

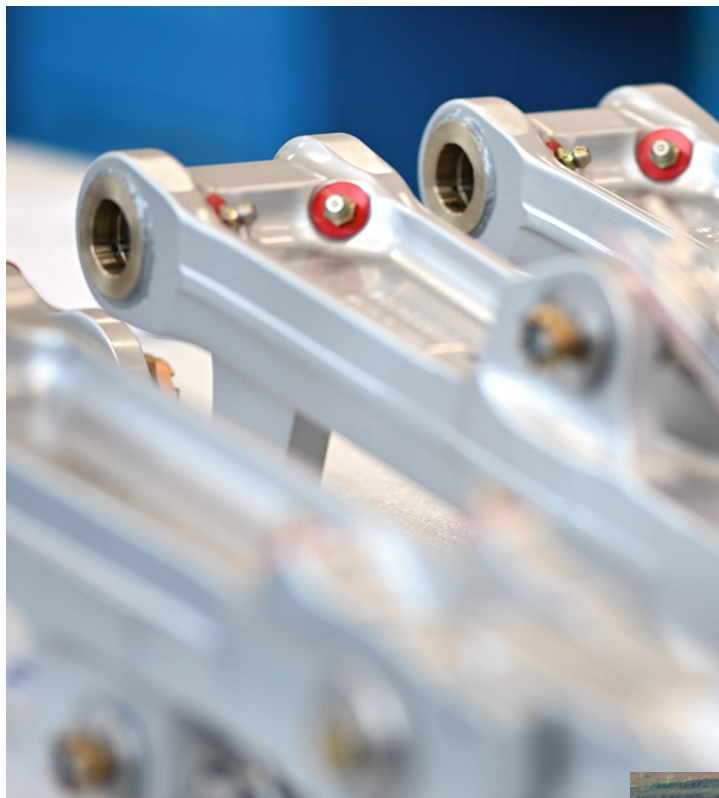
**20  
24**



# ANNUAL REPORT







**Performance  
through  
Professionalism!**



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## MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS OF AEROSTAR S.A.



"The year 2024 was a year full of challenges overcome and significant achievements. In spite of the complex global context, we managed to deliver on our commitments and achieve our objectives.

Financially, our results for 2024 reflect the resilience of our business. We continued to expand our presence in our customers' supply chains while developing the capabilities needed to meet the changing market demands.

AEROSTAR is committed to the principles of transparency and sustainability, essential for our long-term development. Beyond our financial achievements, we have paid particular attention to the non-financial aspects that contribute to the sustainable development of the company. We will continue to take the necessary decisions to ensure the company's performance and at the same time maintain our commitments to our shareholders, employees, partners and community, thus contributing to the economic and social development of our region."

**Grigore Filip**  
**President of the Board of Directors**

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER OF AEROSTAR S.A.

"In a difficult macroeconomic and geopolitical context, our objective is to keep our development directions clear. The aviation market is witnessing a solid demand, but the industry is constrained by factors such as insufficient production capacity, supply chain specific issues, rising production costs, shortage of skilled talent and the growing need for training. These issues have hindered the aviation industry from reaching its full potential.

With regard to our business lines, for the manufacture of aeronautical products, we aim to expand our footprint in our customers' supply chains and increase the technological level of AEROSTAR supplied products and means of production. In terms of defence products, we maintain our mission as a first-tier supplier to the Ministry of National Defence, continuing to develop the capabilities related to the maintenance of F-16 aircraft as well as the portfolio of services offered to the MapN.

In the commercial aircraft MRO business line, we aim to strengthen our position in the market and increase the number of



aircraft we can service. To achieve these goals, AEROSTAR continues its recruitment and professional training policy as well as its investment policy.

In a macro-economic environment with various uncertainties, including regional conflicts, budget deficits and a slow economic growth in the European Union region, AEROSTAR will adopt the necessary decisions to ensure the company's performance and the sustainability of our business and we strongly believe that together we will continue to build a successful future for AEROSTAR."

**Alexandru Filip**  
**Director General**

## I. GENERAL INFORMATION

### 1. BASIS OF PREPARATION OF THE ANNUAL REPORT

BP-1, BP-2

The company AEROSTAR S.A. was established on 17 April 1953 by Decision No. 1165 of the Council of Ministers. Since 1953 it has been successively named URA-1953, IRAv ('Întreprinderea de Reparații Avioane') -1970, IAv ('Întreprinderea de Avioane') -1978, and AEROSTAR S.A. since 1991, when it was registered as a joint-stock company at the Trade Register Office in Bacău.

**The company's unique European Company Identification Number (EUID)** is ROONRC. J1991001137040 and the LEI code for its identification as a legal entity is 315700G9KRN3B7XDBB73;

The Annual Report of AEROSTAR S.A. for the period **January 1, 2024 - December 31, 2024**, was prepared in accordance with the reporting regulations in force, the EU Delegated Regulation 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainable reporting standards (CSRD), in order to provide additional information to all stakeholders about the company's sustainable strategy and the progress made in its corporate processes and to transparently reinforce its commitment to sustainable development and in compliance with the provisions of Law 24/2017 on issuers of financial instruments and market operations and Regulation A. S.F. No. 5/2018 of the Financial Supervisory Authority on issuers of financial instruments and market operations.

In our analysis took into consideration the activities related to our company's business lines.

**Our Sustainability Statement** is prepared based on the double materiality analysis and in accordance with the CSRD Directive and the EFRAG IG Guidelines, Materiality Assessment. As part of it, we have analysed the specific material topics that we have explained in the chapters "Environmental Information", "Social Information" and "Professional Conduct" in accordance with the requirements of the thematic standards ESRS E1-E5, ESRS S1-S4. ESRS G1.

The following sustainability aspects have been included in the materiality assessment as issues of interest to our company: climate change, environmental issues (pollution, resources, circular economy), working conditions, health and safety of the company's employees, safety of our products and services, stakeholders and professional conduct. We also take a particular interest in social performance and the company's position in relation to governance, the community, as well as additional topics such as cyber security.

**The activities of AEROSTAR are carried out at the registered office** of the company, which is located at 9 Condorilor Street, Bacău, postal code 600302.

Since January 2018, AEROSTAR has registered a secondary registered office and workplace within the perimeter of the Iasi International Airport; in 2023 a new secondary registered office and workplace was opened in the Fetești Municipality;

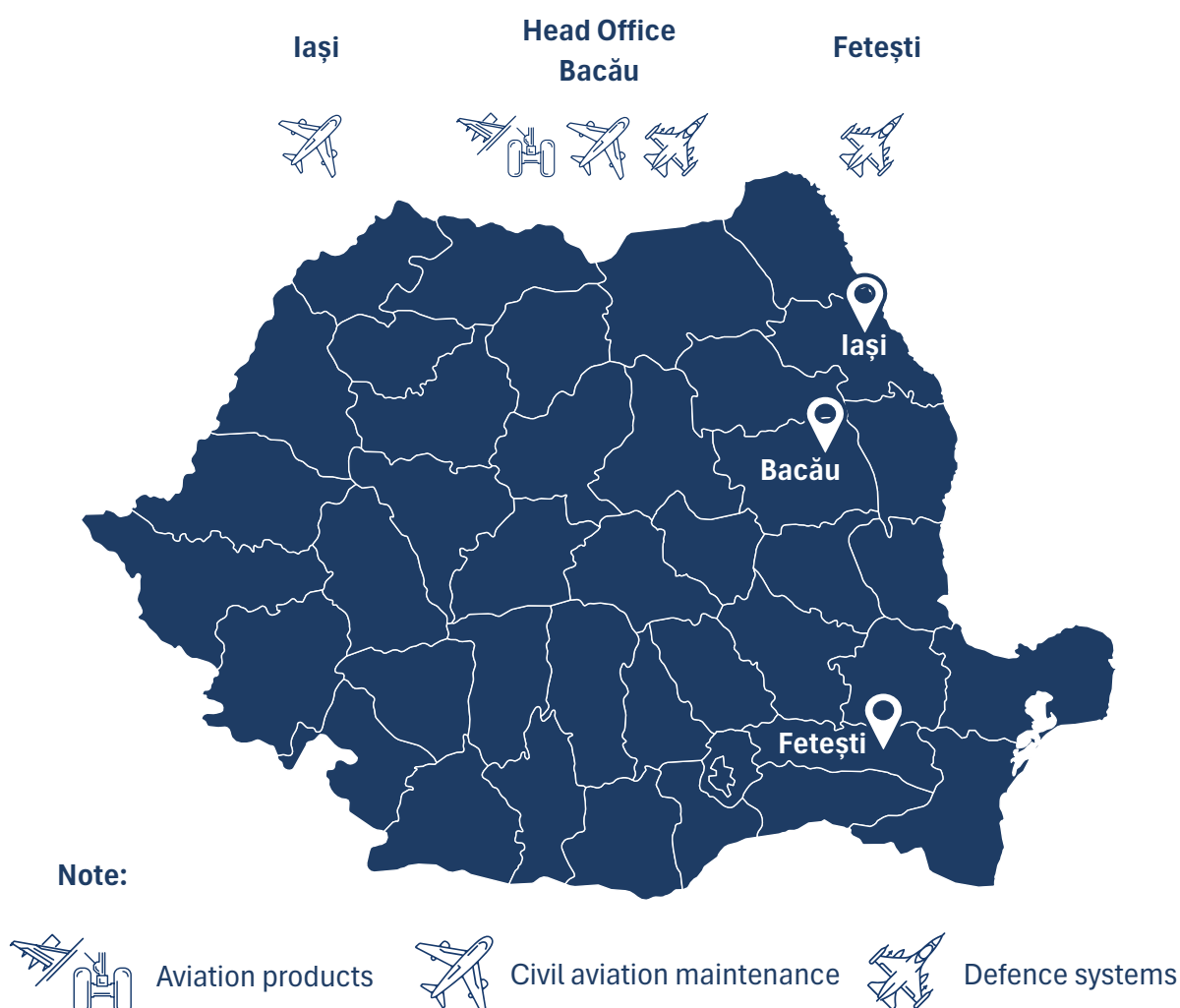
AEROSTAR did not omit any information corresponding to intellectual property, know-how or innovation results.

The company's financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, Accounting Law no. 82/1991, republished, as amended and supplemented, and are presented in accordance with the requirements of IAS 1, Order 2844/2016 for the approval of the Accounting Regulations in compliance with the International Financial Reporting Standards.

The bases of preparation and presentation of the financial statements are disclosed in Note 3; the separate financial statements prepared for the year 2024 are accompanied by the report of the independent financial auditor.

The company AEROSTAR S.A. is listed on the Bucharest Stock Exchange under the code ARS, and the records of shares and shareholders are kept, in accordance with the law, by S.C. Depozitarul Central S.A. Bucharest.

Where appropriate, some of the information presented in accordance with the aforementioned standards is supplemented with additional information in order to understand the analysis performed or the context.





## 1.1. AEROSTAR'S ACTIVITY AND PRODUCTS

**AEROSTAR** operates on three business lines, that reflect the organizational and management structure according to the services provided. The company's core business is manufacturing. The company's main object of activity is "Manufacture of civil aircraft and spacecraft" - CAEN code 3031;

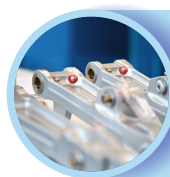
In civil aviation we supply aerostructures, components and assemblies to the global aviation industry.

We are authorized to perform maintenance work on Boeing 737 all series and Airbus 320, ceo & neo family aircraft, as well as components.

We are a maintenance centre for F-16 airplanes for the Romanian Army, a maintenance centre for Black Hawk helicopters for the Ministry of Internal Affairs, a maintenance centre for rocket launcher systems for the Ministry of National Defence and we are part of the national defence industry in accordance with Law 232/2016.

### AEROSTAR business lines

#### Manufacture of Aeronautical Products



#### MANUFACTURE OF AERONAUTICAL PRODUCTS

The equipment, assemblies and parts produced by AEROSTAR are used on a large number of commercial airplanes: Airbus A320, A321, A330, A350, Boeing B737, B787, B767, Gulfstream G650, Dassault F7X, Bombardier Challenger 600 series and Global 5000/6000 series.

By readapting to the new market requirements regarding the new production structure, as well as the new quality and environmental protection requirements, AEROSTAR maintains its leading position in Romania for the manufacture of aviation products and consolidates its position in the supply chain of major global aviation and aerospace companies.

In 2024, a new program dedicated to landing gear components was successfully integrated, marking an important step in the development of manufacturing capabilities. Earlier last year, critical components of the Airbus A320 and Airbus A321 models were launched into production. A special technical feature of this project is the machining of the locking grooves, a process that is essential for the functionality of the components. To meet the high quality and efficiency requirements, an advanced technological solution had to be adopted.



AEROSTAR has a significant footprint in terms of business volume in the MRO Civil Aviation sector, being an independent provider of industrial maintenance services for commercial airplanes of the Airbus A320ceo&neo and Boeing B737 300-900 family. AEROSTAR is EASA Part-145 authorized with an extensive range of authorizations obtained from the civil aviation authorities.

In the year 2024 we celebrated 20 YEARS AS A REGIONAL LEADER IN MRO SERVICES. The year 2024 represented a year of growth and development, highlighting among our achievements the milestone of 100 aircraft released into service from the MAINTENANCE CENTER IN IAȘI after the completion of the maintenance work and a cumulative total of over 1200 AIRCRAFT RELEASED INTO SERVICE since the creation of the business line. ELIBERATE ÎN SERVICIU, de la formarea liniei de business.



## Defence Systems

On the defence systems business line, AEROSTAR is a leading supplier to the Romanian Ministry of National Defence.

AEROSTAR is the Maintenance Centre for F-16 aircraft belonging to the Romanian Army. AEROSTAR has constantly developed the necessary capabilities to strengthen its position as a supplier, increasing its expertise in the field of maintenance and upgrading of military aircraft, ground-to-ground launch systems and radio-locating communication systems, as part of the command-control systems.

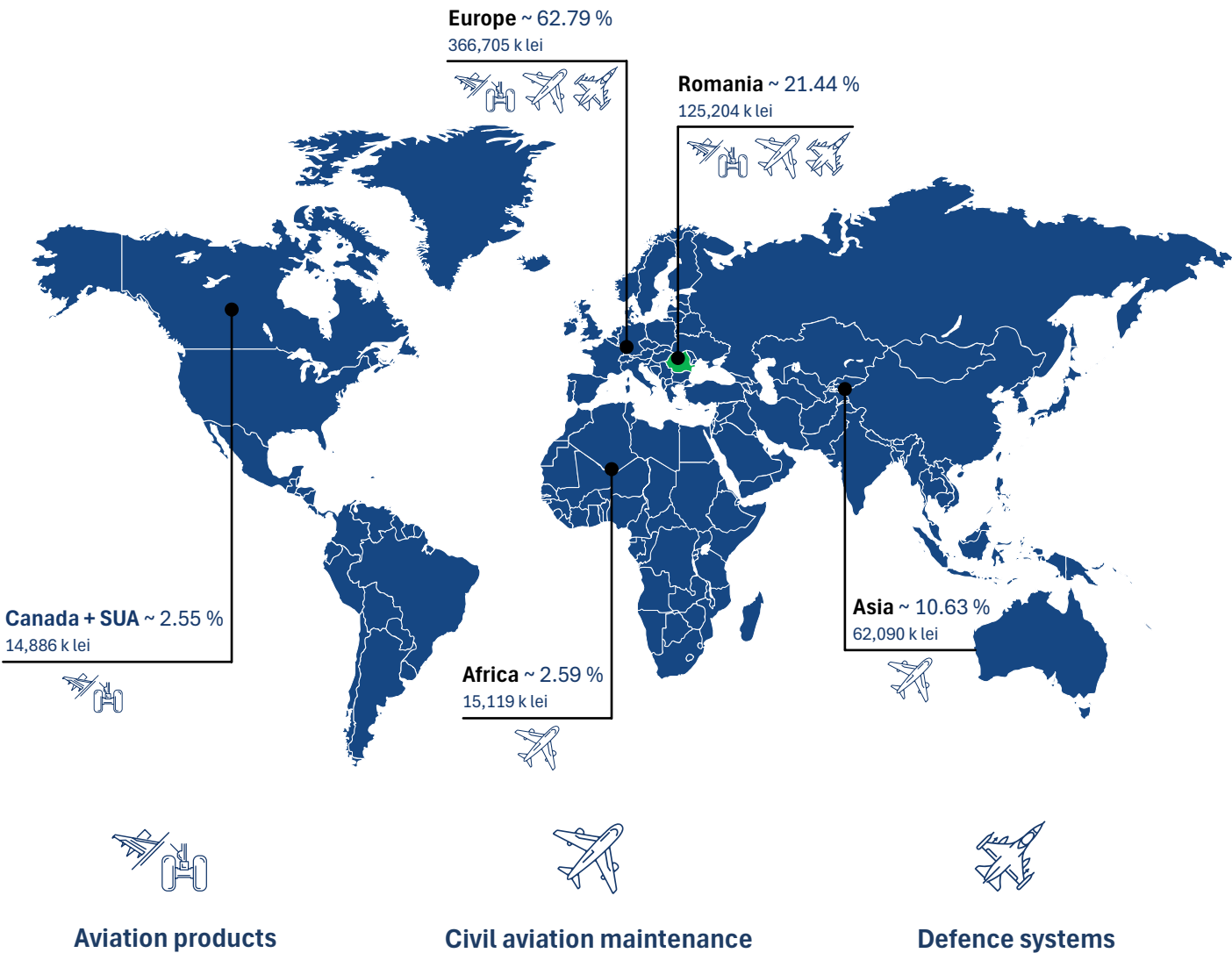
In 2024, the BLACK HAWK® S-70 HELICOPTER MAINTENANCE CENTER was inaugurated, a centre authorized by both the manufacturer - Sikorsky (part of the Lockheed Martin group) and the National Military Aviation Authority. The year 2024 also marked the opening of the MAINTENANCE CENTER FOR THE HIMARS SYSTEM - owned by the Romanian Ministry of National Defence.

**AEROSTAR's presence in the Global Market**

AEROSTAR operates in the global market for products and services in the aerospace and defence industry, as an independent company. AEROSTAR's customers are located in Europe, Asia, Africa, USA and Canada.

In Canada and USA we supply aviation products and in Asia and Africa we provide civil aviation maintenance services. In Europe we provide maintenance services for civil aviation, aviation products (landing gear systems, mechanical parts, assemblies and sub-assemblies), electronic equipment and ground equipment.

In Romania we provide repair services for military aircraft and repair of electronic parts and components for military aircraft, upgrades, integrations and maintenance for military aviation systems, repair services of systems and launchers and civil aviation products.



## 1.2. Reporting the Results for 2024

Economic Indicators	31.12.2024	31.12.2023
Turnover (thousand lei)	584.004	506.294
Export sales (thousand lei)	458.805	410.908
Net profit (thousand lei)	95.725	93.028
Investment expenses (from our own sources), (thousand lei)	26.625	19.329

Social Indicators	31.12.2024	31.12.2023
Actual headcount	1.883	1.846
Total number of training hours	45.066	54.230
Value of scholarships granted (thousand lei)	434.669	344.789
Scholarships granted by AEROSTAR to dual education students	273	259

Environmental Indicators	31.12.2024	31.12.2023
Energy consumption*	10.490.930 KWh - purchased + 2.395.678,5 KWh – produced	9.814.667 KWh - purchased + 2.375.889 KWh – produced
Target emissions 1*	0,0053 tons CO <sub>2</sub> / RON	0,0058 tons CO <sub>2</sub> / RON
Target emissions 2	12,027 tons Co <sub>2</sub>	969,074 tons Co <sub>2</sub>
Waste recovery	79% of the total produced	90% of the total produced

\* reported to the current year's turnover

Economic Indicators	31.12.2024	31.12.2023
Sales by lines of business (thousand lei)	584.004	506.294
Manufacture of aeronautical products (thousand lei)	265.462	255.364
Commercial aircraft maintenance (thousand lei)	180.703	149.036
Defence systems (thousand lei)	120.187	88.982
Other products and services (thousand lei)	17.652	12.912

Economic Indicators	31.12.2024	31.12.2023
Sales by Markets (%)	100%	100%
Romania	21,44%	18,78%
Europe	62,79%	66,00%
Asia	10,63%	9,86%
Africa	2,59%	2,74%
Canada+SUA	2,55%	2,62%

Economic Indicators	31.12.2024	31.12.2023
Investments (thousand lei)	26.625	19.329
Development expenses (thousands lei)	21.850	17.371
Replacement expenses (thousands lei)	4.780	1.958



## CONSORTIUMS AND AFFILIATIONS

**REACH consortiums with uses in aviation and defence**

**Regional Consortium for Dual Education and Sustainable Development Bacau**

**"Education Cluster for Sustainable Development" Association (C-EDD) Bacau**

**The Social Dialogue Commission attached to the Prefect's Institution of Bacau County**

**Local Social Partnership Development Committee (CLDSP) Bacău**

**Local Social Partnership Development Committee (CLDSP) Iași**

**Regional Social Partnership Development Committee (CRDPS)**

**County Employees' Association of SMEs (PJIMM) Bacău**

**Association of Romanian Aeronautical Companies (OPIAR)**

**RO-NANDTB - National Aerospace Association for Non-Destructive Testing in Romania, in which AEROSTAR is a founding member**

## AWARDS OBTAINED IN THE REPORTING YEAR

**1. At national level, according to the NATIONAL TOP OF THE COMPANIES compiled by the ROMANIAN CHAMBER OF COMMERCE AND INDUSTRY, 31st edition 2024, AEROSTAR ranks 1st in the industry, in the category of very large enterprises, with the field of activity manufacture of aircraft and spacecraft.**



**2. In the D2P-DETAIL PARTS PARTNER analysis made by the AIRBUS COMPANY for all its suppliers, our company is nominated as a "CHALLENGER" PARTNER/SUPLIER" for performance, quality, on-time delivery.**

## AEROSTAR HAS FOUNDED:

**A CENTER for the assessment of PROFESSIONAL COMPETENCIES acquired by other non-formal routes. We are authorized to organize qualification courses in four specific trades within the aviation industry.**

**WE HAVE THE BEST ASSESSMENT PROCESSES!  
WE CERTIFY YOUR COMPETENCE!**



## COMMUNITY ACTIONS CARRIED OUT BY OUR COMPANY IN 2024:

- ⇒ Donation of equipment and teaching equipment for high schools, colleges and higher education institutions with a technical profile, including: the Technical College "N.V. Karpen" Bacău, Technical College "Mihail Sturdza" Iasi, High School of Transport and Construction Iasi, Faculty of Aerospace Engineering Bucharest;
- ⇒ Providing practical training and sponsorship for devices and materials for the laboratory tests at the "Vasile Alecsandri" University Bacău;
- ⇒ Support for organizing the meeting "Romanian Alliance of the Universities of Science and Technology" (ARUST), organized by the "Gheorghe Asachi" University Foundation Iasi.
- ⇒ Sponsorship for the sixth edition of the "Ion Ion Ionescu de la Brad" Regional Contest on Economic Themes, organized by the "Vasile Alecsandri" University";
- ⇒ Signing and maintaining partnership agreements with 7 technical universities in the country: Bucharest, Iași, Brasov, Craiova, Galați, Suceava and Bacău, as well as with 6 technological high schools or technical colleges in Bacău and Iași, which allow students and their pupils to do internships in our company, and at the end of their studies to be given priority for employment in the company;
- ⇒ Allowing students from all 7 universities to take their Bachelor's or Master's dissertation exams on topics provided by our company, for which we support the documenting and drawing up of the corresponding papers.

## PRODUCT QUALITY AND CONTINUOUS DEVELOPMENT

We focus on our customers and end-users through product quality and on-time delivery, combining these efforts with continuous development to ensure that we meet the expectations of both our customers and all our stakeholders.

### SYSTEM CERTIFICATIONS

The management system implemented in AEROSTAR is certified in terms of quality - to the requirements of EN 9100/ AS 9100, SR EN ISO/ EN ISO 9001 and to the requirements of the NATO quality assurance publications AQAP 2110 and AQAP 2210, in terms of environment - to the requirements of SR EN ISO/ EN ISO 14001 and in terms of occupational health and safety - to the requirements of SR EN ISO/ EN ISO 45001.

### AUTHORIZATIONS

1. AEROSTAR holds the authorization certificate (issued by the Romanian Civil Aviation Authority (AACR)) as a manufacturing organization that complies with the requirements of Regulation (EU) - Part 21, Section A, Subpart G, being authorized to manufacture products, parts and equipment related to the scope of authorization.

2. AEROSTAR holds a certificate of authorization (issued by the Romanian Civil Aviation Authority (AACR)) as a maintenance organization complying with the requirements of Regulation (EU) - Part 145, Section A, Part 145, authorized to perform maintenance on products, parts and appliances specified in the scope of authorization.

AEROSTAR as a maintenance organization is also approved by the Civil Aviation Authorities of UK, Turkey, Morocco, USA and Bermuda.

3. AEROSTAR as a design organization in accordance with the requirements of Regulation (EU) - Part 21, Section A, Subpart J is approved by the European Aviation Safety Agency (EASA).

4. AEROSTAR holds the Military Approval Certificate as a design organization entitled to perform design activities under RMAR 21 and within the scope of approval.

5. As of 2021, AEROSTAR holds a Military Certificate of Approval as a RMAR 145 approved maintenance organization. In 2023 the scope of authorization was extended with maintenance work for Black Hawk S-70 helicopters.

6. In 2022, the National Military Aviation Authority authorized AEROSTAR as a military aircraft maintenance training organization in accordance with RMAR 147, Section A, an organization authorized to conduct training, examinations in the authorized scope and to issue certificates of acknowledgement to graduates.

7. AEROSTAR holds an authorization certificate - granted by the Romanian Civil Aviation Authority (AACR) - for specialized testing in the field of civil aeronautics.



8. Since 2020 AEROSTAR holds the authorization - granted by the National Aerospace Association for NDT (RO-NANDTB) - for the Training and Examination Centre for NDT personnel in the field of aeronautics, for the methods of non-destructive testing with penetrating radiation, ultrasound, eddy current, penetrating liquid, magnetic particle, infrared radiation, defined in the scope of authorization.

### ACCREDITATIONS

AEROSTAR holds accreditations - awarded by the National Aerospace and Defence Contractors Accreditation Program (NADCAP) - for non-destructive testing, chemical processes, heat treatment, heat treatment, shot peening and welding processes.

AEROSTAR's metrology laboratory is accredited by RENAR Accreditation Association - for calibrations in the accredited field.





## **2. GOVERNANCE**

### **2.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

GOV -1

The sustainability information presented in this report reflects the company's commitment, values and goals, established for a sustainable business and for balancing the expectations of our shareholders with the needs and concerns of our employees, members of our community and all stakeholders.

We believe that by acting responsibly we will contribute to lasting economic success. By pursuing sustainable development, we are moving towards a more secure future.

We are guided by our responsibility for sustainable development, we are consistent in applying the best industry practices and, in line with the practices of our business partners, we transparently provide information, explanations and data in these categories of financial and non-financial information.

Customer satisfaction, complete safety for the users of our products and services, continuous improvement and increased environmental performance are the principles by which we guide ourselves in our business. Our sustainability objectives, correlated with the business environment and global developments, are embedded in the company's overall long-term strategy.

AEROSTAR's corporate governance structures are organized on four levels:

Shareholders - General Meeting of Shareholders

Board of Directors

Audit Committee

Executive Management

#### **General Meeting of Shareholders**

The procedure for organizing and conducting the general meetings of shareholders is published on the website [www.aerostar.ro](http://www.aerostar.ro), in the Investor Relations section, in order to ensure equal treatment and the full and fair exercise of the rights of the shareholders. The company provides them with all relevant information on the General Meetings of Shareholders and on the decisions adopted by them, both through the regulated channels of communication (national newspapers, reports to the ASF and BVB) and in the special Investor Relations section on its website, which is easily identifiable and accessible.

AEROSTAR uses its best efforts, in compliance with the requirements of the relevant legislation, to facilitate the participation of its shareholders in the proceedings of the General Meetings, as well as the full exercise of their rights. Shareholders may attend and vote in person at the General Meeting, but they may also vote by proxy or by correspondence.

The General Meetings of Shareholders were held in full compliance with the provisions of Law 31/1990 on Companies, Law 24/2017 on issuers of financial instruments and market operations and the regulations issued by the applicable ASF, as well as any other incidental legal norm.

In 2024, as in previous years, when distributing profits, the company was equally mindful of distributing dividends to shareholders and allocating resources for the long-term development of the company.

### Board of Directors

In AEROSTAR S.A., the Board of Directors determines the strategic orientation and ensures its implementation. At the same time, the Board of Directors is responsible for ensuring compliance with all applicable legal provisions, its own internal regulations, as well as for adequate risk management and control.

In July 2024, the term of office of the members of the Board of Directors of AEROSTAR S.A. expired, so on 4 July 2024, a new Board of Directors was elected at the General Meeting of Shareholders held on that date, for a period of four years. The election was conducted by secret ballot, with the duration of the new 4-year term of office starting on July 11, 2024 until July 10, 2028.

Thus, as of 11.07.2024, the new Board of Directors of AEROSTAR has the following structure:

The Board of Directors has 5 members					
FULL NAME	POSITION	EXPERIENCE	DATE OF APPOINTMENT	END OF TERM OF OFFICE	POLITICAL AFFILIATION
FILIP GRIGORE	President	Aviation Engineer	11.07.2024	10.07.2028	No affiliation
DAMASCHIN DORU	Vice-President	Economist	11.07.2024	10.07.2028	No affiliation
FILIP ALEXANDRU	Member	Aviation Engineer	11.07.2024	10.07.2028	No affiliation
TONCEA RADU-TUDOR	Member	Inginer de aviație	11.07.2024	10.07.2028	No affiliation
DOROȘ LIVIU-CLAUDIU	Member	Economist	11.07.2024	10.07.2028	No affiliation

During 2024, AEROSTAR's Board of Directors was composed of five directors, two of whom hold executive positions within the company and three of whom are non-executive members.

### Responsibilities of the Board of Directors

The Board of Directors acts in accordance with the Constitutive Deed and the Rules of Procedure of the Board of Directors. The Board convenes at least once every three months or whenever required by the circumstances. The agenda of the meetings shall respect the role and duties of the Board in accordance with the Law and the Constitution.

The Board of Directors is responsible for setting the company's major operations and development directions, including those related to sustainability aspects. It approves the Sustainability Report and delegates to the executive management the fulfilment of sustainability objectives and targets and ensures close monitoring of this activity.

The Board is also responsible for the accounting and financial management system, as well as the income and expenditure budget, and adopts the financial plan for the current year.

## Executive Management

AEROSTAR is administered in a unitary system, with the executive management of the company delegated to the General Manager and the CEO.

In relation to the organizational structure and the management system of AEROSTAR S.A., the management structure at the operational level ensures the management of activities in a divisional type of organization, based on management centres in the production, auxiliary and functional activities.

The executive management is ensured by the CEO and the Financial Director.

The management structure at the executive-operational level is completed by the other Divisional and Directorate Managers.

During the year 2024, some changes occurred in the executive management, namely the replacement of the Chief Executive Officer of the company, as of 01.03.2024, and, at the level of the extended management team, on the same date, a change of the Director of the Human Resources Department as well as the reorganization of this department into the Legal and Human Resources Department.

Thus, the updated management structure is composed of:

The Executive Management has 9 members		
FULL NAME	POSITION	POLITICAL AFFILIATION
FILIP ALEXANDRU	Chief Executive Officer	No affiliation
DAMASCHIN DORU	Financial-Accounting Director	No affiliation
ROGOZ VASILE LAURENȚIU	Director of Quality Directorate	No affiliation
VÎRNĂ DANIEL	Director of Legal and Human Resources Directorate	No affiliation
CRISTEA ANDRA	Director of Logistics Division	No affiliation
BUHAI OVIDIU	Director of Defence Systems Division	No affiliation
IOSIPESCU ȘERBAN	Director of Aeronautical Products Division	No affiliation
VELEȘCU IOAN-DAN	Director of MRO Civil Aviation Division	No affiliation
BRANCHE CĂTĂLIN BOGDAN	Director of Utilities and Infrastructure Division	No affiliation

The direct participation of the executive management in the company's share capital is less than 1%. There are no litigations with the above-mentioned persons.

## Audit Committee

Pursuant to the provisions of the Corporate Governance Code corroborated with the provisions of Law no. 162/2017, an independent audit committee has been established consisting of two members appointed by the General Meeting of Shareholders held on July 04, 2024.

The duties of the Independent Audit Committee are those set out in its own Rules of Operation, approved by the Board of Directors, supplemented by the provisions of Law no. 162/2017 and EU Regulation no. 537/2014, which can also be found on [www.aerostar.ro](http://www.aerostar.ro) in the Investor Relations section.

Since 2018, an Audit Committee has been operating in AEROSTAR in accordance with the provisions of Law no. 162/2017 on the statutory audit of annual financial statements and consolidated financial statements. The Audit Committee meets on a regular basis, at least four times a year, as well as exceptionally, as necessary.

## **2.2. INFORMATION PROVIDED TO THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SUSTAINABILITY ASPECTS ADDRESSED BY THEM**

GOV -2

In order to keep up to date on all essential company data, the BoD maintains a permanent liaison with the executive and operational management. At the same time, given the direct participation of two of the members of the BoD in the executive management, the administration has unrestricted and direct access to the company's information.

As a result, the BoD receives regular ad-hoc reports that focus on key areas of the financial and operational aspects, as well as on occupational health and safety, human resources, purchases, investments, research and development, community relations and philanthropic aspects

This way, the BoD takes into account impacts, risks and opportunities when supervising the company's strategy and makes direct decisions on major transactions and its risk management processes.

## **2.3. INTEGRATING SUSTAINABILITY PERFORMANCE INTO INCENTIVE SCHEMES**

GOV -3

The remuneration policy for the members of the Board of Directors is based on the following key principles:

- (a) It should contribute to the successful implementation of AEROSTAR S.A. strategy in the short, medium and long term;
- (b) It should ensure the proper involvement of the shareholders in setting the remuneration policy and monitoring its implementation;
- (c) It should contribute to promoting the mission and values of AEROSTAR S.A.;
- (d) It should prevent any situations of conflict of interest;
- (e) It should provide the necessary and flexible instruments to remunerate the Directors in accordance with their responsibilities, competencies and performance;
- (f) It should ensure compliance with the applicable legal requirements.

For the activity carried out within the BoD, each Director is entitled to a fixed monthly remuneration, the net amount of which is approved by AGOA upon appointment to office and thereafter annually upon approval of the income and expenditure budget.

The net monthly fixed remuneration approved by the General Meeting of Shareholders for the year 2024 is EUR 1.000 for each member of the Board of Directors.

As such, there are no incentive schemes or remuneration policies related to sustainability aspects in place for the members of the Board of Directors.

The Remuneration Policy is published on the website of AEROSTAR S.A. ([www.aerostar.ro](http://www.aerostar.ro)) and will remain available to the general public for the entire duration of applicability of the Remuneration Policy.



## 2.4. RISK MANAGEMENT AND INTERNAL CONTROLS RELATED TO SUSTAINABILITY REPORTING

GOV -5

In AEROSTAR, the management of risks, impacts and opportunities is a continuous process that is carried out to assess risks and to address them, to identify new risks that have not occurred previously, to reassess risks that persist as well as to assess opportunities for growth and expansion.

The risks presented in Chapter I.4. " Management of Impacts, Risks and Opportunities" of this report, which are detailed at the level of each thematic standard, are the result of the double materiality analysis, as required by the ESRS/CSDR

For better understanding, we present below the structure of AEROSTAR's internal control system and its functions.

- Management accounting
- Budgetary control
- Controlling
- Internal audit

### Management accounting

In AEROSTAR there is a department which fulfils the tasks of management accounting. It ensures the inventory of all assets, liabilities and equity items on the company's books. Throughout this period, the inventory activity has been carried out in compliance with the legal provisions and regulations. The results of the inventories were recorded in the company's accounts. There were no significant differences compared to the bookkeeping records.

### Budgetary control

Budgetary control is carried out by budget officers. In terms of budgets, the company is organized into:

- 1) profit centres
- 2) cost centres

Budgets are defined in the company based on activity programs corresponding to the company's functions.

Budget control ensures:

- that each budgeted indicator is within forecasted values
- the substantiation of any corrective actions.

On a quarterly basis, both the profit and the cost centres report to the executive management on their compliance with the budgetary provisions and on the required, timely, efficient, effective and legal nature of the expenses the company incurs.

### Controlling

In AEROSTAR the concept of controlling has been implemented and is continually developed as a superior stage of budgetary control. Controlling also ensures alignment with the company's mission and strategic objectives.

### Internal audit

The company has an Internal Audit Department with members registered with the Chamber of Financial Auditors of Romania. AEROSTAR has organized the internal audit activity according to the law, in a separate compartment in the organizational structure, according to the organizational chart.

The Internal Audit Compartment reports directly to the Board of Directors and performs an independent and objective assurance and consulting activity designed to evaluate and improve the company's operations.

The internal audit activity is carried out on the basis of the Annual Activity Programme approved by the Board of Directors.

The internal audit missions have confirmed the positive impact of the internal audit activity on the activity carried out within AEROSTAR.

The Internal Audit Compartment regularly submits internal audit reports at the meetings of the Board of Directors and to the Audit Committee și către Comitetul de audit.

## 2.5. AEROSTAR SHAREHOLDERS

The significant shareholders of AEROSTAR S.A. are IAROM S.A. Bucharest and EVERGENT Investments S.A. Bacău. The summarized shareholder structure of the company on December 31, 2024 is as follows:

Shareholders	Number of shares	Percentage %
<b>IAROM S.A</b>	108.876.903	71,50%
<b>Evergent Investments S.A.</b>	23.068.019	15,15%
<b>Other shareholders</b>	20.332.528	13,35%
<b>Total</b>	152.277.450	100%

### Relations with shareholders and the capital market

In its relationship with shareholders, Aerostar has taken into account the protection and assurance of shareholders' rights, namely:

- to participate in General Meetings directly or by proxy - by providing them with special proxies, voting ballots by correspondence, other useful information;
- to be treated fairly, regardless of their holdings;
- to receive dividends in proportion to the holdings of each shareholder.

In relation to the capital market, Aerostar has fulfilled all the reporting obligations arising from the legal provisions by publishing the mandatory continuous and periodic reports in the electronic system of the Financial Supervisory Authority and the Stock Exchange, on the company's website and through press releases.

In accordance with the provisions of the Corporate Governance Code, continuous and periodic information has been disseminated simultaneously in both Romanian and English. Shareholders can obtain information about Aerostar and main events on the website [www.aerostar.ro](http://www.aerostar.ro).

