



Auditeval Consulting s.r.l.

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Nr. Înregistrare Registrul Comerțului J04/1836/2008 CUI: RO 24600940 Capital social: 200 lei
Intesa Sanpaolo România sucursala Bacău RO64 WBAN 0204 1V03 7508 R001
TREZORERIA BACĂU RO84 TREZ 0615 069X XX00 5679



INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of AEROSTAR S.A. Bacau

Report on the audit of the financial statements

Our opinion

1. We have audited the accompanying financial statements of **AEROSTAR S.A. Bacau** ("the Company"), with the head office in Bacau, 9, Condorilor Str., identified at the Trade Register Office by the EUID Code: ROONRC.J1991001137040-R.C. Bacau and by the unique tax registration code RO 950531, which comprise the financial statement as at 31.12.2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the explanatory notes to the financial statements, including a summary of material accounting policies.

2. The Company financial statements as at 31.12.2024 are identified as follows:

- Net Assets/Total Equity: 620.334 thousand lei,
- Net profit for the financial year: 95.725 thousand lei.

3. In our opinion, the accompanying financial statements of **AEROSTAR S.A. Bacau** give a true and fair view, in all material matters, of the financial position of the Company as at December 31, 2024, and of its financial performance and cash flows for the year then ended in accordance with the Order of the Minister of Public Finance of Romania No. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, as amended ("OMFP 2844/2016") and with the accounting policies described in the notes to the financial statements.

The basis for our opinion

4. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), the EU Regulation No. 537 of the European Parliament and of the Council ("Regulation") and the Law No. 162/2017 ("Law").

Our responsibilities under these standards are described in detail in the section "*Auditor's Responsibilities for an Audit of the Financial Statements*" of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code and applicable European regulations) and with the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

5. The key audit matters are those matters that, in on our professional judgment, were of most significance in the audit of the financial statements for the current period. These matters have been addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matters</i>	<i>Audit procedures performed to address the key audit matters:</i>
<i>1. Provisions</i>	
<p>Our policy for the recognition of provisions is presented in Note 3 - Accounting and valuation principles/3.2 - "Accounting policies applied - accounting policies regarding provisions" and Note 13 - "Provisions".</p> <p>As disclosed in Note 13 to the Financial Statements, the Company has recorded as at December 31, 2024 provisions totaling 85.108 thousand lei.</p> <p>The estimation of a provision involves significant professional judgment by the Company's Board of Management as to the probable outcome of the relevant events and the quantification of the related probable liabilities.</p> <p>Due to the materiality of the amounts reported under Provisions and the fact that, by their nature, provisions involve a significant degree of professional judgment, we consider them to be a key audit matter in the audit of the financial statements for the year ended December 31, 2024.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - We analyzed the Company's actual liabilities under which the provisions were recognized; - We analyzed the professional judgments used by the Company's Board of Management in determining the probable outcomes of events and quantifying potential liabilities; - We identified the recognition criteria as detailed in the calculation made by the Company during the audit period. The recognition criteria in the financial statements are the company's prudent and reasonable approaches to risk in an economy affected by the post-pandemic and geopolitical crisis. - We obtained from the Company's legal department, where appropriate, its views on the resolution of pending litigation as well as its best estimate of the consideration required to settle the obligations arising from such litigation.

	<ul style="list-style-type: none"> - We analyzed the maturity of the liabilities on which the provisions were set aside and their classification into short and long-term. - We identified the completeness and accuracy of provisions as a significant audit risk, we reviewed the procedures performed and discussed the criteria for recognition with the Company's Board of Management.
2. Production in progress	
<p>Due to the specific nature of the activity, there is a risk that over- or undervaluation and reporting of the production in progress may influence the result for the current financial year of the company's activity and, implicitly, the going concern of the Company.</p>	<ul style="list-style-type: none"> - We addressed the recognition of the production cost in the audit period and reviewed the criteria used by the company for its measurement and recognition in the financial statements (IAS-2) and found them to be appropriate. - We verified these recognition criteria as detailed in the company's determination of work in progress, we reviewed the procedures in place and found that they could not have significant deviations. The measurement of work in progress was made at the cost of production that is lower than the net realizable value in the normal course of business.

