirect manufacture expenses are summarized monthly and distributed on the expenses related to direct workmanship, including related expenses registered within that month.

For inventories of finished goods, the cost does not include administration and distribution costs. The finished goods are registered by the ante calculation cost. The differences between the actual cost and the ante calculated one by the closure of the order is registered in account 348 "Price differences of finished goods" and are settled simultaneously with the finished goods.

By the exit of the inventories from administration, there has been used the method of “Weighted Average Cost” which supposes the calculation of costs of each element based on weighted average costs of similar elements from within inventory at the beginning of the period and costs of similar elements manufactured or purchased during the period. The average cost is calculated at the exit of inventories.

Receivables and debts

The record keeping of customers and providers, of other receivables and bonds is organized by categories, as well as by each legal entity or natural persons.

The commercial receivables are recorded by their nominal value.

The debts registered within the accountancy are current debts and are recorded by their nominal value.

The IT system

From the IT point of view, the accounting system is registered within the IT System SAP.

Availabilities and availability equivalents

To prepare the cash flow statements, the availabilities and availability equivalents include: cash at cash-desks, bank cash available any time, financial instruments in cash, without overdraft.

The treasury and treasury equivalents include liquidity assets and other equivalent values that include cash at cash-desks, current bank accounts and visible short-term bank deposits, with a three months maturity.

Revenues and expenses

The revenues have been evaluated and registered at the just value of the received means of payment. The company has not performed transactions that might provide commercial decrease.

There have been registered as revenues only transactions that have generated benefits to the company. Because the delivered products have different manufacture cycles for more than a month, the related expenses have been registered for the whole period related to the manufacture cycle and recognized simultaneously with the delivery of the products, and the registration of the revenues respectively.

The revenues are registered based on the “issued invoices” subsequently to the delivery of the products according to the “delivery notes”. In special situations, if the client requires the deposit of the products within the plant and their delivery at a later reciprocally convenient date, a “minutes of custody” is being prepared, in which the customer recognizes that the property rights have been transferred to him.

The revenue registered in advance represent the consideration of transactions evaluated by the just value of the means of payment provided in the agreement, but for which the property rights have not been transferred through the transfer of goods in customer’s property.

The record keeping of revenues and expenses is organized by types and nature of revenues and expenses.

The record keeping of expenses by destination is organized in administration accountancy.

Exchange rate differences

The differences in exchange rate are registered in the profit and loss account and are considered revenues and expenses of the period. Exchange rate differences are calculated according to BNR rate for debts, receivables and liquidity, and by the rate recorded in Customs Declarations for goods.

In 2022 on 30th of September the following differences of exchange rates have been registered:

at revenues (account 765)	57.051
at expenses (account 665)	39.043

Profit tax

The tax is calculated according to the Romanian Law and is based on the results retained in financial statements by the Company, prepared in compliance with the Order of the Ministry Public Finances 2844/2016 (IFRS) and after the corresponding deductions.

The current profit tax is calculated as a percentage applied to the obtained profit, according to Romanian Law, adjusted for some positions in compliance with fiscal legislation, at a 16% rate for 2022. The loss registered in previous years may be covered in following periods.

Value Added Tax

The Value Added Tax (VAT) related to the sales must be paid to fiscal authorities to the 25th of the next month, based on a declaration on VAT, regardless the collection of receivables from the clients. When the VAT related to the purchase is larger than the VAT related to sales, the difference shall be retrieved, on a request basis, from fiscal authorities and is object to a prior verification executed by these authorities. The VAT related to sales and purchase transactions unfinished by the date of balance , must be recognized on gross basis and presented separately as current asset or current liability. In case of depreciation adjustments for irrecoverable receivables, they are registered as related expenses, including VAT. The VAT collected is maintained in accountancy until the elimination of receivable for fiscal reasons.

Foreign currency transactions

The transactions expressed in foreign currency are registered in accountancy at the exchange rate on the date of transaction. The cash assets and liabilities expressed in foreign currency shall be converted in lei by the exchange rate from the date of accounting balance. The exchange rate on 30th of SEPTEMBER 2022 has been of 4,9490 for 1 EUR and 5,0469 for 1 USD.

All the resulted differences on the discount and conversion of the sums in foreign currency are recognized within the profit and loss account for the year in which they have been executed. The loss realized and non-realized are registered as expenses, including those related to loans, and the profits from currency exchange or cash deposits are included in the profit and loss account for that year

Subsequent events

There has not been registered any subsequent event.