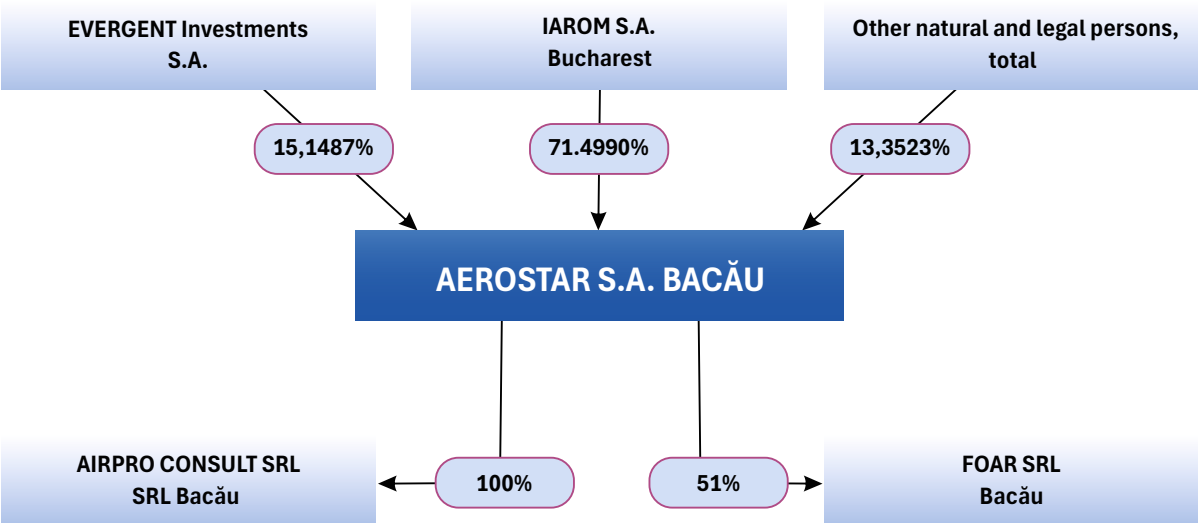
Also available for download are the annual and half-yearly reports for the last ten years and quarterly reports for the last five years, current reports as well as other useful information for shareholders.

There are no changes in the shareholders' rights. There have been no major transactions entered into by the company with persons with whom it acts concertedly or in which such persons were involved during the relevant time period.

**Aspects concerning the company's capital and management**

There were no changes affecting the capital and management of Aerostar S.A. The Company was not unable to meet its financial obligations during this period.

AEROSTAR's relationship with the parent company, other shareholders and with companies in which it has shareholdings.



Aerostar is a subsidiary of IAROM S.A. and therefore, the parent company consolidating the group's financial statements is IAROM S.A., with the unique identification code 1555301 and the registered office in Bucharest, 39 Aerogării Boulevard. The consolidated financial statements for the financial year 2024 have been submitted to the A.N.A.F. under registration no. 770692053-2023/22.08.2024

The Parent Company will prepare and publish a set of consolidated financial statements in accordance with the applicable accounting regulations for the fiscal year ending 12/31/2024.

## Affiliated parties

As of December 31, 2024 AEROSTAR S.A.'s shareholdings in other companies are as follows:

Name of branch/ subsidiary	Main activity	No. of shares held by Aerostar	Voting rights	Value held by Aerostar (thousand lei)	Financial information for the latest financial year (year 2023) for which the financial statements of affiliated companies have been approved		
					Sales (thousand lei)	Equity (thousand lei)	Net profit (thousand lei)
<b>Airpro Consult S.R.L. Bacău</b>	cod CAEN 7820	100	100%	10	12.863	771	556
<b>Foar S.R.L. Bacău</b>	cod CAEN 7739	408	51%	4	327	550	119
<b>TOTAL</b>				<b>14</b>	<b>13.190</b>	<b>1.321</b>	<b>675</b>

AEROSTAR's shareholdings in these companies are recorded at cost.

Both companies in which AEROSTAR still owns shareholdings are registered in Romania.

The transactions with the affiliated parties are disclosed in the Financial Statements in Note 26.

Code provisions	Compliant	Non-compliant or partially compliant	Reason for non-compliance
A.1	X		
A.2	X		
A.3	X		
A.4		X	Three out of five Board members are non-executive. The Board of Directors does not include an independent member and is voted in this structure by the General Meeting of Shareholders.
A.5	X		
A.6	X		
A.7	X		
A.8	X		
A.9	X		A total of 11 meetings were held during 2024, out of which: - 5 meetings were attended by all members of the BoD; - At 5 meetings 4 members were present, one was absent. At one meeting 3 members were present, the other 2 being absent.
B.1	X		The company has constituted an independent audit committee in accordance with Article 65 of Law no. 162/2017
B.2	X		The members of the audit committee are independent persons elected by the AGA and have competencies in accounting and statutory auditing
B.3	X		
B.4	X		
B.5	X		
B.6	X		
B.7	X		
B.8	X		
B.9	X		
B.10	X		
B.11	X		
B.12	X		
C.1	X		All AGA decisions on the remuneration of the BoD members have been published. There is now a separate section in the BoD Rules.
D.1	X		
D.1.1	X		
D.1.2		X	The information in this section is available on request but is not published on the company's website.
A.1.3	X		
A.1.4	X		
A.1.5	X		
A.1.6	X		
A.1.7	X		
D.2	X		
D.3	X		
D.4	X		
D.5	X		
D.6	X		
D.7	X		
D.8	X		
D.9	X		
D.10	X		



### 3. STRATEGY

#### 3.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1

AEROSTAR's strategy involves increased commitment to all sustainability aspects.

In 2024, we assessed our strategy in light of the new legislative reporting rules, taking into account the proposed commitments, the strategic needs of our business as well as the dynamics of the aviation industry.

We therefore aim to align with both the global requirements and the global trend, by channelling our efforts on achieving the main goal of increasing sustainability by linking profitability with accountability, increasing value in the short, medium and long term and thus enhancing the company's performance.

Through the development objectives we aim to achieve the targets in the multi-year planning derived from the company's strategy, giving particular importance to the environmental, social and economic aspects and focusing on the efforts needed to minimize the negative impacts and to support and promote the positive ones.

Relevant data and performance indicators in line with the company's best practices, procedures and policies have been reported in the annual and periodic reports, following the guidelines of the legislation in force.

Priority objectives set at the top management level form the basis for the development of the annual plans by areas of activity. The annual activity plans are dynamic and, depending on the context, adapt to the requirements and expectations of the stakeholders.

In setting our company's objectives for the year 2024 we have taken into account the selective growth strategy as well as the company's mission to maintain our status as:

- **Nationwide first-tier provider of maintenance, integrations and upgrades for defence systems;**
- **Regional top provider of MRO services for commercial aviation,**
- **Significant supplier in globalized production chains for airframe and landing gear system parts and subassemblies.**

Our medium and long-term strategy focuses on:

- Increasing performance through continuous improvement of activities, processes, products and services;
- Continuous compliance with the environmental protection rules, all quality requirements and national and international regulations;
- Professional development of employees in the spirit of integrity, innovation and initiative and maintaining a thriving social dialogue;
- Ensuring a qualified workforce in line with the company's needs;
- Increasing efficiency as well as reducing costs;
- Maintaining the status of top employer;
- Satisfying customer requirements and guaranteeing full safety for our employees;
- Creating value for the community and strengthening collaborative relationships.

## SUSTAINABILITY STRATEGY



### WE PROTECT THE ENVIRONMENT

Reducing the atmospheric emissions of greenhouse gases and emissions of volatile organic compounds;

Reducing the environmental impact by improving waste recovery and educating all employees in the spirit of minimizing waste generation in order to improve the environmental performance;

Partially supplying the energy needed for the company's processes from green sources through our own photovoltaic parks;

We respect the environment, nature and natural resources!

For more details, see chapter  
Environmental Information  
ESRS E1-E5



### TOP EMPLOYER

Engaging our employees in professional development and supporting an inclusive culture in which every employee can realize their full potential and contribute with our help, thus ensuring the evolution of tomorrow's professions;

Improving the quality of life at work, ensuring the health and safety of our employees and maintaining a thriving social dialogue;  
Promoting a culture of safety and health at work.

Continued training and professional development programs

We respect, support and guarantee equal, non-discriminatory treatment through equal opportunities for all our employees!

For more details, see chapter  
Social information  
Company's own workforce -  
ESRS S1



### INVOLVEMENT IN THE COMMUNITY AND ITS DEVELOPMENT

Constant dialogue with the local communities in the spirit of our desideratum to influence the community in a positive way;

Developing partnerships to attract young people for internships and work placements;

Continued scholarship programs for dual education pupils

Improved professional and social integration.

Action for the benefit of the community!

For more details, see chapter  
Social Information  
Affected communities - ESRS S3



### OUR CUSTOMERS' SATISFACTION

Developing partnerships so that we may represent a reference point for our customers;

Strengthening our position as a strategic player in the civil and military aviation industry and creating sustainable added value;

Transparent practices based on integrity and business ethics

Focus on customers and end-users

We uphold the highest standard of professional ethics!

For more details, see chapter  
Value chain  
Social Information  
End-users-ESRS S4

## Business Model

### SBM-1

Committed to a sustainable future, our top management has adopted an ambitious strategy and an integrated business model, based on a systemic process approach and RISK-based thinking.

The company's management policy is focused on maintaining a solid capital base for continuous development in the context of the global market and competitive advantage through quality, capabilities, high level technologies to support sustainable and organized development and thereby achieve strategic objectives.

The company's business model has not been changed as a result of the international context, but the way of conducting activities has been adapted in relation to the specific nature of the flows of activities.

We fully comply with the applicable national and international legislation, acting constantly, intensively and transparently to pursue growth opportunities and secure access to new programs in the field of aviation and defence.

## Value Chain

### SBM-2

The analysis of our value chain was carried out from the point of view of the aspects that can generate material impacts that our company's activities can bring to the value chain or to our stakeholders

Within the company, the value chain is seen as an integrated and strategic process, a continuous flow of activities and work processes aimed not only at operational efficiency, but also at reducing environmental impacts and increasing social well-being. The downstream value chain includes both domestic and external suppliers. The upstream value chain includes our customers and end-users.

Taking into account the company's field of activity, we collaborate with a wide range of suppliers of products and services, both in the civil and military aviation field, as well as with suppliers of products and services in the general industry field, suppliers that operate both in Romania and abroad.

The "Supplier Code of Conduct" clearly expresses the expectations we have of our suppliers in accordance with our own values, principles and ethical standards. Supplier commitments are constantly communicated and can be found on AEROSTAR's website at <https://www.aerostar.ro/suppliers>.

In terms of social aspects, we continue to focus on increasing the positive impacts for the benefit of the community by creating a responsible value chain.

No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises Involving Affected Communities have been reported in AEROSTAR's operations or the operations of its upstream or downstream value chain partners. At the same time, there are no incidents of business-related discrimination on the grounds of gender, race or ethnic origin, nationality, religion, disability, age, sexual orientation or other relevant forms of discrimination or incidents of harassment.

Collaboration and open communication with all partners are fundamental to building trust and developing long-term sustainable initiatives.



### 3.2. STAKEHOLDERS' INTERESTS AND VIEWS

SBM-2

AEROSTAR S.A. is an organization with a significant presence both for the environment and the place where we operate, as well as in the public image and consciousness of the local community, which perceives us as a prestigious enterprise, a top employer and an important player in the economic landscape.

Through our organizational values, we promote responsible management, which aims to achieve the defined objectives without negatively affecting our stakeholders. Our products and services are the result of work that is subject to rigorous management systems aligned to international standards and for which we have certificates of authorization for: quality management according to ISO 9001 integrated with environmental management according to ISO 14001, as well as occupational health and safety management according to ISO 45001. We have also implemented the standard for safety management. In order to implement and maintain management systems according to these standards, we have developed system procedures, we set objectives annually, draw up specific action plans and carry out the planned actions to achieve our objectives.

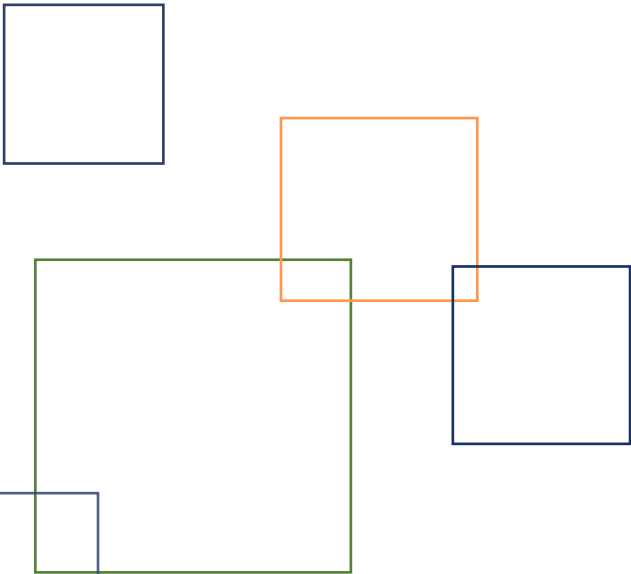
Our company is aware that at different points in time and depending on the development of contextual aspects, the stakeholders' requirements and expectations have different relevance to the company's functions and subsystems. The monitoring and analysis of stakeholder information is carried out systematically and the results of the analysis serve as the basis for the annual update of the company's 5-year Development Strategy.








Our company has included in its Rules of Organization and Functioning both the relevant organizational contextual aspects as well as the interests and expectations of our stakeholders, identified in relation to the shared interests of: our customers, shareholders, suppliers, employees, certification bodies, technical and regulatory authorities, local community.

Moreover, given their particular importance in providing the most important resource - the human resource, the educational institutions, in fact assimilated to the communities, are considered as distinct stakeholders, namely: the pupil community, the student community, the teaching staff community and the scientist community.


The AEROSTAR policies, code of conduct and ethics and other types of information are communicated to the stakeholders, through external or internal channels, appropriate for the level of relevance, interest (high/medium/low) and the category of audience to which they are addressed.

In the following table we present our company's stakeholder map, the type of interaction, the communication with them and the level of interest.



STAKEHOLDERS (A→Z)	LEVEL OF INTEREST (LOW, MEDIUM, HIGH)	TYPE OF INFORMATION/COMMUNICATION/INTERACTION
SHAREHOLDERS/ INVESTORS	High	<ul style="list-style-type: none"> <li>• Specific dialogues</li> <li>• Regular reports, briefings and presentations</li> <li>• General meetings of shareholders</li> <li>• Investor conferences</li> <li>• Meetings/Debates</li> <li>• Company's website</li> <li>• Stock exchange reports</li> <li>• Official addresses</li> <li>• Press releases</li> <li>• E-mail/fax</li> </ul> 
ANALYSTS/ BANK REPRESENTATIVES	High	<ul style="list-style-type: none"> <li>• Specific dialogues</li> <li>• Stock exchange reports</li> <li>• Company's website</li> <li>• E-mail /fax</li> </ul> 
EMPLOYEES	High	<ul style="list-style-type: none"> <li>• Internal online platform of the company</li> <li>• Providing information through the company's biannual magazine</li> <li>• Communicating through the company's trade union organization</li> <li>• Providing information via the company's Electronic System</li> <li>• Meetings</li> <li>• Direct meetings and face-to-face interactions; trainings on specific topics</li> <li>• Written internal communications</li> <li>• Communications via radio station</li> <li>• E-mail/fax</li> <li>• Posters on general display panel and notice boards</li> <li>• Specific actions in accordance with the hierarchical levels</li> </ul> 
PROFILE ASSOCIATIONS/ NGOs	Medium	<ul style="list-style-type: none"> <li>• Joint projects with partners from research institutes</li> <li>• Sponsorships and donations</li> <li>• Support for cultural and sports activities</li> <li>• E-mail/fax</li> </ul> 
CUSTOMERS	High	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Periodic briefings, KPI analysis, audits, authorizations</li> <li>• Workshops</li> <li>• Conference calls, e-mail/fax</li> <li>• Press releases</li> <li>• Social media (Facebook, LinkedIn, Instagram)</li> <li>• Meetings at trade fairs</li> <li>• Company website</li> </ul> 
COMPETITORS	Medium	<ul style="list-style-type: none"> <li>• Meetings at trade fairs</li> <li>• Responsible marketing and sales practices</li> </ul> 
LOCAL COMMUNITY	High	<ul style="list-style-type: none"> <li>• Social media (Facebook, LinkedIn, Instagram)</li> <li>• Sponsorships and donations</li> <li>• Events organized by the community</li> <li>• E-mail/fax</li> </ul> 



STAKEHOLDERS (A→Z)	LEVEL OF INTEREST (LOW, MEDIUM, HIGH)	TYPE OF INFORMATION/COMMUNICATION/INTERACTION
SUPPLIERS	High	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Specific dialogues, teleconferences, e-mail</li> <li>• Supplier evaluations</li> <li>• Periodic briefings, teleconferences, e-mail/fax</li> <li>• Press releases</li> <li>• Social media (Facebook, LinkedIn, Instagram)</li> <li>• Meetings at trade fairs</li> <li>• Company website</li> </ul> 
CERTIFICATION BODIES TECHNICAL AND REGULATORY AUTHORITIES	High	<ul style="list-style-type: none"> <li>• Specific dialogues</li> <li>• Audits</li> <li>• Procedures</li> <li>• Periodic briefings</li> <li>• Teleconferences, e-mail/fax</li> <li>• E-mail/fax</li> </ul> 
POTENTIAL EMPLOYEES	High	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Careers page where job vacancies are posted</li> <li>• Professional competency assessment centre</li> <li>• Social media (Facebook, LinkedIn, Instagram)</li> </ul> 
POTENTIAL CUSTOMERS AND SUPPLIERS	High	<ul style="list-style-type: none"> <li>• Meetings at trade fairs</li> <li>• Networking sessions</li> <li>• E-mail/fax</li> </ul> 
PRESS/ MASS-MEDIA/ SOCIAL MEDIA	Medium	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Conferences/Events</li> <li>• Interviews</li> <li>• E-mail/fax</li> </ul> 
TRADE UNIONS	High	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Briefing and consultation sessions</li> <li>• Specific dialogues</li> </ul> 
UNIVERSITIES/ TECHNICAL COLLEGES	High	<ul style="list-style-type: none"> <li>• Internships</li> <li>• Sponsorships for the educational process</li> <li>• R&amp;D project partnerships</li> <li>• Visits</li> <li>• Direct briefings</li> <li>• Social media (Facebook, LinkedIn, Instagram)</li> <li>• E-mail/fax</li> <li>• Company website</li> </ul> 

### 3.3. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

#### SBM-3

The overall approach to the company's processes in the light of the management systems aligned to the relevant standards is based on the identification and assessment of risks and the management of the potential impact, arising from the assessed risk, consistently following the principle of mitigating the level of risk and minimizing the potential negative impact, while at the same time capitalizing on the opportunities generated by the risks through improvement measures.

The major risk of not achieving the turnover forecasted in the company's strategy induces a risk of job reduction through business downsizing. As a result of careful and effective management of this risk by the company, jobs are in fact maintained, and in reality the impact is positive, in the sense of the company's contribution to the well-being of the local community, through the income provided to the employees, through significant taxes and duties paid to the state budget.

Furthermore, one of the three business lines designed to ensure the attainment of the turnover foreseen in the company's current strategy aims at maintaining our company's status as a supplier of defensive aviation and ground systems for the Romanian Ministry of National Defence. Thus, AEROSTAR contributes to the security of the territory and the population, which induces a positive impact on the community and an opportunity for the company to maintain its image and good reputation in the field.

The risk of damage to the environment through the company's activities has a potentially negative impact on the people in the local community who live or work around the company's sites (head office, factories, workplaces). In order to minimize this potential negative impact, the company has adopted a robust quality and environmental policy, it has implemented and maintains an Environmental Management System, which complies with the requirements of the SREN ISO 14001 standard and is certified in accordance with this standard. Specific actions that lead to ensuring the effectiveness of the environmental management system and its improvement include the assurance that the environmental policy and objectives are compatible with the company's strategic context and direction.

The necessary human resource, estimated for a 5-year horizon, is an important component of our Strategy and an integral part of it. The company's risk of failure to assure its qualified human resource actually induces opportunities and positive impact for the local and regional community, as it is expected that the workforce will be sought primarily in these communities. These considerations lead us to support the communities' right to education and culture and underpin our initiatives and actions to support the development of vocational school education, as well as technical secondary and university education in the geographical area, including dual education, thus ensuring a positive impact on the communities.

Another significant risk that contributes to the adaptation of the business strategy to the changing contextual aspects and the assessment of impacts is the risk of image or reputational risk.

## 4. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### 4.1. DOUBLE MATERIALITY (SIGNIFICANCE)

Impacts, risks and opportunities related to environmental, social and governance aspects have been identified and assessed in line with the ESRS standards and the implementation guide IG 1 - Materiality Assessment.

The connection between the identified impacts, associated risks and opportunities is presented for each theme/sub-theme separately in Chapter II „Sustainability Statement”.

For this report a joint team was assembled in 2024. This team undertook an extensive, well-documented process of identifying relevant information related to the sustainability of our company, gathering and analysing key data, while making sure that all necessary information is properly documented, accurately reflects our environmental and social impacts, and assessing material aspects and financial impacts.

Thus, during these meetings the following aspects were analysed:

- The actual and potential, positive and negative impacts of our own operations on people or the environment (inside-out) through assessments based on severity and likelihood criteria;
- Financial materiality - the likelihood and severity of the financial impacts related to the identified risks, the company's dependencies (outside-in) and the determination of financial materiality.
- Additional sustainability aspects.

An aspect is material if it meets the defined criteria for impact materiality (significance), or financial materiality, or both. In support of these actions, we have regulated the work method through an internal instruction, thereby reinforcing the team's activities.

The team has paid close attention to the impacts that the company's operational activity may generate, but also to the associated risks and opportunities.

In AEROSTAR, the people who participated in the meeting sessions are part of the executive management, are members of the extended management team or are representatives of the relevant departments for each thematic topic.

For this report, the team was made up of the following persons:

1. Alexandru Filip - **CEO**
2. Doru Damaschin - **Financial-Accounting Director**
3. Andrei Damaschin - **Chief Accounting Officer**
4. Laurențiu Rogoz - **Director of Quality Directorate**
5. Daniel Vîrnă - **Director of Quality Directorate**
6. Andra Cristea - **Director of Logistics Division**
7. Cătălin Branche - **Director of Utilities and Infrastructure Division**
8. Claudia Sfirlea - **Head of Environmental Protection Office**
9. Sorina Palko - **Head of Industrial Engineering and Management Office**
10. Raluca Sofian - **Head of Human Resources Office**
11. Cătălina Costache - **QA Coordinator - Purchasing Analyst**
12. Răzvan Bejenaru - **Legal Counsellor**
13. Elena Costache - **Head of Marketing and Development Service**

## 4.2 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

### IRO-1

In line with the methodology presented previously, in our analysis we took into account the following aspects:

- Trends in the market in which we operate, contextual aspects, company priorities in relation to strategy, business model and stakeholder requirements.
- Analysis of sustainability issues covered by the thematic ESRS: climate change, pollution, water and marine resources, biodiversity and ecosystems, biodiversity and ecosystems, circular economy, our own workforce, value chain workers, adequate communities, consumers and end-users, business conduct and value chain analysis.
- Identification and analysis of other matters of interest to the company
- Analysis and assessment of actual or potential material impacts (aspects) and their severity, identification of risks and opportunities and potential financial effects.
- Analysis of the results through final consultation.
- Evaluation of the analysis, preparation of the double sustainability matrix, interpretation of results and setting of targets.

Each aspect has been documented, according to its importance, in a working document produced for this project. The criteria for assessing impacts and determining their materiality are based on the IG 1 - Materiality Assessment Implementation Guide and take into account the magnitude, scope, irremediability, likelihood and severity of the impacts.

The criteria for assessing the risks and determining the materiality of the financial impacts consider severity levels in terms of magnitude and probability levels. Financial effects refer to effects that may affect performance, financial position, liquidity, access to capital and cost of capital. Reputational damage may generate financial effects.

The results of the analysis have been recorded in the working document and will be subject to periodic review.

We consider this assessment to be important in the company's strategy, objectively analysing both our needs and the likelihood of generating impacts through our own activities.

We also aim to hold regular meetings throughout 2025 where, based on the current needs of the company and cross-checked against the list of aspects presented in this report, we will make updates or changes, as appropriate.

The table below shows the sustainability aspects that have been subject to the double materiality analysis and those that are not relevant or not within the scope of our work.

ESRS E1-E5 Environment			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
<b>ESRS E1 Climate Change</b>	Adaptation to climate change		Covered by the double materiality analysis
	Mitigation of climate change		Covered by the double materiality analysis
	Efficiency		Covered by the double materiality analysis
<b>ESRS E2 Pollution</b>	Air pollution		Covered by the double materiality analysis
	Water pollution		Covered by the double materiality analysis
	Soil pollution		Covered by the double materiality analysis
	Pollution of living organisms and food resources		Covered by the double materiality analysis
	Substances of concern		Covered by the double materiality analysis
	Substances of very high concern		Covered by the double materiality analysis
	Microplastics		Not covered by our scope of activity
<b>ESRS E3 Water and marine resources</b>	Water resources	Water consumption	Covered by the double materiality analysis
	Marine resources	Water sampling	N/A
		Discharge of water	N/A
		Discharge of water into oceans	N/A
		Extraction and use of marine resources	N/A

ESRS E4-E5 Environment			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
<b>ESRS E4 Biodiversity and ecosystems</b>	Determining factors of the direct impact on the biodiversity decline	Climate change	Not applicable to our organization. The activities carried out within our organization do not impact protected natural areas, vulnerable habitats or ecosystems.
		Changing the use of land, fresh water and sea	
		Direct exploitation	
		Invasive alien species	
		Pollution	
		Other	
	Impacts on the status of species	Examples: Size of species population	
		Examples: Risk of global extinction of species	
	Impacts on the extent and state of ecosystems	Examples: Soil degradation	
		Examples: Desertification	
		Examples: Soil permeability	
	Impacts and dependencies on ecosystem services		
<b>ESRS E5 Circular economy</b>	Resource inputs, including resource utilization		Covered by the double materiality analysis
	Resource outflows related to products and services		Covered by the double materiality analysis
	Waste	Hazardous waste generation	Covered by the double materiality analysis



ESRS S1-S4 Social information			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
<b>ESRS S1 Own workforce</b>	<b>Working conditions</b>	Safe jobs	Covered by the double materiality analysis
		Working time	Covered by the double materiality analysis
		Adequate salaries	Covered by the double materiality analysis
		Social dialogue	Covered by the double materiality analysis
		Freedom of association, the existence of works councils and employees' rights to be informed, consulted and participate	Covered by the double materiality analysis
		Collective negotiation, including the share of employees covered by collective agreements	Covered by the double materiality analysis
		Work-life balance	Covered by the double materiality analysis
		Health and safety	Covered by the double materiality analysis
	<b>Equal treatment and opportunities for all</b>	Gender equality and equal pay for equal work work of equal value	Covered by the double materiality analysis
		Training and development of competencies	Covered by the double materiality analysis
		Employment and inclusion of people with disabilities	Covered by the double materiality analysis
		Measures against violence and harassment in the workplace	Covered by the double materiality analysis
		Diversity	Covered by the double materiality analysis
	<b>Other work-related rights</b>	Child labour	Covered by the double materiality analysis
		Forced labour	Covered by the double materiality analysis
		Adequate housing	N/A
		Confidentiality	Covered by the double materiality analysis

ESRS S2 Social information			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
ESRS S2 Value chain workers	Working conditions	Safe jobs	N/A
		Working time	N/A
		Adequate salaries	N/A
		Social dialogue	Covered by the double materiality analysis
		Freedom of association, including the existence of works committees	Covered by the double materiality analysis
		Collective negotiation	N/A
		Work-life balance	N/A
		Health and safety	Covered by the double materiality analysis
	Equal treatment and opportunities for all	Gender equality and equal pay for equal work work of equal value	Covered by the double materiality analysis
		Training and development of competencies	N/A
		Employment and inclusion of people with disabilities	N/A
		Measures to combat violence and harassment in the workplace	Covered by the double materiality analysis
		Diversity	N/A
	Other work-related rights	Child labour	Covered by the double materiality analysis
		Forced labour	Covered by the double materiality analysis
		Adequate housing	N/A
		Water and sanitation	Covered by the double materiality analysis
		Confidentiality	Covered by the double materiality analysis

ESRS S3-S4 Social information			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
ESRS S3 Affected communities	Economic, social and cultural rights of communities	Adequate housing	Covered by the double materiality analysis
		Adequate food	N/A
		Water and sanitation	Covered by the double materiality analysis
		Land-related impacts	N/A
		Security impacts	Covered by the double materiality analysis
	Civil and political rights of communities	Freedom of expression	Covered by the double materiality analysis
		Freedom of assembly	N/A
		Impact on human rights defenders	N/A
	Rights of indigenous peoples	Free, prior and informed consent	N/A
		Self-determination	N/A
		Cultural rights	N/A
ESRS S4 Consumers and end-users	Impacts related to information for consumers and/or end-users	Confidentiality	We respect the right to privacy and freedom of expression. AEROSTAR complies with GDPR data protection and legislation. AEROSTAR conducts its business-to-business activities under agreements that ensure the confidentiality of its business partners.
		Freedom of expression	Covered by the double materiality analysis
		Access to (quality) information	Covered by the double materiality analysis
	Personal safety of consumers and/or end-users	Health and safety	Covered by the double materiality analysis
		Personal security	Covered by the double materiality analysis
		Child protection	N/A
	Social inclusion of consumers and/or end-users	Non-discrimination	Covered by the double materiality analysis
		Access to products and services	Covered by the double materiality analysis
		Responsible marketing practices	Covered by the double materiality analysis

ESRS G1 Information on governance			
Thematic standard/theme	Sub-theme	Sub-sub-theme	Comments
ESRS G1 Professional conduct	Corporate culture	Corporate culture	Covered by the double materiality analysis
		Whistleblower protection	Covered by the double materiality analysis
		Animal welfare	N/A
		Political engagement and lobby activities	Covered by the double materiality analysis
		Business conduct	Covered by the double materiality analysis
		Supplier relationship management, including payment practices	Covered by the double materiality analysis
	Corruption and bribery		Covered by the double materiality analysis

Additional topic	Sub-theme/impact	Comments
Computer system security	Security incident	Covered by the double materiality analysis
	GDPR data	Covered by the double materiality analysis
Export/import controls		Covered by the double materiality analysis

LIST OF MATERIAL MATTERS AND INTERPRETATION OF RESULTS

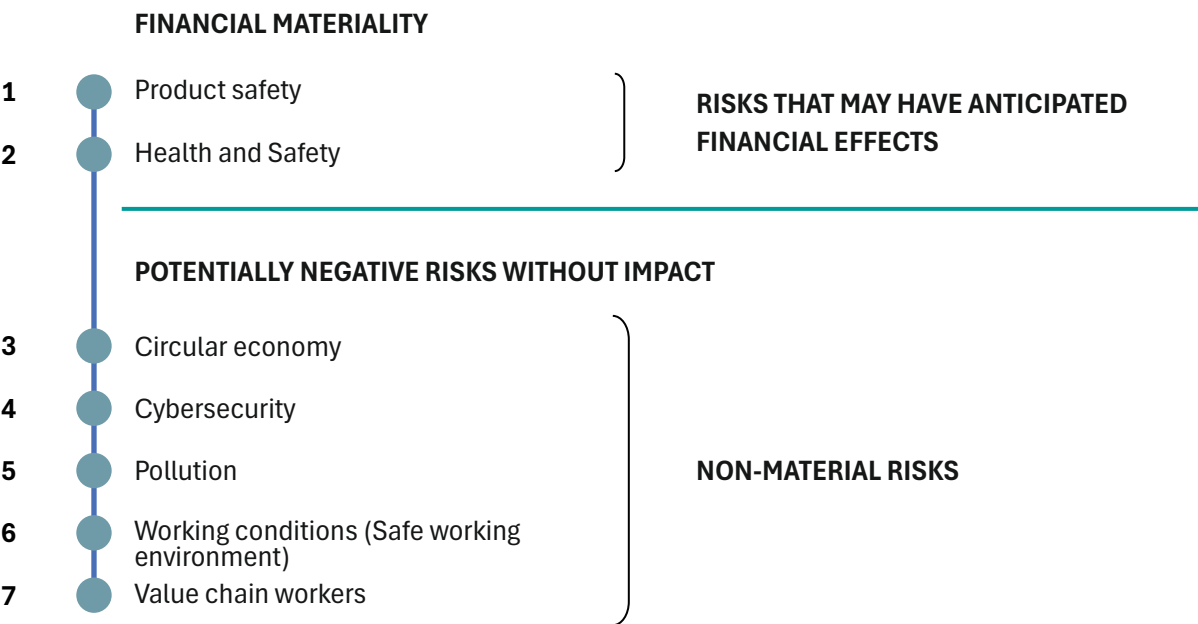
In our assessment, we analysed 25 sub-themes of the European Standard and added two additional topics: cyber security and export/import controls.

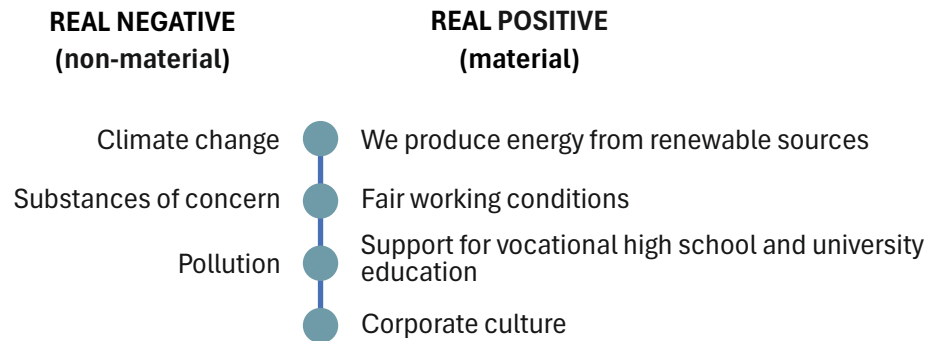
The results of our assessment have provided a comprehensive overview of the material matters and risks that are likely to have financial effects and could impact our business. We have addressed these impacts, risks and opportunities in the thematic standards covered in the sustainability statement.

We interpret the results in close correlation with our needs, paying attention to the potential impacts that our activities may generate, whether positive or negative. In doing so, we ensure that the decisions we take are well-informed and balanced, taking into account both the opportunities and risks involved.

Aspects concerning the company's capital and management

- 1. Potential negative matters with financial effects:  
2 matters that could have a significant financial impact on the organization.
- 2. Real negative non-material matters:  
9 matters that are considered negative but do not have a material/financial impact and are continuously monitored
- 3. Potential negative non-material matters:  
7 matters that could have a negative impact, but have no material/financial impact
- 4. Real positive non-material matters:  
18 matters that are positive, where we will implement concrete actions to maximize their impact
- 5. Potential positive non-material matter:  
1 matter that could be positive but does not have a significant material/financial impact on the organization.





**Two main areas of interest stood out in light of their severity thresholds.**

**These areas of interest are top priorities for our company.**

### **End User Domain - The safety of our products**

is a priority for the company and is closely linked to our company's adherence to quality standards and continuous improvement. One of the strategic objectives of AEROSTAR is to make products and provide services that offer full safety for our end users.

### **Own Workforce Domain - Health and safety at work**

are key matters for AEROSTAR. We are committed to providing a working environment in which all employees can perform their activities in a safe and healthy manner. This involves implementing and maintaining safety procedures, providing adequate training to prevent accidents and constantly improving working conditions.

**No detailed breakdown of the anticipated financial effects in monetary terms has been made for the year 2024, and the monetary forecasted risks will have to be validated during the year 2025, following an extensive monitoring and analysis to be carried out for the two priority areas.**

**We will focus our attention on these areas, by implementing specific measures to meet both the operational requirements and the priorities dictated by the financial materiality.**



### 4.3. MDR-P POLICIES, MDR-A ACTIONS, MDR-M INDICATORS, MDR-T TARGETS

The resources needed for risk management are allocated within the company, with authorities and responsibilities for the relevant functions and levels established. The general framework for dealing with risks relies on understanding the needs and expectations of the stakeholders in achieving the organization's expected results.

In our company:

- Responsibilities for the quality and environmental aspects, as well as Risk Management, are assigned/delegated to the Director of Quality and Environment.
- Responsibilities for the social, personnel, occupational health and safety, anti-discrimination and diversity matters are assigned/delegated to the Human Resources Director; as an area of interference, these responsibilities are correlated with:
- Responsibilities on the legal compliance, human rights and anti-corruption and anti-bribery matters, which are assigned/delegated to the Legal Office.
- Responsibilities on the matters of sustainable use of resources, reduced consumption of natural resources are assigned/delegated to the Director of the Infrastructure and Utilities Division.
- Responsibilities for the compliance measures related to the avoidance of money laundering are assigned to the Financial-Accounting Director.
- Corporate Governance responsibilities are assigned to the General Secretariat of the company.

The contextual aspects and their impact over short, medium and long-time horizons, along with the company's priorities in relation to the stakeholders' requirements over the same time horizons, as well as the significant risks and opportunities related to the business model serve as the basis of the company's development strategy. All of these are subject to ongoing risk analysis and risk management measures, and are also subject to a complex and in-depth analysis at the time of the annual strategy update.

We follow policies specifically aimed at identifying, assessing, managing and mitigating potentially significant negative impacts, maintaining and enhancing positive

The risks identified in terms of quality, environment and safety are highlighted in the Risk Register created in the company as a requirement for the implementation of the quality, environment and safety management system. The Risk Register is used for recording the significant risks, assessed on the basis of an internal procedure, and the actions planned to manage each risk. The status of actions is assessed during the management reviews conducted annually. During these reviews, ongoing and emerging risks and opportunities are identified, as well as the actions that need to be taken.

Process-specific dashboards, monthly reports and current summary reports are presented at the operational meetings held during the year. The company monitors their progress by means of the Quality-Environment Dashboard, which is prepared and analysed on a weekly basis.

Through specific annual plans, risk mitigation actions are established and planned so that the actual impact of a risk that would nevertheless materialize would be below the materiality threshold. The company's internal audits, as well as supervisory audits carried out by the relevant authorizing competent bodies monitor the implementation of the risk management action plans, highlighting any non-compliances and requiring the identification of new actions to address them.

Another tool we use is the Quarterly Management Report which analyses the turnover, productivity and added value ratios, resource management, quality and environmental issues, commitments and related risks, resulting in corrective or improvement measures.

We communicate the results of the Management Reports across the company, both to disseminate positive results, so that the methods and means used to achieve those results are adapted and extended throughout the company, and to identify concerted action by all profit centres in order to improve the overall organizational performance. Improvement is planned, while the recommendations and measures established in the management reports materialize into specific action plans. Improvement actions are reinforced through appropriate information and communication, and general monitoring is exercised through the internal control system with the following components: management accounting, budgetary controlling, managerial controlling, internal audit.

The effectiveness and suitability of this general approach are proven by the fact that in 2024 AEROSTAR S.A. did not register any negative impact of its activities on the communities in terms of economic, social and cultural rights, civil and political rights, or other specific rights.

In order to manage the risk of environmental damage, we continuously make efforts to maintain our Environmental Management System certification, so that from this perspective we can make sure that the potential negative impact is not material. Our objectives in this regard are:

- To make products and provide services that offer full safety to their users;
- To increase the environmental performance.

Our environmental management system is continually monitored by its certifying authority through surveillance audits, which identify any non-conformities and make recommendations that are closed by a „root cause” analysis, followed by corrective action plans and improvement plans, as applicable.

To manage the risk of job cuts through downsizing, as a result of a significant non-achievement of the forecasted turnover, the company is constantly carrying out actions based on the generic cycle „Plan - Do - Check - Update”, which covers both the general framework of the strategy and the current activities. The Weekly Production Activity Dashboard is the tool by which the company's top management monitors results against the approved budget and planned monthly targets, identifies and analyses in real time the risks of non-achievement of production and sales and can identify and effective remedial measures in a timely manner.

## II. SUSTAINABILITY STATEMENT

### 5. ENVIRONMENTAL INFORMATION

#### 5.1. CLIMATE CHANGE - E1

##### Transition plan for climate change mitigation

E1-1

The environmental policy and the lines of action established for the implementation of the general management objectives have led to the improvement of the company's environmental performance through the following actions:

- Responsibilities for the quality and environmental aspects, as well as Risk Management, are assigned/delegated to the Director of Quality and Environment.
- Responsibilities for the social, personnel, occupational health and safety, anti-discrimination and diversity matters are assigned/delegated to the Human Resources Director; as an area of interference, these responsibilities are correlated with:
- Responsibilities on the legal compliance, human rights and anti-corruption and anti-bribery matters, which are assigned/delegated to the Legal Office.

