

BOARD OF DIRECTORS'

REPORT

1ST SEMESTER 2023

9 Condorilor Street,
Bacău 600302, Romania
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004-0234 575070/004-0234 572023

AEROSTAR is a company with 70 years of experience in the aviation and defence industry.

Over the years we have left our global mark, while focusing on fulfilling our mission, as well as on our customers' requirements and expectations, through continuous improvement actions at all levels.

At present, we are a national market leader and an integrated supplier to the global supply chains of major aerospace companies.

AEROSTAR S.A. shareholders can find information about AEROSTAR S.A. and our main events on the website www.aerostar.ro.

The Report of the Board of Directors was prepared in accordance with the provisions of Law 24/2017 on the issuers of financial instruments and market operations and Regulation A.S.F. No 5/2018 of the Financial Supervisory Authority on the issuers of financial instruments and market operations, namely Annex 14, the applicable reporting requirements and the Guidelines described in the European Commission's Communication.

Reporting period - 1st semester, 1 January - 30 June 2023.

Date when the company was founded: 17 April 1953

European Unique Identifier of the Company (EUID): ROONRC.J04/1137/1991,

LEI identification code as a legal entity: 315700G9KRN3B7XDDBB73;

Subscribed and paid-up share capital: RON 48.728.784;

Unique Registration Code 950531, ISIN code ROAEROACNOR5,

The company's activities are carried out at its registered office, located at 9, Condorilor Street, Bacău, postal code 600302;

The company's main field of activity is production. The company's main object of activity is 'Manufacture of aircraft and spacecraft' - CAEN code 3030.

The individual financial statements prepared for the first half of 2023 are accompanied by the external financial auditor's review report.

Applicable accounting standards:

The individual financial statements are prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) adopted by the European Union, the Accounting Law no. 82/1991, republished, as amended and supplemented, and they are presented in accordance with the requirements of IAS 1 (Note 3);

AEROSTAR S.A. is listed on the Bucharest Stock Exchange under the code ARS, all the shares issued are in the Standard category. The record of the company's shares and shareholders is kept in accordance with the law by S.C. Depozitarul Central S.A. Bucharest.

SEMESTRIAL REPORT

THE BOARD OF DIRECTORS' REPORT
INDIVIDUAL FINANCIAL STATEMENTS
EXTERNAL AUDITOR'S REVIEW REPORT

The purpose of this report is to inform the investors about the changes in the company's position and performance that have taken place during the reporting period January-June 2023, as well as about the foreseeable developments on the aviation and defence industry market and the company's development opportunities.

THE BOARD OF DIRECTORS' REPORT

I-ST SEMESTER



Manufacture of Aeronautical Products

49,4% of the turnover for the first semester of 2023



MRO Civil Aviation

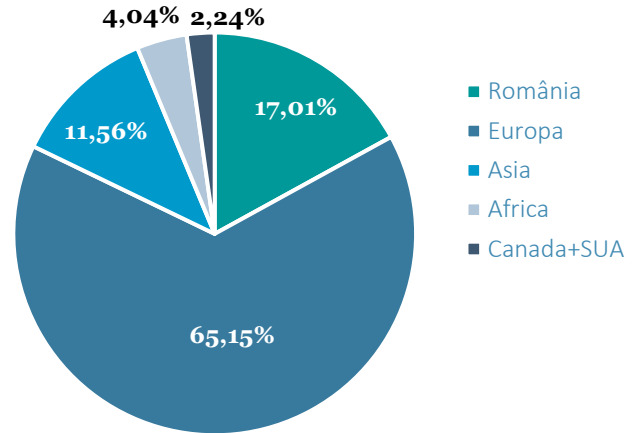
33% of the turnover for the first semester of 2023



Defence Systems

15% of the turnover for the first semester of 2023

SALES MARKETS



1824

NUMBER OF EMPLOYEES

2706

ATTENDANCES IN TRAINING SESSIONS

0

WORK ACCIDENTS

15%

SALARY INCREASES

7138 k Lei

INVESTMENTS

TOP PRIORITIES IN 2023



We are constantly monitoring the progress of the proposed commitments:

- CLIMATE CHANGE MITIGATION
- TOP EMPLOYER
- COMMUNITY ENGAGEMENT AND DEVELOPMENT
- CUSTOMER SATISFACTION

Significant events of the reporting period

From 1 January to 30 June 2023 the following main events took place:

15 March

AEROSTAR has published the current report to convene the Ordinary General Meeting of Shareholders for 20 April.

24 March

The annual negotiations of a new Additional Act to the Collective Labour Agreement for the period: 01.04.2023 - 31.03.2024 between the AEROSTAR S.A. Management and the Employees' Committee were finalised.

As of 1 April, **benefit packages and salary increases of 15%** have been provided for the company's employees.

17 April

AEROSTAR S.A. celebrated 70 years of continuous activity!

20 April

The convening notice, the agenda, the draft resolutions, the materials submitted to the AGM for approval and the forms requested by AEROSTAR were posted on the company's website www.aerostar.ro under the Investor Relations section.

During the OGM the AEROSTAR shareholders approved the following:

- The Directors' Report and the Financial Statements for 2022
- The Financial Auditor's report on the audit of the financial statements
- Discharge of the members of the Board of Directors and Executive Management
- Distribution of the net result of the financial year 2022 (profit), i.e. the amount of 90.272.999,12 lei **as follows:**

| | |
|---|--------------------------|
| allocations to the legal reserve of reinvested earnings | 7.961.284,14 lei; |
| allocations to reserves | 54.901.773,98 lei |
| distribution as dividends | 27.409.941,00 lei |

- The dividend payment date for the financial year 2022 is **31 May 2023**. The gross dividend per share is 0,18 lei.

17 May

The mandate of the external auditor Auditeval Consulting SRL was extended for a period of 3 years.

7 June

A BLOOD DONATION CAMPAIGN was organised at the head office of AEROSTAR S.A., with the support of our colleagues who were willing to give a second chance at life to the people in distress.

7 June

Opening of a work point, secondary office in the municipality of Fetești, Romania.

Events after the reporting date

After the reporting date there were no events that are likely to have an impact on the financial statements at 30 June 2023.

THE BOARD OF DIRECTORS' REPORT

Aerostar operates on three distinct segments, materialized in business lines that reflect the organizational and management structure in accordance with the services provided:



Manufacturing of Aeronautical Products

Aerostar is a significant supplier of aerostructures, components, assemblies and hydraulic systems for global manufacturing programs. The equipment, assemblies and parts produced by AEROSTAR are used on a large number of commercial aircraft: Airbus A320, A321, A330, A350, Boeing B737, B787, B767, Gulfstream G650, Dassault F7X, Bombardier Challenger 600 series and Global 5000/6000.



MRO for Civil Aviation

AEROSTAR is an important supplier of maintenance services at industrial level (basic and complex B, C and D level maintenance, structural modifications, avionics upgrades) for Airbus A320 family and Boeing B737 300-900 series commercial aircraft.



Defence Systems - air, ground and naval

AEROSTAR is active in upgrading, integration and maintenance programmes for military aviation and defence systems, being a tier 1 supplier for the Romanian Ministry of National Defence and an authorised economic operator registered in the Unique Register of economic operators and production capabilities and/or defence services in the national defence industry

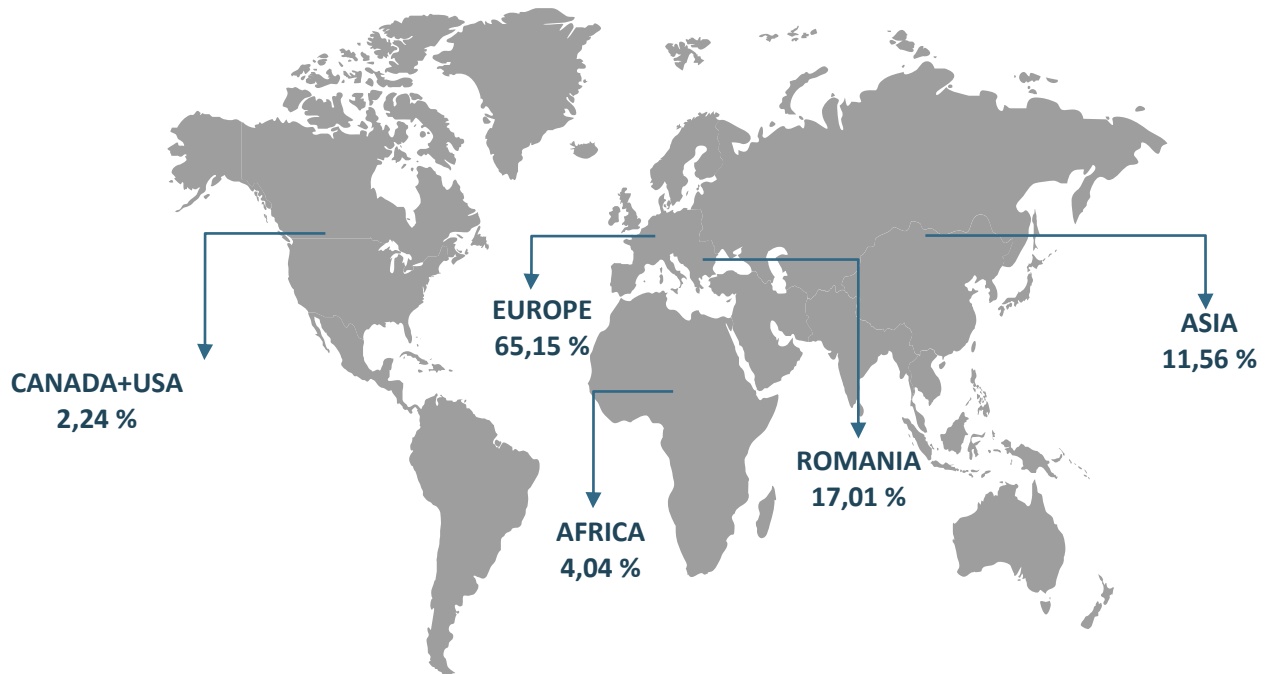
General elements

AEROSTAR's customers are located in Europe, Asia, Africa, USA and Canada

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 Asia and Africa we provide civil aviation maintenance services and in Canada we provide aviation products.

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



The turnover achieved in the first semester of 2023 is 245.426K lei, an increase by 22,5% compared to the same period of last year.

AEROSTAR prepares its individual financial statements in accordance with the International Financial Reporting Standards (IFRS).

KEY figures

| | UM | 30.06.2023 | 30.06.2022 |
|------------------------------|-------|------------|------------|
| Share capital | K lei | 48.729 | 48.729 |
| Turnover | K lei | 245.426 | 200.412 |
| Export sales | K lei | 203.685 | 147.748 |
| Share of exports in turnover | % | 83% | 74% |
| Actual number of employees | no. | 1.824 | 1.797 |
| Net profit | K lei | 46.825 | 48.829 |
| Cash flow | K lei | 235.625 | 237.934 |
| Expenses for investments | K lei | 7.139 | 3.913 |

Main economic - financial indicators

| Economic-financial indicators | 30.06.2023 | 30.06.2022 |
|---------------------------------------|--------------|--------------|
| Current liquidity indicator | 8,61 | 7,74 |
| Leverage ratio indicator | 0 | 0 |
| Receivable turnover ratio - customers | 50 | 56 |
| Fixed assets turnover ratio | 1,08 | 0,94 |
| General solvency ratio | 12,80 | 11,64 |
| Financial rate of return | 0,09 | 0,11 |
| Net profit rate | 19,08% | 24,36% |
| Net treasury | 60.893 K lei | 74.415 K lei |

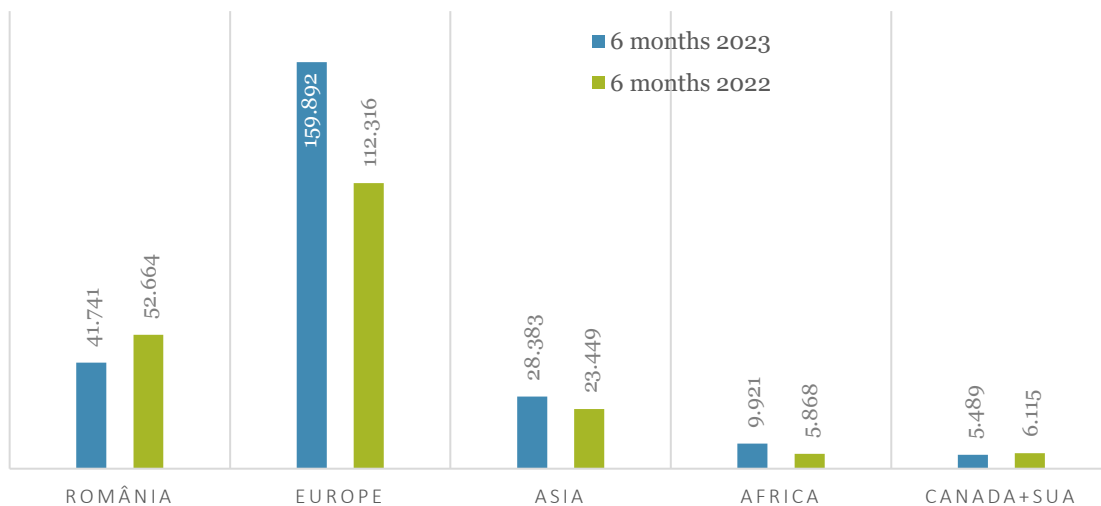
National currency exchange rates for 2023

| Monetary indicators | UM | 30.06.2023 | 30.06.2022 |
|--------------------------------------|---------|------------|------------|
| Average exchange rate EURO/12 months | lei/EUR | 4,9315 | 4,9204 |
| Average exchange rate USD/12 months | lei/USD | 4,6885 | 4,1604 |
| Average exchange rate GBP/12 months | lei/GBP | 5,7867 | 5,7233 |
| Inflation | % | 13,80 | 8,19 |

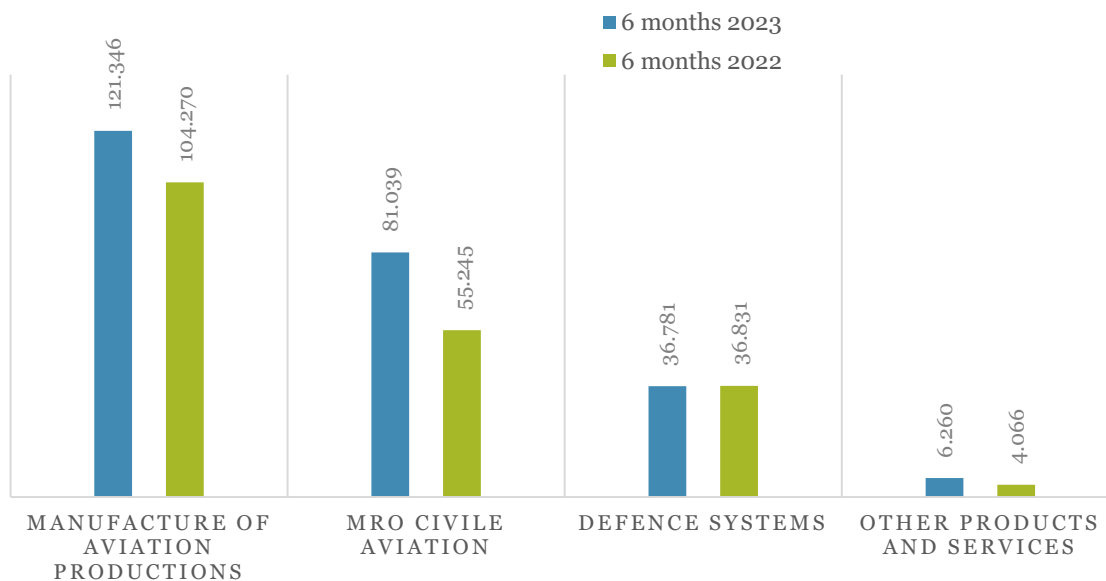
* Source: www.bnr.ro/cursurivalutare

Financial performance results

Out of the turnover of 245,426 thousand lei achieved in the first semester of 2023, the company sold products and services worth 41,741 thousand lei on the domestic market and worth 203,685 thousand lei on the foreign market.



