

Capital Market Story

Distribution & Logistics

Romania, March 2023

Disclaimer

This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, constituting or forming part of, any actual offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares issued by the Company or any of its subsidiaries in any jurisdiction or any inducement to enter into investment activity; nor shall this document or any part of it, or the fact of it being made available, form the basis of or be relied on in any way whatsoever. No part of this presentation, nor the fact of its distribution, shall form part of or be relied on in connection with any contract or investment decision relating thereto; nor does it constitute a recommendation regarding the securities issued by the Company. The information and opinions contained in this presentation and any other information discussed in this presentation are provided as at the date of this presentation, have not been independently verified and may be subject to updating, revision, amendment or change without notice. Where this presentation quotes any information or statistics from any external source, it should not be interpreted that the Company has adopted or endorsed such information or statistics as being accurate.

- No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally. No representation or warranty, express or implied, is given as to the accuracy, fairness or correctness of the information or the opinions contained in this document or on its completeness and no liability is accepted for any such information, for any loss howsoever arising, directly or indirectly, from any use of this presentation or any of its content or otherwise arising in connection therewith.
- This presentation may contain forward-looking statements. These statements reflect the Company's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology.

None of the future projections, expectations, estimates, or prospects in this presentation, including (without being limited to), EBIT, EBITDA, target, dividend, evolution, price assumptions in base and downside scenarios should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared or the information and statements contained herein are accurate or complete. By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control that could cause the Company's actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements. As a result of these risks, uncertainties and assumptions, you should in particular not place reliance on these forward-looking statements as a prediction of actual results or otherwise. This presentation does not purport to contain all information that may be necessary in respect of the Company or its shares and in any event each person receiving this presentation needs to make an independent assessment.

The Company undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this presentation that may occur due to any change in its expectations or to reflect events or circumstances after the date of this presentation.

This presentation and its contents are proprietary to the Company and neither this document nor any part of it may be reproduced or redistributed to any other person.



Contents

- 1. Investment proposition**
2. Market context
3. Strategic focus
4. 2022 preliminary results



Aquila investment proposition

compounding growth, dividends, and sustainability

Strong value creation company that compounds shareholders wealth at high teens returns in excess of WACC

FY'22 ROIC: 22%

Well positioned to capture growth opportunities organically and through M&A in a fragmented market, in a consumption-driven economy

Domestic distribution market is fragmented with Top 5 companies holding 45% of the market value estimated at EUR 3.7b in 2021 (+8% Y/Y)

Dividends to keep up with earnings growth

MIN 40% base dividend payout ratio

Space for margins improvements through own brands development, acquisitions of complementary, A-brands producers and through digitisation

Target to double FY 2021 EBITDA in 5Y

Reduce carbon footprint by 10% p.a.

Optimizing delivery routes & transport capacity

Renewable energy for warehousing

Investing in electrical vehicles for the sales force

Reduce the waste

Warehousing management systems

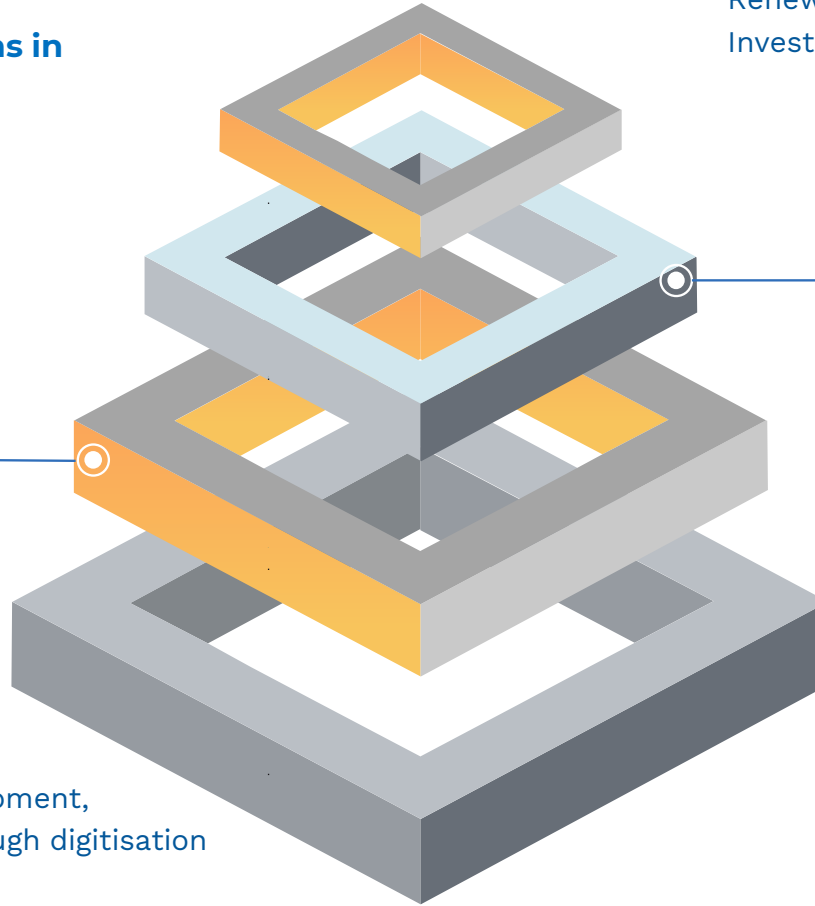
Projects in place for reusable packaging

Certification in process for our first eco-warehouse (specific requirements for ecological goods)

Less polluting fleet

Target 100% Euro 6 fleet

(70% currently) by 2024



An established company

with 28 years of retail ecosystem expertise and a track record of strong and consistent growth

A leading provider of distribution, logistics and transport services in Romania and Moldova

offering comprehensive, end-to-end, tailor-made solutions throughout the supply chain

An established distribution company with end-to-end supply chain capabilities.

Aquila provides national and regional coverage through 67k POS representing ~ 90% of the domestic retail universe, while operating one of the largest fleet in Romania (> 1,600 vehicles) and an ample lean logistics network of 24 facilities with a capacity of 124k pallets

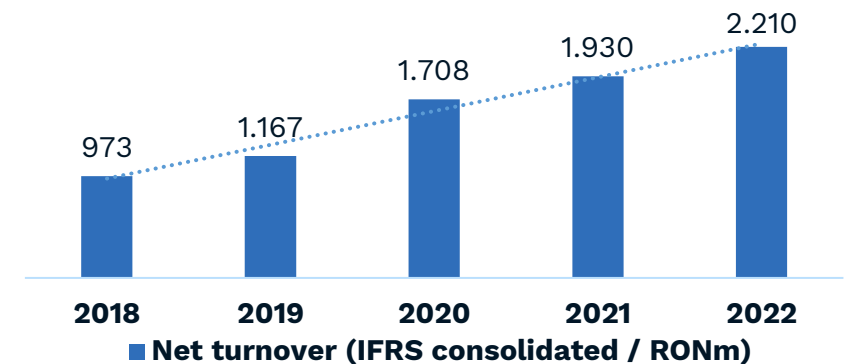
A trusted brand ambassador supplying a broad portfolio of top shelf branded products.