AEROSTAR has a dedicated department in charge of verifying the compliance with the environmental legislation and coordinating all activities specific to Environmental Protection. AEROSTAR has complied with the environmental legislation as well as with the requirements of the Integrated Environmental Authorization, the Water Management Authorization and the Greenhouse Gas Emission Authorization. The results of the controls conducted by the commissioners of the Bacău Environmental Guard confirm AEROSTAR's compliance with the applicable legal and regulatory requirements.

The activities with environmental impact are kept under control through internal operational checks respectively by analysing the results of monitoring and measurements carried out in accordance with the provisions of the environmental permits on air emissions, waste generation, noise generation, discharges.

A full transition plan is still under development, but our organization has always had a proactive vision and commitment to the environment, so we have taken successive steps to optimize energy consumption, such as:

- Thermal rehabilitation of building facades with sandwich panels. About 70% of all buildings have been rehabilitated, resulting in an area of about 24.600 square meters of sandwich panels. Their installation improved the thermal insulation of the buildings by about 20%.
- Replacing old generation boilers with modern 6 MWh boilers with higher energy efficiency, with dual burners allowing operation with methane gas or diesel.
- Complete replacement of the entire heat distribution network: the old external pipes have been replaced with steel pipes pre-insulated with polyurethane foam according to SR EN 253 with low thermal conductivity, guaranteed to withstand temperatures up to 160°C for a minimum period of 30 years.
- The commissioning of a photovoltaic park with a total capacity of 3 MW for the production of electricity from renewable sources. This way, the company has achieved the objective that contributes to increasing sustainability, reducing global warming effects and achieving climate neutrality.

## Material impacts, risks and opportunities and their interaction with the business model

SBM-3, IRO -1

In the context of the industry in which we operate, we pay particular attention to managing climate change issues through regular internal audits and annually through external audits.

By means of the double materiality assessment, AEROSTAR has analysed the adaptation to climate change and the risk of increased utility costs due to the investment in the purchase of GHG emission allowances to cover the deficit, with the anticipated financial effects described in E1-9.

At the same time, as a real positive impact we mention that we produce energy from renewable sources, measures that have led to a decrease of about 20% in purchased energy.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Adaptation to climate change	<b>Real Negative</b> Our activities generate greenhouse gas emissions within the permissible limits	Risk of increased utility costs due to investment in the purchase of GHG emission allowances to cover the deficit	
	<b>Real Positive</b> We produce energy from renewable sources		Maintaining the company's reputation and image in the community
The impacts under analysis are not material and the risks are not financially material.			

The impacts analysed by our organization are not material. However, we constantly take action to support climate change mitigation and contribute to the sustainable growth of our business.

## Description of the processes to identify and assess material climate-related impacts, risks and opportunities

IRO -1

In AEROSTAR, the process of identifying and assessing material impacts, risks and opportunities is carried out systematically through our integrated management system, which ensures a consistent approach in all our activities. We continually monitor, analyse data, identify and manage the relevant environmental aspects, while aligning with the compliance requirements and our objectives for sustainable development.

## Climate change policy actions and resources

E1 -3

An industrial and building energy audit was carried out in 2023 to get an overview of the potential for optimizing energy consumption, including as a basis for preparing a medium and long term strategic decarbonization plan. In 2024, an Action Plan was approved, which includes both the recommendations for improvement resulting from the audit and our own feasible measures to increase energy efficiency.

## Climate change mitigation and adaptation targets

E1-4

In our objectives, we aim to optimize the management of resources and reduce consumption. To this end, we are constantly striving to make our natural gas and electricity consumption more efficient through long-term targets. Thus, we make sure that we use resources in a responsible and sustainable way, thereby contributing to environmental protection. Our commitment to sustainability through energy efficiency enables us to remain competitive and add value to our customers and communities.

Year	Natural gas consumption (SCM) in relation to turnover	TARGETS Increase/decrease compared to reference year	Electricity consumption (Kwh) in relation to turnover	TARGETS Increase/decrease compared to reference year
2017	0,0047	-	0,0438	-
2021	0,0054	↑14,89%	0,0305	↓30,36%
2022	0,0035	↓25,53%	0,0200	↓54,33%
2023	0,0025	↓46,80%	0,0193	↓55,93%
2024	0,0027	↓42,55%	0,0179	↓59,13%
2025	0,0046	↓2%	0,0350	↓20%
2030	0,0045	↓3%	0,0328	↓25%

## Energy consumption and mix

E1-5

Evolution of electricity and natural gas consumption in the period 2021 - 2024, compared to the reference year 2017.

Year	Electricity consumption - kWh	Evolution compared to the reference year	Natural gas consumption - SCM	Evolution compared to the reference year
2017	14.915.197	-	1.597.221	-
2021	11.507.262	↓22,84%	2.032.028	↑27,2%
2022	9.355.856	↓37,27%	1.616.998	↑1,24%
2023	9.814.667	↓34,19%	1.286.783	↓19,43%
2024	10.490.930	↓29,66%	1.617.631	↑1,27%

Energy consumption from fossil fuels

Diesel consumption in 2021 (for the production of thermal agent) = 10.821 litres

Diesel oil consumption in 2022 (for the production of thermal agent) = 1.433 litres

Diesel consumption in 2023 (for the production of thermal agent) = 183.531 litres

Diesel consumption in 2024 (for the production of thermal agent) = 196 litres

The increase in diesel consumption for the production of thermal agent in 2021-2023 was caused by the instability of the natural gas market due to geopolitical instabilities. The consumption of diesel oil in 2024 referred strictly to the tests that are periodically conducted at the plant.

Gross emissions of GHG categories 1, 2, 3 and total GHG emissions

E1-6

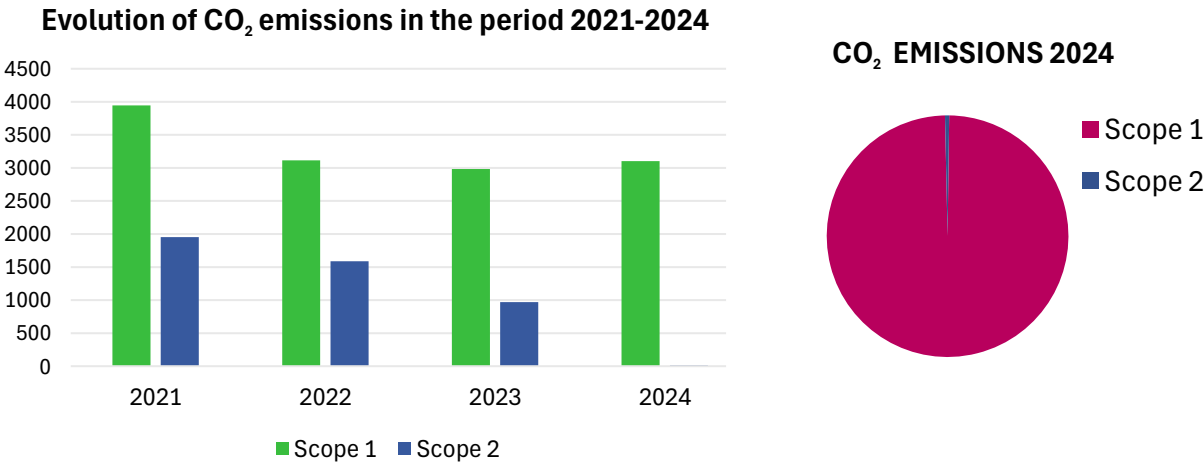
Gross GHG emissions

**Category 1 (Scope 1)** covers fuel and natural gas consumption and represents direct carbon emissions. In total, our Scope 1 carbon footprint in 2024 amounted to 3103 tons of CO<sub>2</sub>e.

**Category 2 (Scope 2)** represents electricity consumption, and includes indirect carbon emissions. Total carbon emissions for Scope 2 in 2024 amount to 12,027 tons CO<sub>2</sub>e.

For a more detailed understanding of our impact on the environment, we are in the process of defining and adapting our Scope 3 methodology with the final aim of obtaining a calculation including emissions from the supply chain.

For a more detailed understanding of our impact on the environment, we are in the process of defining and adapting our *Scope 3* methodology with the final aim of obtaining a calculation including emissions from the supply chain.



Evolution of carbon footprint (Scope 1 and Scope 2) between 2021-2024

	Scope 1 (t CO <sub>2</sub> e)	Evolution compared to last year	Scope 2 (t CO <sub>2</sub> e)	Evolution compared to last year
2021	394	-	1952,207	-
2022	3114	↓21,06%	1587,22	↓18,69%
2023	2983	↓4,2%	969,074	↓38,94%
2024	3103	↑4,02%	12,027	↓98,75%

Total GHG emissions :

2021 – 5897,207 t CO<sub>2</sub>e

2022 – 4701,22 t CO<sub>2</sub>e

2023 – 3952,074 t CO<sub>2</sub>e

2024 – 3115,027 t CO<sub>2</sub>e

Total GHG emissions in relation to turnover:

total GHG emissions in metric tons of CO<sub>2</sub> equivalent

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turnover

Total GHG emissions in metric tons CO<sub>2</sub> equivalent = Scope 1 GHG emissions + Scope 2 GHG emissions

2021 – 0,0000156

2022 – 0,0000100

2023 – 0,0000078

2024 – 0,0000053



As of August 2023, the company has opted for a renewable electricity supplier that produces 91,82% of its electricity from renewable sources. As a result, the carbon footprint for Scope 2 is on a steep downward trend, with CO<sub>2</sub>e/kWh emissions now around 1,3 g/kWh compared to the previous supplier's reported value of around 170g/kWh.

In its first year of operation, the photovoltaic park developed at our company, with an installed capacity of 3MW, has generated an energy production of about 2.396.000 kWh, thus contributing to increased sustainability and reduced environmental impact.

### **Internal carbon pricing**

E1-8

AEROSTAR monitors the quarterly trading price of a GHG certificate on the EEX (European Energy Exchange) platform).

### **Anticipated financial impacts from material physical and transition risks and potential climate-related opportunities**

E1-9

The financial effect of the decrease in the free allocation of GHG allowances will be known in the upcoming years, meaning that AEROSTAR will have to purchase allowances to maintain compliance with the regulated requirements. At the end of 2024, there were 9615 GHG allowances available in the RUEGES account, and taking into account an average of 3000 retrieved allowances per year, this reserve in the account can cover at most 3 more years. Based on the last trading price of 2024 as of 30.12.2024, this results in a financial impact of approximately 200,000 EUR for the purchase of 3000 GHG allowances.

Climate change brings both significant risks to our operations and opportunities for sustainable development. We understand the importance of assessing the financial impact of these factors and we are actively working to integrate this aspect into our business strategy.

We anticipate that the main risks to our organization include the impact on raw material supply caused by prolonged droughts and possible increases in energy costs due to stricter regulations. At the same time, the transition to a green economy could result in additional expenditure to implement energy-efficient technologies and low-emission standards.

The opportunities we anticipate include reducing long-term operational costs through the adoption of renewable energy sources.

We will include the results of future assessments in our annual reports to ensure transparency and to communicate our strategic decisions.



## 5.2. POLLUTION- E2

### Material impacts, risks and opportunities

IRO -1



Natural resource protection is a priority for the management and development of our business. AEROSTAR's main goal is to minimize the effects of its activities on the environment through pollution prevention, efficient use of resources and energy, effective waste management and protection of ecosystems. Our activities are regulated in terms of environmental protection and are supervised by the controlling authorities.

All sustainability aspects specified in the thematic standard (water, air, soil pollution and substances of concern) have been assessed through the double materiality analysis. This approach has once again assured us that all sources of pollution are properly assessed and monitored.

Water pollution is monitored by analysing the quality of wastewater. For air pollution monitoring, gas emissions are assessed and the necessary measures are planned in order to reduce/prevent them. Soil pollution is addressed through responsible management of substances and compliance with applicable legal requirements and those imposed by REACH.

We aim for full transparency, and for this reason, although the impacts assessed are not material and the risks analysed did not result in financial impacts, we are disclosing the most relevant aspects. We engage ourselves to provide clear and detailed information to demonstrate our commitment to sustainability and accountability. Even in the absence of material impacts, we believe it is essential to be open and transparent in communicating our actions to protect the environment and mitigate the associated risks.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Air pollution	<b>Real negative</b> Very low pollutant emissions (below legal limits)	Reputational risk if legal limits are exceeded (sanctions from environmental authorities)	
Substances of very high concern	<b>Real negative</b> The use of substances of concern - authorized under REACH	Non-compliance with the applicable legal requirements and those imposed by the REACH Regulation	Transition to new, more environmentally friendly processes
Impacturile analizate nu sunt materiale iar riscurile nu prezintă materialitate financiară.			

AEROSTAR generates emissions in very low quantities of pollutants (below the legally permitted limits) and as for the use of substances of very high concern, a detailed description has been given in section E2-5.

### Pollution actions and resources

E2-2

Environmental impact management is a priority in our company's activities. In this respect, all actions taken are aligned with the legal requirements and provisions of the applicable environmental permits. We implement measures for monitoring and controlling the environmental factors in accordance with the regulations in force, while providing the necessary financial resources through an annual budget.

This budget includes the execution of regular monitoring and compliance with all legal obligations regarding pollution mitigation and prevention.

Over time many investments have been made on our company's site to treat and prevent pollution, including:

- two neutralization plants that deplete the wastewater and physically process the residual sludge by dewatering-pressing,
- oil separators,
- a reverse osmosis plant,
- upgraded fume exhaust systems for special process lines equipped with new generation scrubbers for gas scrubbing,
- enclosed, environmentally friendly paint booths with dry filter system for air purification, etc.

**Targets related to pollution**

E2-3

AEROSTAR's pollution objectives are in line with the requirements imposed by the legislation in force. The main goal is to keep our activities within the legal limits set for the environmental factors by implementing proactive monitoring, control and prevention measures. Through this approach, we ensure that our operations comply with environmental standards, thus contributing to a minimal impact on the environment.

**Pollution of air, water and soil**

E2-4

The monitoring of emissions to wastewater and air emissions is carried out in compliance with the applicable legal requirements and the requirements of the environmental permits, by an authorized company with which AEROSTAR has a contract. Test reports issued for the 2024 monitoring revealed compliance with the permissible limits for each pollutant analysed.

All hazardous chemical substances and preparations used in AEROSTAR are managed according to the applicable regulations in force. Hazardous chemical substances and preparations subject to the REACH regulation are used in compliance with the conditions imposed by the authorizations issued by the European Commission.

Evolution of emissions of volatile organic compounds from 2021 to 2024 compared to the reference year 2017

Year	Volatile organic compound emissions (kg)	Evolution compared to the reference year	Volatile Organic Compounds emissions relative to turnover (kg/RON)	Evolution compared to the reference year
2017	23.212	-	6,82	-
2021	8.997	↓61,23%	2,39	↓64,95%
2022	6.605	↓71,54%	1,41	↓79,32%
2023	4.442	↓80,86%	0,87	↓87,24%
2024	7.709	↓66,78%	1,32	↓80,64%

The decrease in emissions of volatile compounds in recent years is due to the use of water-based paints from the Automated Paint Line. The paints used here contain on average 3% volatile organic compounds (VOCs), compared to a conventional solvent-based paint which contains about 60-90% volatile organic compounds.

Soil monitoring is carried out in accordance with the Integrated Environmental Authorization and the determined values were within the permissible limits imposed by the Integrated Environmental Authorization.

### **Substances of concern and substances of very high concern**

E2-5

Our organization has always been concerned with reducing the environmental impact, paying particular attention to special processes where hazardous substances are used. Over the years, we have constantly invested in upgrading our production lines, looking for safer alternatives for these processes, even before these hazardous substances became restricted under REACH. We mention that AEROSTAR has made the transition from chromic anodizing to tartaric-sulphur anodizing - TSA since 2015 and in the following years to thin film sulphur anodizing (TFSA) and continues the actions of transition to processes that do not use CrO<sub>3</sub> (chromium trioxide).

This commitment reflects our proactive vision and responsibility for the environment and our employees' safety.

At the level of the European Union, concerns have arisen about the substance CrO<sub>3</sub> (chromium trioxide), whose authorization for use was annulled by the European Court of Justice on 20.04.2023, and we are currently in a transitional period.

This aspect has generated a major risk in terms of the continuity of some specific processes that use this substance, so an analysis team has been assembled within the company to find solutions to replace this substance in the future.

Following the annual review on the use of substances covered by Annex XIV REACH, the following findings were noted:

*1. The use of chromium trioxide:*

- The authorization decision issued at the end of 2020 for the CTACsub consortium has been cancelled as of April 2024, and the 2017 status of the authorization process for chromium trioxide has been reverted back to the status of 2017. Therefore, a new decision of the European Commission is awaited, and meanwhile we can use chromium trioxide from the suppliers in the original CTACsub consortium. From the original CTACsub consortium, two consortia were subsequently formed which include AEROSTAR suppliers - ADCR and CTACsub2. AEROSTAR has collaborated with both consortia throughout this period by providing the requested data. The review report of the ADCR consortium is accepted by ECHA and is currently in the analysis phase. The CTACsub2 consortium submitted a new application for authorization. We are tracking the authorization process of the two consortia.
- Safran LS has applied for substance authorization and AEROSTAR is co-applicant with other suppliers of Safran LS. For the Safran application, the draft authorization decision has been published on the ECHA website and the final decision will be published.

*2. The use of other substances covered by the Annex XIV REACH:*

- The provisions of the authorization decisions for the remaining chromates shall still be complied with;
- Purchases of these substances can only be made against the technical report drawn up by the end-using facility;

- The authorization decision for sodium dichromate expired in September 2024. The ADCR Consortium has submitted review reports for continued use after September 2024. AEROSTAR has provided the information requested by the consortium on the conditions of use of the substance and may use the substance until a new decision is issued.
- In 2026, the authorization decision for strontium chromate and two other chromates contained in primers is due to expire. Our suppliers have asked for our support in preparing the review reports and we have provided the requested information whenever required.

AEROSTAR has made and will continue to make considerable efforts throughout this process in order to be able to maintain production and to comply with all European regulations concerning the use of controlled substances.

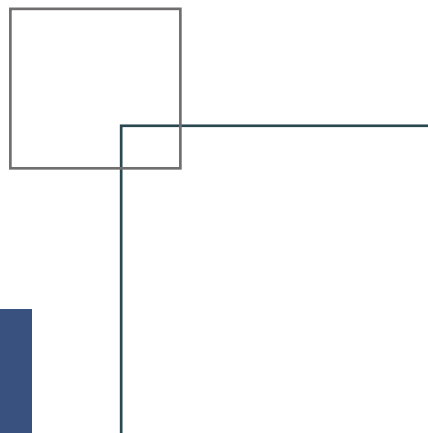
### **Anticipated financial effects from pollution-related impacts, risks and opportunities**

E2-6

The environmental impacts related to air emissions, noise generation, land discharges and waste generation are analysed every year, while also assessing the environmental aspects and determining the material aspects.

The monitoring carried out during 2024 has confirmed the ongoing efforts made to minimize the environmental impacts.

The measured values fall within the legally defined limits.



### 5.3. WATER AND MARINE RESOURCES – E3

#### Actions and resources related to water and marine resources

E3-2

In order to ensure a sustainable management of water resources, our company takes the following action:

- Continuous monitoring of water consumption to identify and reduce losses;
- Implementation of technological solutions that optimize water consumption in the operational processes;
- Proper collection and treatment of wastewater in compliance with the applicable legal requirements;
- Promoting water reuse initiatives where possible, thus contributing to reducing the impact on the natural resources.

These actions are supported by an annual budget allocated for monitoring, equipment maintenance and continuous improvement of the water management infrastructure.

#### Targets related to water and marine resources

E3-3

As part of our sustainability efforts, we have set targets related to the management of water consumption.

Year	Total water consumption (mc)	Evolution compared to the reference year	Total water consumption in relation to turnover (cubic meters/RON)	Evolution compared to the reference year
2017	128.751	-	0,3784	-
2021	97.717	↓24,10%	0,2596	↓31,39%
2022	103.709	↓19,44%	0,2220	↓41,33%
2023	126.634	↓1,64%	0,2501	↓33,90%
2024	114.134	↓11,35%	0,1954	↓48,36%
2025	-	-	0,3670	↓3%
2030	-	-	0,3594	↓5%

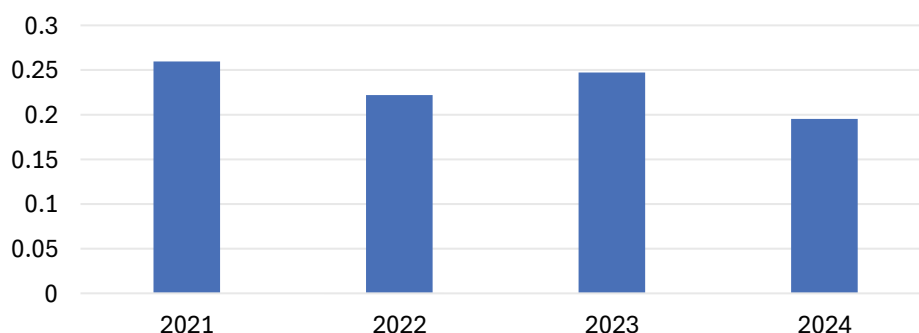
#### Water consumption

E3-4

There are no instability phenomena, active or stabilized landslides on the site and in its vicinity, the stratification of the terrain being uniform both horizontally and vertically.

The terrain of the site has an almost horizontal surface, with very good general stability, and the company's premises are equipped with sewerage networks for the collection of technological, domestic and rainwater wastewater. The site is not in the path of torrents and is not flood-prone.

### Water consumption in relation to turnover



Actions taken to reduce water resources usage and efficiency measures implemented:

- removal of the cast iron pipes from the drinking water supply network and their replacement with HDPE pipes guaranteed to operate without failures for at least 50 years;
- modernization of the control and distribution facilities for drinking water from its point of entry into AEROSTAR, upstream to the water towers and its delivery to the internal consumers;
- replacement of defective hydrants and replacement of non-functional underground hydrants with overground hydrants with improved functionality;
- the prompt troubleshooting of damages occurred in the drinking, industrial and recirculated water systems.

### Total water consumption in m<sup>3</sup>

	Drinking water	Industrial water	Total consumption
2021	61.502	36.215	97.717
2022	57.854	45.855	103.709
2023	82.483	44.151	126.634
2024	71.536	42.598	114.134

### Anticipated financial effects of material water and marine resources-related impacts, risks and opportunities

E3-5

In 2024 the risk of damage to water pipes was identified, and implicitly the risk of increased water consumption. To this end, measures have been taken to remove the cast iron pipes from the drinking water supply network and replace them with HDPE pipes guaranteed to operate without failure for at least 50 years.

5.4. BIODIVERSITY AND ECOSYSTEMS - E4

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4 -1

The site of our operations is located in an industrial area with no direct impact on the protected natural areas or vulnerable habitats. However, we are aware of our responsibility towards the sustainable use of natural resources and reducing the impact on the local biodiversity.

Actions and resources related to biodiversity and ecosystems

E4-3

Although our location has no impact on the protected ecosystems, we aim to integrate biodiversity into our sustainability strategy by:

- Conducting a regular assessment of the impact of our activities on the local environment.
- Collaborating with environmental organizations on projects that support the regional biodiversity.
- Promoting a responsible supply chain, that includes sustainability criteria for the suppliers.

5.5. RESOURCE USE AND CIRCULAR ECONOMY - E5

Material impacts, risks and opportunities

IRO -1

As part of our sustainability strategy, we are focused on increasing waste recovery and educating all employees in the spirit of minimizing waste generation to improve environmental performance.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Resource inputs, included	<b>Potential negative</b> Excessive use of raw materials		Opportunity: improving efficiency from the design phase for the cutting and routing processes so that less waste results from processing
The impacts analysed are not material and the risks are not financially material.			

We monitor both hazardous and non-hazardous waste, recover it and transfer it through an authorized recycling company, in compliance with the legislative provisions. The management of all categories of waste is carried out in compliance with specific legislative requirements. All waste generated from the activities carried out within the company is stored separately in appropriate containers and subsequently handed over to authorized operators for collection, recovery, disposal.

Actions and resources related to resource use and circular economy

E5-2

During the year, monthly and periodical reports are prepared on waste management (types of waste and quantities generated, methods of recovery) both for internal reporting within the company and for reporting to the environmental authorities, in accordance with the requirements of the environmental permits held.



Periodically, internal audits are carried out to determine compliance with the applicable environmental protection legislation, as well as external audits to supervise the Environmental Management System.

For efficient waste management, various activities are carried out, such as:

- Identification and classification of waste according to the environmental legislation in force;
- Conducting waste management audits in accordance with the applicable legislation (OUG 92/2021) and implementing programs to prevent and reduce the quantities of waste generated;
- Providing specific collection infrastructure (waste bins, dustbins, containers, retention tanks, spaces/areas specially designated for temporary waste storage);
- Identifying and analysing the best recovery solutions available on the market for the waste generated.

### Targets related to resource use and circular economy

E5-4, E5-5

	Total waste generated (kg)	Total waste generated as a percentage of turnover (kg/RON)	Hazardous waste (kg)	Non-hazardous waste (kg)	Recovery rate
2021	875.672	0,0023	197.665	678.007	80%
2022	1.225.611	0,0026	208.313	1.017.298	84%
2023	1.673.684	0,0033	259.201	1.414.483	90%
2024	1.711.620	0,0029	554.610	1.157.011	79%

Other resource outputs consist of recovered packaging, declared to the Environmental Fund Administration on a monthly basis, mentioning that these quantities are already included in the waste situation at the level of AEROSTAR. Thus, in 2024 the quantities generated were:

- plastic – 641 kg,
- paper/cardboard – 3441 kg,
- metal – 1517 kg,
- wood – 65531 kg.

### Anticipated financial effects from material resource use and circular economy-related impacts, risks and opportunities

E5-6

Legal sanctions and regulations can arise in relation to resource use: non-compliance with resource use and waste management regulations can lead to fines and financial losses.

Waste disposal costs can have a financial impact: inefficient waste management may involve higher taxes or additional costs for storage and recycling.

Energy efficiency represents an opportunity provided by the circular economy: the implementation of circular solutions reduces energy consumption and the related costs, thereby contributing to long-term savings.

## POLICIES

E1-2, E2-1, E3-1, E5-1

Our policy is focused on prevention through measures intended to minimize risk. Through our quality and environmental management system certified in accordance with the SREN ISO 140001 standard, we have set ourselves the objective of improving environmental performance. To this end, we have implemented an "Accidental Pollution Prevention and Fighting Plan" at the Bacău and Iași sites as well as a "Plan for preventing and reducing the quantities of waste generated from our own activities". At the same time, we carry out actions in the following areas:

- permanent awareness of environmental protection among employees;
- investing in environmentally friendly technologies and equipment that is safe from the point of view of occupational health and safety, there is a chapter in the company's budget dedicated to environmental expenditure;
- pollution prevention and environmental protection, as regards: collection, disposal, prevention, recycling, reuse of waste, handling and use of hazardous products and chemicals, prevention of emissions to air/water/soil, other specific environmental risks and aspects;
- partial supply of energy required for the company's processes from green sources, through its own parks with photovoltaic power plants. Our quality and environmental policy aims to increase environmental performance and includes commitments related to environmental protection, including pollution prevention and responsible use of resources.

Our organization recognizes the need to adopt effective policies for climate change mitigation and adaptation. We understand that these policies are essential to ensure the long-term sustainability of both our business and the environment. Our aim is to comply with all legal regulations so that our actions and decisions contribute to reducing our carbon footprint.

Our company is committed to managing water resources responsibly, with a primary focus on efficient use and reducing consumption wherever possible. We implement measures to regularly monitor water consumption and promote technological solutions that support the reduction of water loss and reuse of water in internal processes. We also make sure that wastewater discharge complies with all applicable legal regulations, thus protecting natural resources and local ecosystems.

The circular economy and waste management represent an aspect of great importance to us, due to the responsibility we have assumed towards the environment. To carry out the operations of handling, collection, segregation, baling and temporary storage of waste generated on the site, we collaborate with companies specialized in waste management, which provide equipment and human resources to carry out these operations.

All categories of waste are managed in compliance with specific legislative requirements. All waste generated from the activities carried out within the company are stored separately in appropriate containers and subsequently handed over to authorized operators for collection, recovery and disposal.

## 6. SOCIAL INFORMATION

### 6.1. AEROSTAR'S OWN WORKFORCE

#### General information

ESRS 2

Within AEROSTAR S.A., the rights and responsibilities of the employees, as set out in the Collective Labour Agreement (CCM) and in the Rules of Organization and Functioning, are formulated in accordance with the respect for human rights and the right to work, in line with the principles outlined in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These are reflected in the labour legislation and are governed by the principles of consensus and good faith, which underpin the interactions in labour relations.

Our strategic objectives have been defined taking into account the needs of our employees at different stages of their career path, linked to the need to attract, retain, motivate and continuously develop at work.

Within the company operates the Legal and Human Resources Directorate with responsibilities for ensuring the required personnel, carrying out specific evaluations, professional development, conducting training necessary for certification, certifications, personnel authorization, OHS activities and other activities adjacent to these functions.

#### Interests and views of stakeholders

SBM-2

AEROSTAR S.A. is constantly focused on complying with national and European legislation regarding labour relations, relations with the social dialogue partners and informing and consulting the employees. The relations between the employer and the employees are regulated by the Collective Labor Agreement at the company level, as well as by the individual employment agreements of the employees.

Our regulations provide a transparent framework that establishes a work environment in which every employee feels safe, engaged and valued. Our human resources policy is employee-centred, providing employees with opportunities for advancement and access to professional development programs tailored to the specifics of their work. Moreover, we encourage employees to communicate openly with both their colleagues and the AEROSTAR S.A. management team, as we believe that only through effective communication we can achieve our internal goals and those set in the relationship with our collaborators.

#### Material impacts, risks and opportunities and their interaction with the strategy and business model

SBM-3

The impacts, risks and opportunities associated with our own workforce are essential to ensure the long-term sustainability of our organization.

In our double materiality analysis, we assessed:

- ⇒ **Fair and motivating working conditions:** it is important to ensure safe working conditions for employees to minimize the risks of accidents and occupational diseases.
- ⇒ **Health and safety:** Ensuring a safe and healthy working environment helps reduce the employee turnover, which can improve the employees' productivity.

- ⇒ **Employment rights:** Respecting labour rights, including the right to adequate salaries, decent working conditions and protection against discrimination and harassment, is essential for maintaining a motivated and loyal workforce.
- ⇒ **Training and skills development:** Investments in employees' professional development and skills training helps to improve the organization's performance and its adaptation to the changes in the business environment.

These aspects not only reduce risks and improve the sustainability of the organization, but also contribute to attracting and retaining talent, improving the organization's image and reputation, as well as fulfilling social and ethical responsibilities.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Adequate salaries	<b>Real Positive</b> Fair and motivating working conditions	No material risks related to fair and motivating working conditions have been identified .	Improving the company's reputation by increasing the existing employees' motivation and commitment towards the company.
Social Dialogue	<b>Real Positive</b> Respecting and promoting employees' rights	Non-compliance with labour rights or discriminatory practices may lead to loss of company reputation, violation of applicable legislation, risk of litigation .	Creating a culture of participation by consulting the employees on the company's strategic decisions, continuous feedback mechanisms and internal surveys. Recognizing and rewarding the employees for innovative ideas.
Gender equality and equal pay for work of equal value	<b>Real Positive</b> Equality and diversity	Excluding or favouring candidates/employees on the basis of gender, age, ethnicity, religion or other personal characteristics would lead to loss of company reputation, violation of applicable laws, risk of litigation.	Improving the company's reputation by increasing the motivation and commitment towards the company of existing employees.
Training and skills development	<b>Real Positive</b> Investments in training and professional development	Lack of professional development opportunities could lead to employees' demotivation and reduced efficiency.	Digitalization of processes to reduce repetitive tasks. Integration of artificial intelligence and automation of operational processes. Training and retraining to help the employees adapt to new technologies and digital training.
The impacts analysed are not material and the risks do not present financial materiality .			

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Health and safety	<b>Negative Potential</b> Safe and healthy work environment	Non-compliance with the occupational safety and health (SSM) regulations represents a material potential risk for both the employees and the company. For employees, this risk manifests through an increased likelihood of workplace accidents and occupational diseases, which can lead to serious injury, disability or even loss of life. For the company, the consequences include considerable financial losses due to compensation and legal fines, reduced productivity due to the absence of injured employees, damage to reputation and the morale of remaining employees, as well as potential litigation. In addition, non-compliance with SSM regulations may lead to sanctions from the relevant authorities, negatively affecting the company's operations and long-term sustainability.	
This risk is financially material			

## Policies related to Aerostar's own workforce

ESRS S1-1

### Working conditions

Specialized compartments within the company assess the potential negative impacts associated with their operations, including GDPR, corruption, reports/complaints/grievances, collective bargaining and other important social issues identified as material.

All operational policies and procedures of AEROSTAR S.A. apply to the entire company. Our personnel policy focuses on medium and long-term commitments for mutual benefit between the personnel and the organization, aiming to ensure the necessary personnel in correlation with the company's development objectives, anticipating potential fluctuations of personnel shortages or surpluses.

The main lines of action are:

- diversity of thinking and experience, our aim being to stimulate the growth of competencies;
- recruiting, providing professional training through professional development plans and maintaining qualified personnel with the necessary skills, specialized knowledge and necessary competencies;
- fair opportunities by actively removing barriers so that everyone can develop and contribute to the company's success;
- mentoring programs for various target groups that generate well-prepared, flexible teams capable of adapting to a dynamic, changing environment;
- promoting a culture of trust and respect, using constructive discussions and the exchange of knowledge and information about the business, to strengthen solidarity within the company

Our company respects and upholds the internationally recognized human rights and implements fair rewards (meritocracy) and equal opportunities for all its employees, without discrimination and respecting the diversity of its personnel.

## **Recruiting and retaining talent**

### **ESRS S1-1**

We collaborate with technical high schools specialized in trades specific to AEROSTAR S.A., as well as with universities, aviation being a particularly attractive field for young people who aspire to excel. The internship in AEROSTAR S.A. is a learning journey through which each intern is guided to launch his/her career with the help of our experts. The internship program connects the younger generation with AEROSTAR S.A., giving interns the opportunity to delve deeper into the specifics of the aviation industry, gain exposure to our work environment and work alongside our outstanding teams. We are proud when graduates choose to join the AEROSTAR S.A. team, thus helping us to maintain a good mix of generations and promoting a constant exchange of knowledge and skills.

In the school year 2023-2024 we awarded scholarships, in the amount of 434.669 lei to students from 5 dual education institutions in Bacău and Iași.

Students from the National University of Science and Technology POLITEHNIC Bucharest, the Faculty of Aerospace Engineering, benefited from private scholarships worth 17.200 lei during their internship in AEROSTAR S.A. which took place between June-August 2024.

## **Equal treatment and opportunities for all**

### **S1-1**

At AEROSTAR S.A. it is mandatory to ensure equal opportunities and equal treatment regarding the personal development of all personnel through relationships based on responsibility, loyalty, mutual respect, freedom of expression, collaboration and professional support. We value the professional skills, integrity and ethical values of our employees. Our employees consistently benefit from equal and non-discriminatory treatment in accordance with the international standards in the industry in which we operate, while complying with the national legislation. The motivational packages are adapted to the specific macroeconomic and microeconomic context in Romania, thus ensuring fairness and competitiveness.

At AEROSTAR S.A., we always show respect to all parties with whom we interact. In our daily activities, we come into contact with people of different ethnicities, cultures, religions, political beliefs, ages, genders or disabilities.

Discrimination through the use of practices that disadvantage people of a particular gender, ethnicity, age, disability, in social and professional relationships is forbidden.

The Collective Labor Agreement and the Internal Regulations contain detailed rules regarding direct or indirect non-discrimination on the grounds of sex, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity, religion, political belief, social origin, disability, family status or responsibility, trade union affiliation or activity.

## **Other policies related to Aerostar's own workforce**

### **ESRS S1-1**

In our activities, we pay the utmost attention to the security of the information system, with the main objective of ensuring a safe and trustworthy experience.

AEROSTAR S.A., is constantly concerned with ensuring a high level of security regarding the processing of personal data in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

AEROSTAR S.A. complies with the legislation on child labour and forced labour. Matters concerning adequate housing are not the subject of the company's activity.

### **Processes for engaging with its own employees and employees' representatives about impacts**

ESRS S1-2

AEROSTAR S.A. strictly complies with the international laws and treaties regulating human rights, both within the company and in relations with its partners and collaborators. The general rights and obligations of AEROSTAR S.A. employees are specified in the Collective Labour Agreement (CCM), a document resulting from social dialogue and collective negotiations between the executive management and the representative trade union in the company.

Furthermore, the company has implemented an Internal Regulation, applicable to all employees, which sets out the rules of work organization and discipline, as well as the rights and obligations of both the employer and the employees. Each employee has access to the content of the Collective Labour Agreement on the company's intranet page.

### **Processes to remediate negative impacts and channels for own employees to raise concerns**

ESRS S1-3

In addition to complying with the legislation in force, the regulations of the Corporate Governance Code of the Bucharest Stock Exchange, our activity is guided by the Internal Regulations of AEROSTAR S.A., which contain the rights and obligations of employees and employer, including rules on non-discrimination and violation of human dignity, rules concerning conflict of interest, disciplinary procedure or the settlement of employees' requests or complaints.

Furthermore, a Code of Conduct and Ethics has been adopted at the company level, a document that defines the values, principles and rules that the contractual personnel AEROSTAR S.A. must observe and apply.

All employees are encouraged to report any suspicion concerning the existence of any non-compliances, ethical or conduct violations to the email address [sesizari@aerostar.ro](mailto:sesizari@aerostar.ro). Nevertheless, beyond the existence of a formal organizational framework, reporting misconduct is an individual responsibility.

### **Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to our own workforce, as well as the effectiveness of these actions and approaches**

ESRS S1-4

Maintaining a safe working environment is a daily priority for our company. We constantly focus on identifying and improving the processes related to the management of safety and security in the workplace. At the same time, we actively promote training, awareness and engagement programs for our employees.

In 2024, the activity in the field of occupational safety and health was carried out in a planned and organized manner, aiming at identifying and preventing or eliminating, as the case may be, the risks of occurrence of events, occupational accidents, dangerous incidents and occupational diseases at the workplace, as well as complying with the legislative provisions in the field of



occupational safety and health, by carrying out the measures included in the Training and Testing Program in the field of Occupational Safety and Health for 2024 no. 10187/19.12.2023 and fulfilling the duties established by the company's Rules of Organization and Functioning.

The human resources policy is aligned with the values of the institution, as well as with the provisions of the Universal Declaration of Human Rights of the United Nations and the conventions of the International Labor Organization. Within AEROSTAR S.A. all forms of forced labour, exploitation of minors, physical or psychological abuse or harassment are forbidden.

Equal opportunities and equal treatment among our employees are fundamental pillars of the way we conduct our daily activities, therefore discrimination based on gender, religion, nationality, age, sexual orientation, disability or political affiliation is also firmly prohibited within the company.

The company also conducts transparent and equal opportunities recruitment processes for all participants, regardless of gender, nationality or age. We offer equal opportunities and equal treatment for both our current employees and those who want to join us. The concepts of equal opportunities and equal treatment are at the same time applied to personnel promotion processes in both executive and production departments.