Comparative evolution of sales on the existing markets (thousand lei)



Comparative evolution of sales by business lines (thousand lei)

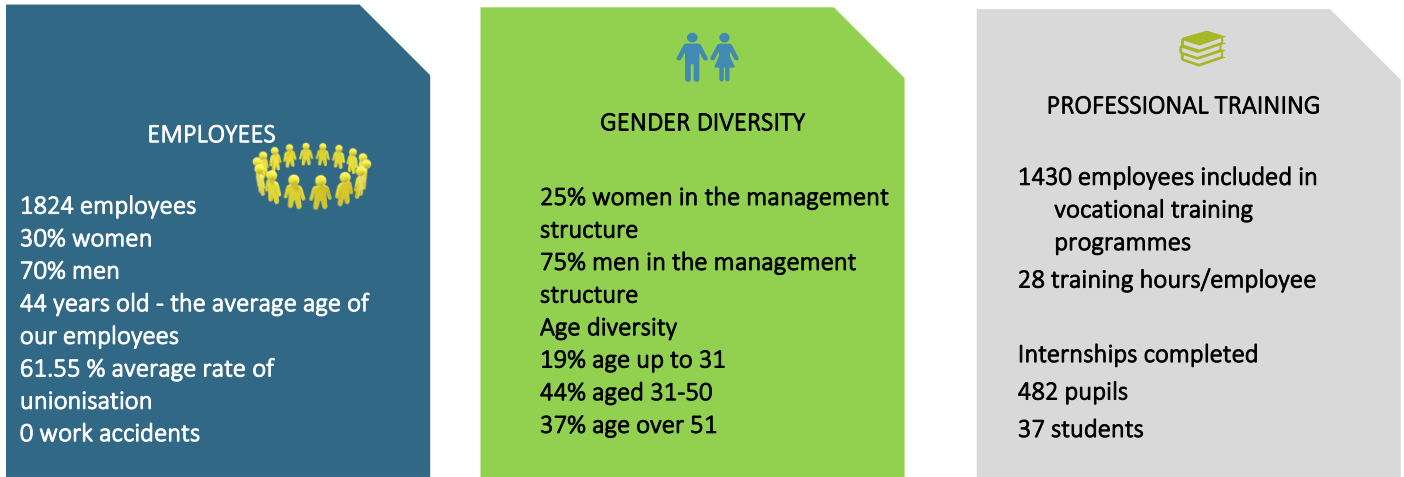
The upward trend in the manufacture of aviation products was maintained between 1 January and 30 June 2023 as a result of the growing demand for aircraft thanks to the recovery of the international air traffic. The air traffic surge has also led to an upturn in civil aviation MRO services through the increased demand for spare parts for the 2 types of aircraft for which Aerostar holds maintenance authorisations.

Our employees

Human resources are an important contributing factor to the company performance, effectiveness, evolution and development.

We support, respect and guarantee equal and non-discriminatory treatment!

We support the professional development of our employees by including them in relevant training programmes.



Thanks to the policies adopted in terms of human resources, equal opportunities are guaranteed to all employees, without discrimination, as regards their professional career or any other work practice.

In the first semester of 2023, a number of 42 jobs, representing 25.00% of the total 168 jobs, are occupied by women.

AEROSTAR currently has 85.86% of its individual employment contracts concluded for an indefinite period, thus avoiding the excessive use of temporary manpower.

As for the benefits of our employees, the Additional Act entered into force on 1 April 2023 for the Collective Labour Agreement for the period 01.04.2023 - 31.03.2024 provides **benefit packages and salary increases of 15%** for the company's employees.

Business model

AEROSTAR operates as an independent company on the global market for products and services in the aerospace and defence industry.

The production activities are carried out based on commercial contracts with the customers, who are integrators and/or end-users/beneficiaries in the aerospace and defence industry. Committed to a sustainable future, our management has adopted an ambitious strategy and an integrated business model based on the process-systems approach and RISK-based thinking.

The policy of the company's top management is focused on maintaining a solid capital base for continuous development in the context of the global market and its competitive edge through quality, high-level capabilities, and technologies for a sustained organized development and thus the achievement of its strategic objectives.

The company's business model has not changed in the unstable conditions brought about by the international context, but the way of carrying out the activities has been adapted in relation to the specific nature of the activity flows.

Risks and uncertainties

Within the company, the necessary resources are allocated for risk management, while various authorities and responsibilities are established for the relevant functions and levels. The general framework for dealing with risks is based on an understanding of the needs and expectations of the stakeholders in achieving the organisation's expected results.

The first half of 2023 was characterised by instability in the international landscape, with difficulties persisting in the supply of raw materials and materials, coupled with a general increase in demand. The risk profile during this period is uncertain.

The global economic and geopolitical crisis has not altered AEROSTAR's commitment to its established responsibilities. The conflict between Ukraine and Russia did not directly affect the company's business in the first semester of 2023, but the resulting effects are an ongoing concern for the company. In terms of demand for the products and services provided by AEROSTAR, a selective increase was observed.

The results for the first semester of 2023 reflect the company's solid performance with an increase in sales in the complex geopolitical and economic environment. The financial performance with an increase of 22.5% in turnover compared to the same period of last year reflects the company's resilience and stable framework in relation to the business environment.

Price increases

In the first half of 2023, the price increase was maintained at the level reached in 2022 for electricity and gas and there is an upward trend in prices for materials and supplier services.

The war crisis in Europe

The existing geopolitical instability has influences mainly in the supply and supply chains and marked influences on the defence sector in the short term.

Climate impact. Climate change is one of the major global challenges we face. We respect the environment, nature and natural resources! We see climate change as both a challenge and a threat to the environment, with social and economic impacts. It can lead to uncertainties for planning, investments and strategies. AEROSTAR continuously assesses the environmental risks and opportunities identified in its operations. With regard to the reporting period, there is no significant impact on the Company's assets and liabilities.

Internal environment

The shortage of manpower in the aviation industry remains a real issue and challenge given the need for qualified and specialised personnel and the high level of experience and professional training required by the specific activities in the field.

We are committed to strengthening our culture and the diversity of our workforce by recruiting, retaining and professionally developing our employees, as well as by developing partnerships to attract young people to internships and studies.

Executive management

The executive management is ensured by the General Director and the Financial Director. The management structure at executive-operational level is completed by the other division and directorate managers. There were no changes in this structure in the first semester of 2023.

| The executive management is composed of: | |
|---|--|
| Name | Position |
| Filip Grigore | General Director |
| Damaschin Doru | Financial-Accounting Director |
| Filip Alexandru | Deputy Director General |
| Rogoz Vasile Laurențiu | Quality Director |
| Popa Dan Paul Mălin | Human Resources Director |
| Cristea Andra | Logistics Division Director |
| Buhai Ovidiu | Defence Systems Division Director |
| Iosipescu Șerban | Aeronautical Products Division Director |
| Veleşcu Ioan - Dan | Civil Aviation MRO Division Director |
| Branche Cătălin Bogdan | Utilities & Infrastructure Division Director |

Board of Directors

The **Board of Directors** was elected for a period of four years at the General Meeting of Shareholders held on July 9, 2020. The election was carried out by secret ballot, with the term of office running until 10.07.2024.

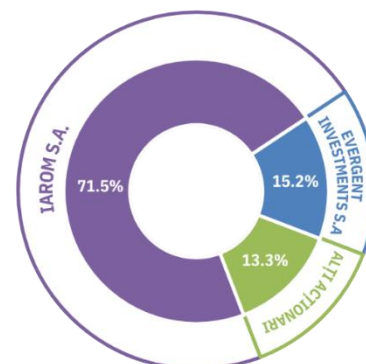
| The Board of Directors is composed of: | |
|---|----------------|
| Name | Position |
| Filip Grigore | President |
| Damaschin Doru | Vice-president |
| Toncea Mihail-Nicolae | Member |
| Doroș Liviu- Claudiu | Member |
| Vîrnă Daniel | Member |

Shareholders of AEROSTAR

The significant shareholders of AEROSTAR S.A. are IAROM S.A. Bucharest and EVERGENT Investments S.A. Bacau. The synthetic structure of the company's shareholding on 30 June 2023 is as follows:

| Shareholders | Number of shares |
|--------------------------|------------------|
| IAROM S.A. | 108,866,403 |
| Evergent Investments S.A | 23,106,135 |
| Other shareholders | 20,304,912 |
| Total | 152,277,450 |

The shareholders can obtain information about AEROSTAR S.A. and the main events on the website www.aerostar.ro.



Relation with the shareholders and the capital market

In its relation with the shareholders, Aerostar has aimed at protecting and securing shareholders' rights, namely:

- to participate in General Meetings directly or by proxy - by making available to them special proxies, mail-in ballots, other useful information;
- to be treated fairly, irrespective of shareholdings;
- to receive dividends in proportion to each shareholder's holdings.

In relation to the capital market, Aerostar has fulfilled all reporting obligations that have arisen from the legal provisions by publishing the mandatory current 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 periodical information was disseminated simultaneously in both Romanian and English.

The shareholders can obtain information about Aerostar and the main events on the website www.aerostar.ro.

It is also possible to download annual and semestrial reports for the last ten years and quarterly reports for the last five years, as well as current reports and other information relevant to the shareholders.

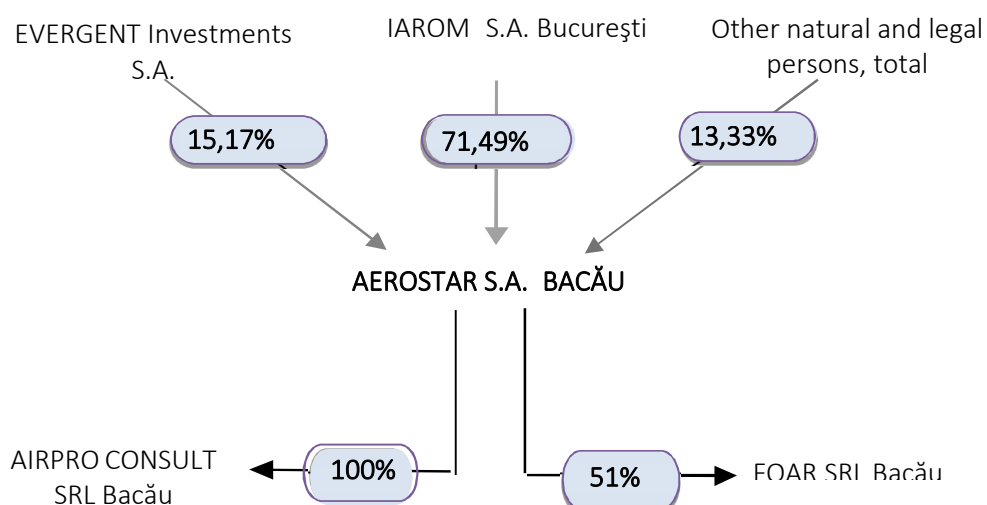
There are no changes regarding the shareholders' rights. During the reporting period there were no major transactions entered into by the company with persons with whom it acts in concert or in which such persons were involved.

Aspects regarding the company capital and administration

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

AEROSTAR's relation with the parent company, other shareholders and the companies where it holds capital

Aerostar is a subsidiary of the company IAROM S.A. and therefore the parent company consolidating the financial statements of the group is IAROM S.A., with the unique identification code 1555301 and the registered office in Bucharest, at no. 39, B-dul Aerogării. 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 31.12.2022.



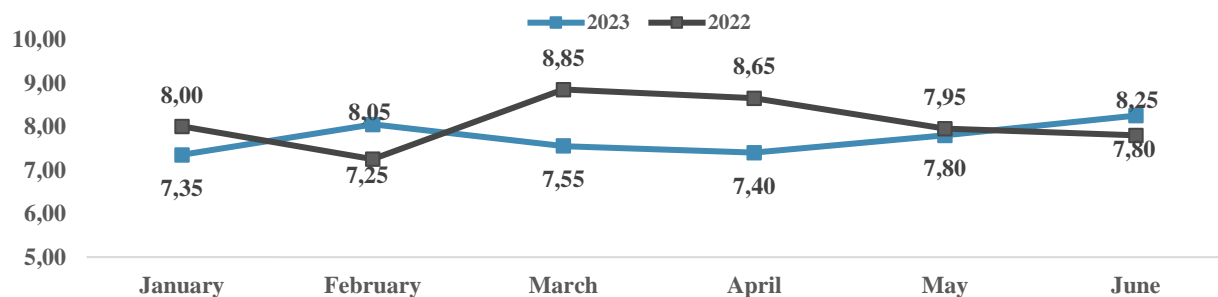
AEROSTAR share

The shares of the company Aerostar S.A. Bacău have been traded since 1998 on the regular market administered by the Bucharest Stock Exchange. Main characteristics of the securities issued: 152,277,450 registered, ordinary shares of equal value, fully paid, issued in dematerialised form and evidenced by registration in the Shareholders' Register. It is managed by the Central Depository S.A. Bucharest.

| Aerostar shares in figures: | 30.06.2023 | 30.06.2022 | 30.06.2021 |
|---------------------------------------|-------------------|-------------------|-------------------|
| Number of shares | 152.277.450 | 152.277.450 | 152.277.450 |
| Nominal value per share (lei) | 0,32 | 0,32 | 0,32 |
| Price at the end of the period (lei)* | 8,25 | 7,80 | 5,90 |
| Market capitalisation (lei)* | 1.256.288.963 | 1.187.764.110 | 898.436.955 |
| Maximum price (lei)* | 8,30 | 9,50 | 6,00 |
| Minimum price (lei)* | 7,00 | 7,20 | 4,00 |
| Earnings per share (lei) | 0.3075 | 0,32 | 0,24 |

Source: monthly bulletin issued by the Bucharest Stock Exchange

Monthly evolution of the reference price of the ARS shares in 2023 compared to the same period of 2022 (lei/share):



AFFILIATED parties

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

| Name of subsidiary/branch | Main activity | No. of shares held by Aerostar | Voting rights | Value of shares held by Aerostar (thousand lei) | Financial information for the last financial year (year 2022) for which the financial statements of the affiliated companies have been approved | | |
|-----------------------------|----------------|--------------------------------|---------------|---|---|----------------|--------------------|
| | | | | | Sales (k lei) | Equity (k lei) | Net profit (k lei) |
| Airpro Consult S.R.L. Bacău | code CAEN 7820 | 100 | 100% | 10 | 8.635 | 215 | 34 |
| Foar S.R.L. Bacău | code CAEN 7739 | 408 | 51% | 4 | 357 | 731 | 116 |
| TOTAL | | | | 14 | 8.992 | 946 | 150 |

Both companies in which AEROSTAR still holds stakes are registered in Romania.