Other information - The Board of Directors' Report

6. The Directors are responsible for the preparation and presentation of other information. Such other information comprises the Board of Directors' Report, which also includes the Sustainability Report, and the Remuneration Report, but does not comprise the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover such other information and, unless explicitly stated in our report, we do not express any assurance conclusion on it.

In relation to our audit of the financial statements for the year ended December 31, 2024, our responsibility is to read that information and, in doing so, to consider whether such other information is significantly inconsistent with the financial statements or the knowledge we acquired during our audit, or appears to be materially misstated.

With regard to the Board of Directors' Report, which includes the Sustainability Report, we have read and reported whether it has been prepared, in all material matters, in accordance with OMFP 2844/2016, paragraphs 15-19, respectively 48⁵-48⁸, of the Accounting Regulations in accordance with the International Financial Reporting Standards.

Based exclusively on the activities to be carried out during the audit of the financial statements, in our opinion:

- a) The information presented in the Board of Directors' Report for the year for which the financial statements were prepared is consistent, in all material aspects, with the financial statements;
- b) The Board of Directors' Report, identified as an appendix to the financial statements, which includes the Sustainability Report, was prepared, in all material aspects, in accordance with the disclosures required by OMFP 2844/2016, paragraphs 15-19, respectively 48⁵-48⁸ of the Accounting Regulations that comply with the International Financial Reporting Standards.
- c) The Remuneration Report was drawn up, in all material matters, in accordance with the provisions of Law No. 24/2017, Articles 106-107.

Furthermore, based on our knowledge and understanding of the Company and its environment, acquired during the audit, the financial statements for the year ended December 31, 2024, we are required to report whether we have identified any material misstatements in the Board of Directors' Report. We have nothing to report on this matter.

Responsibilities of the Board of Management and Supervisory Board

7. The Board of Management of our Company is responsible for an accurate preparation and presentation of the financial statements in accordance with OMFP 2844/2016, and for such internal control as the Board of Management deems necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

8. In preparing the financial statements, the Board of Management management is responsible for assessing the Company's ability to continue operating under the going concern assumption, for disclosing, if applicable, going concern matters and the appropriateness of the use of the going concern basis of accounting, unless the Board of Management has no intention to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company does not intend to and there are currently no reasons that would cause the Company to downsize or cease operations. There are no commercial or other disputes that would affect the continuity of the business, and the financial resources, working capital and labour force required to carry on an efficient business in the future are ensured.

9. The Supervisory Board is responsible for overseeing the Company's financial reporting process.

The auditor's responsibility for the audit of the financial statements

10. Our objectives consist in obtaining reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and issuing an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement, if one exists. Misstatements can be caused by either fraud or error and are considered material if, individually or in the aggregate they can reasonably be expected to influence the users' economic decisions taken on the basis of these financial statements.

11. As part of an audit in accordance with ISA, we have exercised professional judgment and have maintained professional scepticism throughout the audit. Our audit consisted of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, due to either fraud or error, designing and performing audit procedures in response to those risks, and obtaining sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is higher than the risk of not detecting a material misstatement caused by error because fraud may involve secret dealings, forgery, intentional misstatements, intentional omissions, misrepresentations and intentional circumvention of internal control.
- Understanding internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Concluding on the appropriateness of the use of the going concern basis of accounting by the Board of Management and determining, based on the audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubts about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease operating on a going concern basis.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

12. We communicate to the Supervisory Board, among other matters, the planned scope and timing of the audit and the main audit findings, including any internal control deficiencies that we identify during the audit.

13. We also provide to the Supervisory Board with a statement that we have complied with the relevant ethical requirements relating to independence and that we have disclosed to them all relationships and other matters that could reasonably be suspected of affecting our independence and, where appropriate, the related safeguards.

14. From the matters that we have communicated to the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and, therefore, represent key audit matters. We describe these matters in our audit report, unless the applicable law or regulations prevent public disclosure of the matter or when, in extremely rare circumstances, we believe that a matter should not have been disclosed in our report because the public interest benefits could reasonably be expected to outweigh the adverse consequences of such disclosure.

Report on compliance with the Commission Delegated Regulation (EU) 2019/815 (Regulatory Technical Standard on the Single European Electronic Reporting Format -" ESEF")

15. In accordance with Law No. 162/2017 on the statutory audit of the annual financial statements and annual consolidated financial statements and the amendment of certain regulatory acts, we are required to express an opinion on the compliance of the financial statements included in the annual report for the financial year ended on December 31, 2024, with the requirements of Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council regarding regulatory technical standards on the specification of a single electronic reporting format ("RTS requirements on ESEF").