We support and encourage diversity among our employees in both executive and production positions. During the reporting period, out of the 1.883 employees, 553 were women and 1.330 men, the proportion being mainly justified by the nature of the company's business, which is predominantly technical. Debates within AEROSTAR S.A. are held through rational arguments, and the use of offensive language, personal attacks and insulting behaviour is prohibited.

#### **Targets related to managing material negative impacts, promoting positive impacts as well as managing material risks and opportunities**

ESRS S1-5

Specific targets related to our own employees were adopted as part of an internal process, based on the materiality of the occupational health and safety process, including the following: ensuring the protection of personnel during the activities carried out at AEROSTAR S.A., compliance with the legal requirements, maintaining the health of the personnel and compliance with the training program.

#### **Characteristics of the company's own workforce**

ESRS S1-6; ESRS S1-7

The AEROSTAR S.A. team is mainly made up of professionals with experience, skills and solid technical knowledge, and in addition to continuous development, it is also necessary to encourage the transfer of knowledge from these key employees to the new employees in order to ensure the long-term success of the company.



## Number of employees

AEROSTAR S.A. aims to ensure a homogenous team, with a balanced structure both in terms of age groups and gender categories, however, taking into account the operational nature of the activity, the number of male employees represents 71% of the total.

### Number of employees by gender

	2023	2024
Gender	Number of employees (number of persons)	Number of employees (number of persons)
Male	1.307	1.330
Female	539	553
Other	0	0
Undeclared	0	0
<b>Total Employees</b>	<b>1846</b>	<b>1883</b>

The tables for employees based on type of agreement, broken down by gender, can be found in Appendix 2.

Out of the total of 1.883 individual labour agreements active in 2024, 2 agreements are part-time and 1.881 are full-time. Full-time is considered 40 hours/week and part-time is considered 4 hours/day/20 hours/week and/or 6 hours/day/30 hours/week.

The voluntary termination rate in 2024 was 10.73%, lower than in 2023 (12.73%). The site of the business activity of AEROSTAR S.A. is considered to be the locations where AEROSTAR S.A. carries out its activities. The head office is located in Bacău and we also have a secondary workplace in Iași.

The tables for employees based on location and type of agreement, broken down by gender, can be found in Appendix 3.

## Collective bargaining coverage and social dialogue

ESRS S1-8

At AEROSTAR S.A., the employees can join the trade union organization - AVIAS. The unionization rate is 57%. The "Avias" trade union is the representative trade union at the unit level, in accordance with the provisions of Law no. 367/2022 on Social Dialogue, which is why it represents the company's employees during the negotiation and implementation of the Collective Labour Agreement concluded at AEROSTAR S.A. The relations between the employer and the employees are regulated by the Collective Labour Agreement concluded at company level, as well as by the individual labour agreements.

The Collective Labor Contract regulates both the individual and the collective labour relations as well as the rights and obligations of the parties

- ✓ signing, executing, amending, suspending and terminating the individual labour agreements;
- ✓ working conditions, health and safety at work;
- ✓ professional training;
- ✓ working time and rest time;
- ✓ salaries;
- ✓ employment rights and obligations, work discipline;
- ✓ social protection of employees;
- ✓ other rights and obligations arising from the employment relationships;

✓ mutual recognition, rights and obligations of the employer and trade union organizations. Annually, the trade union organization is consulted regarding the collective indexation of employees' salaries.

	2023	2024
Number of employees covered by collective labour agreements	1.846	1.883
Number of employees who are union members	58%	57%

The relations between the employer and the employees are in accordance with the legal provisions in force, and in 2024 no conflictual elements have been identified regarding these relations.

### Diversity metrics

ESRS S1-9

The diversity metrics applied within the AEROSTAR S.A. structures, as part of our top management's commitment to increase the level of diversity at the company level, measure the proportion of young people under 30 years of age employed and retained within the company, the proportion of male and female employees and the number of employees with disabilities.

The tables for employees with distribution by gender in terms of number and as percentage at the management level, and for the personnel structure by age categories and gender can be found in Appendix 3.

### Adequate salaries

ESRS S1-10

The remuneration of AEROSTAR S.A. personnel is regulated uniformly through the Collective Labour Agreement (CCM). The CCM includes a hierarchy of positions and jobs within the company, establishing salary limits for each hierarchical level, depending on the complexity of the work, the degree of technicality and professional competency required for the positions in the company's organizational chart.

When negotiating salaries, the requirements specified in the Job Description (attached as an appendix to the Individual Labor Agreement) are taken into account, as well as a comparative evaluation with the average income levels for similar activities.

**At AEROSTAR S.A. there are no employees earning below the reference level of the adequate remuneration applicable at national level.**

The Individual Labour Agreement implemented through the CCM contains provisions consistent with the applicable national legislation in the field and complies with the clauses stipulated by Order no. 2171/2022, regarding the approval of the Framework Model of the Individual Labour Agreement.

### Social protection

ESRS S1-11

Social protection of employees is essential to ensure their well-being and to maintain a stable and safe working environment. This includes comprehensive occupational health and safety measures, ensuring adequate working conditions. The company is committed to comply with all legal regulations concerning social protection.

It also promotes training and awareness programs for the prevention of occupational hazards and encourages a constant dialogue between employees and management to identify and solve social and labour issues. This creates a climate of safety and trust, which is essential for the smooth running of activities in such a critical and specialized sector.

According to the Collective Labour Agreement (CCM), all AEROSTAR S.A. employees benefit from social protection at work.

All our employees are entitled, where applicable, to maternity/paternity/parental leave in accordance with the legislation in force and the provisions of the Collective Labour Agreement. In 2024, 52 of our employees benefited from parental leave (43 women and 9 men).

AEROSTAR S.A. is a responsible employer and offers its employees, in addition to the negotiated regular salaries and bonuses, a number of benefits provided for in the Collective Labour Agreement.

### **Persons with disabilities**

ESRS S1-12

We support the inclusion of the persons with disabilities, although the specific nature of the company's workplaces imposes specific health requirements for most of our employees, confirmed according to the applicable legal requirements. The total percentage of employees with disabilities is 0.33%.

### **Training and skills development metrics**

ESRS S1-13

We promote a learning organizational culture in which our employees continuously enhance their knowledge, skills and performance to achieve the company's business goals. In 2024, through the Office of Human Resource Development, training and professional development courses were initiated and conducted for 1.554 participants.

	2023	2024
<b>Total number of training hours</b>	54.230	45.066

	2024		
	FEMALE	MALE	TOTAL
<b>Total number of employees</b>	553	1.330	1.883
<b>% employees who participated in the periodic evaluation</b>	21%	51%	72%
<b>% employees who participated in professional training</b>	21%	61%	83%

Special attention is paid to the training and retaining of EASA-licensed aeronautical technical personnel to perform and certify maintenance work on aircraft and their components.

In the field of continuous training and development, the themes of the programs cover the areas of interest for the company's activity, specifically, engineering, aviation, economics, legal, human resources, information technology and communications and the fields of quality - environment, occupational health and safety, security, safety, internal audit, internal control and financial management, as well as other themes of general interest necessary for running our business.

## Performance assessment

We have an annual assessment process to support our employees and managers through structured and systematic performance planning. The main objective of this process is to measure and improve the employees' performance on the job in order to increase their potential and value to the company by enhancing the positive performance indicators and establishing the steps required to achieve better results for the next evaluation interval. The assessment of the employee job performance is conducted in accordance with the internal procedure PA-A1.41 - Career Management. The assessment process is an opportunity to provide employees with constructive feedback on their performance, both their strengths and weaknesses.

## Integrating new employees

During the integration period, new employees receive information about the tasks and responsibilities of the position they hold, about the working environment, team, managers, departments they will collaborate with, as well as the work procedures. In order to facilitate a smoother and more comfortable integration of the new employees, the training themes are regulated in Appendix 1 - Framework program for new employees' professional adaptation and integration to the procedure PA-A1.49 - Professional training at AEROSTAR S.A.

## Health and safety metrics

ESRS S1-14

In order to ensure a unitary approach and to streamline the workers' training process at AEROSTAR S.A., a Training/Testing Program in the field of corporate occupational health and safety accompanied by training themes for all phases of training in OHS (general introductory training - upon employment, on-the-job training, periodic training and additional periodic training) have been developed and distributed to all company departments. Training of personnel was ensured at all levels for all newly hired employees.

## 100% of the company's own workforce is covered by the health and safety management system

In accordance with the provisions of Law no. 319/2006 on safety and health at work, hazard identification actions are carried out at all workplaces within AEROSTAR S.A. and risks are assessed for each component of the work system, namely, the worker, the work task, the means of work/work equipment and the work environment. These assessments are available to all workers and are included in the annual OHS training syllabus.

Summary of work accidents occurred in the workplaces of the AEROSTAR S.A. facilities during the reporting period:

In 2024, within AEROSTAR S.A. were identified, analysed and solved 8 work-related events that had an impact on the activity carried out and on the employees, 1 of them being classified as work accident.

At the company level are developed and implemented procedures for analysing and solving work-related events, which provide for stages of investigation of the events, dissemination of the reports prepared following the occurrence of the event to all organizational structures, analysis and re-assessment of the risks of occupational accidents and illness, setting a deadline for reviewing the medical checks for the employees involved in work-related events and/or undergoing training sessions upon the resumption of work.

	2023	2024
No. of accidents outside work	0	6
No. of minor accidents	0	1
No. of fatal work accidents	0	0
No. of employees with occupational diseases and hazardous incidents	0	0
Number of accidents per 100.000 hours worked	0,00197	0,00008
Time lost due to work accidents per 100.000 work hours	0,06100	0,00018

During the reporting period AEROSTAR S. A. did not record any work accidents resulting in disability, and the number of accidents leading to temporary incapacity for work remains low. Also, in 2024 no occupational diseases were reported/ investigated/ declared.

### **Number of employees trained in Occupational Safety and Health**

All employees undergo mandatory OHS training, upon hiring, on-the-job, periodic and additional when necessary. Specialized personnel with specific responsibilities in the field of OHS are trained by participating in training programs dedicated to their responsibilities within the internal Occupational Safety services organized at company level.

With regard to the measures adopted to prevent the occurrence of work-related events, we specify that these measures aimed at least at the following: revising/updating the protection and prevention plans drawn up for 2024, supplementing the training programs in the field of occupational health and safety, processing the provisions of the internal regulatory framework issued in the field of occupational health and safety at the level of all employees, intensifying controls and/or assigning additional responsibilities for carrying out periodic checks.

AEROSTAR S.A. has not registered any disputes as a result of the labour events identified in 2024 and it was not necessary to pay any damages as a result of their occurrence.

### **Work-life balance indicators**

ESRS S1-15

An essential condition for AEROSTAR S.A. to maintain its status as a top employer, in addition to the salary component, is the existence of an extensive benefits package set in accordance with the annual budgets. The benefits package is an important factor contributing to employee satisfaction, commitment and loyalty to the institution.

In the case of exceptional family events, employees are entitled to paid days off, which are not included in the annual leave. Exceptional family events and the number of paid days off are determined by law, by the applicable collective labour agreement or by internal regulation, according to the Labour Code.

2023			
	FEMALE	MALE	TOTAL
Percentage of employees entitled to additional leave	100%	100%	100%
% of employees who took maternity, paternity or parental leave	2%	1%	3%
% of employees who took additional leave	9%	22%	31%

2024			
	FEMALE	MALE	TOTAL
Percentage of employees entitled to additional leave	100%	100%	100%
% of employees who took maternity, paternity or parental leave	2%	1%	3%
% of employees who took additional leave	10%	24%	34%

### Remuneration metrics (pay gap and total remuneration)

ESRS S1-16

The remuneration of AEROSTAR S.A. personnel is regulated in a unitary manner by the Collective Labour Agreement (CCM), which includes a hierarchization of the positions and jobs within the company. It specifies salary limits for each hierarchical level, established according to the complexity of the work, the degree of technicality and professional competency specific to the positions in the organizational chart.

When negotiating the salary, the requirements specified in the job description, attached to the CCM, are taken into account, resulting in a salary whose value will be established in accordance with the limits of the salary scale set out in the CCM.

Gender pay gap, defined as the difference in average pay levels between female and male employees:

	2023	2024
Pay gap between women and men	9,66%	8,54%
Pay gap between women and men at management level	11,07%	9,01%
Pay gap between women and men at the execution level	8,46%	7,45%
Ratio of total annual remuneration	5.68	5.58

\* Difference in remuneration between women and men=(Average gross hourly salary of male employees - Average gross hourly salary level of female employees)/Average gross hourly salary of male employees\*100

\*\*Ratio of total annual remuneration = Total annual remuneration ( salary & management allowance) of the highest paid employee /Average total annual remuneration of employees (excluding the highest paid employee)

## Incidents, complaints, issues and severe incidents related to human rights

ESRS S1-17

AEROSTAR S.A. promotes equality, regardless of grounds, such as race, gender, sexual identity, age, colour, ethnic or social origin, family status, etc.

Equal opportunities and equal treatment among our employees are fundamental pillars of the way we conduct our daily activities, therefore discrimination is firmly prohibited within AEROSTAR S.A.

In the financial year 2024, no incidents of discrimination or harassment among the company's employees and no employee complaints related to occupational health and safety were recorded.

Likewise, no incidents and/or complaints related to labour or serious human rights impacts (e.g. forced labour, human trafficking or child labour) were recorded within the company's own workforce.

The company did not receive any significant fines, sanctions or compensation related to human rights or the company's own workforce in 2024.

The company recorded zero cases of non-compliance with the UNUNO on Business and Human Rights, the OIM Declaration on Fundamental Principles and Rights at Work or the OCDE Guidelines for Multinational Enterprises during the reporting period.

	2023	2024
Number of incidents of human rights violations	0	0
Number of employee complaints regarding human rights	0	0
Number of employee complaints regarding occupational health and safety(OHS)	0	0

## 6.2. WORKERS IN THE VALUE CHAIN

### Interests and views of stakeholders

#### SBM-2

AEROSTAR through its policies ensures that it aligns with internationally recognized instruments relevant to the workers in the value chain.

In addition to the company's own workforce, AEROSTAR S.A. may have value chain workers present, as part of the company's stakeholder representatives; among them, the following are significant:

- Workers of service providers;
- Workers of equipment suppliers providing commissioning and periodic maintenance services of equipment;
- Workers representing the customer;
- Workers of control bodies or authorities (ITM, ANAF, VAMA).

Given the company's business model, there are varying degrees of dependence on the value chain workers, which may affect the company's objectives in terms of ensuring the logistical conditions necessary to deliver our products and services on time and within the required quality standards. The level of interest of the workers in the value chain is described in the chapter "Strategy" - Stakeholders.

### Material impacts, risks and opportunities and their interaction with business strategy and business model

#### SBM-3

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Health and safety	<b>Negative potential</b> The company's activity can be negatively impacted if suppliers' employees' health and safety rights are not respected, damaging the company's reputation.	Non-compliance with labour legislation resulting in damage to the company's reputation	
Equal treatment and opportunities for all	<b>Real Positive</b> The safety of service-providing workers on the company's premises and encouraging suppliers to adopt the same principles in their activities through the Supplier Code of Conduct	Non-compliance with standards of conduct and ethics which would result in the loss of the company's reputation	Improving the company's Code of Conduct and Ethics and encouraging suppliers to adopt the same principles in their activities through the Supplier Code of Conduct
The impacts analysed are not material and the risks are not financially material .			



Through its policies AEROSTAR ensures that:

- It complies with the international regulations on the limitation of illegal exploitation of rare minerals under inhumane conditions. AEROSTAR ensures through the adopted policy that its suppliers are aware of and comply with these regulations.
- In the General Purchasing Conditions, our company has also defined requirements for its suppliers regarding both ethics and the observance of the labour legislation. Moreover, through contractual requirements, we require our suppliers to comply with the labour legislation applicable in their country. AEROSTAR works with suppliers from countries that are members of the International Labor Organization (ILO), a United Nations Organization, which sets international labour standards, develops policies in the field and promotes decent working conditions for all workers.

In 2024, no social criteria were used for selecting suppliers and no negative social impacts were created in its supply chain.

In relation to value chain workers, the following were analysed from the perspective of the double materiality matrix:

- **potential negative impacts** on occupational health and safety.
- When granted access to the AEROSTAR site, the workers receive specific training in occupational health and safety. The company also provides personal protective equipment or appropriate work clothing for visitors. Through the contractual clauses we ensure that the employers of the value chain workers operating on the site assume their obligations in terms of occupational health and safety for their own personnel.
- The real positive impact for value chain workers who have access to company premises was also analysed under the sub-theme "**equal treatment and equal opportunities for all**". They benefit from similar treatment to that of the company's own employees through the robust policies promoted by the company in the workplace. Through our contracts with the service providers and suppliers working on site, we ensure that they comply with the legal requirements in force.
- The risk of failure to ensure the qualified human resource by service providers and other value chain suppliers operating at the company's site, as well as the risk related to security, safety and increased mobility of the workforce, in fact create opportunities and a positive impact for the workers in the value chain. Thus, through our contracts with companies and organizations in the value chain, on one hand, we ensure that workers are qualified, and on the other hand, we provide them with the motivation to improve their professional training, while ensuring their job stability and complying with the occupational safety and security requirements.

## Policies related to value chain workers

S2-1

The "Supplier Code of Conduct" is a key tool for ensuring responsible and ethical collaboration between AEROSTAR and its suppliers. By setting clear expectations and standards of behaviour, it ensures that all parties involved adhere to the values and principles of the organization.

If the expectations of this code are not met, the business relationship may be revised and AEROSTAR may propose corrective actions to the contractual terms(s).

Through policies such as "General Purchasing Terms and Conditions", "AEROSTAR Code of Conduct", "Supplier Code of Conduct", our company ensures that it aligns with internationally recognized instruments relevant to value chain workers.

Suppliers are encouraged to implement, in writing, their own Codes of Conduct and to transmit them in turn to their main suppliers of goods and services.

The Code of Conduct for Suppliers addresses aspects of promoting and respecting human rights, treating people with respect and dignity, encouraging diversity, promoting equal opportunities for all and fostering an ethics-based culture. They must not be involved in any way in human trafficking, forced labour or child labour exploitation.

In 2024 there were no significant changes from 2023 in terms of expectations for the suppliers.

In 2024, the "Supplier Code of Conduct" was also applied to the suppliers in Romania, clearly expressing the expectations we have of our suppliers in terms of compliance with our own values, principles and ethical standards. We encourage our employees to report any circumstances where, through the nature of their activities, they may become aware of situations likely to indicate non-compliance in the suppliers' conduct.

Furthermore, 87% of the suppliers surveyed have assumed and signed the "Declaration of adherence to the policy of ethics and conduct throughout the entire period of collaboration with AEROSTAR S.A.

### **Processes for engaging with value chain workers about impacts**

S2-2

AEROSTAR cooperates and maintains contact with the representatives of the companies to which the value chain workers belong and with which contracts/agreements/protocols or other arrangements are concluded, or for which there are prospects and/or interest in this respect. Collaboration and communication are initiated by a request for quotation and continued with the tendering, negotiation, contracting and execution of the contract, resolving any ambiguities and non-conformities, and ending with the delivery of products or provision of services, their reception, as well as the related payments or collections and, if necessary, resolving warranty claims.

### **Processes to remediate negative impacts and channels for value chain workers to raise concerns**

S2-3

Our company promptly honours all orders and commercial contracts by strictly fulfilling the obligations arising from them, in particular: timely delivery of products and services to customers, in the required quality conditions; paying suppliers on due dates, at the agreed prices.

During the course of the relationship, any means of direct communication between the value chain workers and our designated employees responsible for the business, as well as between their employers and our company, is permitted through the formal channels of communication outlined on page 29. Electronic mail is a common and easy way in which value chain workers are expected to express their concerns or needs.

Any value chain worker can file a complaint if he/she is aware of any misconduct and ethical violations by an employee or representative of our company, including if he/she has perceived or become aware of any form of retaliation while working at the company's site or elsewhere in connection with activities arising from the relationship with AEROSTAR.

Employees can file complaints by any means, in writing, at the company's registered office or by mail, fax, e-mail, either in person or through a third-party, expressly authorized by the person making the complaint.

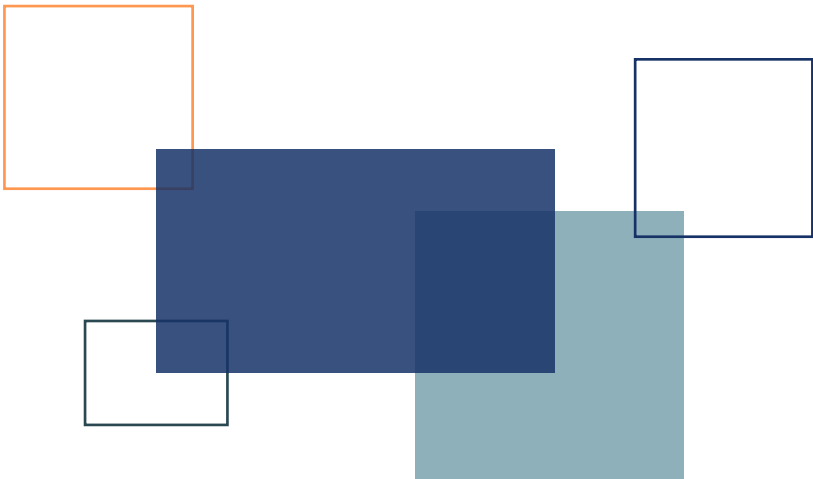
The company will use due diligence to resolve all complaints, including anonymous complaints.

**Taking action on material impacts on value chain workers and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, as well as the effectiveness of those actions**

S2-4

AEROSTAR S.A. has initiated actions to prevent any negative impacts on the value chain workers. In this regard, a self-assessment questionnaire on sustainability has been developed. The questionnaire was sent to the most important suppliers and feedback was received from approximately 75% of the suppliers. Efforts are being made to get suppliers to respond.

No serious issues or incidents concerning human rights have been reported in the upstream and downstream value chain.



### 6.3. AFFECTED COMMUNITIES

#### Interests and views of stakeholders

SBM-2

We continually work to maintain healthy, mutually supportive and collaborative relationships with the communities affected by our activity, relative to which there is significant interdependence between AEROSTAR's continued supply of jobs to the community on the one hand and the supply of labour in the local community, qualified in professions of interest to AEROSTAR, on the other hand. Our main expectation is to prioritize recruiting personnel from the local community, while the main expectation of the interested segment in the local community is that AEROSTAR will maintain attractive and well-paid jobs.

#### Material impacts, risks and opportunities and their interaction with strategy and business model

SMB-3

Stakeholders' requirements, in conjunction with contextual issues and their impact over short, medium and long-time horizons, as well as material risks or opportunities, determine the company's priorities and underpin its Development Strategy. Thus, in the 2024 update of our Strategy, the following requirements relevant for the local and other communities have been taken into account in the analysis of stakeholder requirements with a "high" priority level:

- local priority-utilized workforce;
- protected environment;
- ethics and respect in business;
- stability and retention of jobs,

and with "medium" priority level, sponsorship and civic participation were taken into consideration.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Security-related impacts	<b>Real Positive</b> Contributing to the well-being of communities through job retention	Cutting jobs through activity downsizing	
Right to education and culture (beyond the standard)	<b>Real Positive</b> Supporting vocational, secondary and university education and cultural and sports activities through scholarships, providing internships for pupils and students, various sponsorships	Insufficient recruitment and retention of graduates from the local community	Increasing the efficiency of spending company funds on scholarships for pupils and students
Freedom of expression	<b>Real Positive</b> Participation in various bodies with consultative role, representative at local level (Social Dialogue Commission attached to the Institution of the Prefect of Bacău County, Local Committee for the Development of Social Partnership in Bacău and Iași, Regional Committee for the Development of Social Partnership		Opportunity: Establishing and maintaining collaborations with bodies that collect community concerns and provide the company with the framework to express its own values
The analysed impacts are not material and the risks are not financially material.			

At the same time, our company contributes to the respect of the right to freedom of expression, having a positive impact on the community by having representatives in various local consultative bodies. By establishing and maintaining collaborations with such organizations that capture the community's concerns, the company has the opportunity to express its own values.

### **Policies related to affected communities**

#### **S3-1**

A significant impact our company has on society and communities is represented by the secure jobs we provide as an economically strong employer and the tax revenues we contribute, which have a decisive effect in improving the living standards of the community members. However, we have adopted policies that go beyond that, in that we strive to influence our communities in a positive way through engagement and by returning benefits to them. Under these policies, in addition to specific human resources policies on recruitment and selection of personnel, we have ongoing concerns for:

- engaging in public interest partnerships with the local authorities
- sponsoring various events or public initiatives;
- contributing to the educational and vocational training process, collaborating with the educational establishments and getting involved in joint projects for the development and adaptation of young people to the current requirements of the economic agents and the business environment;
- collaborating with non-profit organizations in order to support extra-curricular cultural-sport and educational activities;
- encouraging and supporting our employees to donate for the benefit of the community and to get involved in the organization of donation campaigns, in humanitarian or charitable cases;
- supporting the small business and SME community.

### **Processes for engaging with affected communities about impacts**

#### **S3-2**

In the spirit of our desire to influence communities in a positive way by getting involved and giving back to them from our results, we work with the local authorities, industry employers' organizations, associations, foundations and other non-profit organizations, secondary, high school and university institutions and cultural and sports institutions.

We maintain a permanent dialogue with the local communities, through our presence in various consultative, locally representative bodies, including:

- > Social Dialogue Commission attached to the Institution of the Prefect of Bacău County;
- > Local Committee for the Development of Social Partnership (CLDSP) in Bacău and Iași, in which we currently hold the presidency, being co-opted in the Regional Committee for the Development of Social Partnership (CRDPS).).

We also support the community of small entrepreneurs by supporting the activities of the County Employers' Association of SMEs (PJIMM) Bacău, where we disseminate our positive experiences, in the pursuit of common interests.

At the same time, we maintain a dialogue with the other communities relevant to the company, such as the business community in the aviation industry. Thus, our company is represented in the Romanian Aeronautical Industry Employers Organization (OPIAR).

We collaborate with non-profit organizations in the interest of the knowledge and promotion of cultural, historical and educational values, of strengthening the professional prestige of the workers in the aviation industry, of reinforcing the spirit of belonging to the group of elite manufacturers, in leading fields of the Romanian and worldwide industry.

Our company is the initiator of a series of actions together with the Bacău City Hall with a view to setting up a dual education cluster in Bacău. The actions were aimed at setting up a legal association for this purpose, in partnership with the Bacău City Hall, Bacău County Council, Bacău County School Inspectorate, "Vasile Alecsandri" University of Bacău and the Bacău County Employers' Association of SMEs. The North-East Regional Development Agency - a non-profit organization from Piatra Neamț, the technical colleges "Anghel Saligny" and "N.V. Karpen", as well as the "Dimitrie Mangeron" Technological High School from Bacău were also involved along the way. Subsequently, a consortium was formed in accordance with the provisions of the Applicant's Guide for the submittal of a project to obtain funding through the National Recovery and Resilience Program, chapter "Educated Romania", for the setting up of an integrated vocational campus, high school and university, for dual education in Bacău. In 2024 the project was selected for funding.

Aware of the benefits of culture and sport in the educational process, as well as of the positive impact of cultural and sporting events in the community, we sponsor the "AEROSTAR Bacău Cultural and Educational Association" - a non-profit organization with its own legal personality, as well as the AEROSTAR Sports Association, within which a professional football club and an aeromodelling club operate. The AEROSTAR football club, as well as the aeromodelling club, are open to all talented children or young people in the community.

The company's expectations regarding the collaboration with the communities are related to our policy of generating long-term recruitment and selection pools adequate for AEROSTAR's future needs, from among university and college graduates and from the human resource available in the communities within our geographical area.

### **Processes to remediate negative impacts and channels for affected communities to raise concerns**

S3-3

In 2024 - as in all previous years, our company has not recorded any negative impacts on the communities. On the basis of previous positive experiences, the know-how acquired and developed within the company, we will continue to improve our methods and tools to closely and systematically monitor the results of our activities, to identify risks early, to assess impacts, and to identify and implement the necessary corrections and improvement measures in a timely manner.

Our values include strictly prohibiting any retaliation against a person who, in good faith, seeks help or reports a known or suspected wrongdoing. We also promote these values in our relations with our partners.

Any member or representative of a community may file reports, complaints or grievances if they are aware of or believe that they have been affected by a company action, including inaction by the company in a case where it should have acted. The report, complaint, or grievance may be submitted through any means of contact open to the public, in writing, to the company's head office through the company's Registry Office or by mail, fax, e-mail, either in person or through a third party expressly authorized by the owner. The company will act diligently to resolve such reports, complaints or grievances, and they will all be received and resolved, including anonymous complaints. All necessary investigations are carried out with discretion and all cases are solved with respect for the confidentiality of information, principles and measures to protect personal data.



Through our human resources policies, we have in place the following core principles:

- Collecting and processing personal data only within the scope of the responsibilities, and powers assigned and only in the fulfilment of specific job duties;
- Non-disclosure of data to third parties, in an unauthorized manner or outside the scope of their specific job duties;
- Informing the persons concerned of the purpose of data gathering and processing and, where appropriate, obtaining their consent.

**Taking action on material impacts on affected communities and approaches to mitigating material risks and pursuing material opportunities related to affected communities, as well as the effectiveness of those actions**

S3-4

In order to manage and capitalize our offer of secure and better paid jobs to the community, our company continuously carries out actions to publicize its activity and values, to strengthen and promote its image as a top employer, to identify and implement methods and tools specific to human resources marketing, to create solid recruitment pools in the local community and in the immediate vicinity, from where to select new employees. At the same time, after hiring, the company conducts intensive training activities for both new and existing employees; for the company, these activities represent actions to minimize the risk of not having adequately qualified human resources.

In the same spirit of meeting the expectations of the local communities, our company is authorized to organize qualification courses in four trades specific to the aviation industry.

Furthermore, in 2024, the "Centre for assessment of professional competencies obtained by non-formal means" set up within the company was authorized by the National Qualifications Authority. The above authorization allows us to issue certificates of professional competency to any candidates in the community, who would successfully complete the assessment process.

The actions planned and undertaken in relation to the material impact on communities generated by the risk of environmental damage due to the company's activities are outlined in the "Action Plan for the achievement of quality and environmental objectives" for 2024, which includes the following actions:

- analysis of changes in applicable legal and regulatory requirements and update, where necessary, the environmental working instructions;
- training environmental officers regarding the provisions of the environmental working instructions;
- conducting environmental inspections in areas with significant environmental aspects;
- carrying out planned environmental audits.
- 

In order to mitigate the risk of insufficient employment and retention among graduates from the local community, AEROSTAR has carried out in 2024 a campaign to present the company's activity and its job offer to technical universities across the country that train specialists in professions of interest for our business, in the fields of aeronautics, mechanics, electronics, etc. We are interested in and present our offer to future specialists in complementary, collateral or related fields such as: automation, information technology, transportation.



At the same time, we have supported the University of Bacău by participating in debates on the occasion of the audits carried out by the Romanian Agency for Quality Assurance in Higher Education for the accreditation of some faculties within this university. We also have close relations and partnerships with 6 technological high schools or technical colleges in Bacău and Iași that allow their students to do internships in our company, and for a significant part of them we grant private scholarships. At the end of their studies, the students of these high schools and colleges have priority for employment in our company, as we are concerned to capitalize on the opportunity to optimize the expenses with scholarships granted from company funds.

In 2024 no issues and incidents regarding human rights were reported in relation to affected communities.

## **6.4. END USERS**

### **Interests and views of stakeholders**

SBM-2

We have the obligation towards both our customers and end users as well as towards our employees, investors, suppliers, or representatives of the local community to be honest, fair and truthful in all our activities.

We are guided by the responsibility for sustainable development, we are consistent in applying the best practices in the field and, in alignment with the practices of our business partners, we transparently provide information, explanations and data in these categories of non-financial and financial reporting.

Satisfying customer requirements, complete safety for the users of our products and services are the principles that guide our activities.

We believe that all parties involved in the aerospace industry have a defining role to play in further enhancing air safety. The aviation industry is built on compliance with regulations, as a result AEROSTAR respects, enforces and complies with these regulations, constantly acting at all levels to prevent any form of risk and to deliver safe products and services.

AEROSTAR's activities are carried out based on commercial contracts with our customers. AEROSTAR products equip civil and military airplanes and our MRO services are intended for the aircraft of the commercial airlines and for the maintenance of military aircraft of the Romanian Army.

We consider that for AEROSTAR, the end-users in the field of aeronautical manufacturing are the integrators of our products into the final product. In the field of civil aircraft MRO, the end-users are the airlines, and in the field of military aircraft MRO, the end-user is the Ministry of National Defence, AEROSTAR being the first-tier supplier for it.

The interests, views and rights of the end-users are integrated into the business model through policies relating to product management, quality assurance, delivery of quality products and services, full safety for users along with continuous performance improvement.

This chapter should be read in conjunction with "AEROSTAR Activity and Products" and "AEROSTAR Presence on the Global Market",

### **Material impacts, risks and opportunities and their interaction with business strategy and business model**

SBM 3-IRO 1

AEROSTAR's strategy and business model (see page nr. 24) are designed in such a way that their impacts are positive or minimize potential negative impacts, appropriately manage the risks and opportunities arising from the actions with our customers, end-users or other stakeholders.

Since we believe that the entire value chain and our stakeholders need easily accessible and transparent information about the impacts of our operations, the double materiality analysis has been conducted from both a positive and a negative perspective.

Topic	Description of the impact	Risk
Safety of products and services	<b>Negative Potential</b> End-users' diminished confidence in case of incidents.	Risk of end-user incident if not all applicable requirements are met.
<b>The risk has financial effects</b>		

End-users' diminished confidence in the case of incidents is a risk that can have material financial effects. Our approach to mitigating this risk includes proactive monitoring and quality assurance measures, as well as transparent communication with the end-users in order to maintain and build their trust. We are committed to providing high-quality products and services, meeting all safety and compliance standards, to minimize risk and maximize our customers' satisfaction.

### Policies related to consumers and end users

#### S4-1

The policies adopted by AEROSTAR S.A. have the following strategic objectives: satisfying the requirements of our customers and end-users, complying with the legal and regulatory requirements applicable to the activities carried out, enhancing environmental performance, full safety for the users of AEROSTAR S.A. products and services, as well as continuous improvement of the competitiveness of our products and services.

The actions of AEROSTAR S.A. are therefore aimed at continuously adapting the management system to respond effectively to changes in the global market, appropriately allocating responsibilities and roles in relation to the changes, but also ensuring an inclusive organizational culture for adherence to the necessary measures.

AEROSTAR S.A. respects and guarantees equal and non-discriminatory treatment in relations with its partners, collaborators and customers. The company's personnel behave in a professional manner, transparently and impartially ensures diversity and equal opportunities in relations with all stakeholders, avoiding any action that could be construed as an act of discrimination. AEROSTAR shows respect!

We fully comply with national and international standards and regulations, applicable to environmental, social and personnel aspects, human rights, anti-corruption and anti-bribery, and the promotion of diversity.

In AEROSTAR business relationships are protected by contracts or confidentiality agreements to ensure the protection of company data and sensitive information.

Our management system ensures the privacy of our customers' data by adopting effective strategies that help us prevent privacy breach issues. Because of our management system and our consistency in improving its effectiveness, there have been no complaints from our customers or end-users about non-compliance with the privacy regulations.

The executive management is also concerned with ensuring compliance with all the existing anti-corruption policies and procedures, including the whistleblower mechanism also stipulated in the Romanian law. For the reporting of problematic aspects, with the implementation of OHS policies, potential hazards, unintentional errors and near misses can be reported, regulated by the "Voluntary Reporting" procedure. "

In 2024 there were no complaints about breaches of customer confidentiality; no complaints received from stakeholders; no complaints from regulatory bodies; no loss of customer data.

### **Processes for engaging with consumers and end users about impacts**

S4-2

AEROSTAR S.A. is a company that aims to accomplish its business portfolio by consistently pursuing the highest standards of business ethics.

We attach great importance to communication and transparency so that our customers or end-users benefit from direct communication through emails, phone or fax numbers listed on the company's website and other means listed in the "Stakeholders" table. At the same time, in business relations, each operational department within the company is in direct communication with the corresponding departments owned by the customers. Also, the marketing and development department has a communication office acting as a public relations office.

Transparent communication strengthens and consolidates our partnerships. This approach enables us to expand our market presence and develop long-term relationships.

Closely linked to this chapter is the chapter "The role of the administration, management and supervisory bodies" (see page 15).

### **Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

S4-3

Recognizing the importance of protecting the well-being of the end users of our products and preventing potential impacts, we fully follow procedures so as to manufacture products according to our customers' specifications. AEROSTAR S.A. has action plans and targets to reduce the risk of non-conformities and to eliminate the related cost when they occur.

In our sustainability policy we are committed to ensuring the highest standards of quality, reliability and safety.

### **Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, as well as the effectiveness of those actions**

S4-4

The relevant certification bodies audit the production facilities and support functions at least annually, conducting surveillance audits, and these are recertified every three years. We hold EASA, FAA and EMAR certifications which cover design, production and repair. Added to these are the authorizations obtained following the audits conducted by our customers.

AEROSTAR S.A. directly checks the compliance with the internal procedures and policies through constant internal audits.

We are certified according to ISO 9001 or EN/AS9100 management standard, which aligns us to the international quality standards.

Our products are made and our services are provided in full compliance with the requirements of our customers and users and with the legal and regulatory requirements in order to respect the health and safety of users.

The risk management system consists of a set of rules, methods and organizational structures designed to ensure the identification, assessment, mitigation and monitoring of critical risks relevant to AEROSTAR S.A.

In the collaborations of AEROSTAR S.A., no real negative impacts on the end consumers have been identified.

## 7. PROFESSIONAL CONDUCT

### Impacts, risks, opportunities

The sustainability aspects analysed in relation to the professional conduct are those specified in the thematic standard and in Appendix AR16, as well as some aspects identified outside the standard.

The impacts on the professional conduct can directly influence the relationships with our customers, employees, suppliers and business partners, thus affecting our reputation, trust and effectiveness.

Sub-theme	Impact (I)	Risk (R)	Opportunity (O)
Concerns about behaviour that is illegal or contravenes the code of conduct or the internal norms	<b>Real Positive</b> Promoting the responsibility to comply with the legal provisions and the code of business conduct or other internal norms as core values of the organizational culture	Reputational risk, restricted access to finance, fines resulting from non-compliance with governance standard requirements	
Business conduct	<b>Real Positive</b> Credibility in the business environment, based on the established and respected ethical business conduct (the company being freely traded on the capital market)	Reputational risk, loss of credibility in the business community, reduction in the number of active investors	Improving control over the way the provisions of the company's Code of Conduct and Ethics are respected
Payment practices	<b>Real Positive</b> Fair payment practices, on agreed terms to all suppliers who fulfil their contractual obligations. The company is concerned with minimizing supply chain risks and maintaining a strong supply chain with high supply capacity	Weakening the supply chain through late payment or non-payment of invoices Inability to deliver on time	
Supply chain and impacts on sustainability aspects			
The impacts analysed are not material and the risks are not financially material.			

### Policies related to professional conduct and corporate culture

#### G1-1

AEROSTAR upholds the company's principles and values honestly, fairly and with integrity and consistently strives to comply with the highest standards of business ethics, having voluntarily adopted the AEROSTAR Code of Business Conduct and Ethics for many years.

This code is posted on the company's website [www.aerostar.ro](http://www.aerostar.ro) and is part of the collective labour agreement. To the extent that this code requires a higher standard than that required by trade practice or applicable laws, rules or regulations, we adhere to those higher standards.