Aquila's portfolio include top shelf brands in the product categories of sugar confectionary (Kinder, Raffaello, Snickers, Orbit), food (Knorr, Hullala, Gran Cucina, Rama), personal care (Rexona, Dove, Zewa), home care (Domestos, Cif, Dero, Coccolino) and pet food (Pedigree, Whiskas)

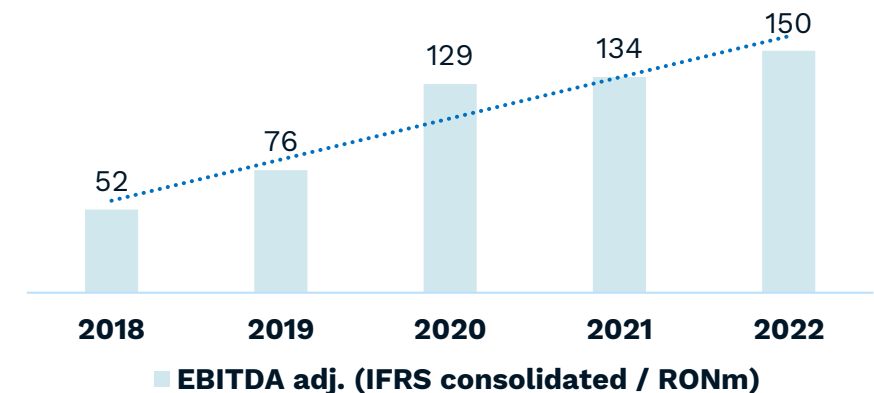
Decades - old relationships and key partner

for important brand principals such as Unilever (+26Y), Ferrero (+23 Y) and Mars (+23Y)

Aquila: Strong revenue generation | 4Y CAGR: 23% | 2.3x higher compared with 2018



Aquila: Consistent EBITDA growth | 4Y CAGR: 33% | 2.9x higher compared with 2018



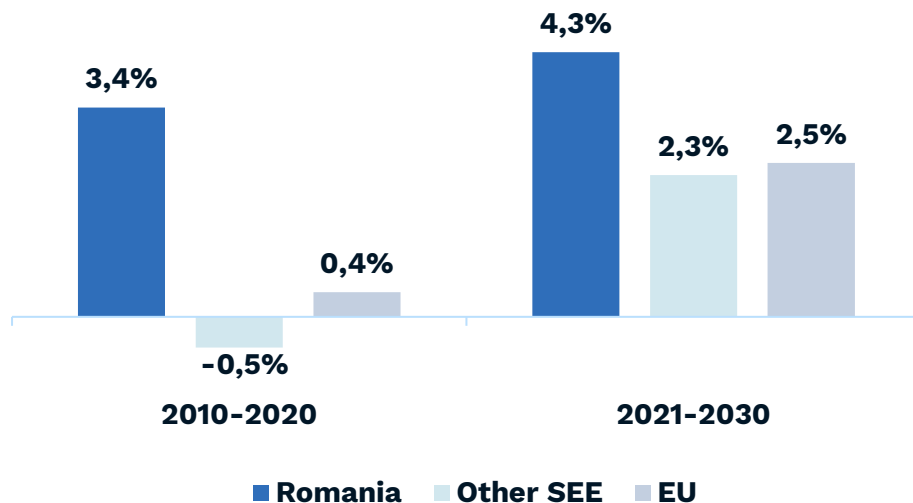


Contents

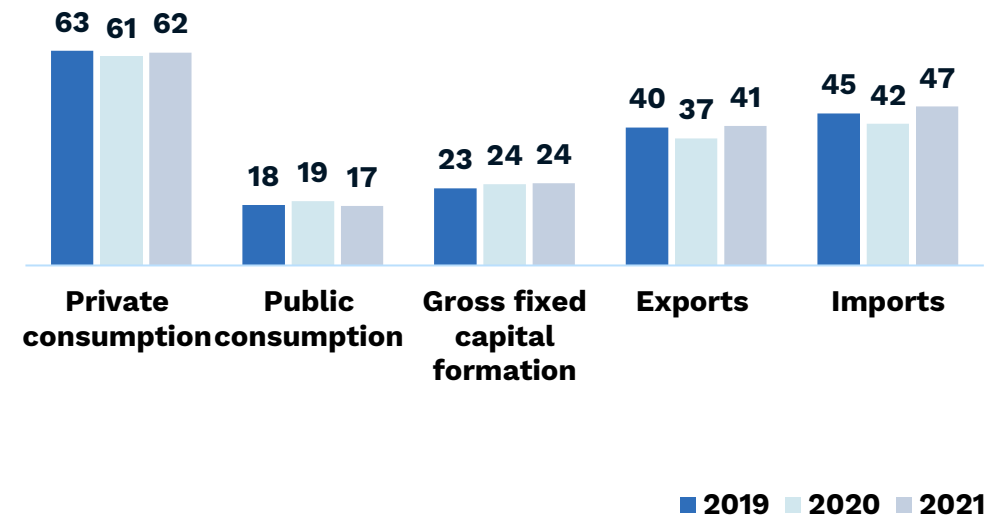
1. Investment proposition
- 2. Market context**
3. Strategic focus
4. 2022 preliminary results

Romania is one of Europe's fastest growing economies | Private consumption in the driving seat

Romanian GDP per capita set to grow¹(CAGR)



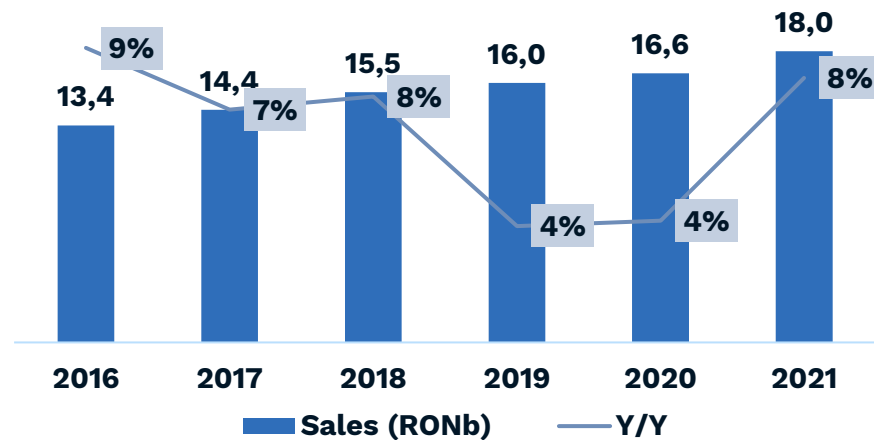
Romanian GDP structure (% of GDP)



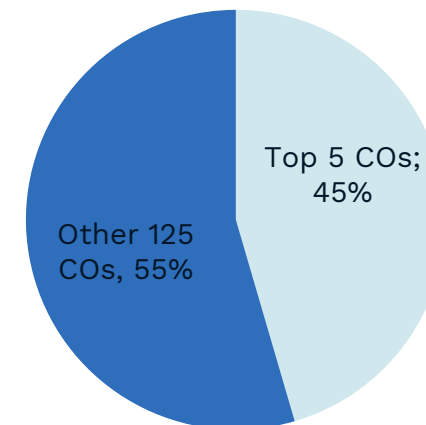
¹ Source: EU Fit for 55 program; Eurostat, the IMF; Other SEE excludes Romania but includes: Bulgaria, Serbia, Cyprus and Greece

FMCG and HoReCA distribution market grew 34% in the last 5Y reaching EUR 3.7b/RON 18b in 2021 (+8% Y/Y)