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

Tangible Assets

The production facilities and capabilities of Aerostar S.A. are located at the company's head office in Bacău, Romania, where the company's registered office is also located, at 9, Condorilor Street, postal code 600302, and at its secondary office without legal personality, at no. 25B, Aeroportului Street, Iasi.

The company owns land totalling 47,90 hectares with access to the E85 European road. Aerostar has direct access to the runway of "George Enescu" airport in Bacău.

All types of facilities needed to run the production activities properly in accordance with the object of activity are built at the head office. The production premises include hangars, industrial halls, technological test benches, premises for administrative and social activities. The company also has office space for technical and economic activities.

All these premises are maintained in good condition. The built-up area of the buildings is approximately 14.67 hectares.

The assets of Aerostar S.A. comply with the provisions established in the health, safety and environmental management system, in line with the applicable legislation and regulations on occupational safety, as well with the norms on property safety and security.

On 30 June 2023, Aerostar S.A. Bacău owns tangible assets for the performance of its activity with a gross value of 366,126 thousand lei, materialized in land, buildings, special constructions, installations, technological equipment, means of transport. In the first semester of 2023 no risks were identified regarding the ownership over the tangible assets.

| Category of tangible assets | Gross value (k lei) | Degree of wear (%) | Estimated useful lifetime (years) |
|------------------------------------|------------------------|-----------------------|--------------------------------------|
| Land | 30.530 | N/A | N/A |
| Constructions | 97.008 | 43,83% | 30-50 years |
| Investment property | 12.749 | 40,04% | 25-50 years |
| Technical installations, of which: | 221.999 | 67,04% | |
| • - technological equipment | 213.415 | 67,01% | 4-25 years |
| • - means of transport | 8.584 | 67,94% | 4-18 years |
| Other tangible assets | 3.840 | 50,96% | 2-18 years |
| TOTAL | 366.126 | 54,19% | N/A |

Investments for SUSTAINABILITY

AEROSTAR's investment policies aim to ensure sustainable development, the sustainable use of resources and a reduction of the environmental footprint, to support professional excellence, to secure efficiency and to optimise the flow of activities. The company will continue to act firmly to ensure the sustainability of its investments and to keep its production capabilities intact.

At the end of the first semester of 2023, AEROSTAR made and launched investments worth **7138 thousand lei**. The investment expenditure is represented as follows:

| Category | % |
|--------------------------|-------------|
| Development expenses | 93% |
| Expenses for replacement | 7% |
| TOTAL | 100% |

| Investments in the first semester 2023 | % |
|---|----------|
| Equipment | 85% |
| Constructions | 5% |
| Measuring, control and adjustment equipment and installations | 4% |
| Means of transport | 0,5% |
| Intangible | 5% |
| Furniture, appliances, office equipment | 0,5% |

QUALITY AND ENVIRONMENT

We manage, evaluate and monitor in a responsible and effective way all activities with an environmental impact!

Through the Environmental Management System, we have clearly defined the responsibilities and actions required to monitor and comply with the conditions authorised under REACH.

Mitigation of climate changes

Atmospheric emissions of greenhouse gases
11931 GHG certificates in the reserve

Preventing pollution

90% waste recovered
10% waste disposed of
55% less waste generated in the first semester of 2023

REACH

Aerostar has been applying the requirements of the European REACH regulation ever since 2014, thus continuously and progressively supporting the actions aimed at reducing the environmental impact.

The quality and environmental management system complies with all relevant regulations and standards and meets the highest expectations. We therefore use an integrated quality and environmental management system to ensure that quality and environmental aspects are compliant, continuously improved and standardised.

The environmental impacts related to air emissions, noise generation, land run-offs, waste generation are periodically analysed and the environmental aspects are assessed by determining the significant issues.

The activities with environmental impacts are kept under control through internal inspections (internal assessments of compliance with the applicable environmental legal and regulatory requirements) and by analysing the results of the monitoring and measurements carried out in accordance with the provisions of the environmental permits, as well as through the implementation of the Environmental Monitoring and Guidance Programme.

Thus, in the first semester of 2023, the monitoring established by the Environmental Authorisations held by Aerostar was carried out, thus ensuring compliance with the maximum allowed values of the indicators.

The results of the controls carried out in the first half of 2023 by the commissioners of the Bacau Environmental Guard confirm AEROSTAR's compliance with the applicable legal and regulatory requirements. The specific measures imposed by them were taken care of within the required timeframe.

We are certified to the standard ISO 9001, to the environmental management standard ISO 14001 and to the occupational health and safety standard ISO 45001.

We are also authorised as a Part 145 Maintenance Organisation, Part 21G Production and Design Organisation and Part 21J. Our partnerships associated with the defence market have led us to implement a quality management system based on NATO quality assurance requirements AQAP 2110 and AQAP 2210.

SUMMARISED INDIVIDUAL FINANCIAL STATEMENTS

| | k lei | |
|-----------------------|--------------|--------------|
| Financial performance | 30 June 2023 | 30 June 2022 |
| Total income | 282.045 | 222.656 |
| Total expenses | 230.809 | 165.470 |
| Gross profit | 51.236 | 57.186 |

| | k lei | |
|---------------------------------|--------------|------------------|
| Financial position | 30 June 2023 | 31 December 2022 |
| Non-current assets (net values) | 244.312 | 252.380 |
| Current assets | 466.290 | 461.382 |
| Share capital | 48.729 | 48.729 |
| Company equity | 504.637 | 493.709 |
| Total liabilities | 85.398 | 90.259 |

AEROSTAR S.A. BACĂU
COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023

REVISED

CONTENT

COMPANY STATEMENT OF PROFIT OR LOSS

OTHER COMPREHENSIVE INCOME

COMPANY STATEMENT OF FINANCIAL POSITION

COMPANY STATEMENT OF CASH FLOWS

COMPANY STATEMENT OF CHANGES IN EQUITY

NOTES TO THE COMPANY FINANCIAL STATEMENTS

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

| | Notes | 30 June 2023 | 30 June 2022 |
|--|--------|------------------|------------------|
| Operating income | | | |
| Income from sales | 19 | 245.426 | 200.412 |
| Other income | 19 | 1.080 | 1.341 |
| Income related to the inventories of finished goods and work in progress | 19 | 19.879 | 9.524 |
| Income from production of non-current assets | 19 | 384 | 27 |
| Income from operating subsidiaries | 19 | 411 | (5) |
| Total operating income | | 267.180 | 211.299 |
| Operating expenses | | | |
| Material expenses | 20 | (114.439) | (78.555) |
| Expenses with employees' benefits | 20 | (83.531) | (69.019) |
| Expenses regarding amortization of non-current assets | 5;6;20 | (12.728) | (11.977) |
| Net income (expenses) from adjustments regarding current assets | 20 | (7.251) | 2.788 |
| Net income (expenses) from adjustments regarding provisions | 20 | 9.228 | 7.157 |
| Expenses regarding external services | 20 | (16.678) | (12.097) |
| Other expenses | 20 | (2.626) | (2.056) |
| Total operating expenses | | (228.025) | (163.759) |
| Profit/loss from operating activity | | 39.155 | 47.540 |
| Financial income/expenses | | | |
| Financial income | 21 | 14.865 | 11.357 |
| Financial expenses | 22 | (2.784) | (1.711) |
| Financial profit/loss | | 12.081 | 9.646 |
| Profit before tax | | 51.236 | 57.186 |
| Tax on current and deferred profit | 17;23 | (4.411) | (8.357) |
| Net profit of the period | | 46.825 | 48.829 |

**General Director,
Grigore Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF OTHER ELEMENTS
OF THE COMPREHENSIVE INCOME FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

| | 30 June 2023 | 30 June 2022 |
|--|-------------------------|-------------------------|
| Net profit of the period | 46.825 | 48.829 |
| Deferred income tax recognized on company equity | (1.644) | 6 |
| Gain transferred to retained earnings on sale of equity instruments through other comprehensive income | 26 | - |
| Revaluation at fair value of company equity instruments through other elements of comprehensive income | (6.869) | (1.702) |
| Other elements of comprehensive income | (8.487) | (1.696) |
| Comprehensive income of the period | 38.338 | 47.133 |

**General Director,
Grigore Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF FINANCIAL POSITION
FOR 30 JUNE 2023

(unless specified otherwise, all amounts are stated in thousand lei)

| | Note | 30 June 2023 | 31 December 2022 |
|---|--------|-----------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 161.048 | 166.176 |
| Intangible assets | 5 | 910 | 859 |
| Investment property | 6 | 7.644 | 6.514 |
| Rights to use assets under lease | 32 | 1.738 | 1.753 |
| Financial assets | 7 | 55.221 | 59.029 |
| Receivables regarding deferred profit tax | 17 | 17.751 | 18.049 |
| Total non-current assets | | 244.312 | 252.380 |
| Current assets | | | |
| Inventories | 10 | 152.979 | 130.610 |
| Trade receivables and other receivables | 8;9;18 | 76.404 | 83.982 |
| Short-term expenses registered in advance | 31 | 1.282 | 617 |
| Cash and cash equivalents | 11 | 235.625 | 246.173 |
| Total current assets | | 466.290 | 461.382 |
| Total assets | | 710.602 | 713.762 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 12 | 48.729 | 48.729 |
| Current result | 12 | 46.825 | 90.273 |
| Result carried forward | 12 | 51.728 | 50.938 |
| Reserves | 12 | 396.954 | 331.384 |
| Deferred income tax recognized on equity | 17 | (21.404) | (19.654) |
| Distribution of profit for legal reserve | 12 | (18.195) | (7.961) |
| Total company equity | 12 | 504.637 | 493.709 |
| Long-term liabilities | | | |
| Liabilities regarding deferred income tax | 17 | 23.323 | 21.676 |
| Subsidies for long-term investments | 14 | 1.626 | 2.008 |
| Other long-term liabilities | 16 | 1.486 | 1.503 |
| Total long-term liabilities | | 26.435 | 25.187 |
| Long-term provisions | 13 | 93.364 | 95.271 |
| Current liabilities | | | |
| Trade liabilities | 15;18 | 36.053 | 48.610 |
| Liability with current income tax | 23 | 2.495 | 269 |
| Pre-booked income | 31 | 4.081 | 1.876 |
| Subsidies for short-term investments | 14 | 865 | 1.020 |
| Other current liabilities | 16 | 15.469 | 13.297 |
| Total current liabilities | | 58.963 | 65.072 |
| Short-term provisions | 13 | 27.203 | 34.523 |
| Total provisions | | 120.567 | 129.794 |
| Total liabilities | | 85.398 | 90.259 |
| Total company equity, liabilities and provisions | | 710.602 | 713.762 |

**General Director,
Grigore Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CASH FLOWS
FOR 30 JUNE 2023
(DIRECT METHOD)

(unless specified otherwise, all amounts are stated in thousand lei)

| | Note | 30.06.2023 | 30.06.2022 |
|--|-------|-----------------|-----------------|
| CASH FLOWS FROM OPERATIONS | | | |
| collected from customers | | 257.993 | 221.605 |
| taxes and excises recovered from the State Budget | | 884 | 3.304 |
| subsidies receipts from the State Budget | | 421 | - |
| payments to suppliers and employees | | (205.151) | (146.479) |
| payment of taxes, contributions and dues to the State Budget | | (35.285) | (34.907) |
| payments of taxes to the State Budget | | (2.014) | (4.917) |
| NET CASH FROM OPERATIONS | 27 | 16.848 | 38.606 |
| CASH FLOWS FROM INVESTMENTS | | | |
| interest income from bank deposits | | 8.386 | 3.718 |
| proceeds from sale of financial fixed assets | 27 | 5.516 | - |
| dividend receipts from other entities | | 3.645 | 2.541 |
| dividend receipts from affiliated entities | | 153 | 311 |
| payments for the purchase of financial fixed assets | 7, 27 | (8.461) | (52.538) |
| payments for the purchase of tangible and intangible assets | | (10.521) | (8.651) |
| NET CASH FROM INVESTMENTS | 27 | (1.282) | (54.619) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| gross dividends paid | | (25.960) | (21.624) |
| NET CASH FROM FINANCING ACTIVITIES | 27 | (25.960) | (21.624) |
| Net increase/decrease of cash and cash equivalents | | (10.394) | (37.637) |
| Cash and cash equivalents at the beginning of the period | | 246.173 | 274.471 |
| Effect of the exchange rate variation on cash and cash equivalents | 27 | (154) | 1.100 |
| Cash and cash equivalents at the end of the period | 11 | 235.625 | 237.934 |

General Director,
Grigore Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 30 JUNE 2023

(unless specified otherwise, all amounts are stated in thousand lei)

| | Share capital | Reserves | Reserves from revaluation of assets through other elements of comprehensive income | Deferred income tax recognized on equity | Result carried forward | Result of the period | Total equity |
|--|---------------|----------|--|--|------------------------|----------------------|--------------|
| Comprehensive income | | | | | | | |
| A. Balance on 1 January 2023 | 48.729 | 324.149 | 7.235 | (19.654) | 50.938 | 82.312* | 493.709 |
| Profit of the period | | | | | | 46.825 | 46.825 |
| Other elements of comprehensive income | | | | | | | |
| Setting up deferred income tax recognized on the account of equity | | | | (1.750) | 106 | | (1.644) |
| Distribution of the profit of the financial year 2022 to the destinations decided by the shareholders in OGMS of 20 April 2023 (Note 12) | | | | | 82.312 | (82.312) | - |
| Distribution of the profit made in the first semester of 2023 for reserves from fiscal facilities, in gross amounts | | 18.195 | | | | (18.195) | - |
| Gain transferred to retained earnings on sale of equity instruments through other comprehensive income | | | (658) | | 684 | | 26 |
| Revaluation at fair value of the company equity instruments through other elements of comprehensive income | | | (6.869) | | | | (6.869) |
| Comprehensive income of the period | - | 18.195 | (7.527) | (1.750) | 83.102 | (53.682) | 38.338 |
| Reserves distributed from 2022 profits | | 54.902 | | | (54.902) | | - |
| Dividends distributed for 2022 | | | | | (27.410) | | (27.410) |
| Transactions with shareholders recognised directly in equity | - | 54.902 | - | - | (82.312) | - | (27.410) |
| B. Balance at 30 June 2023 | 48.729 | 397.246 | (292) | (21.404) | 51.728 | 28.630** | 504.637 |
| C. Changes in equity (Note 12) | - | 73.097 | (7.527) | (1.750) | 790 | (53.682) | 10.928 |