This code is mandatory for administrators, employees and is adopted in all matters that concern our employees, as well as our investors, customers, suppliers, representatives of the local community, other business partners and contains general guidelines for conducting the company's business in accordance with the highest standards of business ethics.

The company has a simple and straightforward policy on the rules of conduct and behaviour that its employees and agents must follow when conducting company business. They must do what is right, comply with all legal requirements, behave honestly and with integrity, treat people fairly, respect diversity, accept responsibility, communicate openly and always maintain an impeccable behaviour. These requirements are generally referred to as 'ethics'. Every employee has an obligation to maintain these high ethical standards at all times, even if doing so may result in loss of business for the company. No employee should ever believe that a compromising or unethical situation (not complying with business ethics) can be justified by achieving a business result. Anyone who violates these rules of conduct and behaviour may be subject to disciplinary sanctions, including disciplinary termination of the CIM and/or penal or civil penalties.

The Board of Directors pays special attention to the compliance with corporate governance principles in order to ensure:

- the achievement of sustainable performance of the development;
- the accuracy and transparency of the company's decision-making process;
- respect for the rights and equitable treatment of the shareholders by protecting and exercising their prerogatives;
- transparency and access to information through regular publication of relevant financial and operational information.

## **Management of relationships with suppliers**

### **G1-2**

Through its policies, the company ensures that it aligns with internationally recognized instruments relevant to the value chain workers regarding business and human rights. Through its contractual requirements, AEROSTAR requires its suppliers to comply with the labour legislation applicable in their country of origin.

The Supplier Code of Conduct represents the expectations we have of our suppliers to ensure a healthy business relationship in accordance with our values, principles and ethical standards. If the expectations of this code are not met, the business relationship may be revised and AEROSTAR S.A. may propose corrective actions to the terms of the contract(s).

AEROSTAR S.A. has also defined in its General Conditions of Purchase its requirements for suppliers on ethics and compliance with labour legislation.

Notes: This chapter is dealt with in conjunction with the Stakeholders and S2-Value Chain Workers



## **Prevention and detection of corruption and bribery**

### **Incidents of corruption or bribery**

G1-3

As mentioned above, the Company's Code of Business Conduct and Ethics also clarifies the Company's position on the detection of corruption and bribery.

Thus, each employee is under the obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws relating to bribery and illegal commissions, copyrights, trademarks and trade secrets, confidentiality of information, illegal political contributions, antitrust interdictions, anti-corruption practices, the giving or accepting of gratuities, environmental risks, workplace discrimination or harassment, occupational health and safety, false or misleading (erroneous) financial information or misuse of corporate assets. Each employee must understand and comply with all laws, rules and regulations applicable to the position he/she holds.

If an employee discovers a questionable, fraudulent or illegal event that is or may be a violation of our policies and could harm us, he or she is obligated to report it immediately to management who will take all necessary steps to verify the veracity of the event.

In our company, the employees and citizens of our community can address requests, complaints, notifications and proposals to the management through hearings. The hearings are held by the Chief Executive Officer and, in his absence, by his substitute.

Depending on the issues notified, measures and deadlines for their settlement shall be laid down. The final resolution of the issue will be communicated in writing, by e-mail, fax or phone by the designated person after the issue has been definitively resolved during a hearing.

In 2024, there were no reported concerns or requests for counselling regarding unethical or illegal behaviour and organizational integrity in our company, no incidents of corruption, no employees dismissed or sanctioned for acts of corruption, and no incidents of corruption leading to the termination or refusal to renew contracts with our business partners.

The company is committed to complying with the applicable national and international legislation on the prevention of corruption and bribery and has not been involved in any incidents of this nature, nor have any legal actions been filed in relation to these matters, during 2024.

At the same time, we ensure compliance with the same standard with regard to the prevention of corruption and bribery by establishing contractual obligations with our partners, suppliers or customers to comply with these provisions and to report incidents of this nature immediately.

## **Political influence and lobbying activities**

G1-5

In 2024, we did not make any political donations or implement any lobbying activities. AEROSTAR S.A. has no concerns regarding political influence or political affiliations of any kind.

Moreover, none of the members of the Board of Directors or members of the management and supervisory bodies have held a comparable position in public administration (including regulatory authorities) during 2024.

## **Payment practices**

G1-6

Our company has fair payment practices, and in 2024 no late payments were reported and no legal actions were taken regarding AEROSTAR S.A.'s non-compliance with the payment terms. The Company is concerned with the matters related to combating money laundering and the financing of terrorism, having implemented internal procedures in this regard, which describe the organizational measures, the manner of identifying and reporting suspicious transactions as well as keeping records related to these transactions.

## 8. ADDITIONAL TOPICS

In these additional topics no risks of material real impact are identified.

Internal control tools, existing security procedures and systems, systematic monitoring and enforcement of AEROSTAR S.A. policies are taken into account in order to ensure cyber security measures and compliance with customs control regulations.

To avoid risks related to information system security, a plan with measures for the implementation of ISO 27001 standard is in place and regular "Security Awareness" courses are envisaged.

Sub-theme Additional Topic	Impact (I)	Risk (R)	Opportunity (O)
Compliance with export/import control regulations	<b>Negative Potential</b> The company's activities may be negatively affected if export control regulations are not complied with	Failure to comply with the regulations affects the company by placing it on the list of denied entities (affects military operations internally and civil and military operations externally)	
The impacts analysed are not material and the risks are not financially material.			

Sub-theme Additional Topic	Impact (I)	Risk (R)	Opportunity (O)
Security incident - data loss	<b>Negative Potential</b> Interruption of activity for a longer period of time	Reputational risk, delayed deliveries, costs related to incident remediation	
GDPR data	<b>Negative Potential</b> Loss of personal data confidentiality	Reputational risk, costs related to incident remediation	
The impacts analysed are not material and the risks are not financially material.			

## 9. APPENDICES

### Appendix 1

#### **Report in accordance with Article 8 of (EU) Regulation (EU) 2020/852 of the European Parliament and of the Council ("Taxonomy Regulation")**

##### **1. INTRODUCTION**

In 2023, the European Commission published a delegated act for the EU Taxonomy Regulation, which includes a set of specific criteria for the aviation sector. This initiative recognizes the decarbonization potential of the latest generations of commercial aircraft. This potential is manifested through the replacement of the current fleet and an ambitious increase in the use of Sustainable Fuels (SAF), as well as "zero direct tailpipe CO2 emissions" technologies".

##### **Technical Screening Criteria**

The Technical Screening Criteria (TSCs) have been progressively developed in line with the six environmental objectives set by the Climate Delegated Act (applicable from January 1, 2022) and the complementary Climate Delegated Act (applicable from January 1, 2023).

The European Commission has adopted a delegated act targeting economic activities that contribute significantly to other environmental objectives and has amended the Climate Delegated Act by adding additional economic activities and criteria, including in the aviation sector.

##### **Disclosing the regulations**

The European Union Taxonomy is designed to establish a list of economic activities that are considered environmentally sustainable. This taxonomy is defined in accordance with the (EU) Regulation 2020/852 of the European Parliament and of the Council, known as the 'Taxonomy Regulation'. The information disclosed must be in line with Article 8 of this Regulation, which requires companies to disclose how their activities contribute to the environmental objectives set by the EU. In addition, the European Commission Delegated Regulation (EU) 2021/2139 specifies the technical screening criteria for determining whether an economic activity contributes substantially to climate change mitigation and adaptation. The (EU) Delegated Regulation 2023/2486 extends and updates these criteria to include new economic activities and to ensure compliance with the latest EU environmental objectives.

The Taxonomy focuses on six major environmental objectives, each with specific sets of criteria that must be met for an economic activity to be classified as environmentally sustainable. To be aligned with the Taxonomy, an eligible activity must comply with the criteria of Substantial Contribution to Multiple Objectives, the DNSH criteria and the minimum safeguards.

##### **2. ASSESSING THE ACTIVITIES AND THE COMPLIANCE WITH THE TAXONOMY**

AEROSTAR has made a detailed analysis of the exposure to taxonomy-eligible activities in accordance with the applicable delegated acts. In addition, it has assessed the compliance with the relevant Technical Screening Criteria (TSC), including the DNSH (Do No Significant Harm) criteria and the minimum safeguards required. The review of the economic activities was carried out in consultation between the financial and technical departments, and the assessment process included an overall analysis of our contribution to the climate change mitigation objective.

## Eligible economic activities

The company's activities identified as eligible for taxonomy are those described in the Technical Screening Criteria, as per paragraph 3.21, relating to aircraft manufacturing - described as "manufacture, repair, maintenance, overhaul, overhaul, reconditioning, design, conversion and modernization of aircraft and aircraft parts and equipment", in accordance with NACE codes C30.3 and C33.1.6.

According to the technical screening criteria for "Aircraft Manufacturing", the substantial contribution to climate change mitigation can be assessed in two ways: a) for aircraft with "zero direct tailpipe CO<sub>2</sub> emissions" or b) for aircraft meeting the performance criteria for CO<sub>2</sub> emissions set out in the ICAO standards. Given that the ICAO standard only applies to commercial aircraft and that alignment with this standard will be reported from 2025 onwards, which means that aircraft manufacturers and operators need to ensure that their fleets comply with these requirements in order to contribute to climate change mitigation, the assessment of alignment against these criteria is only relevant for commercial aircraft products.

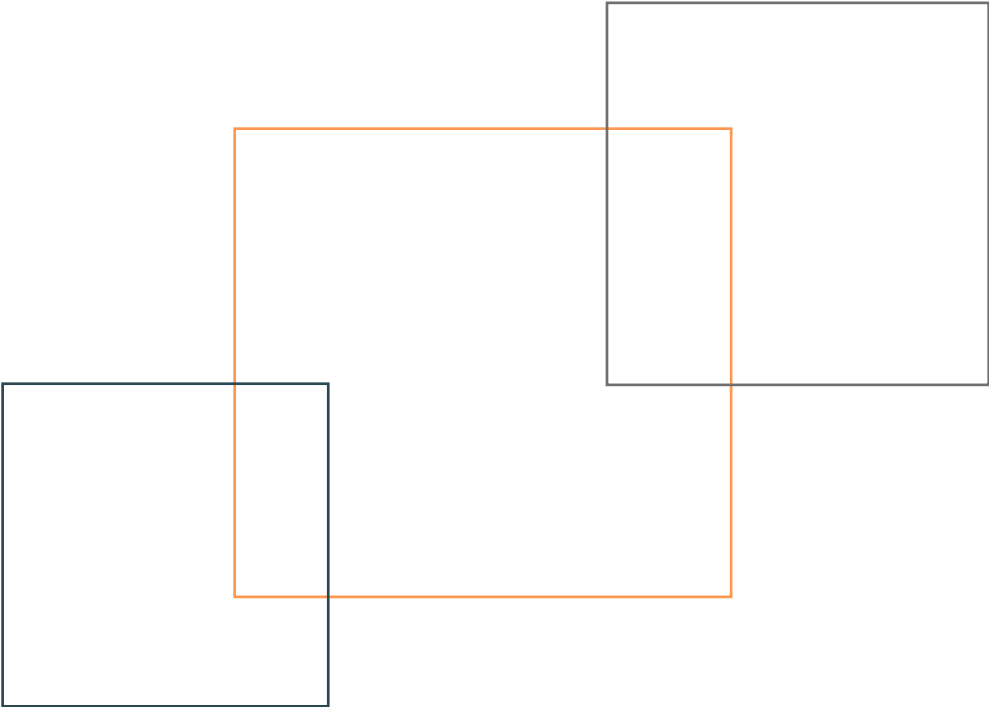
The company's EU taxonomy reporting covers the following scope: the EU taxonomy's share of turnover, capital expenditure ("CapEx") and operating expenditure ("OpEx") and total assets. We valued and allocated turnover, CapEx, OpEx and total assets through a process of correlation between the activities specified in the EU Taxonomy and our internal portfolio of revenues, investments and expenses. In the context of EU Taxonomy reporting, the company may omit economic activities that do not exceed 1% of total turnover, CapEx, OpEx or total assets, as they are deemed not to have a material impact on the reporting purpose.

As a manufacturer of parts and subassemblies for the aviation industry, as well as a provider of maintenance and repair services, the majority of the company's revenue, CapEx, OpEx and total assets are related to the Aircraft Manufacturing business. As the "Aircraft Manufacturing" activity contributes to climate change mitigation, it can also contribute to the rest of the environmental objectives. The company has assessed this contribution to any other objective as being insignificant for reporting purposes and is therefore reporting the contribution to climate change mitigation only.

In line with the requirements set for Activity 3.21 Aircraft Manufacturing regarding the substantial contribution to climate change mitigation, the company has identified the following relevant aspects that prevent the compliance with the technical selection criteria:

- Compliance with CO<sub>2</sub> emission requirements: At the time of reporting, the company is unable to determine the proportion of aircraft meeting the CO<sub>2</sub> emission metric specified in the ICAO standard as specified in point (b) of the technical selection criteria. The absence of official certification of CO<sub>2</sub> metric values or a declaration of compliance with the requirements prevents a full assessment of eligibility.
- Calculation of aircraft replacement rate: To date there is no officially published indicator on the replacement ratio and the company does not have a database with the necessary information to calculate this indicator as required by the EU Taxonomy.

Despite these constraints, the company reaffirms its commitment to sustainability and compliance with the applicable regulations. The company will continue to monitor the legislative developments and assess its business activities in order to align with the requirements of the EU Taxonomy. The Company expects the reporting to evolve as additional information required for the analysis becomes available as described above. Future guidance on the EU Taxonomy may result in updated definitions and further decisions on the reporting obligations.



[illegible]

Financial year		Year 2024		Criteria for substantial contribution						Does Not Significantly Harm (DNSH) criteria									
Economic Activities (1)	Code (a) (2)	Turnover	Proportion of turnover(4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned turnover (A.1.) or taxonomy eligible (A.2.) turnover, year 2023 (18)	Facilitation activity category (19)	Transition activity category (20)
Text		RON	%	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitating	Transitional
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%													0%		
Of which facilitating		0	0%	0%															
Of which transitional		0	0%	0%															
A.2 Activities eligible in terms of taxonomy but which are not environmentally sustainable (not taxonomy-aligned activities) (g)																			
Aircraft manufacturing	CCM 3.21	584,004,013	100%	N	N	N	N	N	N	D	D	D	D	D	D	D	0%	Facilitating	
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								0%		
Turnover of taxonomy-eligible but environmentally non-sustainable activities (not taxonomy-aligned activities) (A.2)		584,004,013	100%	0%	0%	0%	0%	0%	0%										
A. Turnover of taxonomy eligible activities (A.1+A.2)		584,004,013	100%	100%	0%	0%	0%	0%	0%										
B. ACTIVITIES THAT ARE TAXONOMY-NON-ELIGIBLE																			
Turnover of activities that are taxonomy-non-eligible		0	0%																
TOTAL (A+B)		584,004,013	100%																



[illegible]

Financial year	Year 2024			Criteria for substantial contribution						Does Not Significantly Harm (DNSH) criteria									
Economic Activities (1)	Code (a) (2)	Turnover	Proportion of turnover(4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity(10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy- aligned turnover (A.1.) or taxonomy eligible (A.2.) turnover, year 2023 (18)	Facilitation activity category (19)	Transition activity category (20)
Text		RON	%	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitating	Transitional

**A.1. Environmentally sustainable activities (taxonomy-aligned)**

Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	0	0%	0%		0%	
Of which facilitating	0	0%	0%		0%	
Of which transitional	0	0%	0%		0%	

**A.2 Activities eligible in terms of taxonomy but which are not environmentally sustainable (not taxonomy-aligned activities) (g)**

Aircraft manufacturing	CCM 3.21	26,625,246	100%	N	N	N	N	N	N	D	D	D	D	D	D	D	0%	Facilitating	
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Turnover of taxonomy-eligible but environmentally non-sustainable activities (not taxonomy-aligned activities) (A.2)		26,625,246	100%	0%	0%	0%	0%	0%	0%										0%
A. Turnover of taxonomy eligible activities (A.1+A.2)		26,625,246	100%	100%	0%	0%	0%	0%	0%										0%

Turnover of activities that are taxonomy-non-eligible	0	0%
TOTAL (A+B)	26,625,246	100%

OpEx

Financial year	Year 2024			Criteria for substantial contribution						Does Not Significantly Harm (DNSH) criteria														
Economic Activities (1)	Code (a) (2)	Turnover	Proportion of turnover(4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy- aligned turnover (A.1.) or taxonomy eligible (A.2.) turnover, year 2023 (18)	Facilitation activity category (19)	Transition activity category (20)					
Text		RON	%	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitating	Transitional					
A. TAXONOMY ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (taxonomy-aligned)																								
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%													0%							
Of which facilitating		0	0%	0%													0%							
Of which transitional		0	0%	0%													0%							
A.2 Activities eligible in terms of taxonomy but which are not environmentally sustainable (not taxonomy-aligned activities) (g)																								
Aircraft manufacturing	CCM 3.21	19,930,599	100%	N	N	N	N	N	N	D	D	D	D	D	D	D	0%	Facilitating						
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)															
Turnover of taxonomy-eligible but environmentally non-sustainable activities (not taxonomy-aligned activities) (A.2)		19,930,599	100%	0%	0%	0%	0%	0%	0%													0%		
A. Turnover of taxonomy eligible activities (A.1+A.2)		19,930,599	100%	100%	0%	0%	0%	0%	0%													0%		
B. ACTIVITIES THAT ARE TAXONOMY-NON-ELIGIBLE																								
Turnover of activities that are taxonomy- non-eligible		0	0%																					
TOTAL (A+B)		19,930,599	100%																					

[illegible]

Financial year	Year 2024			Criteria for substantial contribution						Does Not Significantly Harm (DNSH) criteria									
Economic Activities (1)	Code (a) (2)	Turnover	Proportion of turnover(4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity(10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy- aligned turnover (A.1.) or taxonomy eligible (A.2.) turnover, year 2023 (18)	Facilitation activity category (19)	Transition activity category (20)
Text		RON	%	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Facilitating	Transitional

**A.1. Environmentally sustainable activities (taxonomy-aligned)**

Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	0	0%	0%		0%	
Of which facilitating	0	0%	0%		0%	
Of which transitional	0	0%	0%		0%	

A.2 Activities eligible in terms of taxonomy but which are not environmentally sustainable (not taxonomy-aligned activities) (g)

Aircraft manufacturing	CCM 3.21	26,625,246	100%	N	N	N	N	N	N	D	D	D	D	D	D	D	0%	Facilitating	
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Turnover of taxonomy-eligible but environmentally non-sustainable activities (not taxonomy-aligned activities) (A.2)		26,625,246	100%	0%	0%	0%	0%	0%	0%										0%
A. Turnover of taxonomy eligible activities (A.1+A.2)		26,625,246	100%	100%	0%	0%	0%	0%	0%										0%

## B. ACTIVITIES THAT ARE TAXONOMY-NON-ELIGIBLE

Turnover of activities that are taxonomy-non-eligible	0	0%
TOTAL (A+B)	26,625,246	100%

## Appendix 2

### Employees by type of contract, broken down by gender

2023				
FEMALE	MALE	OTHER*	UNDECLARED	TOTAL
Number of employees (number of persons)				
539	1.307	0	0	1.846
Number of permanent employees (number of persons)				
523	1.229	0	0	1.752
Number of temporary employees (number of persons)				
16	78	0	0	94
Number of employees with non-guaranteed working hours (number of persons)				
0	0	0	0	0
Number of full-time employees (number of persons)				
538	1.306	0	0	1.844
Number of part-time employees (number of persons)				
1	1	0	0	2

2024				
FEMALE	MALE	OTHER*	UNDECLARED	TOTAL
Number of employees (number of persons)				
553	1.330	0	0	1.883
Number of permanent employees (number of persons)				
528	1.224	0	0	1.752
Number of temporary employees (number of persons)				
25	106	0	0	131
Number of employees with non-guaranteed working hours (number of persons)				
0	0	0	0	0
Number of full-time employees (number of persons)				
552	1.329	0	0	1.881
Number of part-time employees (number of persons)				
1	1	0	0	2

\*The gender is as mentioned by the employees.

### Appendix 3

#### Employees by site and type of contract, broken down by gender

2023			
	FEMALE	MALE	TOTAL
Number of employees - Bacău	531	1.238	1.769
Number of employees - Iași	8	69	7
Total number of employees	539	1.307	1.846

2024			
	FEMALE	MALE	TOTAL
Number of employees - Bacău	542	1.253	1.795
Number of employees - Iași	11	77	88
Total number of employees	553	1.330	1.883

2023			
	FEMALE	MALE	TOTAL
Total number of employees	539	1.307	1.846
Employees on permanent contracts	495	1.111	1.606
Employees on fixed-term contracts	44	196	240
Full-time employees	538	1.306	1.844
Part-time employees	1	1	2

2024			
	FEMALE	MALE	TOTAL
Total number of employees	553	1.330	1.883
Employees on permanent contracts	498	1.129	1.627
Employees on fixed-term contracts	55	201	256
Full-time employees	552	1.329	1.881
Part-time employees	1	1	2

## Gender distribution by number and percentage at management level

2023			
	FEMALE	MALE	TOTAL
Number of management employees	47	135	182
Percentage of management employees	26%	74%	100%

2024			
	FEMALE	MALE	TOTAL
Number of management employees	49	140	189
Percentage of management employees	26%	74%	100%

## Personnel structure by age groups and gender

2023			
	FEMALE	MALE	TOTAL
< 30 YEARS	79	301	380
31-50 YEARS	294	497	791
> 50 YEARS	166	509	675
Total	539	1.307	1.846

2024			
	FEMALE	MALE	TOTAL
< 30 YEARS	83	341	424
31-50 YEARS	304	499	803
> 50 YEARS	166	490	656
Total	553	1.330	1.883

2023			
	FEMALE	MALE	TOTAL
< 30 YEARS	4%	16%	20%
31-50 YEARS	16%	27%	43%
> 50 YEARS	9%	28%	37%
Total	29%	71%	100%

2024			
	FEMALE	MALE	TOTAL
< 30 YEARS	4%	18%	23%
31-50 YEARS	16%	27%	43%
> 50 YEARS	9%	26%	35%
Total	29%	71%	100%

## Appendix 4

### ESRS REPORTING REQUIREMENTS COVERED BY THE SUSTAINABILITY STATEMENT

Standard	Disclosure requirements (RR)	Applicable data points
ESRS S2	BP-1-General basis for preparing the sustainability statements	5(a), 5(c), 5(d)
	BP-2- Reporting information regarding specific circumstances	13(a), 15,16, AR 2
	GOV-1 - The role of the administrative, management and supervisory bodies	21, 22, 23, Ar3
	GOV -2 – Information provided to the company's administrative, management and supervisory bodies and sustainability aspects addressed by them	26(a), 26(b)
	GOV-3- Integrating sustainability performance into incentive schemes	27
	GOV-4 - Statement on due diligence	30, AR 10
	GOV-5 - Risk management and internal controls related to sustainability reporting	34
	SBM-1 - Strategy, business model and value chain	40(a), 40(b), 42
	SBM-2 - Stakeholders' interests and views	45
	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	48
	IRO-1 - Description of processes to identify and assess material impacts, risks and opportunities	53
	IRO-2 – Disclosure requirements in ESRS covered by the company's sustainability statement	56,59
	MDR-P Policies - Policies adopted to manage material sustainability aspects	
	MDR-A Actions - Actions and resources in relation to material sustainability aspects	
	Indicators and targets	
	MDR-M – Metrics in relation to material sustainability matters	
	MDR-T Targets - Tracking the effectiveness of policies and actions through targets	



Standard	Disclosure requirements (RR)	Applicable data points
<b>ESRS E1 – Climate change</b>	E1-1 – Transition plan for climate change mitigation	17
	E1-2 – Climate change mitigation and adaptation policies	22, 25
	E1-3 – Climate change policy actions and resources	26
	E1-4 – Climate change mitigation and adaptation targets	30
	E1-5 – Energy consumption and energy mix	35,37,39
	E1-6 – Gross emissions of GHG categories 1, 2, 3 and total GHG emissions	44,48,49,53
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	
	E1-8 – Internal carbon pricing	62
	E1-9 – Anticipated financial impacts of material physical and transition risks and potential climate-related opportunities	64
<b>ESRS E2 – Pollution</b>	E2-1 – Pollution-related policies	12
	E2-2 – Pollution actions and resources	16
	E2-3 – Targets related to pollution	20, 23
	E2-4 – Air, water and soil pollution	26
	E2-5 – Substances of concern and substances of very high concern	32, 35
	E2-6 – Anticipated financial effects of pollution-related impacts, risks and opportunities	36
<b>ESRS E3 – Water and marine resources</b>	E3-1 – Water and marine resources-related policies	9
	E3-2 – Actions and resources related to water and marine resources	15
	E3-3 – Targets related to water and marine resources	20
	E3-4 – Water consumption	26, 29
	E3-5 – Anticipated financial effects of impacts, risks and opportunities related to water and marine resources	
<b>ESRS E4 – Biodiversity and ecosystems</b>	E4-1 – Transition plan and consideration of biodiversity and ecosystems in the strategy and business model	
	E4-2 – Biodiversity and ecosystems policies	
	E4-3 – Actions and resources related to biodiversity and ecosystems	
	E4-4 – Targets related to biodiversity and ecosystems	
	E4-5 – Impact metrics related to biodiversity and ecosystems change	
	E4-6 – Anticipated financial impacts from biodiversity and ecosystem-related risks and opportunities	

Standard	Disclosure requirements (RR)	Applicable data points
<b>ESRS E5 – Resource use and circular economy</b>	E5-1 – Policies related to resource use and circular economy	12
	E5-2 – Actions and resources related to resource use and the circular economy	17
	E5-3 – Targets related to resource use and circular economy	21
	E5-4 – Resource inflows	
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	E5-6 – Anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts	41

Standard	Disclosure requirements (RR)	Applicable data points
<b>ESRS S1</b>  <b>Own workforce</b>	S1-1 – Own workforce policies	19, 20 (a), 20 (b), 20 (c), 21, 23, 24 (a), 24 (b), 24 (c), 24 (d), AR 13
	S1-2 – Processes for engaging with own workers and workers' representatives on impacts	27 (a), 27 (b), 27 (c), 27 (e), 28
	Processes to remediate negative impacts and channels for own workers to raise concerns	32 (a), 32 (b), 32 (c), 32 (d), 32 (e), 33
	S1-4 – Taking action on material impacts on own workforce and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	38 (a), 38 (b), 38 (c), 38 (d), 40 (a), 40 (b), 41, 43, AR 42
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	46, 47 (a), 47 (b), 47 (c)
	S1-6 – Characteristics of the company's employees	50 (a), 50 (b) i., 50 (b) ii., 50 (b) iii., 50 (c), AR 55
	S1-7 – Characteristics of non-employee workers in the company's own workforce	55 (a)
	S1-8 – Coverage of collective negotiations and social dialogue	60 (a)
	S1-9 – Diversity metrics	66 (a), 66 (b)
	S1-10 – Adequate salaries	69
	S1-11 – Social protection	74 (a), 74 (b), 74 (c), 74 (d), 74 (e)
	S1-12 – People with disabilities	79
	S1-13 – Training and skills development metrics	83 (a), 83 (b)
	S1-14 – Health and safety metrics	88 (a), 88 (b), 88 (c), 88 (d), 88 (e), AR 91
	S1-15 – Work-life balance metrics	93 (a), 93 (b)
	S1-16 – Remuneration metrics (pay gap and total remuneration)	97 (a), 97 (b), AR 100, AR 101 (a)
	S1-17 – Incidents, complaints and severe human rights issues and incidents	102, 103 (a)

Standard	Disclosure requirements (RR)	Applicable data points
<b>ESRS S2 Workers in the value chain</b>	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business models	11, 11 a) i÷, 11 b), 11 c), 11 e)
	S2-1 - Policies related to value chain workers	17, 18, 19, AR.15, AR.12, AR.16
	S2-2 – Processes for engaging with value chain workers about impacts	22. a÷b), 22. c), 22. d), 22. e)23
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	27 a), 27 b÷d), 28, AR25
	S2-4 – Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and the effectiveness of those actions	32, 33,36
	S2-5 – Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	

Standard	Disclosure requirements (RR)	Applicable data points
<b>ESRS S3 Affected communities</b>	S3-1 - Policies related to affected communities	12, 16, 17
	S3-2 – Processes for engaging with affected communities about impacts	19, 21 (c, d), 22
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	25, 27 (b, c, d), 28
	S3-4 – Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and the effectiveness of those actions	30, 32 (a,c), 33 (b), 34, 36
	S3-5 – Targets related to managing material negative impacts, promoting positive impacts and managing materials risks and opportunities	

Standard	Disclosure requirements (RR)	Applicable data points
	S4-1 - Policies related to consumers and end-users	
	S4-2 – Processes for engaging with consumers and end-users about impacts	
<b>ESRS S4</b>	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
<b>Consumers and end-users</b>	S4-4 – Taking action on material impacts on consumers and end-users and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions	
	S4-5 – Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	

Disclosure requirement and related data point	SFDR reference(1)	Pillar 3(2) reference	Reference in the Benchmarks Regulation(3)	EU Climate Law Reference(4)
<b>ESRS E1-4</b> GHG emission reduction targets point 34;	Indicator No. 4 in Table 2 of Annex 1	Article 449a (EU) Regulation No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Climate Change Transition Risk: Alignment Indicators	Delegated Regulation (EU) 2020/1818, Article 6	
<b>ESRS E1-5</b> Energy consumption and mix point 37	Indicator No. 5 in Table 1 of Annex 1			
<b>ESRS E1-6</b> Gross scopes 1, 2, 3 and total GHG emissions point 44	Indicators 1 and 2 in Table 1 of Annex 1	Article 449a of (EU) Regulation No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8 paragraph (1)	
<b>ESRS E1-6</b> Intensity of gross GHG emissions paragraphs (53)-(55)	Indicator No. 3 in Table 1 of Annex 1	Article 449a of (EU) Regulation No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Climate change transition risk: alignment indicators	Delegated Regulation (EU) 2020/1818, Article 8 paragraph (1)	
<b>ESRS E1-7</b> GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2 paragraph (1)
<b>ESRS E2-4</b> Quantity of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register "E-PRTR Regulation" emitted to air, water and soil, point 28	Indicator No. 8 in Table 1 of Annex 1 Indicator No. 2 of Table 2 in Annex 1 Indicator No. 1 of Table 2 in Annex 1 Indicator No. 3 of Table 2 in Annex 1			

Disclosure requirement and related data point	SFDR reference(1)	Pillar 3(2) reference	Reference in the Benchmarks Regulation(3)	EU Climate Law Reference(4)
<b>ESRS E3-1</b> Water and marine resources point 9	Indicator No. 7 of Table 2 in Annex 1			
<b>ESRS E3-1</b> Specific policy point 13	Indicator No. 8 of Table 2 in Annex 1			
<b>ESRS E3-4</b> Total water recycled and reused point 28©	Indicator No. 6.2 of Table 2 in Annex 1			
<b>ESRS E3-4</b> Total water consumption in its own operations in m3 per net revenue paragraph 29	Indicator No. 6.1 of Table 2 in Annex 1			
<b>ESRS 2- IRO 1 - E4</b> point 16(a) (I)	Indicator No. 7 of Table 1 in Annex 1			
<b>ESRS 2- IRO 1 - E4</b> point 16 (b)	Indicator No.10 of Table 2 in Annex 1			
<b>ESRS 2- IRO 1 - E4</b> point 16 ©	Indicator No. 14 of Table 2 in Annex 1			
<b>ESRS E5-5</b> Non-recycled waste point 37(d)	Indicator No. 13 of Table 2 in Annex 1			
<b>ESRS E5-5</b> Hazardous waste and radioactive waste point 39	Indicator No.9 of Table 1 in Annex 1			



## **AEROSTAR S.A. BACĂU**

### **INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**Prepared in accordance with  
The Order of the Minister of Public Finance no. 2844/2016, for the approval of the  
Accounting Regulations in accordance with the  
International Financial Reporting Standards**

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**COMPANY STATEMENT OF PROFIT OR LOSS**  
**FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024**  
(unless specified otherwise, all amounts are stated in thousand lei)

	Note	31 December 2024	31 December 2023
<b>Operating income</b>			
Sales revenue	19	584.004	506.294
Other revenue	19	2.489	2.894
Income from stocks of finished goods and production in progress	19	45.210	22.386
Income from the production of fixed assets	19	1.338	877
Income from operating subsidies	19	305	611
<b>Total operating income</b>		<b>633.346</b>	<b>533.062</b>
<b>Operating expenses</b>			
Material expenses	20	(264.474)	(219.820)
Expenses on employee benefits	20	(202.037)	(172.440)
Expenses on depreciation of fixed assets	5;6;20	(27.110)	(25.946)
Net income (expenses) from current asset adjustments	20	(11.034)	(14.760)
Net income (expenses) from provision adjustments	20	17.489	27.240
Expenses on external services	20	(50.426)	(40.454)
Other expenses	20	(8.559)	(7.091)
<b>Total operating expenses</b>		<b>(546.151)</b>	<b>(453.271)</b>
<b>Profit/loss from operating activity</b>		<b>87.195</b>	<b>79.791</b>
Financial income	21	24.927	24.823
Financial expenses	22	(7.313)	(7.658)
<b>Financial profit/loss</b>		<b>17.614</b>	<b>17.165</b>
<b>Profit before tax</b>		<b>104.809</b>	<b>96.956</b>
Tax on current and deferred profit	17;23	(9.084)	(3.928)
<b>Net profit of the period</b>		<b>95.725</b>	<b>93.028</b>

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

**COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED ON 31 DECEMBER 2024**  
(unless specified otherwise, all amounts are stated in thousand lei)

	31 Decembrie 2024	31 Decembrie 2023
<b>Net profit for the period</b>	<b>95.725</b>	<b>93.028</b>
Deferred income tax recognised on account of company equity	(3.739)	(3.605)
Fair value revaluation of equity instruments through other comprehensive income	7.890	(3.839)
Gain transferred to retained earnings on sale of company equity instruments through AECP	480	74
<b>Other comprehensive income</b>	<b>4.631</b>	<b>(7.370)</b>
<b>Total comprehensive income for the period</b>	<b>100.356</b>	<b>85.658</b>

**COMPANY STATEMENT OF THE FINANCIAL POSITION**  
**FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024**  
(unless specified otherwise, all amounts are stated in thousand lei)

<b>ASSETS</b>	<b>Note</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	159.745	159.487
Intangible assets	5	1.788	1.808
Investment property	6	6.598	7.296
Rights to use assets under lease	32	1.723	1.746
Fixed financial assets	7	46.133	57.732
Receivables on deferred income tax	17	20.103	20.316
<b>Total non-current assets</b>		<b>236.090</b>	<b>248.385</b>
<b>Current assets</b>			
Inventories	10	206.205	161.042
Trade receivables and other receivables	8;9;18	110.772	90.175
Current corporate tax receivables	23	-	262
Short-term prepaid expenses	31	1.049	789
Cash and cash equivalents	11	260.403	245.792
<b>Total current assets</b>		<b>578.429</b>	<b>498.060</b>
<b>Total assets</b>		<b>814.519</b>	<b>746.445</b>
<b>COMPANY EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12	48.729	48.729
Current result	12	95.725	93.028
Result carried-forward	12	54.374	51.577
Reserves	12	467.681	410.028
Deferred income tax recognized on equity	17	(27.444)	(23.481)
Distribution of profit for legal reserve	12	(18.731)	(27.924)
<b>Total company equity</b>	12	<b>620.334</b>	<b>551.957</b>
<b>Long-term liabilities</b>			
Liabilities regarding deferred income tax	17	28.834	25.191
Subsidies for long-term investments	14	724	1.550
Other long-term liabilities	16	1.467	1.490
<b>Total long-term liabilities</b>		<b>31.025</b>	<b>28.231</b>
<b>Long-term provisions</b>	13	<b>43.866</b>	<b>55.511</b>
<b>Current liabilities</b>			
Trade liabilities	15;18	59.246	48.059
Current corporate income tax liability	23	7	-
Prepaid income	31	3.448	2.916
Subsidies for short-term investments	14	828	830
Other current liabilities	16	14.523	11.878
<b>Total current liabilities</b>		<b>78.052</b>	<b>63.683</b>
<b>Short-term provisions</b>	13	<b>41.242</b>	<b>47.063</b>
<b>Total provisions</b>		<b>85.108</b>	<b>102.574</b>
<b>Total liabilities</b>		<b>109.077</b>	<b>91.914</b>
<b>Total company equity, liabilities and provisions</b>		<b>814.519</b>	<b>746.445</b>

**COMPANY STATEMENT OF CASH FLOWS**  
**(DIRECT METHOD)**  
**FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024**  
(unless specified otherwise, all amounts are stated in thousand lei)

	Note	31.12.2024	31.12.2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
cash collected from customers		591.206	527.562
tax and excise recoveries from the State Budget		13.031	3.851
subsidies received from the State Budget		309	617
payments to suppliers		(348.789)	(310.714)
payments to employees		(121.949)	(106.194)
payments of taxes, contributions and duties to the State Budget		(86.234)	(74.449)
payments of profit tax to the State Budget		(9.256)	(6.969)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	27	<b>38.318</b>	<b>33.704</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
interest income from bank deposits		8.969	14.508
proceeds from sale of financial fixed assets	27	20.468	8.283
proceeds from non-reimbursable funds		-	381
dividends received from other entities		3.498	3.645
dividends received from affiliated entities		516	153
payments for purchase of financial fixed assets	7, 27	-	(10.653)
payments for purchase of property, plant and equipment and intangible assets		(26.952)	(22.833)
<b>NET CASH FROM INVESTMENTS</b>	27	<b>6.499</b>	<b>(6.516)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
gross dividends paid		(30.893)	(26.370)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	27	<b>(30.893)</b>	<b>(26.370)</b>
Net increase/decrease in cash and cash equivalents		13.924	818
<b>Cash and cash equivalents at the beginning of the period</b>		<b>245.792</b>	<b>246.173</b>
Effect of exchange rate changes on cash and cash equivalents	27	687	(1.199)
<b>Cash and cash equivalents at the end of the period</b>	11	<b>260.403</b>	<b>245.792</b>

**COMPANY STATEMENT OF CHANGES IN COMPANY EQUITY**  
**FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024**  
(unless specified otherwise, all amounts are stated in thousand lei)

	Share capital	Reserves	Reserves from revaluation of financial assets through other comprehensive income	Deferred income tax recognised as company equity	Result carried forward	Result for the period	Total company equity
<b>Comprehensive result</b>							
<b>A. Balance on 1 January 2024</b>	<b>48.729</b>	<b>407.359</b>	<b>2.669</b>	<b>(23.481)</b>	<b>51.577</b>	<b>65.104*</b>	<b>551.957</b>
<b>Profit for the period</b>						95.725	95.725
<b>Other comprehensive income</b>							
Set up of deferred income tax recognised as company equity				(3.964)	225		(3.739)
Allocation of the profit for the financial year 2023 to the uses decided by the shareholders at the OGMS on 18 April 2024 (Note 12)					65.104	(65.104)	-
Allocation of the profit made in 2024 to tax relief reserves, in gross amounts		18.731				(18.731)	-
Gain transferred to retained earnings on sale of equity instruments through other comprehensive income			(2.448)		2.928		480
Revaluation at fair value of equity instruments through other comprehensive income			7.890				7.890
Transfer to reserves of retained earnings representing surplus from revaluation reserves		356			(356)		-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>19.087</b>	<b>5.441</b>	<b>(3.964)</b>	<b>67.901</b>	<b>11.890</b>	<b>100.356</b>
Reserves distributed from the profit of 2023		33.125			(33.125)		-
Dividends distributed for 2023					(31.979)		(31.979)
<b>Transactions with shareholders recognised directly in equity</b>	<b>-</b>	<b>33.125</b>	<b>-</b>	<b>-</b>	<b>(65.104)</b>	<b>-</b>	<b>(31.979)</b>
<b>B. Balance on 31 December 2024</b>	<b>48.729</b>	<b>459.571</b>	<b>8.110</b>	<b>(27.445)</b>	<b>54.374</b>	<b>76.994**</b>	<b>620.334</b>
<b>C. Changes in equity (Note 12)</b>	<b>-</b>	<b>52.212</b>	<b>5.441</b>	<b>(3.964)</b>	<b>2.797</b>	<b>11.890</b>	<b>68.377</b>

\* The result on 31.12.2023 is 93.028 thousand lei and is influenced by the distribution of profit on other reserves from tax facilities in the amount of 27.924 thousand lei;

\*\* The result on 31.12.2024 is 95.725 thousand lei and is influenced by the distribution of profit on other reserves from tax facilities in the amount of 18.731 thousand lei;

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**  
(all amounts are stated in thousand lei)

	Share capital	Reserves	Reserves from revaluation of financial assets through other comprehensive income	Deferred income tax recognized on equity	Retained earnings	Result of the period	Total equity
<b>Comprehensive income</b>							
<b>A. Balance on 1 January 2023</b>	<b>48.729</b>	<b>324.149</b>	<b>7.235</b>	<b>(19.654)</b>	<b>50.938</b>	<b>82.312*</b>	<b>493.709</b>
<b>Profit of the period</b>						93.028	93.028
<b>Other comprehensive income</b>							
Setting up of deferred income tax recognized in equity				(3.827)	222		(3.605)
Distribution of the profit for the financial year 2022 to the destinations decided by the shareholders at the AGM of 20 April 20, 2023 (Note 12)					82.312	(82.312)	-
Distribution of the profit realized in 2023 for tax incentive reserves in gross amounts		27.924				(27.924)	-
Gain transferred to retained earnings related to the sale of equity instruments through other elements of comprehensive income			(727)		801		74
Revaluation at fair value of equity instruments through other elements of comprehensive income			(3.839)				(3.839)
Transfer to reserves of the retained earnings representing surplus generated from revaluation reserves		384			(384)		-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>28.308</b>	<b>(4.566)</b>	<b>(3.827)</b>	<b>82.951</b>	<b>(17.208)</b>	<b>85.658</b>
Reserves distributed from 2022 profit		54.902			(54.902)		-
Dividends distributed for 2022					(27.410)		(27.410)
<b>Transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>54.902</b>	<b>-</b>	<b>-</b>	<b>(82.312)</b>	<b>-</b>	<b>(27.410)</b>
<b>B. Balance on 31 December 2023</b>	<b>48.729</b>	<b>407.359</b>	<b>2.669</b>	<b>(23.481)</b>	<b>51.577</b>	<b>65.104**</b>	<b>551.957</b>
<b>C. Changes in equity (Note 12)</b>	<b>-</b>	<b>83.210</b>	<b>(4.566)</b>	<b>(3.827)</b>	<b>639</b>	<b>(17.208)</b>	<b>58.248</b>

\* The result of 90.273 thousand lei on 31.12.2022 is influenced by the distribution of the profit to other reserves from tax incentives in the amount of 7.961 thousand lei;

\*\* The result of 93.028 thousand lei on 31.12.2023 is influenced by the distribution of the profit to other reserves from tax incentives in the amount of 27.924 thousand lei;



**NOTES TO THE COMPANY FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024  
(unless specified otherwise, all amounts are stated in thousand lei)**

**NOTE 1 - COMPANY DESCRIPTION**

AEROSTAR was established in 1953 and operates in accordance with the Romanian law.