Romania: FMCG & HoReCA distribution market¹

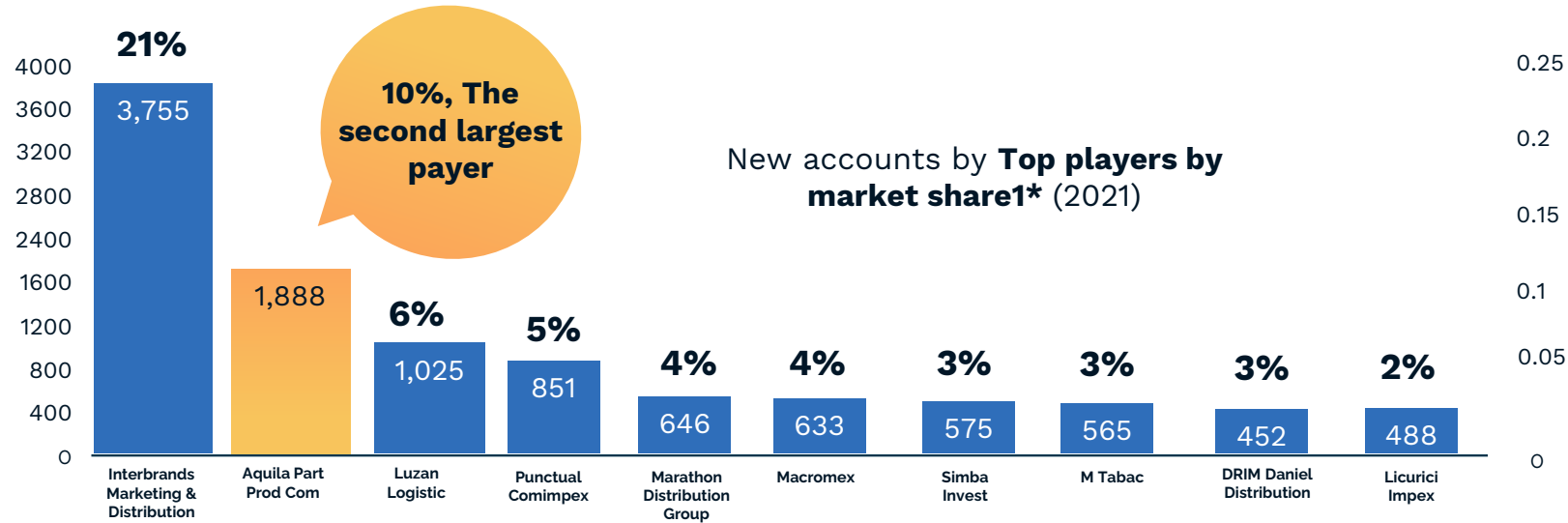


Romania: FMCG & HoReCA distribution market concentration¹

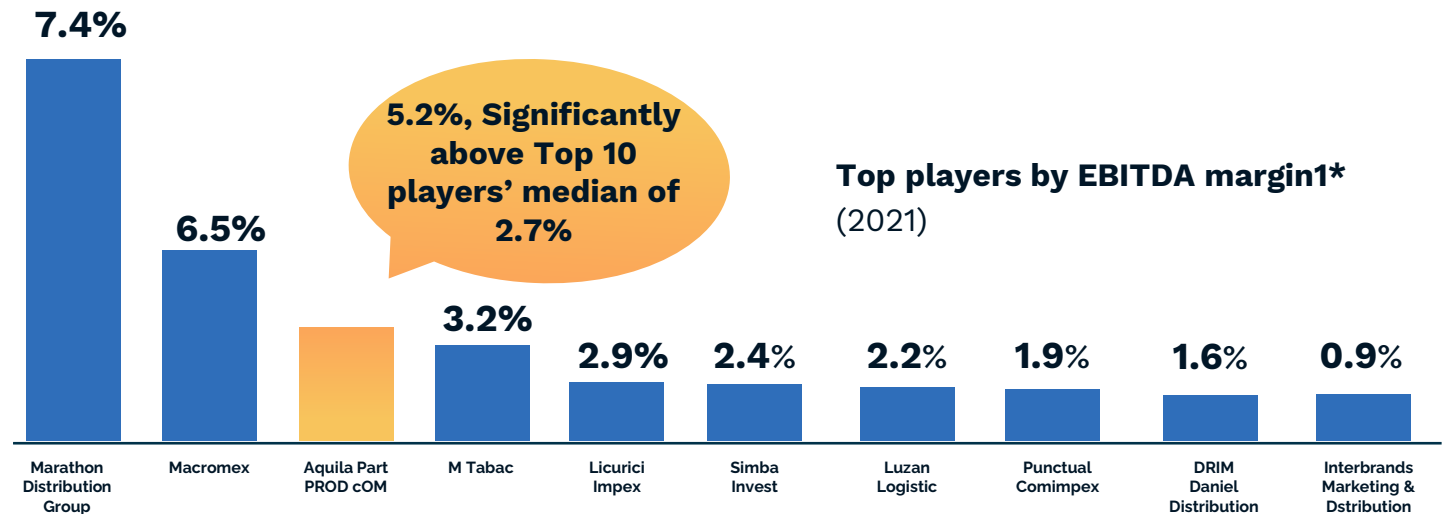


¹ Source: KeysFin; EMIS

FMCG and HoReCa distribution market | Top players



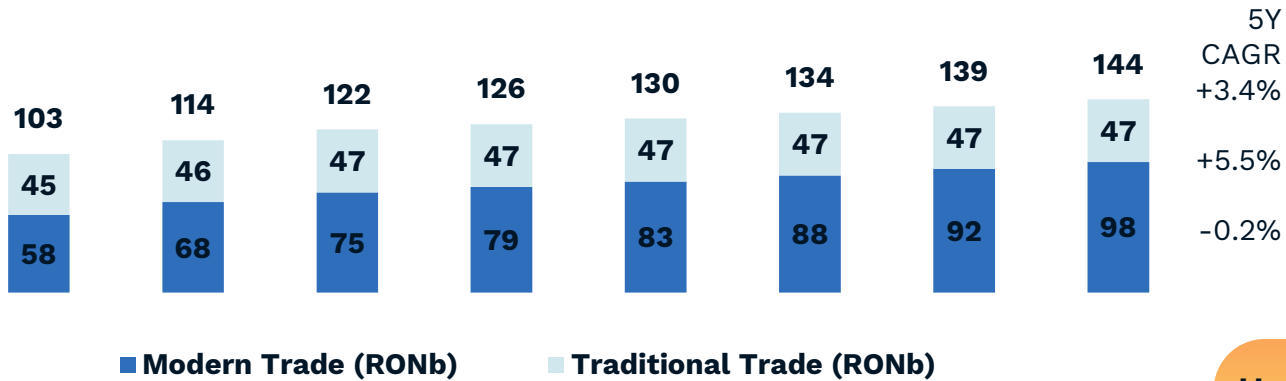
Well positioned to capture growth opportunities both organically and through acquisitions within a fragmented distribution market where the Top 5 players, out of 130 companies in total, weigh 45% by sales