* The result of 90.273 k lei on 31.12.2022 is influenced by the distribution of the profit on other legal reserves from fiscal facilities in the amount of 7.961 k lei;

** The result of 46.825 k lei on 30.06.2023 is influenced by the distribution of the profit on other legal reserves from fiscal facilities in the amount of 18.195 k lei;

**General Director,
Grigore Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 30 JUNE 2022
(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 | Result carried forward | Result of the period | Total equity |
|---|---------------|----------|--|--|------------------------|----------------------|--------------|
| Comprehensive income | | | | | | | |
| A. Balance on 1 January 2022 | 48.729 | 284.365 | - | (17.134) | 51.148 | 54.280* | 421.388 |
| Profit of the period | | | | | | 48.829 | 48.829 |
| Other elements of comprehensive income | | | | | | | |
| Setting up of deferred income tax recognized in equity | | | | (104) | 110 | | 6 |
| Distribution of the profit of the year 2021 on the destinations decided by the shareholders at the AGM of 20 April 2022 (Note 12) | | | | | 54.280 | (54.280) | - |
| Fair value revaluation of equity instruments through other comprehensive income | | | (1.702) | | | | (1.702) |
| Allocation of the profit made in the first half of 2022 for reserves from tax facilities in gross amounts | | 2.084 | | | | (2.084) | - |
| Comprehensive income of the period | - | 2.084 | (1.702) | (104) | 54.390 | (7.535) | 47.133 |
| Reserves distributed from 2021 profit | | 31.438 | | | (31.438) | | - |
| Dividends distributed for 2021 | | | | | (22.842) | | (22.842) |
| Transactions with shareholders recognised directly in equity | - | 31.438 | - | - | (54.280) | - | (22.842) |
| B. Balance on 30 June 2022 | 48.729 | 317.887 | (1.702) | (17.238) | 51.258 | 46.745** | 445.679 |
| C. Changes in equity (Note 12) | - | 33.522 | (1.702) | (104) | 110 | (7.535) | 24.291 |

* The result of 59,940 thousand lei on 31.12.2021 is influenced by the distribution of profit on other reserves from fiscal facilities in the amount of 5,660 thousand lei;
** The result of 48,829 thousand lei on 30.06.2022 is influenced by the distribution of profit on other reserves from fiscal facilities in the amount of 2,084 thousand lei;

**General Director,
Grigore Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 1 - DESCRIPTION OF THE COMPANY

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. At the same time, in accordance with the Decision of the Board of Directors no.1/02.06.2023, it was approved the opening of a secondary office without legal personality (working point) in Fetești, at no. 2, Carpați Street, apartment 7.

The main field of activity of AEROSTAR is production.

The main object of activity of the company is “Manufacture of aircraft and spaceships” - code 3030.

The company was registered as a shareholding company at the Bacău Trade Register (under number J04/1137/1991), with the current name “AEROSTAR S.A.” and the unique identification code 950531, the European Unique Identifier (EUID) code ROONRC J04/1137/1991.

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 2023, 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 429231916-2022/30.08.2022. 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 31.12.2022.

The company has a sole segment of activity 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 presented in detail 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 firmly so as to ensure the sustainability of its investments and to maintain unaffected its production capabilities. At the same time, thanks to the experience gathered by our team, the company acts so as to find the most suitable solutions for the new economic challenges, such as the workforce instability.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 2 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

2.1. Estimates

The preparation and presentation of the individual financial statements in accordance with IFRS requires the use of estimates, judgements and assumptions affecting 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 they are based on 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 revised. Any change in accounting estimates will be recognized prospectively by its inclusion in the result:

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

The company uses estimates in order to determine:

- uncertain customers and adjustments for the impairment of the related receivables;
- the value of the provisions for risks and expenses to be established at the end of the period (month, quarter, year) for litigations, for the decommissioning of tangible fixed assets, for guarantees to customers, for obligations towards personnel and other obligations;
- the adjustments for impairment of tangible and intangible assets. At the end of each reporting period, the company estimates whether there are any indications of impairment. If such indications are identified, the recoverable amount of the asset is estimated to determine the extent of impairment (if any).
- the useful lifetimes of tangible and intangible fixed assets. The Company reviews the estimated useful lifetimes of property, plant and equipment and intangible assets at least at the end of each financial year to determine their adequacy;
- the inventories of raw materials and materials that need adjustments to be set up for impairment.
- deferred taxes.

Presenting the information

To the extent possible, the company will present the nature and value of a change to an accounting estimate which has an effect in the current/subsequent period(s).

2.2. Errors

Errors may arise when recognizing, evaluating, presenting or describing the items of the financial statements.

The company corrects retroactively the significant errors of the prior period presented in the first set of financial statements approved for publication after discovering the errors, by:

- restating the comparative values for the prior period presented when 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.

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

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

- the nature of the error for the previous period;
- the value of the adjustment for each previous period presented, insofar as possible:
 - for each item – line affected in the financial statement;
 - for the basic and diluted results per share.
- the amount of the correction at the beginning of the previous period presented;
- if retrospective reprocessing is impossible for a specific prior period, the circumstances that lead to the existence of such circumstance and a description of how and when such error was corrected.

2.3. Changes in the accounting policies

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

The company changes an accounting policy only if such change:

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

Applying changes in the Accounting Policies:

- The entity accounts for 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
- Upon the initial application of an IFRS that does not include specific transitory provisions.

Presenting the information

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

- the title of IFRS;
- the nature of the accounting policy change;
- where 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 item of the financial statement, insofar as possible.

When it is impossible to determine the specific effects for one or more prior accounting periods presented, the company shall apply the new accounting policy of assets and liabilities for the first period for which the retrospective 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 presents in the explanatory notes:

- the nature of the change in the accounting policy;
- the reasons why the application of the new accounting policy provides more reliable and relevant information;
- for the current period and for each prior accounting period presented, the estimated amount of the adjustments to each affected item in the statement of financial position, as far as possible.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 3 - ACCOUNTING AND EVALUATION PRINCIPLES

3.1. Basis for the preparation and presentation of financial statements

The company financial statements of AEROSTAR SA are prepared in accordance with the provisions of:

- the International Financial Reporting Standards (IFRS) adopted by the European Union;
- 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 the 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 for the approval of the Norms regarding the organization and execution of inventories of items such as assets, debts and own capital;
- O.M.F.P. no. 1.826/2003 on the approval of the Explanatory Notes on certain measures relating to the organisation and conduct of management accounting;
- O.M.F.P. no. 2.634/2015 regarding the financial accounting documents, including subsequent amendments and additions;
- Law no. 24/2017, as republished, regarding the issuers of financial instruments and market operations.

The accounting is kept in Romanian and in the national currency.

The accounting for foreign currency transactions is carried out both in national currency and in foreign currency.

The financial year is the calendar year.

The financial statements are prepared and reported in thousand lei and all values are rounded to the nearest thousand lei. Due to rounding, the numbers presented do not always accurately reflect the totals submitted, and the percentages do not accurately reflect absolute figures.

The financial statements are prepared based on historical cost.

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

3.2. Applied Accounting Policies

AEROSTAR S.A. describes the accounting policies it applies in each of the notes to the individual financial statements and avoids repeating the text of the standard, unless it is considered relevant to understanding the content of the note. Compared to the situation presented at the end of the financial year 2022, there are no changes in the applied principles, methods, policies and accounting procedures.

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 4 – TRANSACTIONS IN FOREIGN CURRENCIES

AEROSTAR considers the Romanian LEU as the functional currency and the financial statements are presented in thousand LEI.

Foreign currency transactions are recorded at the exchange rate of the functional currency on the transaction date.

Upon submitting the statement of financial position, the financial assets and liabilities denominated in foreign currency are evaluated in the functional currency using the exchange rate, communicated by the Romanian National Bank, applicable for the end of the financial year:

| Currency | 30.06.2023 | 31.12.2022 |
|-------------------------|-------------------|-------------------|
| 1 EUR (Euro) | 4,9634 lei | 4,9474 lei |
| 1 USD (American Dollar) | 4,5750 lei | 4,6346 lei |
| 1 GBP (British pound) | 5,7822 lei | 5,5878 lei |

The favourable and unfavourable exchange rates differences that result 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 when they occur.

Considering that 83% 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 variations of the foreign exchange rates will affect both its net incomes and its financial position as expressed in the functional currency.

During 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:

| The first semester of 2023 | k EUR | k USD | k GBP |
|--------------------------------------|--------------|---------------|--------------|
| Collected from financial assets | 14.093 | 27.963 | - |
| Payments of financial liabilities | (7.274) | (16.473) | (522) |
| Foreign exchange net exposure | 6.819 | 11.490 | (522) |

During the reporting period, the quarterly variation of the foreign exchange rate USD/LEU of:

- 1,10% in the first quarter of 2023 compared to 31.12.2022
- 0,01% in the second quarter of 2023 compared to 31.03.2023

and

EUR/LEU:

- 0,60% in the first quarter of 2023 compared to 31.12.2022
- 0,02% in the second quarter of 2023 compared to 31.03.2023

resulted in the recording of a financial loss from unfavourable exchange rate differences of 125 THOUSAND LEI.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 5 - INTANGIBLE ASSETS: reporting period, 30 June 2023

| | Values on 30 June 2023 | | | Values on 01 January 2023 | | |
|------------------------------------|------------------------|--------------------------|-------------|---------------------------|----------------|--------------------------|
| | Gross value | Accumulated depreciation | Gross value | Accumulated depreciation | Gross value | Accumulated depreciation |
| Licences | 6.923 | (6.247) | 676 | 6.872 | (6.034) | 838 |
| Other intangible assets (software) | 760 | (526) | 234 | 497 | (476) | 21 |
| Total | 7.683 | (6.773) | 910 | 7.369 | (6.510) | 859 |

Net accounting value

| | Net value on 1 January 2023 | Gross value entries | Depreciation during the period | Net value on 31 June 2023 |
|-------------------------|-----------------------------|---------------------|--------------------------------|---------------------------|
| Licenses | 838 | 115 | (277) | 676 |
| Other intangible assets | 21 | 263 | (50) | 234 |
| Total | 859 | 378 | (327) | 910 |

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

COMPARATIVE FIGURES – INTANGIBLE ASSETS: reporting period, 30 June 2022

| | Valori la 30 Iunie 2022 | | | Valori la 01 Ianuarie 2022 | | |
|------------------------------------|-------------------------|--------------------------|-------------|----------------------------|----------------|--------------------------|
| | Gross value | Accumulated depreciation | Gross value | Accumulated depreciation | Gross value | Accumulated depreciation |
| Licences | 6.310 | (5.782) | 528 | 6.217 | (5.606) | 611 |
| Other intangible assets (software) | 455 | (386) | 69 | 418 | (341) | 77 |
| Total | 6.765 | (6.168) | 597 | 6.635 | (5.947) | 688 |

Net accounting value

| | Net value on 1 January 2022 | Gross value entries | Depreciation during the period | Net value on 30 June 2022 |
|-------------------------|-----------------------------|---------------------|--------------------------------|---------------------------|
| Licenses | 611 | 176 | (259) | 528 |
| Other intangible assets | 77 | 36 | (44) | 69 |
| Total | 688 | 212 | (303) | 597 |

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

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 as other intangible assets.

The estimated useful lifetimes of intangible assets are established in years, based on the contractual period or the useful lifetime, as the case may be. The useful lifetime of the IT software and licenses purchased or generated inhouse is 3 years.

The expenses with the amortization are recognized in the profit or loss account by using the linear method of calculation.

The intangible assets in the balance sheet account as on 30.06.2023 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 30 June 2023 and which are still in use is 3.975 thousand lei.

All the intangible assets recorded in the balance sheet as on 30 June 2023 are the property of AEROSTAR.

The entries of intangible assets were made by:

- | | |
|--|-------------------------|
| | <u>378 k lei</u> |
| • development of the IT production management system – version 3 | 263 k lei |
| • purchases of software licences | 115 k lei |

In the reporting period there were no entries of licences generated internally or acquired through business combinations.

In the reporting period there were no assets classified as held for sale in accordance with IFRS 5.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT: reporting period, 30 June 2023

| | Values on 30 June 2023 | | | Values on 01 January 2023 | | |
|---|------------------------|-------------------------|----------------|---------------------------|-------------------------|----------------|
| | Gross value | Cumulative depreciation | Net value | Gross value | Cumulative depreciation | Net value |
| Land | 30.530 | - | 30.530 | 29.534 | - | 29.534 |
| Constructions | 97.008 | (42.517) | 54.491 | 96.634 | (39.428) | 57.206 |
| Technological equipment and vehicles | 221.999 | (148.834) | 73.165 | 202.640 | (140.423) | 62.217 |
| Other equipment and office equipment | 3.840 | (1.957) | 1.883 | 3.833 | (1.793) | 2.040 |
| Investment property | 12.749 | (5.104) | 7.645 | 11.275 | (4.761) | 6.514 |
| Property, plant and equipment under construction | 978 | - | 978 | 15.179 | - | 15.179 |
| Total | 367.104 | (198.412) | 168.692 | 359.095 | (186.405) | 172.690 |

Net accounting value on 30.06.2023:

| | Net value on 1 January 2023 | Inflows at gross value | Outflows at gross value | Depreciation during the period | Net value on 30 June 2023 |
|---|-----------------------------|------------------------|-------------------------|--------------------------------|---------------------------|
| Land | 29.534 | 996 | | 0 | 30.530 |
| Constructions | 57.206 | 373 | - | (3.088) | 54.491 |
| Technological equipment and vehicles | 62.217 | 19.731 | - | (8.783) | 73.165 |
| Other equipment and office equipment | 2.040 | 8 | - | (165) | 1.883 |
| Investment property | 6.514 | 1.473 | - | (342) | 7.645 |
| Property, plant and equipment under construction | 15.179 | 6.760 | (20.961) | - | 978 |
| Total | 172.690 | 29.341 | (20.961) | (12.378) | 168.692 |

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023

(unless specified otherwise, all amounts are stated in thousand lei)

COMPARATIVE FIGURES - PROPERTY, PLANT AND EQUIPMENT: reporting period, 30 June 2022

| | Values on 30 June 2022 | | | Values on 01 January 2022 | | |
|--|------------------------|-------------------------|----------------|---------------------------|-------------------------|----------------|
| | Gross value | Cumulative depreciation | Net value | Gross value | Cumulative depreciation | Net value |
| Land | 29.347 | - | 29.347 | 29.266 | 0 | 29.266 |
| Constructions | 96.271 | (36.299) | 59.972 | 95.193 | (33.277) | 61.916 |
| Technological equipment and vehicles | 196.560 | (133.035) | 63.525 | 193.970 | (124.975) | 68.995 |
| Other equipment and office equipment | 3.790 | (1.632) | 2.158 | 3.761 | (1.476) | 2.285 |
| Investment property | 11.275 | (4.436) | 6.839 | 10.537 | (4.142) | 6.395 |
| Property, plant and equipment under construction | 597 | - | 597 | 1.452 | - | 1.452 |
| Total | 337.840 | (175.402) | 162.438 | 334.180 | (163.870) | 170.309 |

| | Net value on 1 January 2022 | Inflows at gross value | Outflows at gross value | Depreciation during the period | Net value on 30 June 2022 |
|--|-----------------------------|------------------------|-------------------------|--------------------------------|---------------------------|
| Land | 29.266 | 81 | - | - | 29.347 |
| Constructions | 61.916 | 1.079 | - | (3.023) | 59.972 |
| Technological equipment and vehicles | 68.995 | 2.711 | - | (8.181) | 63.525 |
| Other equipment and office equipment | 2.285 | 29 | - | (156) | 2.158 |
| Investment property | 6.395 | 738 | - | (294) | 6.839 |
| Property, plant and equipment under construction | 1.452 | 3.702 | (4.557) | - | 597 |
| Total | 170.309 | 8.340 | (4.557) | (11.654) | 162.438 |

AEROSTAR S.A. BACAU
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Property, plant and equipment are evaluated at their acquisition or production costs minus cumulative depreciation and the impairment losses.