AEROSTAR S.A. performs its activity at its registered head office located in Bacau, 9,

Condorilor Street, code 600302. In accordance with the Resolution no. 2/14.12.2017 of the Board of Directors, the opening of a secondary place of business without legal personality (workplace) located in Iasi, on 25B Aeroportului Street has been approved. Moreover, in accordance with the Decision of the Board of Directors nr.1/02.06.2023 the opening of a secondary office without legal personality (workplace) located in Fetești, 2 Carpați Street, ap. 7 has been approved.

The main field of activity of AEROSTAR is production.

The main object of activity of the company is “Manufacture of aircraft and spaceships” - code 3031.

The company was registered as a shareholding company at the Bacău Trade Register (under number J1991001137040), with the current name “AEROSTAR S.A.” and the unique identification code 950531, the European Unique Identifier (EUID) code ROONRC. J1991001137040.

The company is listed on the Bucharest Stock Exchange under the ARS code, and the record of its shares and shareholders is kept, as provided by law, by S.C. Depozitarul Central S.A. Bucharest.

During the year 2024, there was no subscription of new shares, nor any participation certificates, convertible bonds, warranties, options or similar rights. In terms of accounting regulations, AEROSTAR S.A. is a subsidiary of the company IAROM S.A. and, therefore, the parent company that consolidates the financial statements of the group is S.C. IAROM S.A., with the unique identification code 1555301, having its registered head office in Bucharest, at number 39, Aerogării B-d. The consolidated financial statements for the financial year 2021 were submitted to A.N.A.F. under registration number 770692053/22.08.2024. Copies of the consolidated financial statements can be obtained from the head office of the parent company, IAROM S.A. The parent company will prepare and publish a set of consolidated financial statements in accordance with the applicable accounting regulations, for the financial year ended on 31.12.2024.

The company has a single operating segment in accordance with IFRS 8 and no distinct financial information is available for various components of the entity. The information regarding the sales by categories of products and markets is detailed in the Board of Directors’ Report.

The company’s policy is focused on maintaining a solid capital basis in order to support the continuous development of the company and the achievement of its strategic objectives.

The company will continue to act decisively to ensure the sustainability of its investments and the preservation of its production capabilities. Furthermore, thanks to the experience gained within our team, the company acts towards finding the most appropriate solutions to the new economic challenges.

## **NOTE 2 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

### **2.1. Estimates**

The preparation and presentation of the individual financial statements in accordance with IFRS involves the use of estimates, judgements and assumptions that affect the implementation of the accounting policies as well as the reported value of the assets, liabilities, revenues and expenses.

The estimates and judgements are made based on the historic experience as well as on a series of factors considered adequate and reasonable. The accounting estimates and judgements are continuously updated and take into account reasonable expectations with respect to future probable events. The reported accounting values of the assets, the liabilities that cannot be determined or obtained from other sources are based on these estimates considered adequate by the Company's management. Such estimates, as well as the reasoning and assumptions behind them are reviewed on a regular basis and the result thereof is recognized in the time period when the estimate was reviewed.

Any change in the accounting estimates will be recognized prospectively by its inclusion in the result:

- of the period of time when the change occurs, if it affects only that period of time; or
- of the period of time when the change occurs and of the subsequent periods, if the change also affects such periods.

The Company uses estimates in order to determine:

- the uncertain customers and the adjustments for impairment of related receivables;
- the value of the provisions for risks and expenses to set up at the end of the period (month, trimester, year) for litigations, for the dismantling of property, plant and equipment, for collaterals granted to customers, for obligations toward manpower and other obligations;
- the adjustments for impairment of property, plant and equipment and intangible assets. At the end of each reporting period, the Company estimates whether there are indications of impairment. If such signs are identified, the recoverable amount of the asset is estimated to determine the extent of impairment (if any).
- the lifetimes of property, plant and equipment and intangible fixed assets. The Company reviews the estimated life of the tangible and intangible fixed assets at least at the end of each financial year to determine their adequacy.
- the stocks of raw materials and materials requiring the setting up of depreciation adjustments;
- deferred taxes.

### **Disclosure of information**

The Company will, to the extent practicable, disclose the nature and value of a change in an accounting estimate that is effective in the current period/future periods.

### **2.2. Errors**

Errors may arise in the recognition, evaluation, presentation or description of items in the financial statements. The Company retroactively corrects the significant errors of the prior period in the first set of financial statements approved for issue after the discovery of such errors by:

- restating the comparative values for the prior period presented in which the error occurred, or
- if the error occurred before the prior period presented, by restating the opening balances of assets, liabilities and equity for the prior period presented.

## NOTE 2 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

In case of identifying an error, the Company presents the following information:

- the nature of the error for the previous period;
- for each previous period presented, to the extent possible, the correction value:
  - for each affected line item in the financial statement;
  - for basic and diluted earnings per share.
- the correction value at the beginning of the first previous period presented;
- if retrospective restatement is impracticable for a specific prior period, the circumstances leading to the existence of that condition and a description of how and when the error was corrected.

### 2.3. Changes in the accounting policies

Changes to the accounting policies are only permitted if they are requested by IFRS or if they result in more relevant or reliable information about the Company's operations.

The Company modifies an accounting policy only if such change:

- is required by an IFRS; or
- results in financial statements that provide reliable and more relevant information with reference to the effects of the transactions, of other events or conditions on the financial performance or cash flows of the entity.

Application of changes in the Accounting Policies:

- the entity takes into account a change in the accounting policy that results from the initial implementation of an IFRS in accordance with the specific transitory provisions, if any, of that IFRS; and
- at the initial application of an IFRS that does not include specific transitory provisions.

### Disclosure of information

When the initial application of an IFRS has an effect on the current or prior period of time, the Company discloses in the explanatory notes the following:

- the title of IFRS;
- the nature of the accounting policy change;
- when applicable, the fact that the change is made as an effect of the transitory dispositions and a description of these transitory provisions;
- for the current period and for each prior period, the sum of adjustments for each affected element of the statement of the financial position, to the extent possible.

When it is impossible to determine the specific effects for one or more prior accounting periods, the Company will apply the new accounting policy of assets and liabilities for the first period for which the retroactive application is possible, which may also be the current period.

When a voluntary change in the accounting policy has an effect on the current or prior period, the Company discloses in the explanatory notes:

- the nature of the change of accounting policy;
- the reasons for which the application of the new accounting policy provides more reliable and relevant information;
- for the current period and for each prior accounting period, the estimated sum of adjustments for each affected item of the statement of the financial position, insofar as possible.

## NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES

### 3.1. Bases for the preparation and presentation of the financial statements

The individual financial statements of Aerostar S.A. are prepared in accordance with the provisions of:

- the International Financial Reporting Standards (IFRS) adopted by the European Union;

#### ✓ **Changes in accounting policies and adoption of revised/amended IFRS:**

The changes take effect for the annual reporting periods beginning on or after 1 January 2024.

#### ✓ **Standards ( Changes to Standards) and interpretations adopted by the International Accounting Standards Committee:**

1. **Amendments** to IAS 1 "Presentation of Financial Statements". The amendments are designed to promote consistency in the application of the requirements of IAS 1 by helping to determine whether, in the statement of financial position, the liabilities and other obligations with an uncertain settlement date should be classified as current or non-current. It also clarifies how this classification is affected by the existence of contractual clauses (covenants);
2. **Amendments** to IFRS 16 'Leases' which are intended to improve the requirements that a seller-lessee uses in measuring lease liabilities arising from a sale and leaseback transaction under IFRS 16
3. **Amendments** to IAS 7 and IFRS 7 introducing disclosure requirements for vendor financing arrangements. The amendments require an entity to disclose in the notes to the financial statements the terms of vendor financing arrangements. In addition, entities are required to disclose in the explanatory notes at the beginning and end of the reporting period the recorded amounts of vendor financing arrangements and the line items in which those liabilities are disclosed, as well as the recorded amounts of financial liabilities for which the related trade liabilities have been settled by the factors (financiers).

These changes did not have a material impact on the Company's Financial Statements.

#### ✓ **European Sustainability Reporting Standards (ESRS) adopted by the European Union:**

The Delegated Regulation (EU) 2023/2772 of the Commission of 31 July 2023 supplementing the Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards requires large companies, small and medium-sized companies with securities admitted to trading on regulated markets in the EU and parent companies of large groups to include in a dedicated section of the directors' report or the consolidated directors' report the information

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

needed to understand the Company's impact on sustainability matters. This should also include the information needed to understand how sustainability matters affect the Company's development, performance and position. Companies should prepare this information in accordance with the sustainability reporting standards. Aerostar S.A. must apply these sustainability reporting standards for the financial year beginning 1 January 2024.

The following changes are effective for annual reporting periods beginning on or after January 1, 2025, subject to adoption by regulation by the European Commission. The Company is evaluating the potential effects of the new Standards and amendments to the International Financial Reporting Standards.

- 1. IFRS 18 'Presentation and Disclosure in the Financial Statements'** - IFRS 18 includes requirements for all entities that apply IFRS on the presentation and reporting of information in financial statements. The standard will replace IAS 1 and introduces significant changes aimed at improving the comparability and transparency of financial performance reporting. If adopted, the standard is planned to be effective for annual reporting periods beginning on or after January 1, 2027;
  - 2. IFRS 19 'Subsidiaries without Public Accountability'** – IFRS 19 specifies the reporting obligations that an eligible subsidiary has in place of the reporting requirements in IFRS;
  - 3. Amendments** to IAS 21 'Accounting for Foreign Currency Transactions' clarifying when a currency is deemed to be exchangeable into another currency and how an entity estimates a spot rate for non-exchangeable currencies;
  - 4. Amendments** to IFRS 9 and IFRS 7 on Classification and Measurement of Financial Instruments. The amendments address issues identified during the post implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments.
- Accounting Law no. 82/1991, republished, as subsequently amended and supplemented;
  - O.M.F.P. no. 881/2012 on the application of International Financial Reporting Standards by companies whose securities are admitted for trading on a regulated market;
  - O.M.F.P. no. 2.844/2016 on the approval of the Accounting Regulations conforming to the International Financial Reporting Standards, as subsequently amended and supplemented;
  - O.M.F.P. no. 2.861/2009 on the approval of the Norms regarding the organization and performance of the inventory of items such as assets, liabilities and equity;
  - O.M.F.P. no. 1.826/2003 on the approval of the Explanatory Memorandum regarding certain organizational and leading measures for management accounting;
  - O.M.F.P. no. 2.634/2015 on the financial accounting documents, as subsequently amended and supplemented.

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

The accounting is kept in Romanian and in the national currency. The accounting of operations carried out in foreign currency is kept both in national currency and in foreign currency. The financial year is the calendar year. Financial statements are drawn up and reported in thousands of lei and all values are rounded to the nearest thousand lei. Due to rounding, the numbers presented do not always accurately reflect the totals provided and the percentages do not always accurately reflect absolute figures.

The financial statements are drawn up on the basis of historical cost.

The financial statements are presented in accordance with the requirements of IAS 1 Presentation of Financial Statements. The Company has opted for a presentation by nature and liquidity within the statement of financial position and a presentation of income and expenses by nature within the statement of profit or loss, considering that these methods of presentation provide information that is relevant to the Company's situation.

#### 3.2. Accounting policies applied

**Aerostar SA describes the accounting policies it applies in the notes to the individual financial statements and avoids repeating the text of the standard unless it is considered relevant to the understanding of the contents of the note.**

The most significant accounting policies are presented below:

- **Accounting Policies regarding property, plant and equipment**

The Company has chosen as its accounting policy the cost model. After recognition as an asset, property, plant and equipment is accounted for at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount is allocated on a systematic basis over the useful life of the asset and represents the cost of the asset less the residual value.

Given the specific nature of the business and the types of fixed assets in the Company assets, the residual values of the fixed assets were considered to be insignificant. In practice, the residual value has been calculated at the level of the countervalue of recoverable scrap metal, after deduction of dismantling, disassembly and sale expenses.

The depreciation methods and useful lifetimes are reviewed at least at the end of each financial year and adjusted accordingly. The useful lifetimes are determined by committees made up of the Company's specialists. Any change to them is accounted for prospectively.

Subsequent expenditures related to an item of property, plant and equipment are added to the carrying amount of the asset when:

- they result in an improvement of the initial technical parameters;
- they are sources of future economic benefits materialised by additional cash flows in excess of those originally estimated; and
- they can be measured reliably.

Benefits are obtained directly by increasing the revenues and indirectly by reducing the maintenance and operating costs.

All other repair and maintenance expenses made to ensure the continued use of the property, plant and equipment are recognised in the statement of profit or loss when they are made. They are made in order to maintain the initial technical parameters.

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

The spare parts are generally accounted for as inventories and recognised as expenses when used up. If the spare parts and service equipment, having significant values, can only be used in connection with an item of property, plant and equipment, they are recognised as property, plant and equipment if the original purchase value (when put into service) of the replaced part can be determined.

In deciding whether to recognise separate components, each case is analysed individually based on professional reasoning.

The property, plant and equipment under construction to be used in production or administrative activities is presented in the statement of financial position at cost less any accumulated impairment loss. Such assets are classified in the respective categories of property, plant and equipment when they are completed and ready for use in the manner intended by management for the stated purpose.

The top management of the Company has set a ceiling for the capitalization of assets of 2.500 lei. All acquisitions below this amount will be considered as expenses of the period.

Exceptions: Computers are considered to be depreciable property, plant and equipment irrespective of their entry value and will depreciate over their useful lifetime as determined by the Receiving Committee. Furthermore, the work tools and devices are accounted for as inventories and recognised as expenses of the period when they are used up, irrespective of their entry value, taking into account the fact that they have a useful lifetime of normally less than one year as well as their degree of specialisation (they are intended to be used for a specific type of product/service).

In the case of internally generated intangible assets, the implementation phases are clearly separated, namely:

- Research phase. Research costs are treated as expenses of the period;
- Development phase. Development costs are recognised as an intangible asset if the following conditions are demonstrated:
  - technical feasibility of completing the asset so that it is available for use or sale;
  - availability of adequate resources - technical, financial, human - to complete the development;
  - intention to complete and use or sell the intangible asset;
  - ability to use or sell the asset;
  - how the asset will generate future economic benefits;
  - ability to assess the costs.

If the Company cannot distinguish between the research and the development phase of an internal project to create an intangible asset, the Company shall treat the costs of the project as incurred exclusively in the research phase.

The Company has chosen as its accounting policy the cost model that requires intangible assets to be valued at net book value equal to their cost less the accumulated depreciation and any impairment losses recorded in relation to those assets.

An investment property is initially valued at cost, including any other directly attributable expenses.

After the initial recognition, the Company has opted for the cost-based model for all its investment property in accordance with the provisions of IAS 16 for that model.

Transfers to and from the investment property category are made if and only if there is a change in its use.

Transfers between categories do not change the carrying amount of the property transferred, nor do they change the cost of that property for the purpose of assessment or disclosure.



### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

Investment property depreciates by to the same rules as property, plant and equipment.

In the category of financial fixed assets, the following are recorded:

- Shares held in affiliated companies;
- Other non-current securities;
- Long-term loans and the interest thereon. This category includes amounts granted to third parties under contracts on which interest is charged in accordance with the law;
- Other fixed receivables and related interest. This category includes collaterals, deposits and securities deposited with third parties, and claims relating to leasing contracts.

Financial fixed assets are classified on initial recognition as subsequently valued at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss, as appropriate.

The classification of financial assets on initial recognition depends on the contractual cash flow characteristics of the financial asset and the entity's business model for managing them.

- **Accounting policies for inventory items**

The entry of inventories is recorded in the accounts at the date of transfer of the risks and benefits.

The calculation of those stocks which are not usually fungible and of those goods, products or services is determined by specifically identifying their individual costs.

When stocks and fungible assets are disposed of, they are valued and entered in the accounts using the FIFO method.

Periodically, the Company's management approves the level of normal technological losses.

Inventory accounting is kept quantitatively and by value, using the perpetual inventory method.

Value adjustments are made for current assets in the form of inventories for each reporting period, based on the maturity of the inventories, the findings of the inventory committees and/or profit centre managers, in order to present the assets at the lower of cost and net realizable value.

- **Accounting policies on company liabilities**

The Company's liabilities are recorded in the accounts payable. Accounts payable to suppliers and other payables shall be kept by category and by individual natural or legal person.

Income tax payable/receivable is recognised as a liability to the extent of the amount unpaid.

Excise duties and special funds included in prices or tariffs are entered in the accounts on the corresponding accounts payable without going through the revenue and expenditure accounts.

Operations which cannot be recorded separately in the corresponding accounts and for which further clarification is required are recorded in a separate account 473 "Settlement of operations awaiting clarification".

Foreign currency payables are recorded in the accounts in both RON and foreign currency.



### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

A liability is classified as a short-term liability, also referred to as a current liability, when:

- it is expected to be settled in the normal course of the Company's operating cycle, or
- it is due within 12 months after the balance sheet date.

All other liabilities are classified as long-term liabilities.

Liabilities that are due in more than 12 months are long-term liabilities.

They are also considered long-term interest-bearing liabilities even when they are due within 12 months of the date of the financial statements if:

- a) the original term was for a period longer than 12 months; and
- b) there is a refinancing or rescheduling agreement that is entered into before the date of the financial statements.

- **Accounting policies for company receivables**

Receivables include:

- trade receivables, which are amounts due from customers for goods sold or services rendered in the normal course of business;
- trade notes to be collected, instruments of third parties;
- amounts due from employees or affiliated companies;
- advance payments to suppliers of fixed assets, goods and services;
- receivables related to staff and the State budget.

Receivables are recorded on an accrual basis, in accordance with the legal or contractual provisions.

Customer accounts are kept by category (internal customers, services and products, and external customers, services and products) and by individual natural or legal person.

Receivables in foreign currency, resulting from the Company's transactions, are recorded in the accounts both in lei and in foreign currency.

Transactions in foreign currency are initially recorded at the exchange rate communicated by the National Bank of Romania on the date of the transaction.

The derecognition of time-barred debts shall be carried out only after all legal steps have been taken to settle them.

Doubtful receivables shall be entered separately in the accounts in account 4118 Doubtful customers when the due date laid down in the contract has been exceeded by more than 30 days or a dispute has arisen with the customer.

In the annual financial statements, receivables are valued and stated at their probable collectible amount.

When a receivable from a customer has not been collected in full when due as stated in the contract, an allowance for impairment is recorded at the times and percentages approved by the Board of Directors in the Accounting Policy Manual.

- **Accounting policies on revenue recognition**

Revenue is recognised in the Company's profit or loss statement when an increase in future economic benefits associated with an increase in an asset or a decrease in a liability can be measured reliably. As a result, revenue recognition occurs simultaneously with the recognition of an increase in assets or a decrease in liabilities.

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

Revenue includes both amounts received or receivable on own account and gains from any source.

Revenue is classified as follows:

- Revenue from operations;
- Financial revenue;

Revenue is recognised on an accrual basis.

Synthetic revenue accounts are developed on analytical accounts, according to the accounting regulations in force (general chart of accounts) and according to the Company's own needs, approved by the Company's top management.

Revenue is valued at the fair value of the consideration received or receivable. Sales revenue is diminished for returns, trade discounts and other similar rebates.

Revenue from operations includes:

- revenue from sales related to contracts with customers (of goods, services, merchandise, residual products);
- income related to the cost of stocks of products;
- income from the production of fixed assets;
- income from the reversal of asset adjustments or from the reduction or reversal of provisions;
- other revenue from operations.

Revenue from contracts with customers is recognised in accordance with IFRS 15 'Revenue from contracts with customers'. A customer is a party that has entered into a contract with the Company to obtain goods and services arising from the Company's regular activities

Revenue recognition describes the transfer of control over goods and services to customers, and the measurement of revenue reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Such control includes the ability to prevent other entities from determining the use of the asset and deriving benefit from it. The benefits of an asset are the potential cash flows that can be obtained directly or indirectly from using, selling or holding the asset.

Revenue recognition is the result of going through the following five phases:

#### 1. Identifying the contract with a customer

The Company recognises a contract with a customer only if the following conditions are met:

- a) the parties have approved the contract and agree to honour their obligations,
- b) the Company can identify the rights of each party with respect to the goods and services transferred,
- c) the Company can identify the terms of payment for the goods and services transferred,
- d) the contract has commercial substance (i.e. it changes the risk, timing and amount of the entity's future cash flows)

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

e) it is probable that the Company will collect the consideration to which it is entitled in exchange for the goods and services transferred to the customer. This involves assessing the customer's ability and intention to pay the consideration when due

#### 2. Identification of obligations arising from the contract

A contract includes obligations to transfer goods or services to a customer. An obligation to transfer a good or service is separable if it satisfies all of the following conditions:

a) the customer can benefit from the transferred good or service separately or in combination with other resources at its disposal; and

b) the entity's promise to transfer the good or service to the customer is identifiable separately from other promises in the contract.

The Company has not identified any types of contracts with separable obligations. In the case of performance guarantees, they are not an additional service and as such they do not represent a separate obligation.

#### 3. Determination of the transaction price

The Company must determine the amount of consideration to which it expects to be entitled in exchange for the goods and services promised in the contract in order to recognise revenue. The price may be a fixed amount or it may vary due to discounts or other similar items.

The price of the Company's sales transactions is not adjusted for the effect of the time value of money as the Company does not have any supply contracts with a settlement term in excess of one year or containing a significant financing component.

For contracts entered into by the Company, the price is negotiated and remains firm. Renegotiated contract amendments are effective prospectively from the date of renegotiation for subsequent orders, considering that the performance obligation is separate and not part of a single performance obligation that is partially fulfilled at the date of the contract amendment.

#### 4. Allocation of the transaction price between the obligations generated by the contract

If a contract contains several separate obligations, the Company allocates the transaction price to each obligation in proportion to its individual price. The best record for the price of each individual obligation is the price for which the good or service is sold separately by the entity.

#### 5. Revenue recognition at a specific point in time or as the Company fulfils the obligation

A contract obligation is met when the control of the goods or services is transferred to the customer. The control is the ability to decide the use and obtain the majority of the remaining benefits of the transferred good or service.

The standard establishes how the revenue is to be determined, in that it must be recognised at a specific point in time or over a period of time, which applies to both the sale of goods and the rendering of services.

An obligation is met and revenue is recognised over a period of time if at least one of the conditions below is met:

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

- the customer receives and consumes the benefits of the service performed by the entity as the entity performs,
- the performance by the entity creates or improves an asset (for example, work in progress) that the customer controls as the asset is created or improved,
- the entity's performance does not create an asset with an alternative use for the entity and the entity has an enforceable right to payment for performance to date.

If a performance obligation is not fulfilled over time, an entity fulfils the performance obligation at a specific point in time.

If the Company reasonably expects that the effects on the financial statements for a portfolio of customers with similar characteristics will not be materially different from those determined by applying the standard to individual contracts within that portfolio, then the contracts are analysed together.

The timing of revenue recognition results from correlating the specific contract provisions with the provisions of IFRS 15.

#### **Rental income**

Rental income from investment property is recognised in the profit and loss account on a straight-line basis over the term of the lease in accordance with IFRS 16.

Finance income comprises interest income, foreign exchange income, dividend income and other finance income.

Interest income is recognised in the income statement on an accrual basis using the effective interest method. Interest income arising on a financial asset is recognised when it is likely that an economic benefit will be obtained by the Company and when that benefit can be measured accurately.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. The Company records dividend income on a gross basis including dividend tax (when applicable), which is recognised as a current expense.

#### • **Accounting policies on provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is likely that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation.

Provisions are accounted for by type, depending on the nature, purpose or object for which they are set aside.

#### **Provisions for guarantees**

The Company sets aside provisions for warranties when products or services covered by warranty are sold.

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

The value of the provision for warranties granted is based on historical, contractual or reasonable estimates for products/services first performed in the Company.

#### **Provisions for risks and charges**

When risks and expenses are identified which are likely to be incurred as a result of events that have occurred or are in progress and the purpose of which is precisely determined but the realisation of which is uncertain, the Company covers these risks by making provisions.

Provisions for risks and charges are set aside for items such as risks specific to the aviation industry, litigation, fines, penalties, indemnities, damages and other uncertain liabilities.

#### **Provizioane pentru dezafectarea imobilizărilor corporale**

On initial recognition of an item of property, plant and equipment, an estimate is made of the costs of dismantling, removing the item and restoring the site where it is located as a consequence of using the item over a period of time.

These costs are reflected by setting aside a provision, which is recognised in the profit and loss account over the life of the item of property, plant and equipment by inclusion in the depreciation expense.

The revision of the estimates for the provision for decommissioning and restoration is determined by the annual review of the dismantling costs. The Company's committee of experts appointed by internal decision periodically reviews whether the initial estimates of dismantling costs are adequate.

#### **Provisions for employee benefits**

Provisions are recognized for employee benefits granted in accordance with the applicable Collective Labour Agreement, if and only if:

- the entity has a legal and constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made

Provisions are reviewed at the end of each reporting period to reflect the best current estimate.

#### **• Accounting policies for subsidies and other non-reimbursable funds**

Subsidies distinctly feature:

- government subsidies;
- non-reimbursable loans as subsidies;
- other amounts received as subsidies.

Subsidies are recognised at their approved amount. Subsidies received in the form of non-monetary assets are recognised at fair value.

Government subsidies are initially recognised as deferred revenue at fair value when there is reasonable assurance that it will be received and the Company will comply with the conditions associated with the subsidy.

Subsidies that compensate the Company for expenses incurred are recognised in the income statement on a systematic basis in the same periods in which expenses are recognised. Subsidies that compensate the Company for the cost of an asset are recognised in the income statement on a systematic basis over the life of the asset.

Subsidies related to income are recognised, on a systematic basis, as income in the periods corresponding to the related expenses that these subsidies are intended to compensate.

### NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES (continued)

If subsidies are received in a period in relation to expenditure that has not yet been incurred, the subsidies received are not income of that current period. They are recognised in the accounts as deferred income and reversed to the profit and loss account as the expenses they compensate are made.

- **Accounting policies regarding the production of goods and services**

The organizing of Aerostar SA's management accounting is based on the applicable legal provisions and the manual of work procedures and instructions specific to management accounting, adapted to the specific activity of the Company.

The object of management accounting consists in:

- the collection of direct, indirect and ancillary costs according to their nature;
- the allocation of indirect costs;
- settlement of direct and indirect costs.

The main purpose of management accounting is to establish the result by production or service order and by organisational structure.

According to the accounting regulations, the cost of goods, works and services performed does not include the following items which are recognised as expenses of the period in which they are incurred:

- a) losses of materials, labour or other production costs relating to scrap and sub-activity costs;
- b) general administrative expense.

The calculation method used in Aerostar SA is the job order method.

This method is suitable for individual and series production. The object of recording and calculating costs under this method is the order placed for a given quantity (batch) of products.

Production costs are collected for each individual order directly (direct orders) or by allocation (indirect orders).

The actual cost per unit of product is calculated upon completion of the order by dividing the production costs collected on the related order by the quantity of products manufactured on that order.

Orders are released at the planned price, as appropriate.

In the case of orders related to export sales, the price is expressed in lei by converting the currency at the budgeted exchange rate.

In the application of accounting policies, the Company issues work procedures, orders and instructions, approved by the executive management.

## NOTE 4 – TRANSACTIONS IN FOREIGN CURRENCIES

AEROSTAR considers the Romanian LEU as the functional currency and the financial statements are presented in thousand LEI.

The currency transactions are recorded at the exchange rate of the functional currency on the date of the transaction.

On the date of the Financial Position Statement, the assets and financial liabilities denominated in foreign currency are evaluated in the functional currency using the exchange rate, communicated by the Romanian National Bank, valid at the end of the financial year:

Currency	31.12.2024	AVERAGE EXCHANGE RATE YEAR 2024	31.12.2023	AVERAGE EXCHANGE RATE YEAR 2023
1EUR (Euro)	4,9741 lei	4,9746 lei	4,9746 lei	4,9465 lei
1USD (American Dollar)	4,7768 lei	4,5984 lei	4,4958 lei	4,5743 lei
1GBP (British pound)	5,9951 lei	5,8769 lei	5,7225 lei	5,6869 lei

The favourable and unfavourable exchange rate differences resulting from the settlement of the assets and financial liabilities denominated in foreign currency are recognized in the Profit or Loss Statement for the financial year in which they occur.

Considering that 79% of the turnover registered in the reporting period is denominated in USD and EUR, while a significant part of the operating costs is denominated in LEI, the foreign exchange rate variations will affect both its net income and its financial position as expressed in the functional currency.

In the reporting period, the net currency exposure resulted as a difference between the amounts collected from the financial assets and the payment of the financial liabilities denominated in that currency is as follows:

YEAR 2024	K EUR	K USD	K GBP
Amounts collected from financial assets	34.692	64.757	-
Payments of financial liabilities	(15.280)	(35.189)	(892)
<b>Foreign exchange net exposure</b>	<b>19.412</b>	<b>29.568</b>	<b>(892)</b>

AEROSTAR has opted not to access currency hedging products (options, forwards) due to the relatively high initial costs and the possibility of losing opportunities in case of depreciation of RON against the main currencies (USD, EUR).

In 2024, AEROSTAR recorded gains of 2.179 thousand LEI from exchange rate differences, determined by the average depreciation of the LEU against the USD by 2,30% compared to the beginning of the year.

**NOTE 5 - INTANGIBLE ASSETS:**  
**Reporting period 31 December 2024**

	Values on 31 December 2024			Values on 1 January 2024		
	Gross amount	Accumulated depreciation	Net value	Gross amount	Accumulated depreciation	Net value
Licences	8.620	(7.299)	1.321	7.754	(6.527)	1.227
Other intangible assets (software)	1.340	(873)	467	1.194	(613)	581
<b>Total</b>	<b>9.960</b>	<b>(8.172)</b>	<b>1.788</b>	<b>8.948</b>	<b>(7.140)</b>	<b>1.808</b>

**Net book value on 31.12.2024 and transactions during the period:**

	Net value on 1 January 2024	Entries at gross value	Depreciation during the period	Net value on 31 December 2024
Licences	1.227	884	(790)	1.321
Other intangible assets	581	146	(260)	467
<b>Total</b>	<b>1.808</b>	<b>1.030</b>	<b>(1.051)</b>	<b>1.788</b>



**NOTE 5 - INTANGIBLE ASSETS:**  
**Reporting period 31 December 2024 (continued)**

**COMPARATIVE FIGURES - INTANGIBLE ASSETS: reporting period 31 December 2023**

	Values on 31 December 2023			Values on 1 January 2023		
	Gross amount	Accumulated depreciation	Net value	Gross amount	Accumulated depreciation	Net value
Licences	7.754	(6.527)	1.227	6.872	(6.034)	838
Other intangible assets (software)	1.194	(613)	581	497	(476)	21
<b>Total</b>	<b>8.948</b>	<b>(7.140)</b>	<b>1.808</b>	<b>7.369</b>	<b>(6.510)</b>	<b>859</b>

Net book value on 31.12.2023 and transactions during the period:

	Net value on 1 January 2023	Entries at gross value	Depreciation during the period	Net value on 31 December 2023
Licences	838	946	(557)	1.227
Other intangible assets	21	697	(137)	581
<b>Total</b>	<b>859</b>	<b>1.643</b>	<b>(694)</b>	<b>1.808</b>

**NOTE 5 - INTANGIBLE ASSETS:**  
**Reporting period 31 December 2024 (continued)**

The category of intangible assets includes the following classes of assets of similar nature and use:

- Licences
- Other intangible assets

The software programmes are registered under other intangible assets.

The useful lifetimes for the intangible assets are established in years, based on the period of the contract or the service life, as the case may be. The useful lifetime of the licenses and software purchased or generated internally is 3 years.

Depreciation expenses are recognised in the income statement using the linear method of calculation.

The intangible assets in the balance sheet account as on 31.12.2024 are not depreciated and no adjustments were made for the depreciation thereof.

When determining the gross accounting value of the intangible assets, the company uses the historical cost method.

The value of the completely amortized software licenses on 31 December 2024 and which are still in use is 5.978 thousand lei.

All the intangible assets in balance on 31 December 2024 are owned by Aerostar S.A..

The entries of intangible assets were made by:	<b><u>1.030 thousand lei</u></b>
• optimization of production management IT system - version 3	146 thousand lei
• purchase of software licences	884 thousand lei

During the reporting period there were no licence entries generated internally or acquired through business combinations.

During the reporting period there were no assets classified as held for sale in accordance with IFRS 5.

**NOTE 6 – PROPERTY, PLANT AND EQUIPMENT:**  
**Reporting period 31 December 2024**

	Values on 31 December 2024			Values on 1 January 2024		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
Land	31.171	-	31.171	30.894	-	30.894
Constructions	101.423	(51.316)	50.107	98.349	(45.607)	52.742
Technological equipment and vehicles	251.321	(175.987)	75.334	231.120	(157.716)	73.404
Other equipment and office equipment	3.886	(2.433)	1.453	3.835	(2.115)	1.720
Property, plant and equipment under construction	1.680	-	1.680	727	-	727
<b>Total tangible fixed assets</b>	<b>389.481</b>	<b>(229.736)</b>	<b>159.745</b>	<b>364.925</b>	<b>(205.438)</b>	<b>159.487</b>
Investment property	12.954	(6.356)	6.598	12.749	(5.453)	7.296
<b>Total General</b>	<b>402.435</b>	<b>(236.092)</b>	<b>166.343</b>	<b>377.674</b>	<b>(210.891)</b>	<b>166.783</b>

**Net book value on 31.12.2024 and transactions during the period:**

	Net value on 1 January 2024	Gross value inputs (reclassifications)	Gross value outputs (reclassifications)	Amortization during the period	Net value on 31 December 2024
Land	30.894	277	-	-	31.171
Constructions	52.742	3.286	(212)	(5.709)	50.107
Technological equipment and vehicles	73.404	21.028	(827)	(18.271)	75.334
Other equipment and office equipment	1.720	51	-	(318)	1.453
Investment property	7.296	205	-	(903)	6.598
Property, plant and equipment under construction	727	25.594	(24.641)	-	1.680
<b>Total</b>	<b>166.783</b>	<b>50.441</b>	<b>(25.680)</b>	<b>(25.201)</b>	<b>166.343</b>

**NOTE 6 – PROPERTY, PLANT AND EQUIPMENT(continued):**  
**Reporting period 31 December 2024**

	Values on 31 December 2023			Values on 1 January 2023		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
Land	30.894	-	30.894	29.534	-	29.534
Constructions	98.349	(45.607)	52.742	96.634	(39.428)	57.206
Technological equipment and vehicles	231.120	(157.716)	73.404	202.640	(140.423)	62.217
Other equipment and office equipment	3.835	(2.115)	1.720	3.833	(1.793)	2.040
Property, plant and equipment under construction	727	-	727	15.179	-	15.179
<b>Total tangible fixed assets</b>	<b>364.925</b>	<b>(205.438)</b>	<b>159.487</b>	<b>347.820</b>	<b>(151.644)</b>	<b>166.176</b>
Investment property	12.749	(5.453)	7.296	11.275	(4.761)	6.514
<b>Total</b>	<b>377.674</b>	<b>(210.891)</b>	<b>166.783</b>	<b>359.095</b>	<b>(186.405)</b>	<b>172.690</b>

**Net book value on 31.12.2023 and transactions during the period:**

	Net value on 1 January 2023	Gross value inputs	Gross value outputs	Amortization during the period	Net value on 31 December 2023
Land	29.534	1.360	-	-	30.894
Constructions	57.206	1.715	-	(6.179)	52.742
Technological equipment and vehicles	62.217	29.203	(723)	(17.293)	73.404
Other equipment and office equipment	2.040	8	(6)	(322)	1.720
Investment property	6.514	1.474	-	(692)	7.296
Property, plant and equipment under construction	15.179	17.686	(32.138)	-	727
<b>Total General</b>	<b>172.690</b>	<b>51.446</b>	<b>(32.867)</b>	<b>(24.486)</b>	<b>166.783</b>

## NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are valued at acquisition or production cost less accumulated depreciation and impairment losses.

These items of property, plant and equipment are amortized by using the linear method.