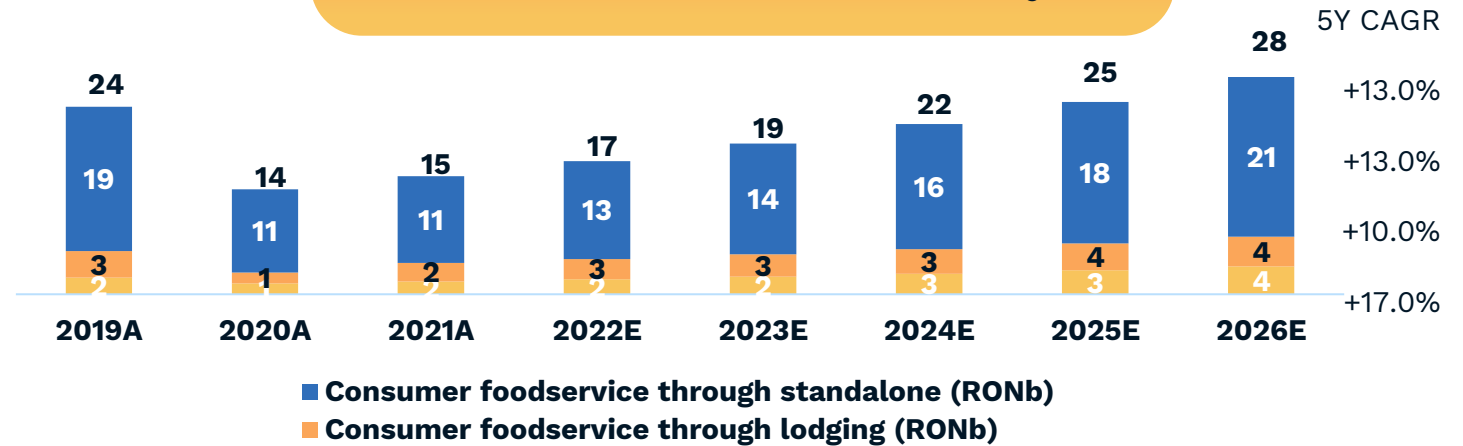
¹ Source: KeysFin; EMIS; * RAS individual

Exposure to a large addressable market | FMCG & HoReCa markets expected to expand at 5Y GAGR of 5% (cumulated)

Modern and Traditional Trade to advance at 5Y CAGR of +5.5% and -0.2%, respectively, by 2026¹



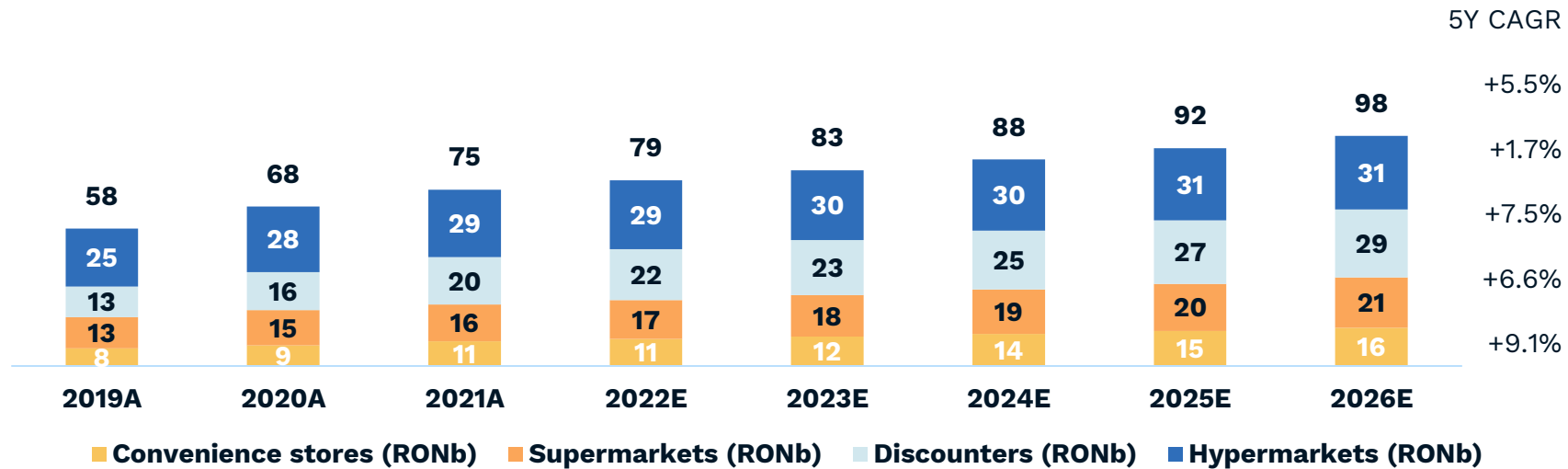
HoReCa to advance at 5Y CAGR of +13% by 2026¹



¹ Source: Euromonitor International

Convenience stores, Discounters and Supermarkets expected to outperform within Modern Trade

Modern Trade by segments ¹



¹ Source: Euromonitor International



Contents

1. Investment proposition
2. Market context
- 3. Strategic focus**
4. 2022 preliminary results

Sustainable compounding growth

Target to double FY 2021 EBITDA in 5Y

Value accretive acquisitions

2023 target to buyout an FMCG distribution companies and a well-run, A-brand domestic producer which satisfy complementarity of SKUs and synergies potential key criteria

Margins improvement

increased exposure to higher margins channels
new ERP system in 2Y; Pick by Light system expansion in 3Y; B2B platform development)
routes optimisation
cross-selling SKUs and tapping into new FMCG product markets



Automation & Digitalisation

People & Communities

Responsible operations

Own brands and organic growth

FMCG organic revenue growth target of 5% p.a.
HoReCa organic revenue growth target of 13% p.a.
5% market share target for Gradena brand in 5Y
10% market share target for LaMasă brand and new brand in 5Y

4Y M&A track record |

+ Market share | + Own brands | + Regional exposure

Aгриrom 2019

01

In February 2019, Aquila gained **over 1% share on the distribution market** and increased its HoReCA exposure through the acquisition of Agrirom, a company specialised in the import and distribution of frozen products in Romania that ranked the 14th in Top 20 players of the domestic distribution market in 2018

02

Following the acquisition, Aquila became the owner of **Gradena brand** in the category of frozen vegetables products with a **current market share of 2%** and **La Masă brand** in the category of **ready meals** for HoReCa with sales of > EUR 9 mil. for 2022

03

In 2018, Agrirom reported sales of RON 231 mil. and an EBITDA of RON 27 mil.

Trigor 2021

01

In May 2021, Aquila acquired Trigor that offered Aquila **exposure to the Moldovan distribution market** characterised by **significantly higher gross margins compared with Romania** (> 30% vs. 19-20%)

02

In 2020, Trigor reported sales of RON 87 mil. and in 2022 sales of RON 99 mil.