These items of property, plant and equipment are amortized by using the linear method.

Depreciation expenses are recognized in the profit and loss account.

The following useful lifetimes are assumed:

| | |
|---------------------------------------|-------------|
| - 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 our company. The useful lifetimes of the property, plant and equipment are stipulated by the fiscal legislation.

The company did not purchase assets from business combinations, nor did it classify assets for future sale.

The investment property contains a number of 12 real estate – buildings and related lands that are rented to third parties based on renting contracts.

The value of renting income in this category of fixed assets was 1.339 k 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 set-up 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 depreciation expense.

The depreciation 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 depreciation 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 lifetime and, therefore, it is not subject to amortization.

In accordance with the provisions of IAS 36 “Impairment of assets”, the company proceeded to the identification of any signs of impairment of the property, plant and equipment, taking into consideration the external and internal sources of information.

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Internal sources of information:

The economic performance of the assets is good, all assets that are in operation benefit the company.

External source of information:

The indicator that offers information regarding the investors' interest in the companies listed on the capital market is the market capitalization related to the company equity (MBR).

| <u>MBR-Market to book ratio indicator</u> | <u>30.06.2023</u> | <u>30.06.2022</u> | <u>31.12.2022</u> |
|---|-------------------|-------------------|-------------------|
| Stock exchange capitalization/ company equity | 2,5 | 2,7 | 2,4 |

The **over unit** value of the MBR indicator is obtained by companies performing well in the capital market and of interest to the investors.

The property, plant and equipment in balance on 30.06.2023 are not depreciated and no significant depreciation indicators were identified.

The gross accounting value of the fully depreciated property, plant and equipment that are still in operation on 30 June 2023 is 63.464 thousand lei.

On 30.06.2023 no mortgages were set up on the real estate assets owned by Aerostar S.A.

| | |
|--|----------------------------|
| Inflows of property, plant and equipment: | <u>29.341 k lei</u> |
| • Commissioning of technical equipment, hardware equipment, measuring and control equipment | 21.585 k lei |
| • Land aquisition | 996 k lei |
| • Property, plant and equipment in progress in 2023 | 6.760 k lei |
| Outflows of property, plant and equipment: | <u>20.961 k lei</u> |
| • Transfer of property, plant and equipment in progress following the commissioning thereof. | 20.961 k lei |

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 30 JUNE 2023

(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 7- FINANCIAL FIXED ASSETS

| | Shares held in affiliated entities | Other immobilised security - shares | Other immobilised securities - contribution to share capital | Other immobilized receivables – supplier guarantees | Total |
|--------------------------|---------------------------------------|--|--|---|---------------|
| On 1 January 2023 | 14 | 58.975 | 2 | 38 | 59.029 |
| Increases/Decreases | - | (3.812) | - | 4 | (3.808) |
| On 30 June 2023 | 14 | 55.163 | 2 | 42 | 55.221 |

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 2022 | | | | |
|--|--|---------------------------------------|-------------------------|--|--|---------------------|--------------------------|---------------------------------------|-----------------------------------|
| | | | | | 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 Str. Condorilor nr.9 | - main activity according to CAEN code 7820 | 100 | 100% | 10 | 10 | 171 | 34 | 0,10 | 2,2 |
| Foar SRL Bacău Str. Condorilor nr.9 | - main activity according to CAEN code 7739 | 408 | 51% | 4 | 8 | 1.000 | 116 | 0,01 | 1,8 |
| TOTAL | x | x | x | 14 | x | x | x | x | x |

Aerostar's shareholdings in affiliated companies are recorded at cost.

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(unless specified otherwise, all amounts are stated in thousand lei)

On 30.06.2023 the company recorded no changes, i.e. no increases/decreases as to the shareholding percentage, maintaining the same influence as in 2022 on the companies listed in the equity portfolio.

Both companies in which AEROSTAR holds shares are registered in Romania.

B) Investments in equity instruments through other elements of comprehensive income:

| Issuer's Name Registered head office | CAEN code | No. of shares | Symbol | Value price/share on 30.06.2023 (lei) | Portfolio value at market price (k lei) |
|---|---|---------------|--------|---|--|
| Evergent Investments S.A. 94C, Pictor Aman Street, Bacău | - main activity according to CAEN code 6499 | 45.778.288 | EVER | 1,2050 | 55.163 |

The company holds 45.778.288 shares of the company Evergent Investments S.A., listed on the Bucharest Stock Exchange. Aerostar accounts for the holding of shares 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 dividend income.

C) Cash contribution to the initial capital of the association "Cluster on Education for Sustainable Development C-EDD "

The association was established voluntarily by the founding members, operating as a Romanian legal person under private law without patrimonial purpose.

The association is non-governmental, apolitical, non-profit and independent, not subordinated to any other legal entity.

The aim of the Association is to develop and implement efficient mechanisms of 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 increase the quality of educational processes and to link continuing education 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 on Education for Sustainable Development C-EDD" is 2,500 lei.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2023
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 8 - TRADE RECEIVABLES

| | 30 June 2023 | 31 December 2022 |
|--|-------------------------|-----------------------------|
| TRADE RECEIVABLES OF WHICH: | | |
| Customers, of which: | 62.383 | 74.311 |
| Customers from Romania | 6.406 | 17.378 |
| Customers from outside Romania | 55.977 | 56.933 |
| Uncertain customers | 2.000 | 1.871 |
| Adjustments for impairment of receivables - customers | (1.026) | (954) |
| Suppliers – debtors | 7.803 | 5.453 |
| | | |
| TOTAL TRADE RECEIVABLES | 71.160 | 80.681 |

In accordance with the provisions of the Accounting Policies Manual, to cover the non-recovery risk of the amounts that represent uncertain trade receivables, the company registers adjustments for the depreciation of the uncertain customers as follows:

- in percentage of 50% of the value of the receivables not collected on time if the due date between 30 days and 180 days. On 30 June 2023, the company recorded impairment adjustments of this nature amounting to 975 thousand lei;
- in percentage of 100% of the value of the receivables not collected on time, if the delay exceeds 180 days. On 30 June 2023, the company recorded impairment adjustments of this nature in the amount of 51 thousand lei.

When determining the recoverability of a trade receivable, the changes considered were the ones occurred in the customer's credit rating from the time when the credit was granted till the time of reporting.

Debtors-suppliers have the following discount limit:

- In the year 2023: 7733 thousand lei
- In the year 2024: 70 thousand lei

The receivables expressed in foreign currency were evaluated at the market exchange rate communicated by the National Bank of Romania for the closure of June 2023.

The favourable and unfavourable exchange rates differences between the exchange market rate at which foreign currency receivables are recorded and the market exchange rate communicated by the National Bank of Romania available for the closure of June 2023 were recorded in the corresponding income or expense accounts.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 9 - OTHER RECEIVABLES

| | 30 June 2023 | 31 December 2022 |
|--|---------------------|-------------------------|
| Receivables related to staff and similar accounts | 103 | 16 |
| Receivables related to the social security budget and the state budget, of which: | 3.487 | 1.436 |
| – VAT to be recovered | 1.536 | - |
| – VAT non-chargeable | 168 | 172 |
| – Amounts to be recovered from the Health Insurance Fund (sick leave allowances) | 1.225 | 654 |
| – Amounts of subsidy nature | 64 | 75 |
| – Excise duties to be recovered for the fuel used | 459 | 509 |
| – Other receivables related to the local budget representing the sanitation tax to be recovered resulting from the corrective statements submitted | 19 | 10 |
| – Other receivables related to the social security and state budget | 16 | 16 |
| Interest receivable on bank deposits | 1.550 | 1.814 |
| Various debtors | 618 | 574 |
| Impairment adjustments for receivables - various debtors | (514) | (539) |
| TOTAL OTHER RECEIVABLES | 5.244 | 3.301 |

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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(unless specified otherwise, all amounts are stated in thousand lei)

| NOTE 10 – INVENTORIES | 30 June 2023 | 31 December 2022 |
|---|-------------------------|-----------------------------|
| of which: | | |
| Raw material * | 65.213 | 52.381 |
| Consumables ** | 62.634 | 63.093 |
| Other materials | 30 | 129 |
| Semi-finished | 389 | 471 |
| Packaging | 41 | 56 |
| Finished products | 31.578 | 23.828 |
| Products and services in progress | 52.205 | 42.559 |
| <i>Gross value of inventories (unadjusted)</i> | <i>212.090</i> | <i>182.517</i> |

ADJUSTMENTS FOR DEPRECIATION OF INVENTORIES

| | 30 June 2023 | Increases/ Setups/ | Decreases/ Resumptions/ | 31 December 2022 |
|--|-------------------------|-------------------------------|------------------------------------|-----------------------------|
| Total adjustments | 59.111 | 21.848 | 14.644 | 51.907 |
| Adjustments for impairment of raw material | 31.512 | 11.789 | 3.327 | 23.050 |
| Adjustments for impairment of consumables | 24.648 | 8.518 | 11.014 | 27.144 |
| Adjustments for impairment of semi-finished parts | 389 | 36 | 118 | 471 |
| Adjustments for impairment of finished products | 684 | 10 | 2 | 676 |
| Adjustments for impairment of production in progress | 1.878 | 1.495 | 183 | 566 |

Note:

* The raw material participates directly to the product manufacturing and is found in the semi-finished or finished product, either in their initial state, or shaped (bars, pipes, sheet metal, profiles, wires etc);

** The consumables participate in or contribute to the manufacturing or operating process, without usually being included in the finished product (auxiliary materials, fuels, spare parts, tools, jigs and fixtures and other consumables).

The inventories are assessed at the lowest value between the cost and the net achievable value. The net achievable value is the estimated sale price for inventories less all estimated costs for completion and the estimated costs necessary to carry out the sale.

The cost of inventories includes: acquisition costs, conversion costs as well as other costs incurred in bringing the inventories to their present condition and location.

Value adjustments are made periodically, based on the findings of inventory committees and/or module managers, to present them at the lower of cost and net realisable value.

Within the company assets that are older than the storage period established by internal decision of the Board of Directors are considered as impaired assets.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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In accordance with the Accounting Policy Manual, at Aerostar SA, adjustments for inventory depreciation are set up as follows:

For raw material, consumables, semi-finished parts and spare parts, distinct periods are established for each profit centre;

For stocks of finished goods and work in progress, depreciation adjustments are set up for each period as follows:

- a) at 100% of their value, for inventories of this nature not based on contracts with customers;
- b) in variable percentages, agreed with the profit centres concerned, for stocks of finished products not delivered within the contractual terms.

The amount of material expenses recognized as an expense during the period is 114,439 thousand lei, which is composed of:

- 105,801 thousand lei representing the value of expenditure relating to stocks of materials;
- 7,928 thousand lei representing the value of expenses related to the consumption of water, gas and electricity;
- 710 thousand lei representing the value of expenditure on non-stored materials.

Aerostar S.A. holds stocks of finished (safety) products at the levels agreed through contracts with customers.

Aerostar S.A. has no pledged stocks.

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NOTE 11 - CASH AND CASH EQUIVALENTS

Cash includes:

- cash in the AEROSTAR cashier desk;
- sight deposits held with banks (current accounts with banks).

Cash equivalents include:

- term deposits held with banks;

At the end of the reporting period cash and cash equivalents consist in:

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|----------------------------------|-------------------|-------------------|-------------------|
| Cash in the cashier | 56 | 63 | 79 |
| Sight deposits held with banks | 29.686 | 20.277 | 36.087 |
| Term deposits held with banks | 205.883 | 225.833 | 201.768 |
| Cash and cash equivalents | 235.625 | 246.173 | 237.934 |

There are no restrictions on the current bank accounts and deposits held with banks.

The amount of the bank overdraft facility available for future operating activity is USD 2,500 million (equivalent to 11,438 thousand LEI).

During the reporting period the Bank Line of Credit was not used.

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NOTE 12 - COMPANY EQUITY

The company equity on 30 June 2023 is 504.637 thousand lei. The net increase of the company equity in 2023 compared to the end of 2022 was 10.928 thousand lei.

Main elements of the company equity in the period January – June 2023 compared to the year 2022:

- **The share capital remained unchanged:**

On 30 June 2023, the share capital of AEROSTAR SA is 48.728.784 lei, divided in 152.277.450 shares having each a nominal value of 0,32 lei.

- **The reserves increased by 65.570 thousand lei**

- an increase of 54,902 thousand lei as a result of the distribution of 2022 profits to the destinations decided by the shareholders at the AGM of 20 April 2023;
- an increase of 18,195 thousand lei due to the distribution of the profit for the first semester of 2023 for reserves from tax incentives.
- a decrease of 6,869 thousand lei due to the revaluation at fair value of equity instruments through other comprehensive income items;
- a decrease of 658 thousand lei resulting from the transfer to retained earnings of revaluation differences at fair value of equity instruments recognized through other comprehensive income, following the sale.

- **Other capital items decreased by 1.750 thousand LEI** due to deferred income tax recognized in equity.

- **Retained earnings increased by 790 thousand lei as follows:**

- following the resolution of the AGM of 20 April 2023, the profit for the financial year 2022 taken from retained earnings, representing retained earnings, was fully allocated to the uses decided by the shareholders;
- an increase of 106 thousand lei on account of deferred income tax recognised on equity;
- an increase of 684 thousand lei representing the net gain from the sale of equity instruments recognized through other comprehensive income items.