7. SHARES AND BONDS

Nr. crt		U.M.	30.09.2022	30.09.2021
1.	Share capital subscribed	lei	36.944.248	36.944.248
	The effects of inflation on share capital	lei	-	987.626.807
2.	Issued shares (by types)			

	number		369.442.475	369.442.475
	total value	lei		1.024.571.055
3.	Redeemable shares	number		
	the closest date or the deadline for ransom			
	mandatory or non-mandatory nature of ransom		-	-
	the value of an eventual ransom premium	lei	-	-

8. INFORMATION ON EMPLOYEES, ADMINISTRATORS AND MANAGERS

Nr. crt.		U.M.	30.09.2022	30.09.2021
1.	Employees			
	1. Average number related to the period	no	447	497
	2. paid or payable salaries related to the period	ron	36.345.347	36.977.366
	3. expenses on social security	ron	1.653.054	1.663.498

The company has not granted loans to managers and administrators in 2022.

According to the provisions of Law no. 165/2018, the employees receive the legal amount of meal tickets.

9. INFORMATIVE DATA

a) Data presenting the company:

- legal form of the company: joint-stock company
- address of headquarters: Bd. IULIU MANIU no. 244, sector 6, BUCHAREST
- registered capital: 36.944.248 Lei
- amount of shares: 369.442.475

b) Shareholder structure:

VIHMANN RADU (25,92 %), CIORAPCIU DANA MARIA (15,16%), CIORAPCIU SORIN TUDOR (9,57%), ANGHEL CLAUDIA (6,98 %), OTHER SHAREHOLDERS (42,37%).

- c) **Net turnover, total** **91.545.691 lei**
- Of which export 11.024.941 lei

The structure of turnover on main manufactures is the following:

	lei	euro	usd
Turmo IV C RK + PSD + RPC	31.145.000	6.311.044	6.709.826
Main rotor hub RK + PSD	16.941.685	3.432.966	3.649.888
RK + PSD main gearbox	18.958.731	3.841.688	4.084.437
RK + PSD rear transmission	3.458.250	700.760	745.040
Intermediate gearbox RK + PSD	1.411.200	285.957	304.027

Current engine repairs, parts, aviation parts and spare parts	223.912	45.372	48.239
Current engine repairs, technical assistance, PSD engine T 56	33.162	6.720	7.144
Repairs, engine transformation Viper	653.812	132.485	140.856
Transmission shaft repairs	2.949.120	597.593	635.353
RK fan bearing repairs	1.036.200	209.970	223.237
Sweep damper repairs	37.644	7.628	8.110
Aggregate repairs	44.315	8.980	9.547
TOTAL IAR + MApN	76.893.031	15.581.161	16.565.705
Aeroteh parts repairs + others	2.622.168	531.341	564.915
Unison parts and parts	181.797	36.838	39.166
Export aviation	8.389.247	1.699.949	1.807.365
Industrial components	2.635.694	534.082	567.829
Others	823.756	166.921	177.469
TOTAL SALES	91.545.693	18.550.292	19.722.449
On geographical zones, the turnover is distributed as follows:			
EUROPE	10.917.257	2.212.210	2.351.995
USA	107.684	21.820	23.199
ASIA	0	0	0
TOTAL EXPORT	11.024.941	2.234.031	2.375.195
ROMANIA	80.520.750	16.316.261	17.347.254
NET TURNOVER	91.545.691	18.550.292	19.722.449

For the currency equivalent, the value of 4.9350 lei was taken into account for 1 EUR and 4.6417 lei for one USD (average values displayed by BNR).

**GENERAL MANAGER
RADU VIEHMANN**

**ECONOMIC – COMMERCIAL MANAGER
CLAUDIA ANGHEL**

Statement of the President of the board and General Manager

I, Radu Viehmann, Engineer, Chairman and General Manager, herewith undertakes the responsibility for the drafting of the accounting reports at 30 September 2022.

We hereby declare, that all accounting policies used by Turbomecanica S.A. in drafting the accounting reports at 30 September 2022 are in compliance with the Accounting Regulations, for companies whose securities are admitted for trading on a regulated market, with OMF no. 2844/2016 for the approval of the International Standards for Financial Reporting, and with the Accounting Law no. 82/1991 with its subsequent amendments.

We hereby confirm that in Q1 – Q3 of 2022 the company did not record any cases of non-compliance with laws or regulations that could significantly influence the accounting reports.

We declare that the accounting reports as at 30 September 2022 of Turbomecanica S.A. provide an accurate image of the financial position, financial performance and other information related to the work carried out between 01.01.2022 - 30.09.2022.

We declare that Turbomecanica S.A. carries out its activity in terms of continuity and does not intend nor needs to liquidate or reduce its business volume as a result of:

- loss of important clients
- applying a reorganization plan
- outstanding payments
- failure to observe the rescheduling agreements
- liquidity problems, litigation as a defendant and plaintiff with shareholders, debtors, significant creditors, state bodies, claiming
- market risk sector
- other factors

We hereby declare that the Board Members are not aware of material uncertainties related to events or conditions that may cause significant doubts on the ability of the company to continue its operations.

We hereby mention the fact that the accounting reports drafted at 30 September 2022 have not been audited.

GENERAL MANAGER
RADU VIEHMANN

ECONOMIC - COMMERCIAL MANAGER |
CLAUDIA ANGHEL