M&A Negotiations Status

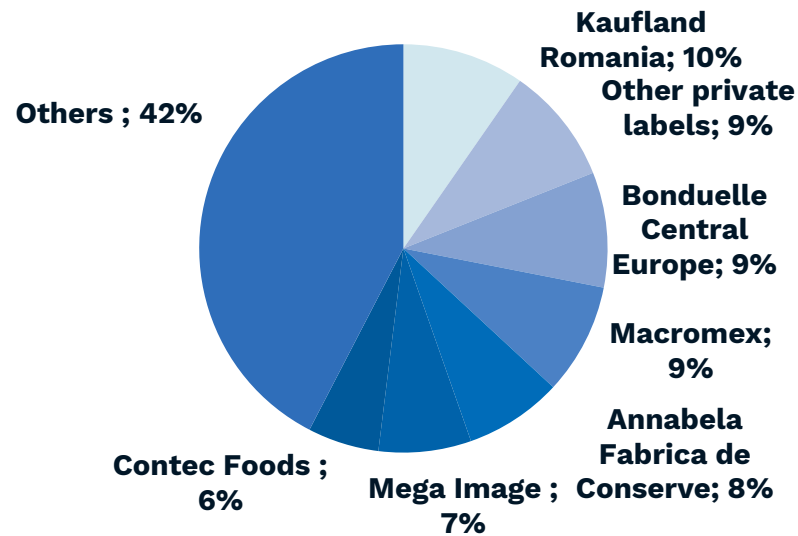
	Target ²	Activity	Sales ¹	EBITDA ¹	Negotiation stage
01	Target 1	Production	EUR 35m	EUR 9m	Price negotiation
02	Target 2	Distribution	EUR 95m	EUR 3m	Prospecting
03	Target 3	Distribution	EUR 34m	EUR 2m	NBO
04	Target 4	Production	EUR 10m	EUR 1m	NBO
05	Target 5	Distribution	EUR 7,5m	N/A	Prospecting

¹ Source: EMIS; * FY 2021 (individual RAS); ² Target in descending order of EBITDA value

Processed Fruits and Vegetables

– Gradena brand development

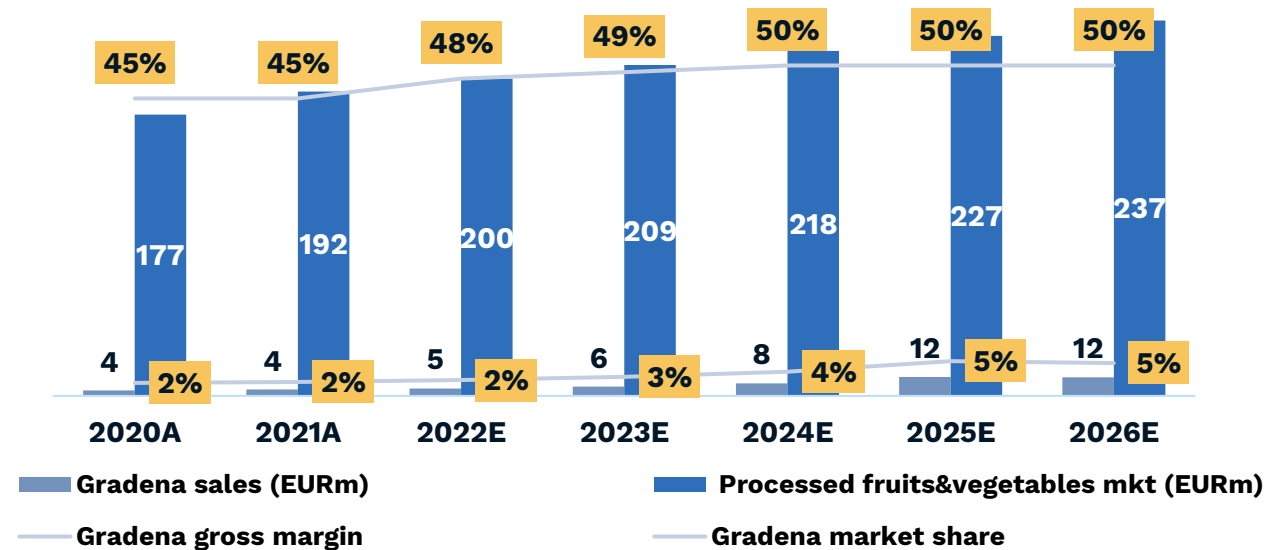
Processed fruits and vegetables market¹ (2021): Top players*



Aquila targets 5% share of frozen fruits and vegetables market through the development of Gradena own brand

Domestic processed fruits and vegetables market reached a retail value of EUR 192 mil./RON 944 mil. (+10% Y/Y) in 2021 and it is expected to grow at 4% CAGR by 2026 to EUR 237 mil./RON 1.2b

Gradena brand: Targeted sales and market share¹



gradena[®]

Mono-Vegetables



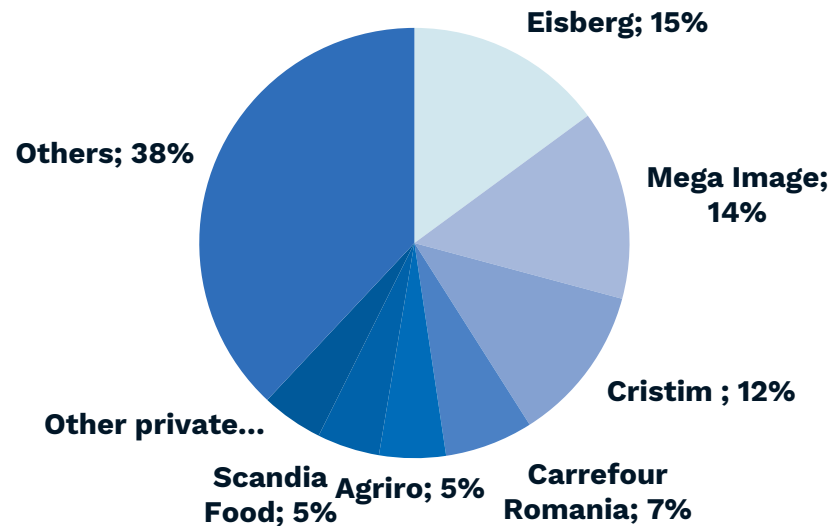
gradena[®]

Vegetables Mix



Ready meals – LaMasă and new brand development

Ready meals market¹ (2021): Top players*



Aquila targets 10% share of ready meals market through the development of LaMasă brand and e new own brand

Domestic ready meals market reached a retail value of EUR 82 mil./RON 404 mil. (+14% Y/Y) in 2021 and it is expected to grow at 10% CAGR by 2026 to EUR 132 mil./RON 651 mil.

LaMasă brand includes 14 types of ready meals products available for HoReCa market and after repackaging in July 2022, the products line is also available for retail channels starting Q4 2022