- The balance of the retained earnings account on 30 June 2023 is 51,728 thousand LEI, consisting of:

- retained earnings arising from the use, at the date of transition to IFRS, of fair value as deemed cost = 26,881 thousand lei;
- retained earnings representing the realized gain from revaluation reserves, capitalised to the extent of depreciation of tangible fixed assets = 24,163 thousand lei;
- net realized gain on sale of equity instruments recognized through other comprehensive income = 684 thousand lei.

- **The result of the period was a profit in the amount of 46.825 thousand lei.**

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NOTE 13 - PROVISIONS

| | 31 December 2022 | Increases/ Set-ups/ Reclassification of provisions | Reductions/ Reruns/ Reclassification of provisions | Differences from revaluation | 30 June 2023 |
|--|---------------------------------|---|---|---|-----------------------------|
| Total provisions | 129.794 | 7.892 | 17.018 | (101) | 120.567 |
| Provisions for bonds granted to customers | 47.844 | 7.892 | 9.744 | (275) | 45.717 |
| Provisions for decommissioning property, plant and equipment | 16.426 | - | - | - | 16.426 |
| Provisions for the employees' benefits | 7.784 | - | 7.008 | - | 776 |
| Other provisions | 57.740 | - | 266 | 174 | 57.648 |
| Long-term provisions | 95.271 | 1.968 | 3.793 | (82) | 93.364 |
| Provisions for bonds granted to customers | 25.888 | 1.968 | 3.527 | (241) | 24.088 |
| Provisions for decommissioning property, plant and equipment | 16.426 | - | - | - | 16.426 |
| Other provisions | 52.957 | - | 266 | 159 | 52.850 |
| Short-term provisions | 34.523 | 5.924 | 13.225 | (19) | 27.203 |
| Provisions for bonds granted to customers | 21.956 | 5.924 | 6.217 | (34) | 21.629 |
| Provisions for employees' benefits | 7.784 | - | 7.008 | - | 776 |
| Other provisions | 4.783 | - | - | 15 | 4.798 |

Provisions set up for guarantees granted to customers

Provisions for bonds granted to customers are set up to cover the non-conformance risks of the products sold and the services performed, in accordance with the contractual provisions.

Provisions for decommissioning the property, plant and equipment

Provisions for decommissioning of property, especially buildings are set up to cover the decommissioning costs, of removal of the elements and restoration of the locations where they are placed and they are included in the cost thereof. The value was estimated using an update annual rate of 6,5%.

Provisions for benefits granted to employees

The provisions for benefits granted to employees are set up for the days of annual holidays leave not taken by the employees in the previous year.

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Other provisions

The category *Other provisions* includes provisions set up for:

- covering risks specific to the aviation industry, such as: the risk of hidden defects, the risk of discovering 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 some risks regarding the application of penalties for delays and damages associated with the manufacture of aeronautical products.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 14 - SUBSIDIES

Subsidies related to assets

AEROSTAR recognizes as deferred income the subsidies regarding assets.

| | First semester of 2023 | First semester of 2022 |
|---|-----------------------------------|-----------------------------------|
| Balance on 1 January, of which: | 3.028 | 4.192 |
| Short-term | 1.020 | 1.167 |
| Long-term | 2.008 | 3.025 |
| Subsidies received: | - | - |
| Subsidies registered in income corresponding the calculated amortization | (537) | (630) |
| Balance on 30 June, of which: | 2.491 | 3.562 |
| Short-term | 865 | 1.071 |
| Long-term | 1.626 | 2.491 |

In the first semester of 2023 AEROSTAR S.A. did not receive subsidies for financing its assets. The subsidies received in the previous years for financing its assets were related to the implementation of 3 investment projects under 3 non-reimbursable financing agreements:

1. Contract no. 210304/22.04.2010: 'Expansion of aerostructures manufacturing and assembly capacities for civil aviation', performed between April 2010 and October 2012, the value of the subsidy received from the Ministry of Economy, Trade and Business Environment (MECMA) being 5.468 thousand lei;
2. Contract no. 229226/14.06.2012: 'Creating a new manufacturing capacity to diversify production and to support export growth', performed 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;
3. Contract no. 5IM/013/24.03.2015: 'Strengthening and sustainable development of the machining and painting sectors through high-performance investments', carried out between March and December 2015, the value of the subsidy received from the Ministry of European Funds (MFE) being 8.299 thousand lei;

All the investment projects in immobilized assets were implemented and finalized in accordance with the contractual provisions assumed.

The balance recorded on 30 June 2023 represents subsidies related to investment in fixed assets to be recognised in income as the calculated depreciation is recognised under cost.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 15 – COMMERCIAL DEBTS

| | 30 June 2023 | 31 December 2022 |
|--|---------------------|-----------------------------|
| Prepaid amounts collected | 1.092 | 10.991 |
| on customers' account, of which: | | |
| Customers-creditors from Romania | 38 | 47 |
| Customers-creditors from outside Romania | 1.054 | 10.944 |
| Suppliers, of which: | 34.961 | 37.619 |
| Providers of materials and services from Romania | 9.874 | 9.878 |
| Providers of materials and services from outside Romania | 20.676 | 21.162 |
| Suppliers-invoices not arrived | 2.640 | 2.576 |
| Suppliers of non-current assets | 1.771 | 4.003 |
| | | |
| Total commercial debts | 36.053 | 48.610 |

The payments in advance collected from foreign customers are for aircraft maintenance and repair work (96,16%) and for other services provided (3,84%).

No mortgages have been set up for the registered debts.

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 June 2023, were recorded in the corresponding income or expenditure accounts.

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NOTE 16 - OTHER LIABILITIES

| | 30 June 2023 | 31 December 2022 |
|--|---------------------|-----------------------------|
| Other current liabilities, of which: | 15.469 | 13.297 |
| • <i>Liabilities related to manpower and similar accounts</i> | 5.102 | 3.668 |
| • <i>Liabilities related to social security budget and state budget, of which:</i> | 6.110 | 6.827 |
| – VAT payable | - | 1.859 |
| – social insurance | 4.672 | 3.678 |
| – labour safety contribution | 298 | 234 |
| – tax on income in the form of salaries | 935 | 722 |
| – contribution for unemployed people with disabilities | 122 | 150 |
| – other taxes | 35 | 137 |
| – other social liabilities | 48 | 47 |
| • <i>Other liabilities, of which:</i> | 4.257 | 2.802 |
| – dividends | 3.993 | 2.502 |
| – diverse creditors | 221 | 257 |
| – bonds received | 43 | 43 |
| Other long-term liabilities | 1.486 | 1.503 |

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 30 June 2023, in the amount of 3.993 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.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 17 - DEFERRED PROFIT TAX

The deferred tax is determined for the temporary differences which occur 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 non-current assets (resulting from the differences between accounting and fiscal values, different useful lifetimes, et al.) and to reserves and recognized receivables regarding the deferred tax related to the equity securities (assets), inventories and trade receivables which were adjusted for depreciation, provisions for customer bonds, and other provisions.

The structure of deferred income tax registered on 30.06.2023 is:

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 | 1.250 |
| 2. Liabilities related to the deferred tax concerning legal reserves | 1.559 |
| 3. Deferred tax liabilities related to tax relief reserves | 20.453 |
| 4. Liabilities on deferred tax related to the result carried forward representing a surplus from revaluation reserves | 61 |
| Total liabilities on deferred tax | 23.323 |

Receivables on deferred tax

| | |
|---|---------------|
| 1. Receivables on deferred tax related to other provisions | 562 |
| 2. Receivables on deferred tax related to provisions for bonds granted to customers | 7.314 |
| 3. Receivables on deferred tax related to provisions for employee benefits | 124 |
| 4. Receivables on deferred tax related to adjustments for depreciation of inventories | 9.458 |
| 5. Receivables on deferred tax related to adjustments for depreciation of trade receivables | 246 |
| 6. Deferred tax assets related to equity securities | 47 |
| Total receivables on deferred tax | 17.751 |

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 the obligations in the future periods. Therefore, the differences between the tax base and the accounting base would be null.

Between January 1, 2023 and June 30, 2023, the company registered deferred income tax revenues in the amount of 2.833 thousand lei and deferred income tax expenses in the amount of 3.135 thousand lei.

The deferred income tax recognized on equity in the amount of 21.404 thousand consists of deferred tax liabilities in the amount of 22.012 thousand and deferred tax receivables in the amount of 608 thousand lei.

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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.

On the reporting date AEROSTAR does not hold:

- financial instruments kept for making transactions (including derived instruments);
- financial instruments kept till due date;
- financial instruments available for sale.

The financial assets of AEROSTAR include:

- sight deposits and term deposits with banks;
- trade receivables;
- immobilized receivables (bonds for third parties);

The financial liabilities of AEROSTAR S.A. include:

- trade liabilities;

On the reporting date AEROSTAR S.A. does not have financial liabilities on overdraft and long-term 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 deposits and term deposits with banks
- trade receivables;

The sight & term deposits are placed only at first-rank bank institutions with ratings that reflect the lowest degree of risk.

In some cases, specific trade credit risk mitigation instruments are required (advance receipts, bank letters of guarantee, confirmed export letters of credit).

AEROSTAR S.A. has no significant exposure to any single partner and no significant concentration of receivables in any single geographical area.

Exposure to credit risk

The accounting value of financial assets, net of impairment adjustments, represents the maximum exposure to credit risk.

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The maximum exposure to credit risk on the reporting date is presented in the table below:

| | 30.06.2023 | 30.06.2022 |
|--|-------------------|-------------------|
| Sight and term deposits with banks | 235.570 | 237.855 |
| Trade receivables, net of adjustments for depreciation | 62.994 | 52.496 |
| Immobilized receivables | 38 | 38 |
| Total | 298.602 | 290.389 |

The maximum exposure to credit risk by geographical areas for trade receivables net of depreciation adjustments is presented in the table below:

| | 30.06.2023 | 30.06.2022 |
|--------------------------|-------------------|-------------------|
| Domestic market | 6.405 | 10.451 |
| Euro zone countries | 23.499 | 19.336 |
| Great Britain | 24.937 | 14.554 |
| Other European countries | 180 | 2.345 |
| Other regions | 7.973 | 5.810 |
| Total | 62.994 | 52.496 |

Depreciation adjustments

The age structure of gross trade receivables on the reporting date is shown in the table below:

| | Gross value | Adjustments for depreciation | Gross value | Adjustments for depreciation |
|----------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|
| | 30.06.2023 | | 30.06.2022 | |
| In due time | 61.487 | | 51.792 | |
| Past due, total of which: | 2.533 | 1.026 | 1.056 | 352 |
| 31-60 days | 1.589 | 548 | 795 | 215 |
| 61-90 days | 605 | 287 | 56 | 23 |
| 91-120 days | 174 | 87 | 76 | 39 |
| Over 120 days | 154 | 93 | 88 | 34 |
| Over 1 year | 11 | 11 | 41 | 41 |
| Total | 64.020 | 1.026 | 52.848 | 352 |

The movement in impairment adjustments for trade receivables during the year is shown in the table below:

| | 30.06.2023 | 30.06.2022 |
|---|-------------------|-------------------|
| Balance on 1 January | 954 | 1.332 |
| Adjustments set up for depreciation | 1.539 | 494 |
| Impairment adjustments reclassified as income | (1.468) | (1.474) |
| Balance on 30 June | 1.025 | 352 |

On 31.06.2023, 97% of the balance of trade receivables are related to customers with a good payment record.

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b) Liquidity risk

The liquidity risk is the risk that AEROSTAR will encounter difficulties in meeting the obligations associated to the financial liabilities that are settled through the delivery of cash.

AEROSTAR's liquidity risk policy is to maintain an optimal level of liquidity in order to be able to pay its obligations as they become due.

To evaluate the liquidity risk, the treasury cash flows from operations, from investments and from 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.

Moreover, in order to mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a Credit Facility (usable as an overdraft) granted by banks to a maximum limit of 2,500 THOUSAND USD.

The timeframes used to analyse the contractual due dates of the financial liabilities in order to reflect the timing of cash flows are shown in the table below:

| | Debts | Accounting value | Contractual cash flows | 0-30 days | 31-60 days | over 60 days |
|------------|-------------------|------------------|------------------------|-----------|------------|--------------|
| 30.06.2023 | Trade liabilities | 32.104 | (32.104) | (27.960) | (3.662) | (482) |
| 30.06.2022 | Trade liabilities | 29.282 | (29.282) | (24.731) | (4.039) | (512) |

The cash flows included in the analyses of the due dates are not expected to occur earlier or at significantly different values.

On 31.06.2023 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 83% 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.

The net exposure of the financial assets and liabilities to the foreign exchange risk is presented below based on the accounting values denominated in foreign currency recorded at the end of the reporting period.

| 30.06.2023 | k EUR | k USD | k GBP |
|--|--------------|---------------|--------------|
| Sight and term deposits with banks | 2.635 | 3.411 | 16 |
| Trade receivables | 1.937 | 10.268 | - |
| Trade liabilities | (1.610) | (2.757) | (283) |
| Net exposure in original currency | 2.962 | 10.922 | (267) |

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Sensitivity analysis

In view of the net exposure calculated in the above table, AEROSTAR can be deemed to be mainly exposed to the currency risk generated by changes in the USD/USD and EUR/USD exchange rate. Taking into account the evolution of the USD/LEU and EUR/LEU exchange rates in the previous years, a relatively high volatility of USD/LEU (+/-10%) and a moderate volatility of EUR/LEU (+/-2%) can be noticed.

Thus, a reasonably possible variation of +/-10% USD/LEU and +/-2% for EUR/LEU at the end of the reporting period can be factored in.

The effect of the reasonably possible variation of the EUR/LEU and USD/LEU exchange rate on the financial result of AEROSTAR is calculated in the following table:

| 30.06.2023 | EUR/LEU | USD/LEU |
|--|----------------------|------------------------|
| Net exposure, in original currency | 2.962 k EUR | 10.922 k USD |
| Exchange rate | 4,9634 | 4,5750 |
| Net exposure, in functional currency | 14.702 k LEI | 49.968 k LEI |
| Reasonable possible variation in foreign exchange rate | +/- 2% | +/- 10% |
| Effect of variation on financial result | +/- 294 k LEI | +/- 4.997 k LEI |

d) Interest rate risk

For the reporting period AEROSTAR has available a multi-product Credit Facility of 7.000 THOUSAND USD, intended for financing the Company's operations, which includes:

- 1) *Product A*: in the amount of 2.500 THOUSAND USD, usable as overdraft, set up to provide at any given time the necessary financial liquidity and flexibility (liquidity reserve);
- 2) *Product B*: in the amount of 7.000 THOUSAND USD (provided that the aggregate amount used from Product A and product B does not exceed the value of the multi-product Credit Facility), usable as a facility of issuing bonds as instruments to ensure collaterals for the commercial contractual obligations by issuing bank bond letters and import Letters of Credit.

The bank interest is applicable only for the overdraft for Product A in the amount of 2.500 THOUSAND USD.

Since Product A was not used in the reporting period, the company revenues and cash flows are independent of changes in interest rates in the banking market.