Amortization expenses are recognized in the profit and loss statement.

The following useful lifetimes are assumed for the property, plant and equipment:

- constructions	30-50 years
- technological equipment	2-25 years
- vehicles	4-18 years
- other property, plant and equipment	2-18 years
- investment property	25-50 years

The useful lifetimes are established by committees consisting of specialists from the Company. The useful lifetimes of the property, plant and equipment are stipulated by the fiscal legislation on assets

The Company did not purchase assets from business combinations, nor did it classify assets for future sale.

The investment property contains a number of 13 real estate – buildings that are rented to third parties based on renting contracts.

The value of rental income for this category of fixed assets was 2.968 thousand lei.

On the date of transition to IFRS, the Company estimated and included in the cost of the property, plant and equipment the estimated costs for their decommissioning at the end of a useful lifetime

These costs were reflected in the setting aside of a provision, which is recorded in the profit and loss account throughout the lifetime of the property, plant and equipment, by inclusion in the amortization expense.

This expense is not tax deductible.

The amortization of an asset begins when the asset is available for use and ends on the day when the asset is reclassified in another category or when it is derecognized.

The amortization does not end when the asset is not in use.

The land and buildings are separable assets, and their accounts are kept separately, even when they are acquired together.

The land has an unlimited useful life and therefore does not depreciate.

The value of land owned by Aerostar SA is presented at acquisition cost, i.e. the assumed cost that was recorded at the date of transition to IFRS.

In accordance with the provisions of IAS 36 - Impairment of assets, the Company proceeded to the identification of any signs of impairment of property, plant and equipment, taking into account the external and internal sources of information.

Internal sources of information:

The economic performance of the assets is good, all fixed assets that are in operation benefit the Company.

## NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (continued)

External source of information:

The indicator that provides information regarding the investors' interest in the companies listed on the capital market is the market capitalization to equity ratio (MBR).

<u>indicator MBR-Market to book ratio</u>	<u>31.12.2024</u>
Stock exchange capitalization/ company equity	2,08

The **over-unit** value of the MBR indicator is obtained by companies well-listed on the capital market and that are of interest to the investors.

Tangible fixed assets outstanding on 31.12.2024 are not impaired and no significant impairment indicators have been identified.

The gross accounting value of the fully amortized property, plant and equipment still in operation on 31 December 2024 is 98.990 thousand lei.

On 31.12.2024 no mortgages were set on the fixed assets owned by Aerostar S.A.

<b>Entries of property, plant and equipment, achieved by:</b>	<b><u>50.441 k lei</u></b>
---	----------------------------

- |   |              |
|---|--------------|
| • commissioning of technical equipment, hardware equipment, measuring and control equipment | 21.079 k lei |
| • building modernization work   | 3.286 k lei  |
| • land purchase   | 277 k lei    |
| • property, plant and equipment under construction during the period                        | 25.594 k lei |
| • reclassification of the building into investment property following rental                | 205 k lei    |

<b>Outflows of property, plant and equipment, achieved by:</b>	<b><u>25.680 k lei</u></b>
--	----------------------------

- |  |              |
|--|--------------|
| • transfer of property, plant and equipment as a result of the commissioning thereof   | 24.641 k lei |
| • derecognition of property, plant and equipment because the Company no longer expects future economic benefits from their use | 834 k lei    |
| • reclassification of the building into investment property following rental   | 205 k lei    |

## NOTE 7- FIXED FINANCIAL ASSETS

	Shares held in affiliated entities	Other immobilized securities - shares	Other immobilized securities – contributions to company assets	Other immobilized receivables – supplier guarantees	Total
On 1 January 2024	14	57.674	2	42	57.732
Increases/Decreases	-	(11.599)	-	-	(11.599)
On 31 December 2024	14	46.075	2	42	46.133

On 31.12.2024 the decrease in value related to other fixed assets - shares amounts to (11.599) thousand lei and consists of:

Fair value revaluation of Evergent Investments S.A. shares	Value of shares sold between January and December 2024	Total net value decreases
7.890	(19.489)	11.599

### A) Investments in affiliated entities registered under cost:

Subsidiary name/ Registered head office	CAEN Code	No. of shares/ shares issued	Voting rights (%)	Value of shares held by Aerostar (k lei)	Financial information related to the year 2023				
					Company's share capital (k lei)	Reserves (k lei)	Net profit (k lei)	Nominal value/share (k lei)	Net asset/share (k lei)
Airpro Consult SRL Bacău 9, Condorilor Street	- main activity according to CAEN code 7820	100	100%	10	10	205	556	0,10	7,7
Foar SRL Bacău 9, Condorilor Street	- main activity according to CAEN code 7739	408	51%	4	8	424	119	0,01	1,4
<b>TOTAL</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>14</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

## NOTE 7- FIXED FINANCIAL ASSETS (continued)

Aerostar's shareholdings in the affiliated companies are recorded at cost.

On 31.12.2024, the Company recorded no modifications i.e. no increases/decreases as to the shareholding percentage, maintaining the same influence as in 2023 on the remaining companies in the equity portfolio.

Both companies in which AEROSTAR holds shares are registered in Romania.

### B) Investments in equity instruments through other elements of global result:

Issuer's name	CAEN code	No. of shares	Symbol	Value of price /share on 31.12.2024 (lei)	Value of portfolio at market price (k lei)	Value of portfolio at purchase price (thousand lei)
Registered head office						
Evergent Investments S.A. 94C, Pictor Aman Street, Bacău	- main activity according to CAEN code 6499	31.342.883	EVER	1,4700	46.075	37.964

On 31 December 2024, the company held 31.342.883 shares of the company Evergent Investments S.A, listed at the Bucharest Stock Exchange.

Aerostar records the shares held at fair value through other comprehensive income, in accordance with IFRS 9 "Financial Instruments". The Company has used the irrevocable option to designate these equity instruments at fair value through other comprehensive income as these financial assets are held both for the collection of dividends and for gains on their sale and not for trading. The gain or loss on these equity instruments is recognised in other comprehensive income, except for the dividend income.

### C) Cash contribution to the establishment of the initial patrimony of the association "Cluster of education for sustainable development C-EDD "

The association was established voluntarily by the founding members, operating as a Romanian legal person of private law without patrimonial purpose. The association is non governmental, non-political, non-profit and independent, not subordinated to any other legal person.

The purpose of the Association is to develop and implement effective mechanisms for public-private dialogue in the field of education, to act as a space for dialogue and collaboration between the main actors involved in education, to elevate the quality of educational processes and to connect lifelong learning with the economic environment in order to provide it with qualified human resources for sustainable development. The value of AEROSTAR's contribution to the assets of the "Cluster of Education for Sustainable Development C-EDD" is 2.500 lei.



## NOTE 8 - TRADE RECEIVABLES

	31 December 2024	31 December 2023
<b>TRADE RECEIVABLES, of which:</b>		
<b>Customers:</b>	<b>96.855</b>	<b>76.785</b>
Domestic customers	31.782	6.694
Foreign customers	65.073	70.091
<b>Doubtful customers</b>	<b>219</b>	<b>445</b>
<b>Adjustments for impairment of receivables</b>	<b>(197)</b>	<b>(267)</b>
<b>Suppliers – debtors</b>	<b>5.926</b>	<b>7.926</b>
<b>TOTAL TRADE RECEIVABLES</b>	<b>102.803</b>	<b>84.889</b>

In accordance with the provisions of the Accounting Policies Manual, to cover the non-recovery risk of the amounts that represent the doubtful trade receivables, the company registers adjustments for the depreciation of the doubtful customers as follows:

- 50% of the value of the receivables not collected on time if the due date is between 30 days and 180 days. On 31 December 2024, the company registered adjustments for depreciation of this nature in the amount of 110 thousand lei;
- 100% of the amount of the receivables not collected on time, if the delay is more than 180 days. On 31 December 2024, the company had no impairment adjustments of this nature.

When determining the recoverability of a trade receivable, the changes considered were those occurred in the customer's credit rating from the time when the credit was granted till the date of reporting.

Supplier-debtors have a deadline for settlement in 2025.

The receivables denominated in foreign currency were evaluated at the market exchange rate communicated by the National Bank of Romania valid for the end of December 2024.

The favourable and unfavourable exchange rate differences between the exchange market rate, for which are accounted the receivables in currency, and the market exchange rate communicated by the National Bank of Romania available for the end of December 2024 were recorded in the related income or expense account.

## NOTE 9 – OTHER RECEIVABLES

	31 December 2024	31 December 2023
<b>Receivables related to manpower and similar accounts</b>	<b>63</b>	<b>88</b>
<b>Receivables related to the budget of social insurance and the state budget, of which:</b>	<b>2.945</b>	<b>3.484</b>
– VAT to recover	380	1.206
– Non-exigible VAT	109	163
– Amounts to recover from the National Health System (allowances on medical leaves)	2.360	1.993
– Amounts in the form of subsidies	64	69
– Excise duties to recover for the fuel used	10	-
– Other receivables in relation to the local budget	8	39
– Other receivables in relation to the social security and state budget	14	14
<b>Interest receivable from bank deposits</b>	<b>3.665</b>	<b>1.487</b>
<b>Sundry debtors</b>	<b>1.699</b>	<b>745</b>
<b>Impairment adjustments for receivables - sundry debtors</b>	<b>(403)</b>	<b>(518)</b>
<b>TOTAL OTHER RECEIVABLES</b>	<b>7.969</b>	<b>5.286</b>

### Notes:

- Other receivables in relation to the social security budget, state budget and local budget represent amounts resulting from the submission of rectifying statements;
- Interest receivable relates to bank deposits held by the company at the end of the reporting period;
- Of the total other receivables, a share of 30% is represented by the amount of 2.360 thousand lei, on account of the amounts settled but not collected from the Health House.

## NOTE 10 - INVENTORIES

	31 December 2024	31 December 2023
<b>of which:</b>		
Raw material	70.654	72.098
Consumables	93.135	71.738
Other materials	37	68
Semi-finished products	4	32
Packaging	36	45
Finished products	44.580	27.768
Products and services in progress	76.215	56.592
<b>Gross value of the inventory (unadjusted)</b>	<b>284.661</b>	<b>228.341</b>
<b>Value of impairment adjustments</b>	<b>78.456</b>	<b>67.299</b>
<b>Net (adjusted) value of inventories</b>	<b>206.205</b>	<b>161.042</b>

### ADJUSTMENTS FOR IMPAIRMENT OF INVENTORIES

	31 December 2024	Increases/ Setups	Decreases/ Reruns	31 December 2023
<b>Total adjustments</b>	<b>78.456</b>	<b>23.811</b>	<b>12.654</b>	<b>67.299</b>
Adjustments for impairment of raw material	41.737	7.647	1.465	35.555
Adjustments for impairment of consumables	31.500	9.069	5.030	27.461
Adjustments for impairment of semi-finished products	4	-	28	32
Adjustments for impairment of finished products	338	614	2.438	2.162
Adjustments for impairment of production in progress	4.877	6.481	3.693	2.089

The inventories are assessed at the lowest value between the cost and the net realisable value.

The net realisable value is the estimated sale price for inventories minus all estimated costs for completion and the estimated costs required for the sale.

The cost of inventories includes: acquisition costs, conversion costs as well as other costs incurred to bring inventories to the state and in the place where they are currently found.

Value adjustments are made regularly based on the findings of the inventory commissions and/or the module managers, in order to present them at the lowest value between the cost and the net realisable value.

Within the Company, the goods considered to be depreciated are those that are older than the storage period established by internal decision of the Board of Directors.

In accordance with the Accounting Policy Manual, various adjustments are set up at Aerostar SA for the inventory depreciation, as follows:

## NOTE 10 – INVENTORIES (continued)

- for raw material, consumables, semi-finished products and spare parts, different periods are established, for each profit centre;
- for the inventories of finished products, depreciation adjustments are set up for each period, as follows:
  - a) 100% of the value thereof, for inventories of this nature that do not rely on contracts with the customers;
  - b) in variable percentages, as agreed with the profit centres involved, for the inventories of unfinished products not delivered in due time as per the contractual provisions.

The total value of inventories recognized as an expense during the period is 264.474 thousand lei, which consists of:

- 249.504 thousand lei representing the value of expenditure on stocks of materials;
- 13.451 thousand lei representing the value of expenditure relating to the consumption of water, gas and electricity;
- 1.519 thousand lei representing the value of expenditure on non-stocked materials.

Aerostar S.A. holds stocks of finished (safety) products at the levels agreed in the contracts with its customers.

Aerostar S.A. has no pledged stocks.

## NOTE 11 – CASH AND CASH EQUIVALENTS

**The cash** contains:

- cash available at the AEROSTAR cash desk;
- sight deposits held at banks (current accounts at banks).

**The cash equivalents** consist in:

- term deposits held at banks;

At the end of the reporting period the cash and cash equivalents consist in:

	31.12.2024	31.12.2023
Cash at the cash desk	30	36
Sight deposits held at banks	31.170	34.053
Time deposits held at banks	229.203	211.703
<b>Cash and cash equivalents</b>	<b>260.403</b>	<b>245.792</b>

There are no restrictions on the current bank accounts and deposits held by banks.

The value of the Line of Credit usable as an overdraft, available for the future operating activity, is 2.500 THOUSAND USD (the equivalent of 11.492 thousand lei).

The Line of Credit was not used during the reporting period.

AEROSTAR's policy is to deposit the cash corresponding to the amount of the provisions set aside. The balance of provisions on December 31, 2024 is 85.108 thousand lei.

Term deposits are set up for short terms (less than 6 months), as AEROSTAR prefers to have easy access to savings. As a result, other alternatives for saving surplus cash such as for example investments in investment funds are not favoured by AEROSTAR due to the investment risks attached. Thus, in the short term, these investments may experience wide fluctuations due to various conjunctural factors.

AEROSTAR's opting to set up only short-term bank deposits is mainly due to the global political and economic uncertainties, the deterioration of supply chains, given that at any time events may occur that may require purchases of raw materials and safety materials.

## NOTE 12 – COMPANY EQUITY

The company equity on 31 December 2024 is 620.334 thousand lei. The net increase of the company equity in 2024 compared to the end of the year 2023 amounted to 68.377 thousand lei.

### Changes in equity elements in 2024 compared to 2023:

- **The share capital remained unchanged:**

On 31 December 2024, the share capital of AEROSTAR SA Bacau is 48.728.784 lei, divided into 152.277.450 shares having a nominal value of 0,32 lei.

- **The reserves increased by 57.653 thousand lei:**

- o An increase by 33.125 thousand lei as a result of the distribution of the profit made in 2023 to the destinations decided by the shareholders in the OGMS meeting of 18 April 2024;
- o An increase by 18.731 thousand lei on account of the distribution of the profit made in 2024 for reserves from fiscal facilities;
- o An increase by 7.890 thousand lei due to the revaluation at fair value of the Evergent Investments S.A. shares;
- o A decrease by 2.449 thousand lei arising from the transfer to retained earnings of the revaluation differences at fair value of the equity instruments recognised through other comprehensive income following the sale;
- o An increase by 356 thousand lei due to the transfer to reserves of the retained earnings representing the surplus made from the revaluation reserves.

- **Other equity elements decreased by the amount of 3.964 thousand lei** on account of the deferred income tax recognized in the company equity.

- **The result carried forward increased by 2.797 thousand lei as follows:**

- o An increase by 225 thousand lei on account of the deferred income tax recognised on equity;
- o An increase by 2.928 thousand lei representing the net gain from the sale of equity instruments recognised through other comprehensive income;
- o A decrease by 356 thousand lei due to the transfer to reserves of the retained earnings representing the surplus made from revaluation reserves.

- The balance of the retained earnings account on 31 December 2024 is 54.374 thousand lei, consisting of:

- o Retained earnings arising from the use, at the date of transition to IFRS, of the fair value as presumed cost = 26.238 thousand lei;
- o Retained earnings representing the gain from revaluation reserves, capitalised against the depreciation of tangible fixed assets = RON 24.408 thousand;
- o Net realised gain on the sale of equity instruments recognised through other comprehensive income = 3.728 thousand lei.

- **The result for the period was a profit in the amount of 95.725 thousand lei.**

## NOTE 13 - PROVISIONS

	31 December 2023	Increases/ Set-up/ Reclassification of provisions	Reductions/ Reruns/ Reclassification of provisions	Differences from re- evaluation	31 Dec. 2024
<b>Total provisions</b>	<b>102.574</b>	<b>43.792</b>	<b>61.626</b>	<b>368</b>	<b>85.108</b>
Provisions for bonds granted to customers	47.368	29.528	42.540	370	34.726
Provisions for decommissioning property, plant and equipment	16.447	21	2	-	16.466
Provisions for the employees' benefits	8.252	9.246	8.252	-	9.246
Provisions for litigation	224	-	224	-	-
Other provisions	30.283	4.997	10.608	(2)	24.670
<b>Long-term provisions</b>	<b>55.511</b>	<b>6.323</b>	<b>17.967</b>	<b>(1)</b>	<b>43.866</b>
Provisions for bonds granted to customers	13.790	6.302	12.366	-	7.726
Provisions for decommissioning property, plant and equipment	16.447	21	2	-	16.466
Other provisions	25.274	-	5.599	(1)	19.674
<b>Short-term provisions</b>	<b>47.063</b>	<b>37.469</b>	<b>43.659</b>	<b>369</b>	<b>41.242</b>
Provisions for bonds granted to customers	33.578	23.226	30.174	370	27.000
Provisions for customer's benefits	8.252	9.246	8.252	-	9.246
Provisions for litigation	224	-	224	-	-
Other provisions	5.009	4.997	5.009	(1)	4.996

### Provisions for customer warranties

Provisions for customer warranties are set up to cover the risk of non-conformity during the warranty period of products sold and services rendered, in accordance with contractual provisions. The warranty period is usually 24 months.

### Provisions for decommissioning of property, plant and equipment

Provisions for the decommissioning of property, plant and equipment, mainly buildings, are set aside to cover the costs of dismantling, removing items and restoring the sites where they are located and are included in their cost. The value has been estimated using an annual discount rate of 6,5%.

### Provisions for employee benefits

Provisions for employee benefits are set up for bonuses granted in accordance with the terms of the applicable Collective Labour Agreement (end of financial year bonuses, performance bonuses) and for holiday leaves not taken by employees in the previous year.

## NOTE 13 – PROVISIONS (continued)

### Other provisions

The category Other provisions contains the provisions set aside for:

- covering risks specific to the aviation industry, such as: risk of hidden defects, risk of detecting quality incidents that can incur damages.
- coverage of some expenses regarding the Company's obligations towards A.J.O.F.M., based on O.U.G. 95/2002;
- covering certain risks related to the application by customers of delayed payment penalties and damages associated with the production of aeronautical products;

During the period January - December 2024, the company recorded expenses related to the setting aside of provisions in the amount of 30.484 thousand lei and income related to the write-offs/reductions of provisions in the amount of 47.973 thousand lei, resulting in net income from adjustments to provisions in the amount of 17.489 thousand lei.

During this period, there were reclassifications of long-term provisions recognized in short-term provisions (MDL 13.697 thousand lei).



## NOTE 14 - SUBSIDIES FOR INVESTMENTS IN ASSETS

AEROSTAR recognizes as deferred income the subsidies related to assets.

	31.12.2024	31.12.2023
<b>Balance on 1 January, of which:</b>	<b>2.380</b>	<b>3.028</b>
Short-term	830	1.020
Long-term	1.550	2.008
<b>Subsidies received</b>	<b>-</b>	<b>381</b>
<b>Subsidies recorded in revenue corresponding to the calculated depreciation</b>	<b>(828)</b>	<b>(1.029)</b>
<b>Balance on 31 December, of which:</b>	<b>1.552</b>	<b>2.380</b>
Short-term	828	830
Long-term	724	1.550

The balance recorded on 31 December 2024 represents subsidies related to investments in fixed assets to be recorded in income as the calculated depreciation is charged to cost.

The subsidies received in the previous years for the financing of assets were related to the implementation of 4 investment projects under 4 non-reimbursable financing agreements:

1. Agreement no. 210304/22.04.2010: "Expansion of the manufacturing and assembly capacities for aerostructures destined for civil aviation", executed in the period April 2010 - October 2012, the value of the subsidy received from the Ministry of Economy, Trade and Business Environment (MECMA) being 5.468 thousand lei, with 556 thousand lei remaining to be recorded as revenue;

2. Agreement no. 229226/14.06.2012: "Setting up a new manufacturing capacity for diversification of production and export growth", executed between June 2012 and May 2014, the value of the subsidy received from the Ministry of Economy, Trade and Business Environment (MECMA) being 6.011 thousand lei, while the amount of 41 thousand lei remains to be recorded as revenue;

3. Agreement no. 5IM/013/24.03.2015: "Consolidation and sustainable development of the machining and painting sectors through high performance investments", executed between March and December 2015, the value of the subsidy received from the Ministry of European Funds (MFE) being 8.299 thousand lei, with 618 thousand lei to be recorded as revenue.

4. Financing contract no. 10/28.02.2023: "Equipping the AEROSTAR Testing Laboratory with NDT testing equipment" executed between March 2023 and December 2023, the value of the subsidy received from the Ministry of Economy being 381 thousand lei, with 325 thousand lei remaining to be recorded as revenue.

All investment projects in fixed assets were implemented and completed according to the contractual provisions assumed.

## NOTE 15 – COMMERCIAL DEBTS

	31 December 2024	31 December 2023
<b>Prepaid amounts collected on customers' account, of which:</b>	<b>9.593</b>	<b>10.540</b>
Lending customers from Romania	19	19
Lending customers from outside Romania	9.574	12.521
<b>Suppliers, of which:</b>	<b>49.653</b>	<b>35.519</b>
Suppliers of materials and services from Romania	10.863	11.364
Suppliers of materials and services from outside Romania	30.561	19.125
Suppliers – invoices not arrived	6.024	3.846
Suppliers of non-current assets	2.205	1.184
<b>Total commercial debts</b>	<b>59.246</b>	<b>48.059</b>

Prepayments received from external customers are for aircraft maintenance and repair work (94,56%) and other services provided (5,44%).

No mortgages were set up for the recorded debts. Debts to suppliers are also within contractual timelines.

The favourable or unfavourable exchange rate differences between the exchange rate at which the foreign currency debts are recorded and the exchange rate communicated by the National Bank of Romania valid for the end of December 2024 were recorded in the corresponding revenue or expense accounts.

## NOTE 16 - OTHER LIABILITIES

	31 December 2024	31 December 2023
<b>Other current liabilities, of which:</b>	<b>14.523</b>	<b>11.878</b>
• Liabilities related to manpower and similar accounts	4.295	3.656
• Liabilities related to social security budget and state budget, of which:	6.828	5.215
– VAT payable	626	185
– social insuranc	4.631	3.711
– labour insurance contribution	287	235
– tax on income in the form of salaries	906	719
– contribution for unemployed people with disabilities	207	186
– other taxes	116	133
– other social liabilities	55	46
• Dividends	3.125	2.735
• Diverse creditors:	252	257
• Bonds received	23	43
<b>Other long-term liabilities</b>	<b>1.467</b>	<b>1.490</b>

The category "Other long-term liabilities" includes the liability related to the right of use of the land leased for the Maintenance Hangar of Iași.

The dividends in balance on 31 December 2024, in the amount of 3.125 thousand lei represent the amounts remained in balance for the shareholders who did not show up at the offices of the paying agent CEC Bank S.A. (the paying agent designated by AEROSTAR) and which were not time-barred.

The Company has no outstanding debts to the state budget, social security budget and local budgets.

## NOTE 17 – DEFERRED PROFIT TAX

The **deferred tax** is determined for the temporary differences occurring between the tax base of the assets and liabilities and their accounting base. The deferred tax is calculated at a tax rate of 16% applicable to the temporary differences.

The Company estimated and registered liabilities regarding the deferred tax related to immobilized assets (resulting from differences between accounting and fiscal values, different useful lifetimes, etc.) and reserves, and it recognized receivables regarding the deferred tax related to immobilized securities (assets), inventories and trade receivables that were adjusted for depreciation, provisions for customer bonds, provisions for benefits granted to the employees and other provisions.

### Structure of the deferred income tax registered on 31.12.2024:

#### Liabilities from deferred tax

1. Liabilities related to the deferred tax generated by the differences between the accounting bases (higher) and the fiscal ones (lower) of the non-current assets	909
2. Liabilities related to the deferred tax concerning legal reserves	1.559
3. Liabilities on deferred tax related to reserves from the fiscal facility	25.007
4. Deferred tax liabilities related to carry-forward representing a surplus from reevaluation reserves	61
5. Liabilities on deferred tax related to non-current assets-securities	1.298
<b>Total liabilities on deferred tax</b>	<b>28.834</b>

#### Receivables on deferred tax

1. Receivables on deferred tax related to other provisions	419
2. Receivables on deferred tax related to provisions for bonds granted to customers	5.556
3. Receivables on deferred tax related to provisions for employee benefits	1.479
4. Receivables on deferred tax related to adjustments for depreciation of inventories	12.553
5. Receivables on deferred tax related to adjustments for depreciation of trade receivables	96
<b>Total receivables on deferred tax</b>	<b>20.103</b>
<b>Balance - Deferred tax liabilities</b>	<b>8.731</b>

The Company did not recognize receivables on deferred tax related to other provisions for the aviation industry risks due to an uncertainty regarding the fiscal deductibility of the expenses that could arise from the settlement of obligations from future periods. Therefore, the differences between the tax base and the accounting base would be null.

In the period 1 January 2024 – 31 December 2024, the company registered income from the tax on deferred profit in the amount of 6.939 thousand lei and expenses with the tax on deferred profit in the amount of 7.056 thousand lei, with a net impact on the financial performance of - 117 thousand lei.

## NOTE 17 – DEFERRED PROFIT TAX (continued)

The tax on deferred profit recognized on the account of equity in the amount of 27.445 thousand lei consists of liabilities on deferred tax in the amount of 27.864 thousand lei, as follows:

- deferred tax liabilities related to legal reserves 1.559 thousand lei
- deferred tax liabilities related to reserves from tax incentives 25.007 thousand lei;
- deferred tax liabilities related to fixed securities-shares 1.298 thousand lei;

and receivables on deferred tax in the amount of 419 thousand lei.

## NOTE 18 - FINANCIAL INSTRUMENTS

A financial instrument is any contract generating simultaneously a financial asset for an entity and a financial liability or an equity instrument for another entity.

The financial assets and liabilities are recognized when AEROSTAR becomes part of the contractual provisions of the instrument.

The financial assets of AEROSTAR include:

- sight and term deposits held at banks;
- trade receivables;
- Evergent Investments S.A. shares (stock symbol: EVER);
- immobilized receivables (collaterals deposited at third parties).

The financial liabilities of AEROSTAR S.A. include:

- trade liabilities.

On the reporting date, AEROSTAR does not have any financial debts related to overdrafts and longterm bank loans.

The main types of risks, generated by the financial instruments held, to which AEROSTAR is exposed are:

- a) credit risk;
- b) liquidity risk;
- c) currency risk;
- d) interest rate risk.

### a) Credit risk

The credit risk is the risk that one of the parties involved in a financial instrument generates a financial loss for the other party as a result of the failure to meet a contractual obligation, related mainly to:

- sight and term deposits held with banks
- trade receivables;

Sight and term deposits are held only in first-tier banking institutions (top 5 by asset level) with ratings expressing the lowest risk rating.

In some cases, specific trade credit risk mitigation instruments are required (advance receipts, bank letters of guarantee of good payment, confirmed export letters of credit).

AEROSTAR has no significant exposure to a single partner and no significant concentration of receivables in a single geographical area.

### Exposure to credit risk

The accounting value of the financial assets, net of the depreciation adjustments, represents the maximum exposure to the credit risk.

The maximum exposure to the credit risk on the reporting date is presented in the table below:

	31.12.2024	31.12.2023
Sight and term deposits held at banks	260.373	245.756
Trade receivables, net of adjustments for depreciation	95.347	67.924
Evergent Investments S.A. shares	46.074	57.674
Non-current receivables	42	42
<b>Total</b>	<b>401.836</b>	<b>371.396</b>

## NOTE 18 - FINANCIAL INSTRUMENTS (continued)

The maximum exposure to credit risk by geographical area for trade receivables net of impairment adjustments is shown in the table below:

	31.12.2024	31.12.2023
Domestic market	31.867	6.706
Euro zone countries	27.712	29.502
U.K.	27.926	23.431
Other European countries	1.342	2.913
Other regions	6.500	5.372
<b>Total</b>	<b>95.347</b>	<b>67.924</b>

### Depreciation adjustments

The timeframe structure of gross trade receivables on the reporting date is presented in the table below:

	Gross value 31.12.2024	Adjustments for depreciation	Gross value 31.12.2023	Adjustments for depreciation
<b>In due time</b>	<b>95.237</b>		<b>67.746</b>	
<b>Past due, total of which:</b>	<b>220</b>		<b>445</b>	
31-60 days	77	39	343	172
61-90 days	52	26	-	-
91-120 days	47	23	14	7
Over 120 days	44	22	88	88
Over 1 year	-	-	-	-
<b>Total</b>	<b>95.457</b>	<b>110</b>	<b>68.191</b>	<b>267</b>

The movement in impairment adjustments for trade receivables during the year is shown in the following table:

	31.12.2024	31.12.2023
<b>Balance on 1 January</b>	<b>267</b>	<b>954</b>
Adjustments set up for depreciation	1.549	2.990
Adjustments for depreciations resumed as revenues	(1.706)	(3.677)
<b>Balance on 31 December</b>	<b>110</b>	<b>267</b>

On 31.12.2024, 99,77% of the balance of trade receivables are related to customers with a good payment record.

### b) Liquidity risk

The liquidity risk is the risk that AEROSTAR encounters difficulties to meet the obligations associated to the financial liabilities which are settled by cash payments.

AEROSTAR's policy regarding this risk is to maintain an optimum level of liquidity so as to pay for the liabilities, as they become due.

To evaluate the liquidity risk, the treasury cash flows from operations, investments and financing operations are monitored and reviewed weekly, monthly, quarterly and yearly in order to determine the estimated level of net liquidity modifications.

Also, the specific liquidity indicators are reviewed monthly (general liquidity, immediate liquidity and rate of general solvency) against the budgeted levels.

## NOTE 18 - FINANCIAL INSTRUMENTS (continued)

Furthermore, in order to reduce the liquidity risk, AEROSTAR maintains annually a liquidity reserve as a Credit Line (usable as an overdraft) granted by banks to a maximum limit of 2.500 thousand USD.

The time intervals used to review the contractual due dates of the financial liabilities, with a view to recording the timeframe for the cash flows in due time, are shown in the table below:

	Liabilities	Accounting value	Contractual cash flows	0-30 days	31-60 days	over 60 days
31.12.2024	Trade liabilities	43.629	(43.629)	(39.016)	(3.983)	(630)
31.12.2023	Trade liabilities	31.672	(31.672)	(27.813)	(3.664)	(195)

The cash flows included in the analyses of the due dates are not expected to take place earlier or at significantly different values.

On 31.12.2024 AEROSTAR has no records of overdue financial liabilities.

### c) Foreign currency risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of the changes in the currency exchange rates.

#### Exposure to the foreign currency risk

AEROSTAR is exposed to the foreign currency risks, as 79% of the turnover recorded in the reporting period is denominated in USD and EUR, while a significant part of the operating expenses is denominated in LEI.

Therefore, AEROSTAR is exposed to the risk that the currency exchange rate variations will affect both its net income and its financial position as expressed in LEI.

However, AEROSTAR has decided not to access currency hedging products (options, forwards) due to the relatively high initial costs and the possibility of losing opportunities in case of depreciation of RON against the main currencies (USD, EUR). In 2024, AEROSTAR recorded gains of 2.179 thousand lei from exchange rate differences.

The net exposure of the financial assets and liabilities to the foreign exchange risk is presented below based on the carrying amounts denominated in foreign currency recorded at the end of the reporting period:

31.12.2024	thousand EUR	thousand USD	thousand GBP
Sight and term deposits held at banks	2.358	3.917	65
Trade receivables	3.471	9.674	-
Trade liabilities	(1.615)	(5.173)	(29)
<b>Net exposure in original currency</b>	<b>4.214</b>	<b>8.418</b>	<b>(36)</b>

#### Sensitivity analysis

In view of the net exposure calculated in the above table, Aerostar can be considered to be mainly exposed to the currency risk generated by changes in the USD/USD and EUR/USD exchange rate. Taking into consideration the evolution of USD/LEU and EUR/LEU exchange rate in the previous years, a relatively high volatility (+/-5%) of the USD/LEU exchange rate and a low volatility (+/-1%) of the EUR/LEU exchange rate can be noticed.



## NOTE 18 - FINANCIAL INSTRUMENTS (continued)

Thus, a reasonably possible variation of +/-5% for of the USD/LEU foreign exchange rate and +/- 1% for the EUR/LEU foreign exchange rate may be taken into account at the end of the reporting period.

The effect of the reasonably possible variation of the USD/LEU and EUR/LEU exchange rates on the financial result of AEROSTAR is calculated in the following table:

<b>31.12.2024</b>	<b>EUR/LEU</b>	<b>USD/LEU</b>
Net exposure, in the currency of origin	4.214 k EUR	8.418 k USD
Currency exchange rate	4,9741	4,7768
Net exposure in functional currency	20.961 k lei	40.211 k lei
Possible reasonable variation of exchange rate	+/- 1%	+/- 5%
<b>Effect of variation on the financial result</b>	<b>+/- 210 k lei</b>	<b>+/- 2.011 k lei</b>

### **d) Interest rate risk**

For the reporting period AEROSTAR contracted a multi-product Credit Facility of 7.000 thousand USD, intended for financing the Company's operations, which includes:

- 2.500 thousand USD, usable as an overdraft;
- maximum 7.000 thousand USD, usable for the issuance of guarantee instruments (bank letters of guarantee and import letters of credit), provided that the overdraft product is not used.

The bank interest is applicable only for the overdraft.

As the overdraft Product was not used during the reporting period, income and cash flows are independent of changes in bank market interest rates.

On 31.12.2024, the level of guarantees granted under commercial agreements through the issuance of bank letters of guarantee and import letters of credit amounts to 12.904 k LEI (equivalent to 2.701 k USD).

On 31.12.2024 no mortgages are set up on the real estate assets owned by AEROSTAR.

## NOTE 19 - OPERATING INCOME

	31 December 2024	31 December 2023
<b>Sales revenue, of which:</b>	<b>584.004</b>	<b>506.294</b>
Revenue from product sales	333.771	298.870
Revenue from services provided	246.474	203.633
Revenue from selling goods	19	376
Revenue from rental	3.027	2.786
Trade discounts granted	(28)	-
Revenue from other activities	741	629
<b>Revenue related to inventories of products finished and in progress</b>	<b>45.210</b>	<b>22.386</b>
<b>Revenue from the production of fixed assets</b>	<b>1.338</b>	<b>877</b>
<b>Revenue from operating subsidies</b>	<b>305</b>	<b>611</b>
<b>Revenue from subsidies for investments</b>	<b>826</b>	<b>1.026</b>
<b>Other revenue from operations</b>	<b>1.663</b>	<b>1.868</b>
<b>Total operating income</b>	<b>633.346</b>	<b>533.062</b>

The Company recorded an increase in income from inventories of finished goods and work in progress amounting to 22.824 thousand lei, as a result of the increase in the level of inventories of finished goods and work in progress compared to the end of the previous year.

In 2024, the Company recorded income from operating subsidies in the amount of 305 thousand lei. Most of the amounts were granted for the employment, for an indefinite period, of graduates of educational institutions in accordance with Law No. 76/2002 on the unemployment insurance system and stimulation of employment.

Other operating income in the amount of 1.663 thousand lei is represented, among others, by income from the recovery of debts from former employees (tuition fees and other debts), income from recovered damages and fees.

## NOTE 20 – OPERATING EXPENSES

	31 December 2024	31 December 2023
<b>Expenses on employee benefits, of which:</b>	<b>202.037</b>	<b>172.440</b>
Salaries and allowances	176.814	151.816
Expenses on meal tickets granted to employees	14.915	11.202
Expenses on social security	10.308	9.422
<b>Expenses on raw material and material</b>	<b>237.328</b>	<b>194.046</b>
<b>Energy, water and gas</b>	<b>13.451</b>	<b>12.924</b>
<b>Other material expenses, of which:</b>	<b>13.695</b>	<b>12.850</b>
Expenses on non-stock materials	1.519	1.363
Expenses on goods	14	314
Expenses on packaging	817	793
Expenses on other material	11.345	10.380
<b>Expenses on external services, of which:</b>	<b>50.426</b>	<b>40.454</b>
Repairs	19.931	14.310
Transport costs	7.678	8.718
Commissions and fees	2.350	3.630
Travels, deployments	1.135	1.682
Rental and royalty expenses	809	911
Other expenses on services supplied by third parties	18.523	11.203
<b>Trade discounts received</b>	<b>(110)</b>	<b>(107)</b>
<b>Amortizations</b>	<b>27.110</b>	<b>25.946</b>
<b>Net expenses (revenues) from adjustments on provisions</b>	<b>(17.489)</b>	<b>(27.240)</b>
<b>Net expenses (revenues) from adjustments on current assets</b>	<b>11.034</b>	<b>14.760</b>
<b>Other operational expenses</b>	<b>8.669</b>	<b>7.198</b>
<b>Total operating expenses:</b>	<b>546.151</b>	<b>453.271</b>

In accordance with the provisions of the International Financial Reporting Standards and of the Accounting Policies Manual, the company registers adjustments on provisions (Note 13) and adjustments for the impairment of the current assets, inventories, production in progress and receivables, respectively (Note 8, Note 9 and Note 10).

In 2024, the company offered its employees meal vouchers worth 14.915 thousand lei.

Other operating expenses amounting to 8.669 thousand lei include, among others: local taxes and fees, sponsorships, scholarships granted to students enrolled in dual education, environmental protection expenses.

## NOTE 20 – OPERATING EXPENSES (continued)

In 2024, AEROSTAR registered increased/set up and decreased/resumed adjustments, as follows:

Adjustments on provisions	31 December 2024	31 December 2023
Increases/setups	30.484	32.106
Decreases/reruns	(47.973)	(59.346)
<b>Net expenses (revenues) from adjustments on provisions</b>	<b>(17.489)</b>	<b>(27.240)</b>

During 2024, the impact of the adjustments on provisions is a decrease in the operating expenses of 17.489 thousand Lei. Compared to the previous year, the net income related to provision adjustments decreased by 9.751 thousand Lei.

Adjustments for impairment of current assets	31 December 2024	31 December 2023
Increased/set up adjustments		
Adjustments for impairment of inventories	<b>23.813</b>	<b>23.245</b>
Adjustments for impairment of receivables	1.725	3.102
Losses from receivables and various debtors	85	76
<b>Total increased/set up adjustments</b>	<b>25.623</b>	<b>26.423</b>
Decreased/resumed adjustments		
Adjustments for impairment of inventories	<b>(12.655)</b>	<b>(7.853)</b>
Adjustments for impairment of receivables	(1.934)	(3.810)
<b>Total decreased/resumed adjustments</b>	<b>(14.589)</b>	<b>(11.663)</b>
<b>Net expenses (revenues) from adjustments on the impairment of current assets</b>	<b>11.034</b>	<b>14.760</b>

In 2024, the impact of the adjustments for the impairment of current assets is an increase in the operating expenses of 11.034 thousand lei. Compared to the previous year, the net expenses from adjustments related to impairment of current assets decreased by 3.726 thousand lei.