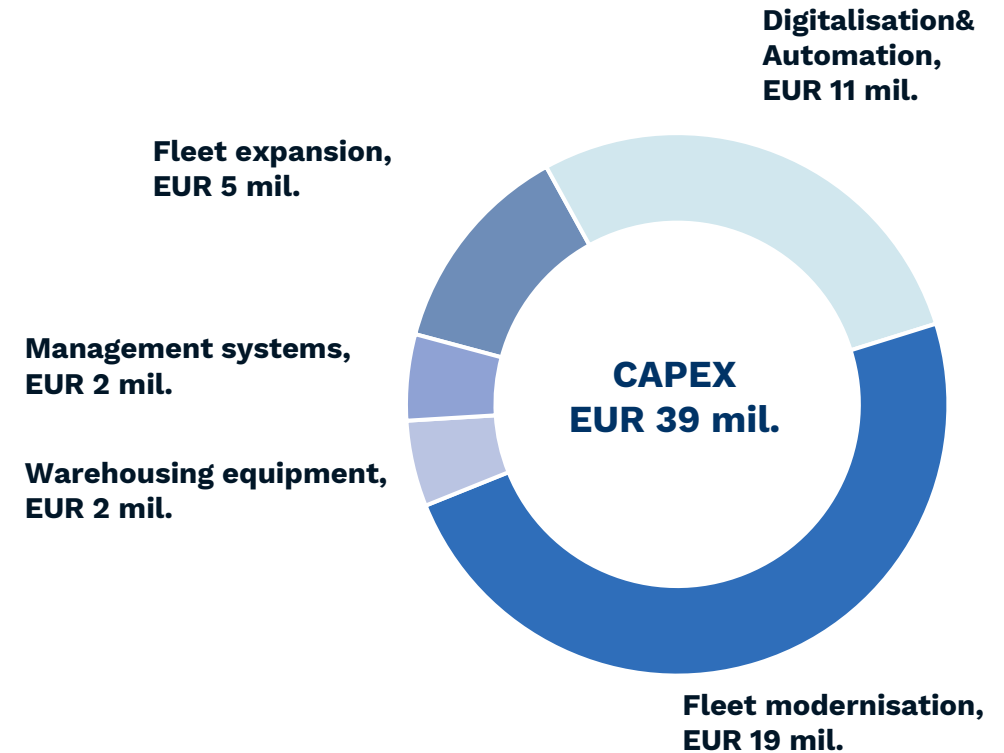


¹ Source: Euromonitor International; * Market share by retail value

Transforming for a lower carbon, digital future

Reduce carbon footprint by 10% p.a. and reduce waste |
Digitalisation for safer and greener efficiency

- By 2026, Aquila plans **expansion and maintenance CAPEX of EUR 16 mil. and EUR 23 mil. respectively**
- **Expansion CAPEX. Fleet (EUR 5m).** Aquila plans to invest EUR 5 mil. in fleet expansion, out of which EUR 3 mil. for 76 vans and EUR 2 mil. for 60 sales force vehicles. **Digitalisation and automation (EUR 11 mil).** The company plans to improve the operating model through automation and digitalisation, while investing in warehousing management systems that include **Li-Ion warehouse equipment; Pick by Light system extension; Pick by Voice system; IT WMS software optimisation;** Mobile racks for the frozen warehouse; **Multi Order Pickers; VNA & racks to optimise storage space;** Repack automation; Automation of the picking process by conveyors. For transport and business management, Aquila plans to invest further in **vehicles routing and safety systems and ERP solutions.** **Green and renewable energy.** Photovoltaic panels project generating 230KWh for own consumption completed in 2022 (EUR 0.21 mil.)
- **Maintenance CAPEX. Fleet (EUR 19 mil).** Aquila plans to invest EUR 19 mil. in fleet maintenance, out of which EUR 8 mil. for replacing 120 heavy trucks' tractor heads and semi-trailers and EUR 5 mil. for replacing 160 vans (EUR 5 mil.) and 475 sales force vehicles (EUR 5 mil.). **Warehousing equipment (EUR 2 mil.)** or EUR 0.3 mil. per year over 2022-2026 period. **IT licenses, soft and equipment (EUR 2 mil.)** implying maintenance capex of EUR 0.5 mil. on average per year by 2026





Contents

1. Investment proposition
2. Market context
3. Strategic focus
- 4. 2022 preliminary results**

Current environment and trends

Context

Inflation at 16.4% December 2022 vs. December 2021 according to National Institute of Statistics

Monetary policy interest rate 7% vs. 2% January 2022

Modern retail over 400 new shops opened in 2022

Trends

Inflation and increase of Supermarkets and Convenience stores in retail channel + HoReCa channel are the main engines for sales increase

Increase of the purchase frequency, in conjunction with the expansion of modern retail in proximity shops

Downtrading, especially in hypermarkets and discounters, mainly for nonfood products

Shopping cart - reduction in value and number of products

Higher growth in Rural and small urban

2022 Key financial indicators (IFRS consolidated)

Sales RON 2,210 mil	EBITDA RON 150 mil	Net Profit RON 85 mil
Sales increase (yoy) +15%	EBITDA increase (yoy) +9%	Net Profit increase (yoy) +20%
Gross Margin +1.6 pp	EBITDA Margin -0.3 pp	Net Profit Margin +0.2 pp
Distribution Sales RON 2,063 mil	Logistics Sales RON 79 mil	Transport Sales RON 68 mil

Financial Results Analysis 2022 preliminary

2022 vs 2021

Revenues increased by 15% driven mainly by the distribution segment, especially by sales through the HoReCa and proximity channels (gas stations and convenience stores), as well as by own brands.

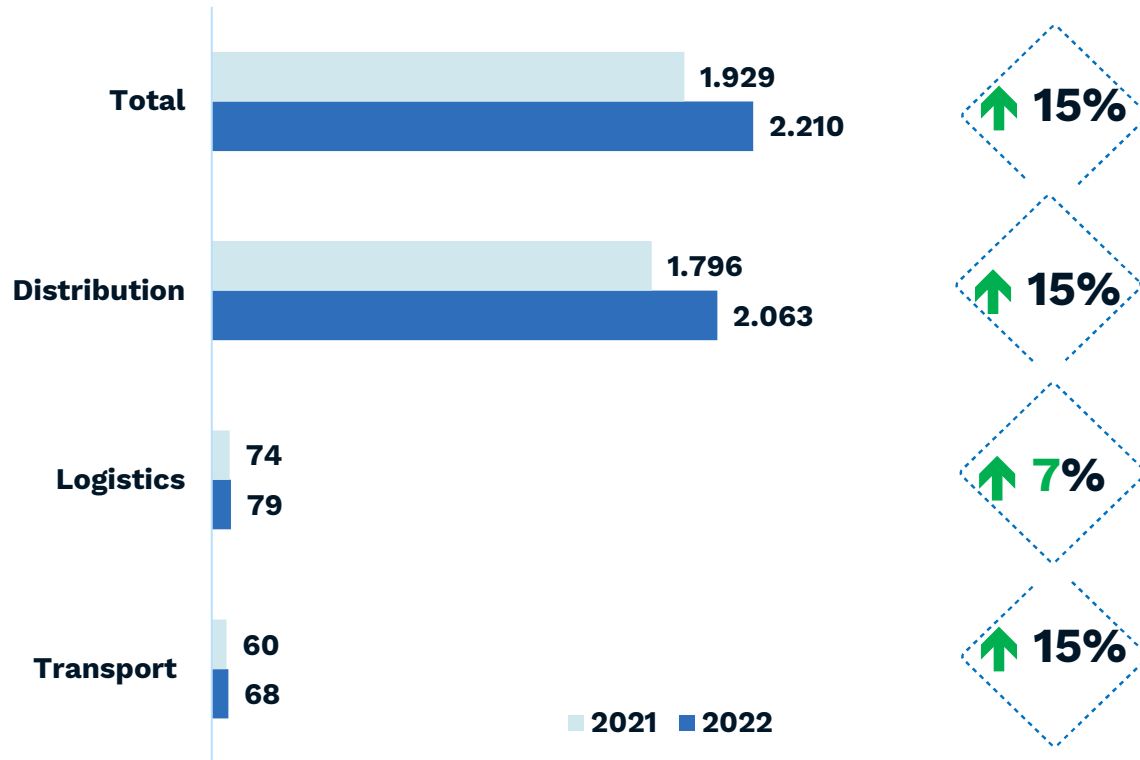
EBITDA increased by 9% versus 2021, up to RON 149.6 mil.

The Gross Margin improved 1.6 percentage points to 21.3% due to product mix, price increases and focus on top performing channels.