On 31.06.2023, the level of bonds granted by AEROSTAR under commercial agreements, by issue of bank bond letters and import Letters of Credit amounts to 5.156 THOUSAND USD (the equivalent of 1.127 thousand LEI).

On 30.06.2023, no mortgages are set up on the property assets owned by AEROSTAR.

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NOTE 19 - OPERATING INCOME

| | 30 June 2023 | 30 June 2022 |
|---|-------------------------|-------------------------|
| Income from sales, of which: | 245.426 | 200.412 |
| Income from product sales | 135.242 | 101.254 |
| Income from services provided | 108.454 | 97.539 |
| Income from selling goods | 25 | 13 |
| Income from renting | 1.339 | 1.326 |
| Income from other activities | 366 | 280 |
| | | |
| Income from stocks of finished products and work in progress | 19.879 | 9.524 |
| Income from the production of fixed assets | 384 | 27 |
| Income from operating subsidies | 411 | (5) |
| Income from investment subsidies | 535 | 629 |
| Other operating income | 545 | 712 |
| | | |
| Total operating income | 267.180 | 211.299 |

In the first three months of 2023, the company recorded income from operating subsidies in the amount of 411 thousand lei. Most of the amounts were granted for hiring graduates of educational institutions for an indefinite period in accordance with Law No. 76/2002 on the unemployment insurance system and employment stimulation.

Other operating income in the amount of 545 thousand lei is represented, inter alia, by income from the recovery of debts from former employees (tuition fees and other debts), income from compensation and recovered taxes.

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NOTE 20 – OPERATING EXPENSES

| | 30 June 2023 | 30 June 2022 |
|--|-------------------------|-------------------------|
| Expenses with employee benefits, of which: | 83.531 | 69.019 |
| Expenditure on benefits in kind and expenditure on employee vouchers | 5.370 | 3.612 |
| Expenses with social security | 4.557 | 3.579 |
| Expenses with raw material and materials | 99.642 | 63.971 |
| Energy, water and gas | 7.928 | 7.982 |
| Other material expenses, of which: | 6.869 | 6.602 |
| Expenses with non-inventory materials | 710 | 656 |
| Expenses with packaging | 445 | 296 |
| Expenses with other materials | 5.694 | 5.640 |
| Expenses with external services, of which: | 16.678 | 12.097 |
| Repairs | 5.407 | 3.894 |
| Transportation costs | 3.735 | 1.621 |
| Commissions and fees | 1.553 | 1.382 |
| Travels, deployments | 672 | 658 |
| Renting expenses | 450 | 324 |
| Other expenses with services supplied by third parties | 4.861 | 4.218 |
| Amortizations | 12.728 | 11.977 |
| Net expenses (income) from adjustments on provisions | (9.228) | (7.157) |
| Net expenses (income) from adjustments on current assets | 7.251 | (2.788) |
| Other operational expenses | 2.716 | 2.104 |
| <hr/> | | |
| Total operating expenses: | 228.025 | 163.759 |

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 the first 6 months of 2023, the company granted meal vouchers in the amount of 5.370 thousand lei to its employees. The company did not incur expenditure on holiday vouchers.

The category other operating expenses in the amount of 2.716 thousand lei includes, among others, expenses for local taxes and fees, sponsorships, donations.

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In 2023 AEROSTAR recorded increases/increases and reductions/resumptions of adjustments as follows:

| Adjustments on provisions | 30 June 2023 | 30 June 2022 |
|--|-------------------------|-------------------------|
| Increases/set-ups | 7.792 | 7.499 |
| Reductions/resumptions | (17.020) | (14.656) |
| Net expense/(income) from provision adjustments | (9.228) | (7.157) |
| <hr/> | | |
| Impairment adjustments on current assets | 30 June 2023 | 30 June 2022 |
| Increases/adjustments | | |
| Impairment adjustments on inventories | 21.848 | 2.892 |
| Impairment adjustments on receivables | 1.564 | 807 |
| Losses on receivables and sundry debtors | - | 17 |
| Total increases/ set-ups of adjustments | 23.412 | 3.716 |
| Reductions/resumptions of adjustments | | |
| Impairment adjustments on inventories | (14.644) | (5.028) |
| Impairment adjustments on receivables | (1.517) | (1.476) |
| Total reductions/resumptions of adjustments | (16.161) | (6.504) |
| <hr/> | | |
| Net expenses/(income) from impairment adjustments on current assets | 7.251 | (2.788) |

In the first 6 months of 2023, the impact of the impairment adjustments on current assets is an increase in the operating expenses by 7,251 thousand lei.

In the first half of 2023, the impact of adjustments to provisions is a decrease in the operating expenses in the amount of 9,228 thousand lei.

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NOTE 21 - FINANCIAL INCOME

| | 30 June | 30 June |
|--|----------------|----------------|
| | 2023 | 2022 |
| Income from exchange rate differences | 2.629 | 4.541 |
| Interest income | 8.121 | 3.830 |
| Income from shares held in subsidiaries | 153 | 311 |
| Income from financial assets at fair value | 3.962 | 2675 |
| Total financial income | 14.865 | 11.357 |

Details of the Company's exposure to risks arising from financial instruments held are disclosed in *Note 18 Financial instruments*.

The income from financial assets measured at fair value represents dividends related to the holding of equity instruments in Evergent Investments S.A.

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NOTE 22 – FINANCIAL EXPENSES

| | 30 June 2023 | 30 June 2022 |
|---|-------------------------|-------------------------|
| Expenses from exchange rate differences | (2.754) | (1.681) |
| Expenses with interest related to concession agreements | (30) | (30) |
| Total financial expenses | (2.784) | (1.711) |

In 2023 the company registered in the financial expenses category:

- expenses from unfavourable exchange rate differences;
- interest expenses related to the right to use the concession land for the Maintenance Hangar of Iași.

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COMPANY STATEMENT OF PROFIT OR LOSS
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NOTE 23 - TAX ON PROFIT

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 30.06.2023 was 16% (the same rate applied for the financial year 2022).

| | <u>30 June 2023</u> | <u>30 June 2022</u> |
|--|---------------------|---------------------|
| Gross accounting profit | 51.236 | 57.186 |
| Current income tax expense | 4.109 | 6.807 |
| Tax on gains from the sale of securities held | 131 | - |

| Reconciliation of accounting profit with the fiscal profit for 30 June 2023 | | | | Differences |
|--|---------|--|---------|--------------------|
| Accounting revenues | 282.044 | Fiscal income | 245.755 | -36.289 |
| Accounting expenses | 230.808 | Fiscal expenses | 197.768 | -33.040 |
| Gross accounting profit, restated | 51.236 | Fiscal profit | 47.987 | -3.249 |
| Accounting tax (16%) | 8.198 | Fiscal tax (16%) | 7.678 | -520 |
| Tax deductions | - | <i>Tax deductions</i> , of which: | 3.438 | +3.438 |
| | | • related to investments made acc.to Art. 22 Fiscal Code | 2.911 | +2.911 |
| | | • sponsorship | 527 | +527 |
| Tax on final profit | 8.198 | Tax on final profit | 4.240 | -3.958 |
| Applicable legal rate | 16,00% | Legal rate applicable | 16,00% | |
| Actual average tax rate, calculated on gross accounting profit, restated | | 8,28% | | |

Comparative key figures

30 June 2022

Gross accounting profit **57.186**

Expenses with current tax on profit **6.807**

| Reconciliation of accounting profit with the fiscal profit | | | | Differences |
|--|---------|--|---------|--------------------|
| Accounting revenues* | 221.509 | Fiscal income | 197.555 | -23.954 |
| Accounting expenses* | 164.205 | Fiscal expenses | 151.675 | -12.530 |
| Gross accounting profit, restated* | 57.304 | Fiscal profit | 45.880 | -11.424 |
| Accounting tax (16%) | 9.169 | Fiscal tax (16%) | 7.341 | -1.828 |
| Tax deductions | - | <i>Tax deductions</i> , of which: | 534 | +534 |
| | | • related to investments made acc.to Art. 22 Fiscal Code | 333 | +333 |
| | | • sponsorship | 201 | +201 |
| Tax on final profit | 9.169 | Tax on final profit | 6.807 | -2.362 |
| Applicable legal rate | 16,00% | Legal rate applicable | 16,00% | |
| Actual average tax rate, calculated on gross accounting profit, restated | | 11.88% | | |

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COMPANY STATEMENT OF PROFIT OR LOSS
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** The revenues and expenses are obtained after deducting the revenues and expenses related to the activities subject to the specific tax from the total revenues and total expenses, respectively.*

The main factors that affected the effective tax rate:

- expenditure which is not deductible for tax purposes (expenditure on the creation or increase of provisions and value adjustments in respect of current assets which is not deductible for tax purposes, expenditure on accounting depreciation which is not deductible for tax purposes, etc.).
- tax relief facilities representing the corporate income tax exemption on investments made under the Art.22 of the Fiscal Code, sponsorships
- non-taxable income obtained as a result of the recovery of non-deductible expenses.

The difference between the average effective tax rates comes from the fact that in the first quarter of 2023 a 3 MWP photovoltaic system was put into operation in the amount of 11,613 thousand lei, representing 78.83% of the total tax relief facility representing the corporate income tax exemption on investments made.

On 30 June 2023, the company recorded a current income tax liability of 2,495 thousand LEI related to the second quarter of 2023.

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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 | <u>30.06.2023</u> | <u>30.06.2022</u> |
|--|--------------------------|--------------------------|
| Profit attributable to ordinary shareholders | 46.825.414 | 48.828.857 |
| Number of ordinary shares | 152.277.450 | 152.277.450 |
| | | |
| Profit per share | <u>0,308</u> | <u>0,321</u> |

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NOTE 25 - AVERAGE NUMBER OF EMPLOYEES

| Average number of employees | 6 months 2023 | 6 months 2022 |
|--|----------------------|----------------------|
| Own employees | 1.600 | 1.583 |
| Employees hired through temporary labour agent | 95 | 82 |
| Total average number of personnel | 1.695 | 1.665 |

| Employee headcount | 30.06.2023 | 30.06.2022 |
|--|-------------------|-------------------|
| Own employees | 1.722 | 1.717 |
| Employees hired through temporary labour agent | 102 | 80 |
| Total number of personnel | 1.824 | 1.797 |

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NOTE 26 - TRANSACTIONS WITH AFFILIATED PARTIES

| <u>Acquisitions of goods and services</u> | <u>6 months 2023</u> | <u>6 months 2022</u> |
|---|----------------------------------|----------------------------------|
| Airpro Consult SRL Bacău | 4.782 | 3.280 |
| Foar SRL Bacău | 207 | 211 |
| TOTAL | 4.989 | 3.491 |
| | | |
| <u>Sales of goods and services</u> | <u>6 months 2023</u> | <u>6 months 2022</u> |
| Airpro Consult SRL Bacău | - | - |
| Foar SRL Bacău | 1 | 1 |
| TOTAL | 1 | 1 |
| | | |
| <u>Liabilities</u> | <u>Balance on 30.06.2023</u> | <u>Balance on 31.06.2022</u> |
| Airpro Consult SRL Bacău | 786 | 562 |
| Foar SRL Bacău | 34 | 26 |
| TOTAL | 820 | 588 |
| | | |
| <u>Dividends received by Aerostar</u> | <u>6 months 2023</u> | <u>6 months 2022</u> |
| Airpro Consult SRL Bacău | - | 68 |
| Foar SRL Bacău | 153 | 242 |
| TOTAL | 153 | 310 |

The transactions with the affiliated parties in the first semester of 2023 consisted in:

- Services provided by Airpro Consult SRL Bacau to AEROSTAR SA Bacau for temporary manpower;
- Machinery rental services provided by Foar SRL Bacau to AEROSTAR SA Bacau;
- Space rental services provided by AEROSTAR SA Bacau to Foar SRL Bacau.
- Dividends received by AEROSTAR S.A. from Foar SRL Bacău (NOTE 7).

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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.

For the purposes of the Cash Flow Statement:

- the cash flows are the amounts collected and paid in cash and cash equivalents;
- the cash comprises the cash available in the company's cash office and the sight deposits held with banks (available in current accounts with the banks).
- cash equivalents comprise term deposits held with banks.

The cash flows arising from the transactions made in foreign currency are recorded 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 when the cash flow was generated (date of making payments and collections).

The earnings and losses arising from the exchange rate variation are not 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 cash flows statement, but separately from the cash flows arising from operations, investments and financing activities, so as to reconcile the cash and cash equivalents at the beginning and end of the reporting period.

The operating activities are the main cash-generating activities of AEROSTAR.

Thus, in the first semester of 2023:

- the amounts collected from customers were 257.993 thousand LEI;
- the amounts collected from the State Budget were 884 thousand LEI, representing excise and VAT refunds;
- the payments to the suppliers and employees amounted to 205.151 thousand LEI, of which 155.279 thousand LEI were payments to suppliers and 49.872 thousand LEI payments to employees;
- tax payments to the State Budget amounted to 37.299 thousand LEI, of which 2.014 thousand LEI paid in income tax.

The operating activity generated net cash of 16.848 thousand LEI, down by 21.758 thousand LEI compared to the same period of last year.

The investment activity included:

- bank interest receipts amounting to 8.386 thousand LEI from bank deposits.
- dividend receipts from Evergent Investments S.A. amounting to 3.645 thousand;
- dividend receipts from affiliated entities (FOAR S.R.L.) in the amount of 153 thousand LEI;
- payments for the purchase of tangible and intangible fixed assets in the amount of 10.521 thousand LEI.
- payments for the purchase of financial fixed assets in the amount of 8.461 thousand LEI, representing purchases of Evergent Investment S.A. shares (stock symbol: EVER), traded on the Bucharest Stock Exchange;

The purchased shares are held for the collection of dividends, as well as for gains from their sale, and not for trading.

Thus, in view of the Public Offer for the purchase of own shares (EVER) initiated by Evergent

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Investments S.A in December 2022, AEROSTAR decided in January 2023 to participate in the Offer by selling for 5.516 thousand LEI a part of the EVER shares it held.

This transaction resulted in a gross gain of 814 thousand LEI.

The amount of cash flows allocated to increase 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 25.960 thousand LEI was paid as dividends due to AEROSTAR shareholders.

The level of cash and cash equivalents recorded on 30.06.2023 is 235.625 thousand LEI, down by 10.548 thousand LEI compared to the beginning of the year.