## 21 - FINANCIAL INCOME

	31 December 2024	31 December 2023
Income from foreign currency exchange differences	9.462	6.527
Interest income	11.147	14.181
Income from shares held in subsidiaries	516	153
Income on financial assets measured at fair value	3.802	3.962
<b>Total financial income</b>	<b>24.927</b>	<b>24.823</b>

Aspects regarding the Company's exposure to the risks generated by the financial instruments held are presented in Note 18 Financial Instruments.

The income on financial assets measured at fair value represents the dividends related to the holding of instruments in the equity of Evergent Investments S.A.

## NOTE 22 - FINANCIAL EXPENSES

	31 December 2024	31 December 2023
Expenses from exchange rate differences	7.283	7.628
Expenses on interest related to leasing contracts	30	30
<b>Total financial expenses</b>	<b>7.313</b>	<b>7.658</b>

In 2024 the Company registered in the financial expenses category:

- expenses from unfavourable exchange rate differences;
- expenses on interests related to the right to use the land under concession for the Maintenance Hangar in Iași.

## NOTE 23 - TAX ON PROFIT

The tax on profit is recognized in the statement of profit or loss.

The tax on profit is the tax payable related to the profit made in the current period, as determined in accordance with the fiscal regulations applicable on the reporting date. The profit tax rate applicable for 31.12.2024 was 16% (the same rate was applied for the financial year 2023).

	<u>31 December 2024</u>	<u>31 December 2023</u>
Gross accounting profit	104.809	96.956
Expenses with current tax on profit	8.967	6.285
Income tax on gains from the sale of securities held	558	153

Reconciliation of accounting profit with the fiscal profit for 31 December 2024				Differences
Accounting revenues	658.273	Fiscal income	595.235	-63.038
Accounting expenses	553.464	Fiscal expenses	491.941	-61.523
Gross accounting profit, restated	104.809	Fiscal profit	103.294	-1.515
Accounting tax (16%)	16.769	Fiscal tax (16%)	16.527	-242
Tax reductions	-	Tax reductions, of which:	7.002	+7.002
		• Related to investments made acc. to Art. 22 Fiscal Code	2.997	+2.997
		• Sponsorship	2.706	+2.706
		• 12% bonus according to OUG 153/2020	1.299	+1.299
Tax on final profit	16.769	Tax on final profit*	9.525	-7.244
Applicable legal rate	16,00%	Legal rate applicable	16,00%	
Actual average tax rate, calculated on gross accounting profit, restated		9,09 %		

### Comparative key figures

	<u>31 decembrie 2023</u>
Gross accounting profit	96.956
Expenses with current tax on profit	6.285
Income tax on the gain from the sale of securities held	153

Reconciliation of accounting profit with the fiscal profit for 31 December 2023				Differences
Accounting revenues	557.885	Fiscal income	484.098	-73.787
Accounting expenses	460.929	Fiscal expenses	397.690	-63.239
Gross accounting profit, restated	96.956	Fiscal profit	86.408	-10.548
Accounting tax (16%)	15.513	Fiscal tax (16%)	13.825	-1.688
Tax reductions	-	Tax reductions, of which:	7.387	+7.387
		• Related to investments made acc. to Art. 22 Fiscal Code	4.468	+4.468
		• Sponsorship	1.871	+1.871
		• 14% bonus according to OUG 153/2020	1.048	+1.048
Tax on final profit	15.513	Tax on final profit	6.438	-9.075
Applicable legal rate	16,00%	Applicable legal rate	16,00%	
Actual average tax rate, calculated on gross accounting profit, restated		6.64 %		

## NOTE 23 - TAX ON PROFIT (continued)

The effective tax rate increased from 6,64% in 2023 to 9,09% in 2024. The main factors that affected the actual tax rate:

- decreasing tax incentives, representing the corporate income tax exemption related to investments made under the Art.22 of the Tax Code. In 2024, the incentive in the amount of 2.997 thousand RON, compared to 4.468 thousand RON in the previous year.
- increased tax profit in relation to restated gross accounting profit, mainly due to the effect of:
  - non-taxable income obtained as a result of the recovery of non-deductible expenses
  - expenses not deductible for tax purposes, of which: expenses related to the setting aside or increase of provisions and value adjustments on current assets not deductible for tax purposes, expenses related to book depreciation not deductible for tax purposes, etc.).

The financial performance in 2024 is influenced by the current and deferred income tax, as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Current income tax expenses *	(8.967)	(6.285)
Deferred income tax expenses	(7.056)	(5.379)
Deferred income tax revenue	6.939	7.736
<b>Current and deferred income tax</b>	<b>(9.084)</b>	<b>(3.928)</b>

\*Note: The income tax for 2024 amounts to 9.525 thousand lei, of which 558 thousand lei are recognized in equity, representing the tax on the gain from the sale of equity instruments through other comprehensive income.



## NOTE 24 - RESULT PER SHARE

The profit per basic share was calculated based on the profit attributable to the ordinary shareholders and on the number of ordinary shares.

The diluted result per share is equal to the result per basic share, as the company did not register any potential ordinary shares.

IN LEI	31.12.2024	31.12.2023
Profit attributable to ordinary shareholders	95.724.564	93.027.905
Number of ordinary shares	152.277.450	152.277.450
<b>Profit per share</b>	<b>0,629</b>	<b>0,611</b>

## NOTE 25 - AVERAGE NUMBER OF EMPLOYEES

Average number of employees	12 months 2024	12 months 2023
AEROSTAR's own employees	1.698	1.679

Total number of employees	31.12.2024	31.12.2023
AEROSTAR's own employees	1.753	1.752

On 31 December 2024 the total number of employees in the Company is 1.884, of which 1.753 are AEROSTAR's own employees and 131 persons represent labour force hired through a temporary employment agent.

On 31 December 2023, the total headcount was 1.846 employees, of which 1.752 were AEROSTAR's own employees and 94 persons represented labour force hired through a temporary employment agent.

## NOTE 26 - TRANSACTIONS WITH AFFILIATED PARTIES

<b>Acquisitions of goods and services</b>	<b>Year 2024</b>	<b>Year 2023</b>
Airpro Consult SRL Bacău	12.910	9.799
Foar SRL Bacău	364	388
<b>TOTAL</b>	<b>13.274</b>	<b>10.187</b>
<b>Sales of goods and services</b>	<b>Year 2024</b>	<b>Year 2023</b>
Airpro Consult SRL Bacău	-	-
Foar SRL Bacău	2	2
<b>TOTAL</b>	<b>2</b>	<b>2</b>
<b>Liabilities</b>	<b>Balance on 31.12.2024</b>	<b>Balance on 31.12.2023</b>
Airpro Consult SRL Bacău	1.111	728
Foar SRL Bacău	14	24
<b>TOTAL</b>	<b>1.125</b>	<b>752</b>
<b>Dividends received by Aerostar</b>	<b>Year 2024</b>	<b>Year 2023</b>
Airpro Consult SRL Bacău	456	-
Foar SRL Bacău	60	153
<b>TOTAL</b>	<b>516</b>	<b>153</b>

The transactions with the affiliated parties in the period 01.01.2024-31.12.2024 consisted in:

- Services provided by Airpro Consult SRL Bacău to AEROSTAR SA Bacău for temporary manpower;
- Machinery rental services provided by Foar SRL Bacău to AEROSTAR SA Bacău;
- Space rental services provided by AEROSTAR SA Bacău to Foar SRL Bacău;
- Dividends received by Aerostar S.A. from Airpro SRL Bacău and Foar SRL Bacău (Note 7).

## NOTE 27 - INFORMATION REGARDING THE CASH FLOW

The method used in the Cash Flow Statement is the direct method.

The cash flows statement presents the cash flows and cash equivalents classified by operating activities, investments and financing, thus indicating how AEROSTAR generates and uses the cash and cash equivalents.

In the context of preparing the Cash Flows Statement:

- the cash flows are the amounts collected and paid in cash and cash equivalents;
- the cash includes the cash available in the company's cash office and the sight deposits held at banks (available in the current accounts);
- the cash equivalents comprise the term deposits held at banks

The treasury cash flows from the transactions made in foreign currency are registered in the functional currency (LEU) by applying to the foreign currency value the exchange rate between the functional currency and the foreign currency on the date of the cash flow (the date of making payments and collections).

The earnings and losses arising from the exchange rate variation are not treasury cash flows. Nevertheless, the effect of the exchange rate variation on the cash and cash equivalent held or owed in foreign currency is reported in the treasury cash flows statement, but separately from the treasury cash flows arising from operations, investments and financing, so as to reconcile the cash and cash equivalents at the beginning and end of the reporting period.

The summarized cash flow situation in 2024 is presented in the table below:

Cash flow	Value (thousand lei)	%
<b>Total income, of which:</b>	<b>637.997</b>	<b>100%</b>
Amounts from operating activities	604.546	95%
Amounts from investment activity	33.451	5%
Amounts from financing activity	-	0%
<b>Total payments, of which:</b>	<b>624.073</b>	<b>100%</b>
Payments from operating activities	566.228	91%
Payments from investment activity	26.952	4%
Payments from financing activity	30.893	5%
<b>Net increase in cash and cash equivalents</b>	<b>13.924</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>260.403</b>	

The operating activity is AEROSTAR S.A.'s main cash-generating activity.

- the amounts collected from customers were worth 591.206 thousand LEI;
- the amounts collected from the State Budget were worth 13.340 thousand LEI, of which 13.031 thousand LEI represent VAT recoveries and other social receivables and 309 thousand LEI are receipts in the form of operating subsidies;
- the payments to suppliers and employees amounted to 470.738 thousand LEI, of which 348.789 thousand LEI were payments to suppliers and 121.949 thousand LEI to employees;
- the tax payments to the State Budget amounted to 95.490 thousand LEI, of which 78.607 thousand LEI in payroll taxes, 9.256 thousand LEI income tax, 5.682 thousand LEI in VAT, 1.945 thousand LEI in taxes and duties to local budgets.

## NOTE 27 - INFORMATION REGARDING THE CASH FLOW (continued)

The operating activity generated a net cash of 38.318 thousand LEI, an increase of 4.614 thousand LEI compared to the same period last year.

The investment activity included:

- bank interest income amounting to 8.969 thousand LEI from bank deposits made.
- proceeds from the sale of Evergent shares (stock symbol: EVER) in the amount of 20.468 thousand LEI

The purchased shares are held for dividend collection as well as for gains on their sale. The sale of EVER shares generated a gross gain of 3.486 thousand LEI.

- dividends received from Evergent Investments S.A. in the amount of 3.498 thousand LEI;
- dividends received from affiliated entities (Airpro Consult SRL, Foar SRL) in the amount of 516 thousand LEI;
- payments for the purchase of tangible and intangible fixed assets in the amount of 26.952 thousand lei;

The amount of cash flow allocated so as to increase the operating capacity represents 4% of the aggregate amount of cash used in operating, investing and financing activities.

As part of the financing activity, an amount of 30.893 thousand LEI was paid, representing dividends due to AEROSTAR shareholders.

The level of cash and cash equivalents recorded on 31.12.2024 is 260.403 thousand LEI, up by 14.611 thousand LEI compared to the beginning of the year.

## NOTE 28 - LIABILITIES AND OTHER OFF-BALANCE ITEMS

AEROSTAR S.A. registers as off-balance items, the rights, liabilities and goods which are not recognized in the company assets and liabilities, i.e.:

	31 December 2024	31 December 2023
• <b>Liabilities:</b>		
◦ guarantees granted to partners as letters of bank guarantee and letters of credit	1.246	3.480
◦ guarantees received from partners – as letters of bank guarantee and letters of credit	46.866	45.350
◦ mortgage guarantee received	500	-
• <b>Goods, of which:</b>		
◦ inventories of other material released for use (tooling, jigs, fixtures, safety equipment, measuring and control equipment, technical library etc.)	51.095	45.970
◦ materials received in custody	3.468	2.237
◦ finished products received in custody	2	48
◦ materials - customers	41	75
◦ tangible and intangible assets – obtained or purchased as a result of co-financed activity	554	554
◦ products received for processing/repair	21.132	22.167
◦ materials received for processing/repairs	4.420	4.068
◦ supporting assets related to concession agreements- Hangar lasi	2.490	2.490
◦ fixed assets proposed for disposal	448	315
• <b>Other off-balance values, of which:</b>		
◦ material guarantees established for the managers' liability for the management of assets	244	239
◦ liabilities for covering certain future obligations to A.J.O.F.M. based on 9624/12.12.2011 regarding the defence industry	2.616	3.218
◦ debtors removed from accounts, monitored further on	218	159
◦ creditors	14	20
◦ de minimis aid for participation in fairs and exhibitions	787	362
• <b>Greenhouse Gas Emission Certificates</b>	3.346	4.585

On 31 December 2024, AEROSTAR S.A. held a total of 9.615 greenhouse gas emission certificates.

The market value on the last trading day of a GHG certificate was 69,96 Euros, according to the European Energy Exchange website (in December 2023: 77,25 Euros), at a re-evaluation exchange rate of 4,9741 Lei/Euros.

## NOTE 29 - DIRECTORS' REMUNERATION

On July 04, 2024, the Ordinary General Meeting of the shareholders of Aerostar SA took place, in which the Board of Directors of the company was elected, consisting of 5 (five) members, for a term of office of 4 years, starting July 11, 2024.

Board of Directors of AEROSTAR S.A. on 31.12.2024:

	Surname and first name	Position	Profession
■	FILIP GRIGORE	President of the Board of Directors	Aviation Engineer
■	DAMASCHIN DORU	Vice-president of the Board of Directors	Economist
■	FILIP ALEXANDRU	Chief Executive Officer	Engineer
■	TONCEA RADU TUDOR	Member of the Board of Directors	Aviation Engineer
■	DOROȘ LIVIU-CLAUDIU	Member of the Board of Directors	Economist

In 2024, Aerostar did not grant advance payments or credits to the members of the Board of Directors and did not make any commitment on their account as collateral of any kind.

In the Ordinary General Meeting that took place on July 04, 2024, the shareholders of Aerostar approved the following:

- for the term of office starting on 11.07.2024, the Directors will receive a fixed monthly remuneration, amounting to the equivalent in lei of 1.000 Euros net/month;
- for the term of office starting on 11.07.2024, the remuneration of directors who also hold specific executive positions shall consist of a fixed monthly remuneration, amounting to the equivalent in lei of 1.000 Euros net/month, plus an additional monthly fixed net remuneration, of up to ten (10) times (inclusive) the remuneration of a member of the Board of Directors.

The gross indemnities granted to the members of the Board of Directors and Executive Directors in 2024 according to the AGM's Decision from 22.02.2024 and that of 04.07.2024, by virtue of their responsibilities, amounted to 1.812 thousand lei.

## NOTE 30 - RISK MANAGEMENT

AEROSTAR is exposed to multiple risks and uncertainties that can affect its financial performance. The business lines run by AEROSTAR, the operational results or the financial statements could be affected by the materialization of the risks presented below.

AEROSTAR pursues to secure the average and long-term sustainability and to reduce the uncertainty associated with its strategic and financial objectives. Risk management processes are in place to ensure that risks are identified, analysed, assessed and managed so as to minimise their effects to an agreed level.

However, there may be risks and uncertainties in addition to those described below, which are not currently known or are considered insignificant, but which in the future may affect the lines of business run by AEROSTAR.

### Operational Risk

It is the risk to incur losses or the risk of failure to make the estimated profits, determined by:

- the use of processes, systems and manpower that were either inadequate or failed to function properly;
- external events and actions: deterioration of the global economic conditions, natural disaster or other events that can affect AEROSTAR's assets.

Considering the global political turmoil, in the future we may face new types of risks, which is why AEROSTAR closely monitors the main areas of conflict.

The Operational Risk is also associated to the **Legal Risk**, defined as the risk of loss, resulting from the fines, penalties and sanctions AEROSTAR is liable to in case of non-application or misapplication of legal or contractual dispositions or regulations, as well as due to the fact that the rights and contractual obligations of AEROSTAR and/or of its business partner are not properly established.

The effects of the legal risk are monitored and eliminated through a permanent information system regarding the legislative modifications, as well as by setting up a review, endorsement and approval system for the terms and conditions included in the commercial agreements.

AEROSTAR has allocated and will continue to allocate investment funds and other operational expenses in order to prevent and manage the operational risk.

Moreover, AEROSTAR aims to have its own funds to cover the risks to which it is exposed, by setting aside provisions for risks and related expenses. Furthermore, in order to mitigate the operational risk, AEROSTAR annually renews a civil liability insurance contract with leading insurance and reinsurance companies for its main lines of business (manufacture of aviation products and maintenance of commercial aircraft).

**The Credit Risk** is the risk that AEROSTAR might bear a financial loss as a result of the failure to meet the contractual obligations by a partner, being determined mainly by sight and term bank deposits with banks and trade receivables. Deposits held with banks are placed only with first-tier banking institutions that are considered to have high creditworthiness.

The credit risk, including the country risk for the country where the customer performs its activity, is managed per business partner. When deemed necessary, specific instruments of credit risk mitigation are requested (advance payments, letters of bank guarantee, confirmed export credits).



## NOTE 30 - RISK MANAGEMENT (continued)

AEROSTAR has no significant exposure to a single partner and does not have a significant concentration of turnover in a single geographical area.

However, there is exposure to the global market for Airbus programmes, as a large share of the company's products are integrated on Airbus aircraft.

A presentation of quantitative information on AEROSTAR's exposure to credit risk is detailed in Note 18 (Financial Instruments) to the Financial Statements.

**Liquidity risk** is the risk that AEROSTAR will encounter difficulties in meeting its liability obligations as they fall due.

For liquidity risk management purposes, cash flows are monitored and analysed on a weekly, monthly, quarterly and annual basis to determine the estimated level of net changes in liquidity. These analyses provide the basis for funding decisions and capital commitments.

In order to mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a Credit Line available for use in the form of bank overdrafts in the amount of 2.500 thousand USD. During the reporting period AEROSTAR did not use the Credit Line, as all the Company's activities were financed from its own sources.

**Market risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The market risk comprises the price risk, the currency risk and the interest rate risk.

AEROSTAR is mainly exposed to the price risk caused by fluctuations in the price of raw materials and materials used in the production processes due to exceptional events, the imposition of international sanctions with consequences on the limitation of the possibility to supply parts and materials, the increase in the costs of specific taxes for import/export of metal products to and from the USA.

This risk is managed by:

- diversifying the supplier portfolio, which can provide increased negotiating leverage in the event that the price of raw materials increases with some suppliers.
- concluding long-term contracts with fixed price clauses.

AEROSTAR is exposed to the exchange rate risk because 79% of its turnover is related to USD and EUR, while a significant part of the operating expenses is denominated in LEI. Thus, AEROSTAR is exposed to the risk that the exchange rate variations will affect both its net income, as well as its financial position, as they are expressed in LEI. An analysis of AEROSTAR's sensitivity to the foreign exchange rate variations is detailed in Note 18 (Financial Instruments) to the Financial Statements.

As far as the interest rate is concerned, due to the fact that AEROSTAR did not use the contracted Credit Line in the reporting period, the income and cash flows are independent from the interest rate variation on the banking market.

Other aspects concerning risk management are presented in the chapter OPPORTUNITY AND RISK MANAGEMENT of the Board of Directors' Report.

## NOTE 31 - PREPAID EXPENSES AND INCOME

	31 December 2024	31 December 2023
Prepaid expenses (short-term)	1.049	789
Prepaid income (short-term)	3.448	2.916

The expenses made and the income obtained in the current period, but regarding future periods or financial years are registered distinctly in the accounting department, as prepaid expenses or prepaid income, as applicable.

The category of **prepaid expenses** on the books on 31 December 2024 includes amounts to resume within a period of up to one year representing, inter alia, fees and taxes, subscriptions, insurance policies, commissions, participation in fairs and conferences, on-line services, maintenance of IT systems.

As on December 31, 2024, Aerostar did not recognize any long-term **prepaid income**. The category short-term **prepaid income** includes amounts relating to the delivery of goods and services rendered, where the income recognition conditions of IFRS 15 are not met (the customers have not yet taken control of the goods/services).

## NOTE 32 - ASSETS REGARDING THE RIGHTS

### TO USE THE LEASED ASSETS:

reporting period 31 December 2024

	Values on 31 December 2024			Values on 01 January 2024		
	Gross amount	Cumulative depreciation	Net amount	Gross amount	Cumulative depreciation	Net amount
Asset related to the right to use the land for the MRO Hangar in Iași	1.959	(236)	1.723	1.940	(194)	1.746
<b>Total</b>	<b>1.959</b>	<b>(236)</b>	<b>1.723</b>	<b>1.940</b>	<b>(194)</b>	<b>1.746</b>

Net accounting value on 31.12.2024 and transactions during the period:

	Net amount on 01 January 2024	Revaluations in the year 2024	Update provision for cost of dismantling/ removal/ restoration of underlying assets	Depreciation during the period	Net value on 31 December 2024
Asset related to the right to use the land for the MRO Hangar in Iași	1.746	(3)	21	(41)	1.723

**NOTE 32 - ASSETS REGARDING THE RIGHTS****TO USE THE LEASED ASSETS: reporting period (continued)****COMPARATIVE KEY FIGURES - ASSETS REGARDING THE RIGHTS****TO USE THE LEASED ASSETS: reporting period 31 December 2023**

	Values on 31 December 2023			Values on 01 January 2023		
Account 251	Gross amount	Accumulated depreciation	Net amount	Gross amount	Cumulative depreciation	Net amount
Asset related to the right to use the land for the MRO Hangar in Iași	1.940	(194)	1.746	1.907	(154)	1.753
<b>Total</b>	<b>1.940</b>	<b>(194)</b>	<b>1.746</b>	<b>1.907</b>	<b>(154)</b>	<b>1.753</b>

Net accounting value on 31.12.2023 and transactions during the period:

	Net value on 1 January 2023	Revaluations in the year 2023	Update provision for cost of dismantling/ removal/ restoration of underlying assets	Depreciation over the period	Net value on 31 December 2023
Asset related to the right to use the land for the MRO Hangar in Iași	1.753	12	21	(40)	1.746

## **NOTE 33 - EVENTS AFTER THE REPORTING PERIOD**

Aerostar S.A has not identified any events subsequent to the reporting date that would have an impact on the financial statements for the financial year ended 31 December 2024.

These company financial statements that comprise the statement of financial position, the statement of profit or loss, other comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes to the financial statements were approved by the Board of Directors on 20.03.2025 and signed on its behalf by:

**Alexandru FILIP**  
**Chief Executive Officer**

**Doru DAMASCHIN**  
**Financial Director**



**Auditeval Consulting s.r.l.**

**SIMTEX-OC**  
ISO 9001 REGISTERED C.3264.1

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Intesa Sanpaolo România sucursala Bacău RO64 WBAN 0204 1V03 7508 R001  
TREZORERIA BACĂU RO84 TREZ 0615 069X XX00 5679

## LIMITED ASSURANCE REPORT of the independent auditor on the Sustainability Reporting for the financial year 2024

To  
The Shareholders of AEROSTAR S.A. Bacau

### *Our limited assurance conclusion*

We have performed a limited assurance engagement on the Sustainability Report included in Section II "STATEMENT ON SUSTAINABILITY" of the Annual Report prepared by the Board of Directors of the Company as of 31.12.2024, for the period from 01.01.2024 until 31.12.2024 of AEROSTAR SA, ("the Company"), having its head office in Bacau, 9 Condorilor Street, identified in the Trade Register with EUID Code: ROONRC.J1991001137040-R.C. Bacau and by the unique tax registration code RO 950531.

Based on the procedures we have performed and the evidence we have obtained, **nothing has come to our attention** that causes us to believe that the AEROSTAR SA Sustainability Report as at 31.12.2024 for the period from 01.01.2024 to 31.12. 2024 **is not prepared, in all material respects, in accordance with the applicable legislative framework for sustainability reporting** set out in the Order of the Minister of Finance No. 2844/2016, Chapter 7<sup>1</sup> and Order No. 85 of January 12, 2024 for regulating the aspects of sustainability reporting, including:

- the compliance with the European Sustainability Reporting Standards ("ESRS"), including the fact that the process carried out by the Company to identify the information presented in the Sustainability Reporting is in accordance with EU Delegated Regulation 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council regarding sustainability reporting standards (CSRD).
- the compliance of the information disclosures regarding taxonomy, detailed in the Environmental Section of the Sustainability Reporting, with the applicable reporting requirements of Article 8 of Regulation (EU) No 852/2020 (referred to as the "Taxonomy Regulation").

### *The basis for our assurance conclusion*

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information." Our responsibilities under this standard are detailed in the "Auditor's Responsibilities" section of our report.

We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including the International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and the other relevant ethical requirements in Romania, including Law no. 162/2017 with subsequent amendments, for our assurance engagement on Sustainability Reporting, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our company applies the *International Standard on Quality Management 1* and accordingly maintains a comprehensive quality management system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

### ***Responsibilities of the Board of Management for the Sustainability Reporting***

The board of management of AEROSTAR SA is responsible for designing, establishing, implementing and maintaining appropriate performance management and internal control systems from which the information reported in the Annual Report, Sustainability Statement section, is derived in accordance with the ESRS, including the selected indicators, so that they do not contain material misstatement due to fraud or error, such as for the preparation, measurement and calculation of the selected indicators and for their presentation in the Sustainability Statement.

These responsibilities include:

- understanding the context in which the company's activities and business relationships take place and developing an understanding of the affected stakeholders;
- the identification of actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect or can be expected to affect the Company's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium, or long term;
- assessing the extent to which the impacts, risks and opportunities identified in relation to sustainability issues are material, by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the given circumstances.

The Board of Directors is also responsible for preparing the Sustainability Report in accordance with the sustainability reporting framework required by law, including:

- compliance with the European Sustainability Reporting Standards (ESRS);
- preparation of disclosures of taxonomy information in the Environmental Section of the Sustainability Reporting in accordance with Article 8 of Regulation (EU) No 852/2020 ("Taxonomy Regulation");
- designing, implementing, and maintaining those internal controls that are considered necessary to enable the preparation of the Sustainability Reporting without material misstatement, whether caused by fraud or error; and
- selecting and applying appropriate sustainability reporting methods as well as making assumptions and estimates about the individual sustainability information disclosures that are reasonable under the given circumstances.

The Board of Management is responsible for preventing and identifying fraud and for ensuring that AEROSTAR SA complies with the laws and regulations relevant to its activities in terms of sustainability.

Furthermore, the Board of the Management is responsible for ensuring that the personnel involved in preparing the Sustainability Reporting is adequately trained, the information systems are updated and any changes in the reporting flow cover all significant operational segments.

### ***Inherent limitations in preparing the Sustainability Reporting***

The process that the company adopts to define, collect and report its non-financial performance data is not subject to the formal processes adopted for financial reporting. As a result, data of this nature is subject to variations in definitions, collection and reporting methodology without a consistent and accepted standard. This can lead to information that is not comparable between Companies and from one year to another as methodologies develop. The accuracy and completeness of the information presented in the Sustainability Statement is subject to inherent limitations due to their nature and the methods used to identify, calculate or estimate this information.

### ***The auditor's responsibilities***

Our responsibility is to express a limited assurance conclusion on the Sustainability Report, on the selected indicators included therein, based on the procedures we have performed and the evidence we have obtained, that the Sustainability Report is free from material misstatement due to either fraud or error and to include our conclusion in the limited assurance report.

Misrepresentations can be caused by either fraud or error and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the users' decisions based on the Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional scepticism throughout the engagement.

This standard requires us to comply with ethical standards and to plan and conduct the assurance engagement in such a way as to obtain limited assurance if the overall statement and the indicators selected, calculated and included and the Sustainability Reporting comply with the respective assessment criteria, and the methodology provided by the European Sustainability Reporting Standards(ESRS) provided by Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council, as well as the specific methodology applied in the Sustainability Statement.

The procedures in a limited assurance engagement differ in nature and placement over time and are narrower than those in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is significantly lower than the assurance that would have been obtained if a reasonable assurance engagement had been conducted.

Our responsibilities with respect to Sustainability Reporting include:

- Acquiring an understanding of sustainability reporting, but not for the purpose of reaching a conclusion on its effectiveness and outcome;



- Designing and performing procedures to assess whether the reporting is consistent with the company's description of it.

Our other Sustainability Reporting responsibilities include:

- Acquiring an understanding of the company's control environment, processes and information systems relevant to the preparation of the Sustainability Report, but without evaluating the design of certain control activities, obtaining evidence of their implementation or testing their operational effectiveness;
- Identifying disclosures where material misstatements are likely to occur, whether due to fraud or error;
- Designing and performing procedures in response to Sustainability Reporting disclosures where material misstatements are likely to occur. The risk of not detecting a material misstatement caused by fraud is greater than in the case of error because fraud may involve complicity, falsification, intentional omissions, intentional misrepresentations, or circumvention of internal control.

We have complied with the independence and other ethical requirements under the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (including the International Independence Standards for Accountants) (the IESBA Code), which is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct.

### ***Summary and procedures performed***

A limited assurance engagement involves performing procedures to obtain evidence on Sustainability Reporting.

The nature, timing and extent of the procedures selected depend on professional judgment, including the identification of disclosures where material misstatements, whether due to fraud or error, are likely to occur in the Sustainability Reporting.

The procedures selected depend on the auditor's judgment and our understanding of the indicators in the Sustainability Reporting and other engagement circumstances, as well as our considerations of areas where significant misstatements could arise in obtaining an understanding of the indicators, and we considered the process used by the Company to calculate those indicators in order to determine the relevant assurance procedures in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the process or internal control over the indicators being analysed.

The procedures include, in particular, enquiries, observation of the processes performed, analysis of documents, analytical procedures, assessment of the correctness of the calculation methods and reconciliations with the supporting records.

To reach our conclusion of limited assurance on the Sustainability Reporting and selected indicators, we performed the following procedures:

- Through our enquiries, we gained an understanding of the company's control environment and information systems relevant to the reporting of the indicators under review, but we did not assess how certain control activities were established, nor did we obtain evidence of their implementation, or test their operational effectiveness.

- We gained an understanding of the relevant systems, processes and procedures through enquiries, analytical procedures, observation and other applicable evidence-gathering procedures.
- We obtained the relevant calculations and breakdowns for each indicator and verified the mathematical calculations.
- We assessed whether the structure and presentation of the Sustainability Report complies with the European Sustainability Reporting Standards (ESRS);
- We assessed whether the significant information obtained through the process of identifying the information required to be presented in the Sustainability Report is included in the Sustainability Report;
- We compared the information contained in the Sustainability Statement in respect of the selected indicators with the detailed calculations.
- We assessed the qualitative and quantitative information specified in the Sustainability Statement so as to obtain limited assurance that the selected indicators presented in the Sustainability Statement have been prepared, in all material aspects, in accordance with the reporting criteria set out in the European Sustainability Reporting Standards (ESRS) provided by Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

The selected indicators are as follows:

A			
INDICATORS THAT ARE NOT FINANCIALLY MATERIAL			
Item No.	Disclosure requirement and related data point	Specific indicator	Location in the Annual Report
1	Impacts, risks and opportunities and their interaction with the business model, SBM-3, IRO -1	Adaptation to climate change	Reported on page 45 of the Annual Report, section Sustainability Statement
	Material impacts, risks and opportunities, IRO-1	Air pollution	Reported on page 49 of the Annual Report, section Sustainability Statement
2	Material impacts, risks and opportunities, IRO-11	Resource inflows	Reported on page 55 of the Annual Report, section Sustainability Statement
3	Interests and views of the stakeholders SBM-2	Adequate salaries, Social dialogue, Gender equality and equal pay for work of equal value, Training and skills development, Health and safety	Reported on pages 59, 60 of the Annual Report, section Sustainability Statement
4	Material risks, impacts and opportunities and their interaction with the strategy and business model, SBM-3	Health and safety, Equal treatment and equal opportunities for all	Reported on page 71 of the Annual Report, section Sustainability Statement

5	Material risks, impacts and opportunities and their interaction with the strategy and business model, SBM-3	Impacts related to security, Right to education and culture (outside the standard), Freedom of expression	Reported on page 75 of the Annual Report, section Sustainability Statement
6	Material risks, impacts and opportunities and their interaction with the strategy and business model, SBM-3 - IRO 1	Safety of products and services	Reported on page 80 of the Annual Report, section Sustainability Statement
7	Impacts, risks, opportunities	Concerns related to behaviour that is illegal or contravenes the code of conduct or internal regulations, Business conduct, Payment practices, Payment practices, Supply chain and impacts on sustainability issues	Reported on page 80 of the Annual Report, section Sustainability Statement
8	Additional topics	Compliance with export/import control regulations, Security incident - data loss, GDPR data	Reported on page 88 of the Annual Report, section Sustainability Statement

B	<b>INDICATORS THAT ARE NOT FINANCIALLY MATERIAL</b>		
Item No	<b>Disclosure requirement and related data point</b>	<b>Specific indicator</b>	<b>Location in the Annual Report</b>
1	Targets related to climate change mitigation and adaptation, ESRS E1-4	Natural gas consumption and electricity consumption/turnover	Reported on page 46 of the Annual Report, section Sustainability Statement
2	Energy consumption and energy mix, ESRS E1-5	Evolution of electricity and methane gas consumption	Reported on page 46 of the Annual Report, section Sustainability Statement
3	Gross GHG emissions of categories 1, 2, 3 and total GHG emissions, ESRS E1-6	Gross GHG emissions	Reported on pages 47, 48 of the Annual Report, section Sustainability Statement
4	Air, water and soil pollution, ESRS E2-4	Evolution of organic compound emissions	Reported on page 50 of the Annual Report, section Sustainability Statement
5	Targets related to water and marine resources, ESRS E3-3	Evolution of water consumption/turnover	Reported on page 53 of the Annual Report, section Sustainability Statement
6	Water consumption, ESRS E3-4	Evolution of water consumption/turnover	Reported on page 54 of the Annual Report, section Sustainability Statement

7	Targets related to the use of resources and circular economy ESRS E5-4, ESRS E5-5	Waste evolution and recovery	Reported on page 56 of the Annual Report, section Sustainability Statement
8	Characteristics of own workforce ESRS S1-6; ESRS S1-7	Number of employees by gender	Reported on page 64 of the Annual Report, section Sustainability Statement
9	Collective negotiations and social dialogue, ESRS S1-8	Consultation with the trade union	Characteristics of own workforce ESRS S1-6; ESRS S1-7
10	Training and skills development indicators, ESRS S1-13	Analysis of personnel training	Reported on page 66 of the Annual Report, section Sustainability Statement
11	Health and safety indicators, ESRS S1-14	Analysis of occupational health and safety	Reported on page 68 of the Annual Report, section Sustainability Statement
12	Remuneration indicators (pay gap and total remuneration), ESRS S1-16	Analysis of work remuneration	Reported on page 69 of the Annual Report, section Sustainability Statement
13	Incidents, complaints and serious human rights issues and incidents, ESRS S1-17	Number of incidents, complaints and serious human rights issues and incidents	Reported on page 70 of the Annual Report, section Sustainability Statement

### *Other aspects*

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 conclusion expressed.

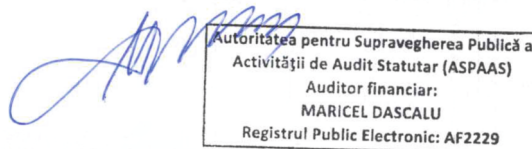
Bacău, 17.03.2025

On behalf of AUDITEVAL CONSULTING SRL

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through

Audit partner: financial auditor Maricel Dascalu



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**Auditeval Consulting s.r.l.**

**SIMTEX-OC**  
ISO 9001 REGISTERED C.3264.1

Bacău, Str. Vadul Bistriței 29/C/4 Mobil: 0744 / 381.993 E-mail: dascalumaric@gmail.com  
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.JI991001137040-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.

<b><i>Key audit matters</i></b>	<b><i>Audit procedures performed to address the key audit matters:</i></b>
<b><i>1. Provisions</i></b>	
<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"> <li>- We analyzed the Company's actual liabilities under which the provisions were recognized;</li> <li>- We analyzed the professional judgments used by the Company's Board of Management in determining the probable outcomes of events and quantifying potential liabilities;</li> <li>- 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.</li> <li>- 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.</li> </ul>



	<ul style="list-style-type: none"> <li>- We analyzed the maturity of the liabilities on which the provisions were set aside and their classification into short and long-term.</li> <li>- 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.</li> </ul>
<b>2. Production in progress</b>	
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.	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul> <p>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.</p>

### ***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 48<sup>5</sup>-48<sup>8</sup>, 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 48<sup>5</sup>-48<sup>8</sup> 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.

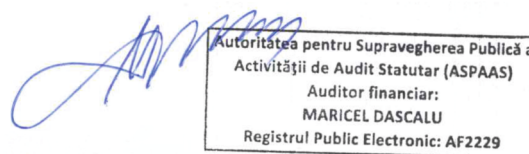
17.03.2025

On behalf of AUDITEVAL CONSULTING SRL

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Audit partner: financial auditor Maricel Dascalu



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## DECLARATION

The undersigned ALEXANDRU FILIP, as General Director of AEROSTAR S.A. and DORU DAMASCHIN, as Financial Director of AEROSTAR S.A., hereby undertake the responsibility for the preparation of the individual financial statements as on 31.12.2024 and we confirm hereby that:

- a. The accounting-financial statement for 2024, that was prepared in accordance with the applicable accounting standards provides a fair image, compliant with the reality of the assets, obligations, financial position, of the profit and loss account of the company Aerostar S.A. Bacău;
- b. The report of the Board of Directors on the financial year 2024, prepared in accordance with the provisions of Regulation no. 5/2018 issued by the Financial Supervisory Authority - Annex no. 15, contains a correct review of the company's development and performance, a description of the main risks and uncertainties related to the activity of Aerostar S.A. Bacău and are prepared in accordance with the sustainability reporting standards mentioned in Article 29b of Directive 2013/34/EU and with the clarifications adopted pursuant to Article 8 para. (4) of Regulation (EU) 2020/852.

General Director,

ALEXANDRU FILIP

Financial Director,

DORU DAMASCHIN

## DISTRIBUTION OF THE NET PROFIT REALISED IN 2024

Net profit for the financial year 2024	95.724.563,92 lei
- Distribution to legal reserves of profits reinvested	18.730.570,38 lei
- Distribution to retained earnings	40.447.405,54 lei
- Dividend distribution (gross dividend per share: 0,24 lei)	36.546.588,00 lei

Chairman of the Board of Directors

GRIGORE FILIP

Vice-chairman of the Board of Directors and Chief Financial Officer

DORU DAMASCHIN

## ABREVIERI

<b>ADCR</b>	Aerospace and Defence Chromates Reauthorization
<b>AGOA</b>	Ordinary General Meeting of Shareholders
<b>ASF</b>	Financial Supervisory Authority
<b>BVB</b>	Bucharest Stock Exchange
<b>CAEN</b>	Classification of Activities in the National Economy
<b>CSRD</b>	Council on Sustainable Reporting Standards
<b>CTAC</b>	Chromium Trioxide Authorization Consortium
<b>EASA</b>	European Aviation Safety Agency
<b>ECHA</b>	European Chemicals Agency
<b>EMAR</b>	European Military Airworthiness Requirements
<b>ESRS</b>	European Sustainability Reporting Standard
<b>EUID</b>	European Unique Identifier of the Company
<b>FAA</b>	Federal Aviation Administration
<b>GDPR</b>	General Data Protection Regulation
<b>GHG</b>	Greenhouse Gases
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards
<b>OCDE</b>	Organization for Economic Cooperation and Development
<b>OIM</b>	International Labour Organization
<b>UN</b>	United Nations
<b>PEHD</b>	High-Density Polyethylene
<b>REACH</b>	Registration, Evaluation, Authorization and Restriction of Chemicals
<b>SSM</b>	Occupational Health and Safety





**Contact:**

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