The Net Profit increased by 20% versus 2021, to RON 85.2 mil. the highest since the setup of the company.

mil. RON	2022	2021	Variation
Revenues	2,210	1,930	15%
Cost of goods sold	(1,624)	(1,443)	13%
Gross Profit	439	353	24%
EBITDA	150	137	9%
Net Financial Result	4	(7)	(154)%
Profit before tax	101	80	26%
Income tax expense	(15)	(9)	75%
Profit for the year	85	71	20%

Sales by segments for 2022



DISTRIBUTION

15% revenues growth versus 2021, supported by organic growth, **38% HORECA channel growth and 17% Gas station growth, as well as** own brands (+43%).

LOGISTICS

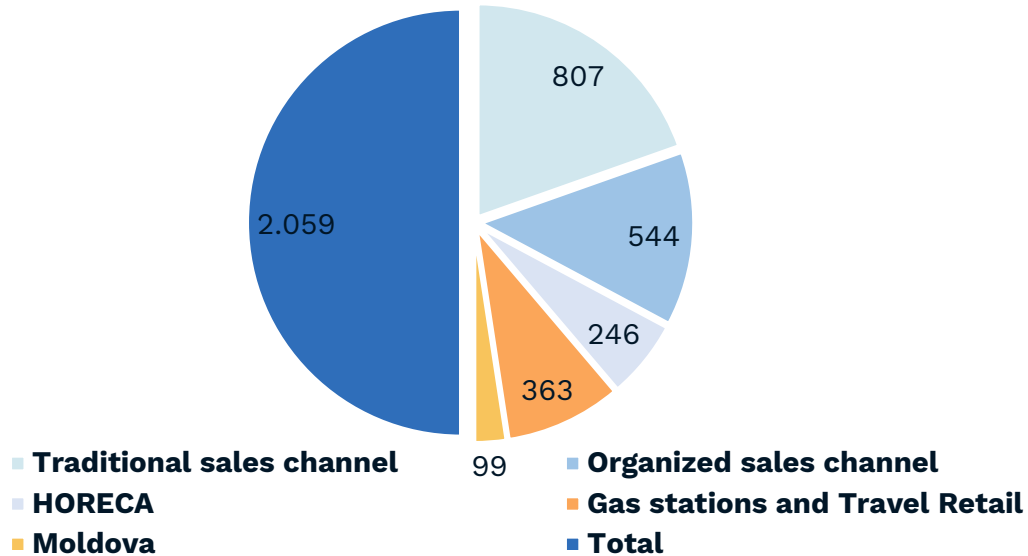
Revenues from logistics services increased by 7% versus 2021 following logistics tariffs indexing.

TRANSPORT

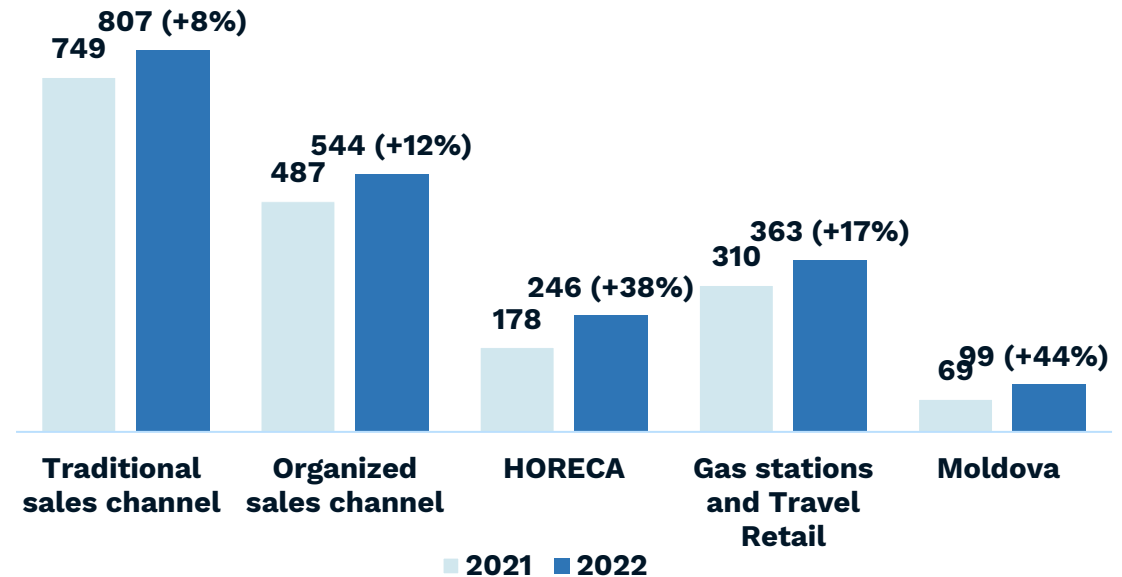
15% revenues growth versus 2021 due to tariff increases.

Sales by channel

Revenues by channel 2022, mil. RON



Revenues by channel 2021 vs. 2022 (mil. RON, %)



Evolution of Own Brands – significant growth (+39%)

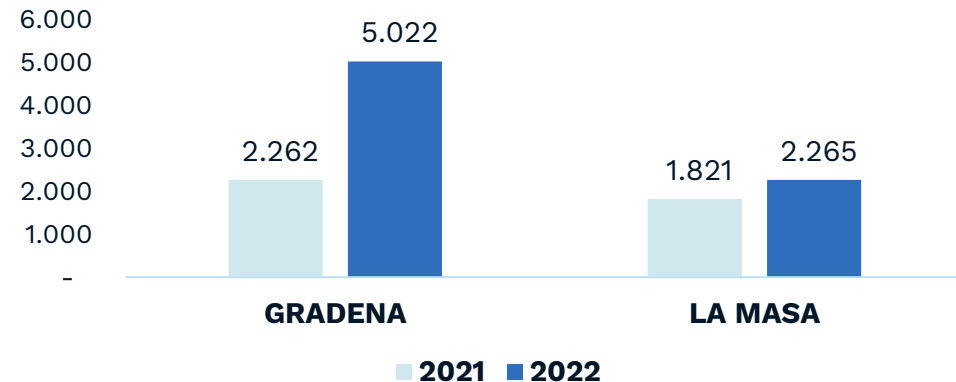
43% growth in Own Brands **turnover** versus 2021.

The **LaMasă** brand, currently includes **14 types of products**, is available in **new specially designed packaging**, gradually, from July 2022, and the products can also be found in Retail, starting with the fourth quarter of 2022.

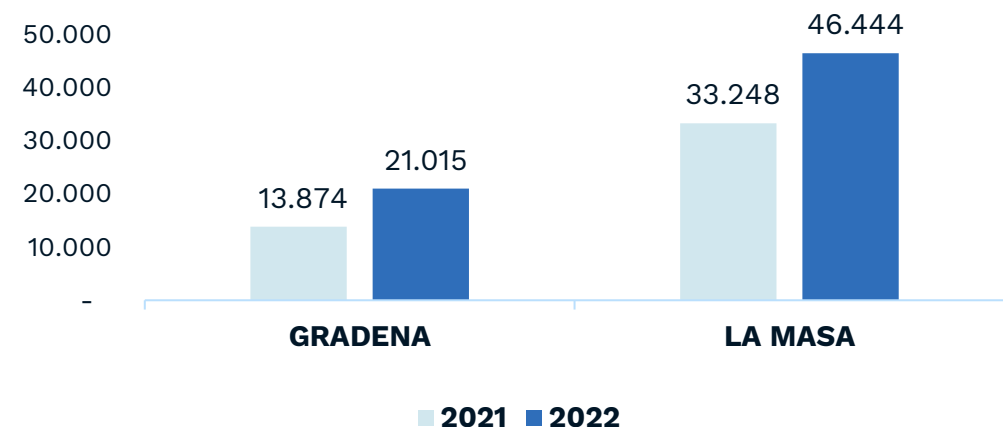
The expansion of the Gradena brand with 12 new products in 2022, of which 5 new vegetable mixes for HORECA and 3 fruit mixes for Retail.