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NOTE 28 - LIABILITIES AND OTHER OFF-BALANCE ITEMS

AEROSTAR S.A. records in off-balance sheet accounts various rights, obligations and assets that are not recognised in the company's assets and liabilities, respectively:

| | 30 June 2023 | 31 December 2022 |
|--|-------------------------|-----------------------------|
| • Liabilities: | | |
| ○ guarantees granted to partners - as letters of bank guarantee and letters of credit | 112 | 186 |
| ○ guarantees received from partners – as letters of bank guarantees and letters of credit | 39.878 | 84.353 |
| • Goods, of which: | | |
| ○ inventories of other materials released for use (tooling, jigs, fixtures, safety equipment, measuring and control equipment, technical library etc.) | 44.631 | 42.240 |
| ○ materials received in consignment | 2.239 | 2.239 |
| ○ finished products received in consignment | 64 | 65 |
| ○ materials – customers | 119 | 157 |
| ○ tangible and intangible assets –obtained or purchased as a result of co-financed activity | 573 | 573 |
| ○ material values received for processing/repairs | 14.368 | 29.328 |
| ○ supporting assets related to the leasing contracts – Hangar of Iași | 2.477 | 2.477 |
| ○ Fixed assets proposed for disposal | 202 | 446 |
| • Other off-balance values, of which: | | |
| ○ Material guarantees established for the managers' responsibility for asset management | 228 | 201 |
| ○ Liabilities for covering some future obligations to A.J.O.F.M. based on OUG 95/2002 regarding the defence industry | 3.509 | 3.777 |
| ○ debtors removed from accounts, monitored further on | 127 | 127 |
| ○ creditors | 25 | 25 |
| ○ de minimis aid for participation to fairs and exhibitions | 190 | 514 |
| • Greenhouse Gas Emission Certificates | 5.146 | 5.701 |

On 30 June 2023, AEROSTAR S.A. held a total of 11.931 greenhouse gas emission certificates. The market value on the last trading day of a GHG certificate was 86,90 Euro, according to the European Energy Exchange website (in December 2022: 80,90 Euro), at a revaluation exchange rate of 4,9634 LEI/Euro.

AEROSTAR S.A. BACAU
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NOTE 29 – DIRECTORS’ REMUNERATION

The Board of Directors of AEROSTAR S.A. on 30.06.2023:

| | 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 |
| ▪ | TONCEA MIHAIL - NICOLAE | Member of the Board of Directors | Aviation engineer |
| ▪ | DOROȘ LIVIU-CLAUDIU | Member of the Board of Directors | Economist |
| ▪ | VÎRNĂ DANIEL | Member of the Board of Directors | Legal Advisor |

In 2023, the company AEROSTAR did not grant advance payments or credits to the members of the Board of Directors and did not make any pledge on their behalf as a collateral of any kind.

In the Ordinary General Meeting of 16 December 2022, the shareholders of the company Aerostar approved the freezing at the level decided by the ordinary general meeting of shareholders dated 09 July 2020 of the directors’ compensation **for the financial year 2023**, i.e.:

- ✓ Maintaining a monthly net fixed remuneration of 4.750 lei for each elected BOD member;
- ✓ A maximum level of additional remunerations for the BOD members who also have executive attributions, of a monthly fixed amount of at most 10 (ten) times (inclusively) the value of the fixed remuneration of 4.750 lei, applied individually, as appropriate to each case.
- ✓ Mandating the BOD to negotiate these remunerations, within the approved ceiling.

The amount of gross indemnities granted to the members of the Board of Directors in the first half of 2023, by virtue of their responsibilities, was 862 thousand lei.

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(unless specified otherwise, all amounts are stated in 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, may be affected by the materialization of the risks presented below.

AEROSTAR seeks to secure average and long-term sustainability and to reduce the uncertainty associated with its strategic and financial objectives.

The risk management processes ensure the identification, analysis, assessment and management of risks in order to minimize their effects to an agreed level.

However, there may be risks and uncertainties additional to what is presented further on, which are currently unknown or considered insignificant, but which may affect in the future the business lines run by AEROSTAR.

Operational Risk

It is the risk to incur losses or 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, the Company carefully analysing the main conflict areas.

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 dispositions, legal or contractual regulations, as well as the fact that the rights and contractual obligations of AEROSTAR and/or of the 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, by setting up provisions for risks and related expenses, AEROSTAR aims to have its own funding to cover its risks of exposure.

Also, in order to minimize the operational risk, AEROSTAR renews annually, with 1st tier insurance-reinsurance companies, a civil liability insurance contract related to the main business lines (manufacturing of aircraft products and maintenance for commercial aircraft).

The **Credit Risk** is the risk that AEROSTAR will incur a financial loss as a result of a partner's failure to meet its contractual obligations and is mainly determined by sight and term deposits held 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 in which the customer performs its activity, is managed per business partner. Where deemed necessary, specific instruments are required to mitigate the credit risk (advance payments, bank letters of guarantee, confirmed export letters of credit).

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AEROSTAR has no significant exposure to a single partner and no significant concentration of turnover in a single geographical area. However, there is a remarkable exposure to the global Airbus market, with a large proportion of the company's products being incorporated into Airbus aircraft.

A presentation of the quantitative information regarding AEROSTAR's exposure to the credit risk is detailed in Note 18 (Financial Instruments) to the Financial Statements.

The **Liquidity Risk** is the risk that AEROSTAR will encounter difficulties in meeting its liabilities-related obligations as they become due.

To manage the liquidity risk, the cash flows are monitored and analysed weekly, monthly, quarterly and annually in order to establish the estimated level of net modifications of the cash. Such reviews provide the basis for the financing decisions and for the capital expenditures.

In order to reduce the liquidity risk, AEROSTAR keeps an annual cash-reserve in the form of a Credit Line usable as an overdraft granted by banks in the amount of 2.500 thousand USD. During the reporting period, AEROSTAR did not use the Credit Line, all the activities of the Company being financed from own sources.

The **Market Risk** is the risk that the fair value or future cash flows of a financial statement will fluctuate due to the modifications of the market price.

The market risk comprises the price risk, the exchange rate risk and the risk of the interest's rate.

AEROSTAR is mainly exposed to the price risk caused by fluctuations in the price of raw materials and materials used in the production processes, caused by exceptional events such as the Brexit Agreement with impact on the supply of material from UK, the adoption of international sanctions leading to limited possibility to procure parts and materials, the increase in costs with specific taxes for import/export of metal products to and from the USA.

The management of this risk is carried out by:

- diversifying the supplier portfolio, which can provide increased negotiating leverage in case the prices of raw materials increase at some suppliers.
- long-term contracts with fixed price clauses.

AEROSTAR is exposed to currency risk because 83% of its turnover is reported in USD and EUR, while a significant part of its operating expenses is denominated in LEI.

Thus, AEROSTAR is exposed to the risk that variations in foreign exchange rates will affect both its net revenues and financial position as expressed in LEI.

An analysis of AEROSTAR's sensitivity to variations in foreign exchange rates 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 reported 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 OPPORTUNITY AND RISK MANAGEMENT chapter of the Board of Directors' Report.

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NOTE 31 – PRE-BOOKED EXPENSES AND REVENUE

| | 30 June | 31 December |
|---|----------------|--------------------|
| | 2023 | 2022 |
| Pre-booked expenses (short-term) | 1.282 | 617 |
| Pre-booked revenue (short-term) | 4.081 | 1.876 |

The expenses made and the revenue obtained in the current period, but concerning subsequent periods or financial years are registered distinctly in the accounting records, as pre-booked expenses or revenue, as applicable.

The category **pre-booked expenses** recorded on 30 June 2023 includes amounts to be resumed 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.

On 30 June 2023, Aerostar had no recognised long-term **pre-booked revenue**. In the category of short-term **pre-booked revenue** are recorded the values corresponding to provided services and delivered goods for which the revenue recognition conditions of IFRS 15 "*Revenue from contracts with customers*" are not met (no control over goods/services has been transferred).

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(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 32 - ASSETS REGARDING THE RIGHTS TO USE THE LEASED ASSETS
reporting period 30 June 2023

| Account 251 | Values on 30 June 2023 | | | Values on 01 January 2023 | | |
|---|------------------------|-------------------------|--------------|---------------------------|-------------------------|--------------|
| | Gross amount | Cumulative depreciation | Net amount | Gross amount | Cumulative depreciation | Net amount |
| Asset related to the right to use the land for the Maintenance Hangar in Iași | 1.912 | (174) | 1.738 | 1.907 | (154) | 1.753 |
| Total | 1.912 | (174) | 1.738 | 1.907 | (154) | 1.753 |

Net accounting value on 30.06.2023:

| | Net amount on 1 January 2023 | Revaluations in the second quarter of 2023 | Depreciation in the period | Net value on 30 June 2023 |
|---|------------------------------|--|----------------------------|---------------------------|
| Asset related to the right to use the land for the MRO Hangar in Iași | 1.753 | 5 | (20) | 1.738 |

The right to use the land for the Maintenance Hangar in Iași was revalued at the exchange rate communicated by the National Bank of Romania on the last banking day of each reporting period (30 June 2023).

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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(unless specified otherwise, all amounts are stated in thousand lei)

COMPARATIVE KEY FIGURES - ASSETS REGARDING THE RIGHTS TO USE THE LEASED ASSETS: reporting period 30 June 2022

| Account 251 | Values on 30 June 2022 | | | Values on 01 January 2022 | | |
|--|------------------------|-------------------------|--------------|---------------------------|-------------------------|--------------|
| | Gross amount | Cumulative depreciation | Net amount | Gross amount | Cumulative depreciation | Net amount |
| Asset related to the right to use the land for the Maintenance Hangar in Iași | 1.887 | (135) | 1.752 | 1.888 | (115) | 1.773 |
| Total | 1.887 | (135) | 1.752 | 1.888 | (115) | 1.773 |

| | Net amount on 1 January 2022 | Revaluations on the second quarter of 2022 | Depreciation in the period | Net value on 30 June 2022 |
|--|------------------------------|--|----------------------------|---------------------------|
| Asset related to the right to use the land for the MRO Hangar in Iași | 1.773 | (1) | (20) | 1.752 |
| Total | 1.773 | (1) | (20) | 1.752 |

The right to use the land for the Maintenance Hangar in Iași was revalued at the exchange rate communicated by the National Bank of Romania on the last banking day of each reporting period (30 June 2022).

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 33 - EVENTS AFTER THE REPORTING PERIOD

On 28 April 2023, Aerostar informed the company's shareholders, through a **press release**, of the details of the payment of the dividends due to shareholders, distributed from the profit of 2022, respectively:

- a) the gross dividend per share is 0.18 lei, from which a dividend tax will be retained at the source, at the rates provided for by the legislation in force at the date of payment; the costs of payment shall be borne by the amount of the net dividend;
- b) the "ex date" was set for 11.05.2023 according to the A.G.O.A. of 20.04.2023.
- c) the shareholders entitled to receive dividends distributed from the net profit for the financial year 2022 are those registered in the consolidated register of shareholders on 12.05.2023 - Record Date (approved by the AGM of 20.04.2023);
- d) the dividends distributed from the profit for the financial year 2022 **were paid to shareholders as of 31.05.2023 - Payment date (approved by the AGM of 20.04.2023).**

The method of payment of dividends was detailed in the press release of 28 April 2023.

EVENTS AFTER THE REPORTING PERIOD

AEROSTAR S.A. has not identified any events after the reporting date likely to have an impact on the financial statements for 6 months 2023.

Financial Calendar 2023 - the next event to take place:

| | |
|---|------------|
| Presentation of financial results as on 30 September 2023 | 10.11.2023 |
|---|------------|

The individual financial statements for 30 June 2023 comprising: statement of financial position, statement of profit or loss, other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements will be approved by the Board of Directors on 10 August 2023 and will be signed on its behalf by:

Grigore FILIP
President & General Director

Doru DAMASCHIN
Vice-President & Financial Director



Str. Condorilor, nr.9, Bacău 600302; Cod EUID: ROONRC.J04/1137/1991-R.C.Bacău;
Cod Unic de Inregistrare: RO 950531; Capital social: 48.728.784 lei
Tel.+40 234575070 Fax +40 234572023 / +40 234572259
e-mail:aerostar@aerostar.ro; Website:http://www.aerostar.ro

DECLARATION

The undersigned **GRIGORE FILIP**, acting as **President of the Board of Directors and General Director of AEROSTAR S.A.** and **DORU DAMASCHIN**, as **Vice-President of the Board of Directors and Financial Director of AEROSTAR S.A.**, assume responsibility for the preparation of the individual financial statements as of **30.06.2023** and confirm that:

- a) The financial and accounting statement for the first semester of 2023, which was prepared according to the applicable accounting regulations, provides a fair and consistent view of the assets, liabilities, financial position, profit and loss account of Aerostar S.A. Bacău;
- b) The Report of the Board of Directors on the first semester of 2023, prepared according to the provisions of the Regulation no. 5/ 2018 issued by the Financial Supervisory Authority – ANNEX no. 14, presents correctly and completely the information regarding Aerostar S.A. Bacău.

**President of the Board of Directors and General Director,
GRIGORE FILIP**

**Vice-President of the Board of Directors and Financial Director,
DORU DAMASCHIN**





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

REVIEW REPORT

To the shareholders of AEROSTAR SA

Introduction

1. I reviewed the attached interim statutory financial statements of **AEROSTAR S.A. Bacău** ("the Company"), with headquarters in Bacău, str. Condorilor, no. 9 which include the interim statement of the financial position as of 30.06.2023, the individual statement of the profit and loss account and comprehensive income, the individual statement of changes in equity and the individual statement of cash flows for the six-month period ended at this date, as well as a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the preparation of interim statutory financial statements

2. The Company's management is responsible for the preparation and faithful presentation of these interim financial statements in accordance with the provisions of 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, with subsequent amendments ("OMFP 2844/2016") and IAS 34 - "Interim financial reporting", and for a certain level of internal control that the management considers relevant for preparation and presentation of interim financial statements that do not contain significant distortions due to either fraud or error.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the interim financial statements based on the review activity.

Scope of the review

4. We performed the review in accordance with International Standard for Review Engagements 2410 - "Review of interim financial information performed by the entity's independent auditor" (ISRE 2410). This standard requires that we plan and we perform the review so as to obtain reasonable assurance about whether the financial statements are free from material misstatement, analytical procedures applied to financial data, and therefore

provide less assurance than an audit. The scope of a review is significantly less than that of an audit conducted in accordance with Auditing Standards, and therefore we cannot obtain the assurance that we will notify all significant aspects that could be identified in an audit. Therefore, we do not express an audit opinion.

Conclusions

5. Based on the review carried out, nothing has come to our attention that would make us believe that the attached interim individual statutory financial statements of AEROSTAR S.A. on 30.06.2023, are not drawn up, in all significant aspects, in accordance with OMFP no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, with subsequent amendments.

Other aspects

6. This review report of the independent auditor has been issued and is addressed exclusively for the information and use of the Company's shareholders. To the fullest extent permitted by law, we do not accept or assume responsibility to any other person to whom this report may come.

Our review engagement was conducted with the objective of reporting those items that are intended to be addressed in a Financial Review Report and not for other purposes. We do not assume responsibility for it for any other purposes.

Bacau: 08.08.2023

In the name of AUDITEVAL CONSULTING SRL

Registered with the Public Supervisory Authority of the Statutory Audit Activity (ASPAAS) in the electronic Public Register of financial auditors and audit firms with number FA865.

Through

Audit partner: financial auditor Maricel Dascalu

Registered with the Public Supervisory Authority of the Statutory Audit Activity (ASPAAS) in the electronic Public Register of financial auditors and audit firms with number AF2229