We have performed a reasonable assurance engagement on the compliance of the individual financial statements of AEROSTAR SA (the "Company") presented in XHTML format for the financial year ended December 31, 2024, with the requirements of Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council regarding regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation") as presented in the digital files.

These procedures refer to testing the format and consistency of the electronic format of the individual financial statements (XHTML) with the audited individual financial statements and expressing an opinion on the compliance of the electronic format of the Company's financial statements for the financial year ended December 31, 2024 with the requirements of the ESEF Regulation.

Responsibilities of the Board of Management

16. The Company's Board of Management is responsible for the preparation of financial statements in digital format that comply with the RTS (Regulatory Technical Standards) requirements regarding ESEF. This responsibility includes preparing the financial statements in the applicable XHTML format, including ensuring consistency between the

digital financial statements and the signed financial statements, and designing, implementing and maintaining internal controls relevant to the application of the RTS requirements on ESEF.

This responsibility includes:

- ✓ designing, implementing and maintaining internal control relevant to the application of the RTS (Regulatory Technical Standards) requirements regarding ESEF;
- ✓ ensuring compliance between the Digital Files and the financial statements to be published in accordance with Order No. 2844/2016 with subsequent amendments.

The Supervisory Board is responsible for overseeing the financial reporting process in relation to the preparation of the individual financial statements, including the application of the ESEF Regulation.

Responsibilities of the auditor

17. We are responsible for expressing a conclusion on the extent to which the financial statements included in the annual financial report comply with the RTS requirements regarding ESEF, in all material aspects, based on the evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised), Other Assurance Engagements than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence regarding the compliance of the financial statements with the RTS requirements regarding ESEF. The nature, timing, and extent of the procedures selected depend on the auditor's judgment, including the auditor's assessment of the risk of material misstatement due to either fraud or error in relation to the provisions set out in the ESEF. A reasonable assurance engagement includes:

- obtaining an understanding of the process for preparing Digital Files in accordance with ESEF, including relevant internal controls;
- reconciling the Digital Files with the audited financial statements of the Company to be published in accordance with Order No. 2844/2016 as amended;
- assessing whether all the financial statements that are included in the annual financial report are prepared in a valid XHTML format.

We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Our opinion on the compliance of the electronic format of the financial statements with the requirements of the ESEF Regulation

18. In our opinion, based on the procedures we have performed, the financial statements for the year ended December 31, 2024 included in the annual financial report and presented in the Digital Files have been prepared, in all material aspects, in accordance with the RTS requirements regarding ESEF.

In this section, we do not express an audit opinion, a review conclusion, or any other assurance conclusion regarding the financial statements. Our audit opinion on the Company's financial statements for the year ended December 31, 2024 is included in the Report on Financial Statements section above.

Other aspects

19. This independent report is addressed exclusively to the shareholders of the Company as a whole. Our audit was conducted so that we could report to the Company's shareholders those aspects that we are required to report in a financial audit report, and not for any other purpose.

To the extent permitted by law, we do not accept and assume responsibility except to the Company and its shareholders, as a whole, for our audit, for this report or the opinion expressed.

Report on other legal and regulatory provisions

20. We have been appointed as auditors of the Company by the General Meeting of Shareholders on 16.06.2022 to audit the financial statements of AEROSTAR SA for the financial year ended 31.12.2022. On 17.05.2023 the mandate was extended for a period of 3 years, covering the financial years ending on 31.12.2023, 31.12.2024 and 31.12.2025. The total uninterrupted duration of our engagement is 3 years, covering the financial years ended 31.12.2022, 31.12.2023 and 31.12.2024.

We confirm that:

- Our audit opinion on the individual financial statements expressed in this report is in accordance with the additional report presented to the Company's Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we have maintained our independence from the audited entity;
- We have not provided to the Company prohibited non-audit services referred to in Article 5, para. (1) of EU Regulation No.537/2014.

17.03.2025

On behalf of AUDITEVAL CONSULTING SRL

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through

Audit partner: financial auditor Maricel Dascalu

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Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar:
MARICEL DASCALU
Registrul Public Electronic: AF2229

Autoritatea pentru Supravegherea Publică a
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