Starting with the third quarter of 2022, **Gradena** launched innovations (4 items of frozen dips), which meet the needs of consumers, and which cover new consumption opportunities **to strengthen the strategy of brand positioning** in several segments, with better visibility.

Own Brands, by volume 2022 vs. 2021 ('000 KG)

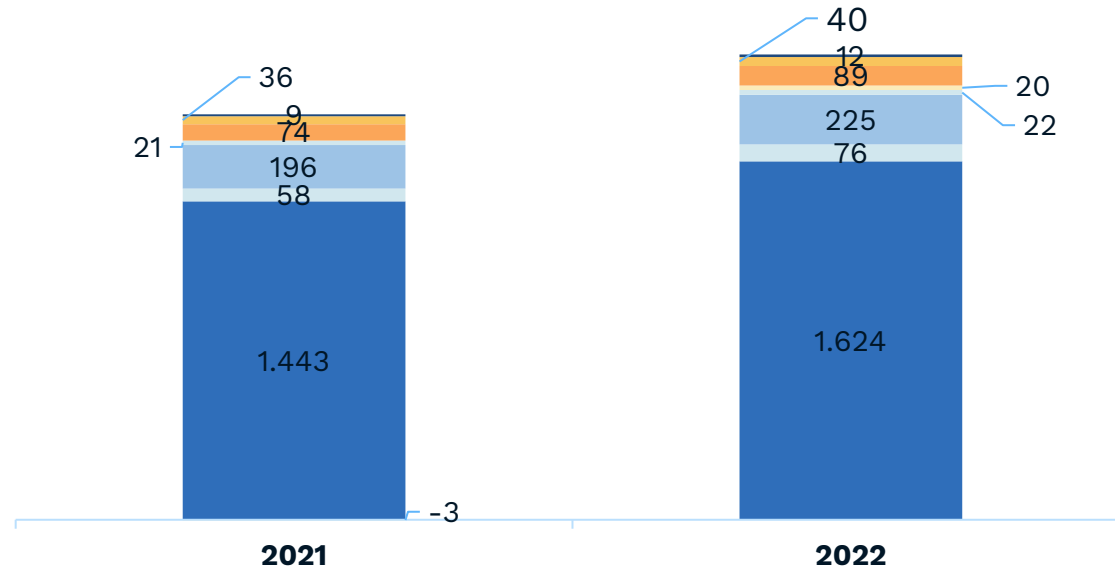


Own Brands, by value 2022 vs. 2021 (mil. RON)



Opex and D&A expense 2022

Operating and D&A expenses, mil. RON



- Utilities
- Depreciation and amortization
- Other operating expenses
- Impairment gains (losses)
- Repairs, maintenance and materials costs
- Salaries and other employee benefits
- Cost of fuel and transport services
- Costul bunurilor vândute

2022 vs. 2021

Operating expenses before depreciation increased by RON 90 mil. mainly due to:

The increase of fuel costs and of transport services by RON 18 mil.

The increase of employee benefits related expenses to RON 29 mil. Impacted by minimum salary increase with effects on other positions.

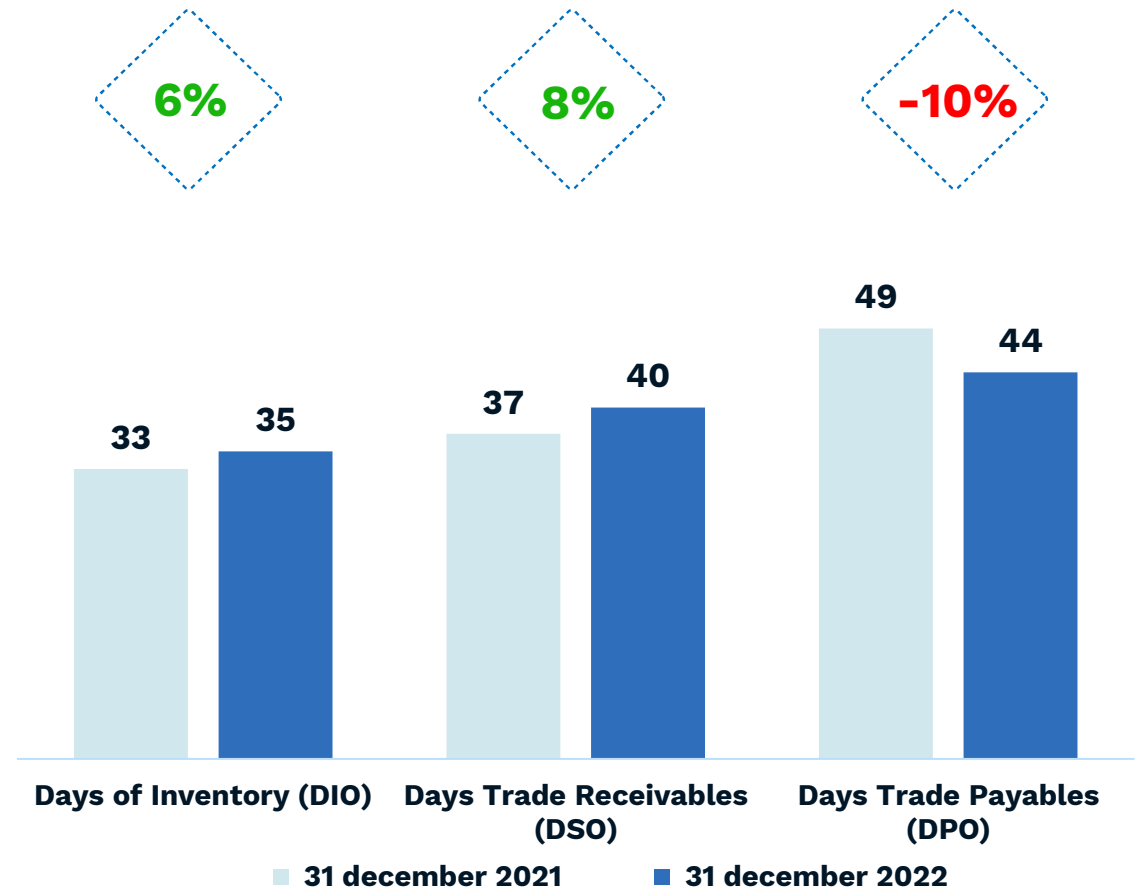
Impairments on Receivables from related parties of RON 14.8 mil. due to heavy interest increase and market risk and RON 5 mil. Trade Receivables.

Evolution of Liquidity Ratios

Days Inventory Outstanding (DIO) increased mainly due to increased purchase prices, increased share of purchases with a higher lead time, and also in order to cover supply chain delays.

Days Sales Outstanding (DSO) registered a slight increase due to higher commodity prices and an increase in the share of modern retail.

Days Payable Outstanding (DPO) decreased due to faster payments with discounts.



Aquila Investor Relations

Tel: +40 723 331 942

E-mail: investor.relations@aquila.ro

Homepage: www.aquila.ro