



REPORT OF THE BOARD OF DIRECTORS

Quarterly Report as of March 31 , 2025

PERFORMANCE THROUGH PROFESSIONALISM!

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GENERAL INFORMATION

Aerostar S.A. was successively named URA-1953, IRAv (Aircraft Repair Company)- 1970, IAv (Aircraft Company)- 1978, and under its current name, AEROSTAR S.A. has operated since 1991, when it was registered as a joint-stock company with full state capital at the Bacău Trade Register..

AEROSTAR's quarterly report has been prepared in accordance with the applicable reporting regulations in order to provide additional information about the company to all interested parties and to highlight the progress achieved in its corporate processes.

The company's activities are carried out at its head office, which is located at 9, Condorilor Street, Bacău, postal code 600302.

Since January 2018, AEROSTAR has registered a secondary office, operational site in the perimeter of the International Airport Iași;

In 2023 a new operational site, secondary office was opened in the Municipality of Fetești;

The company's unique European company identification code (EUID) is ROONRC.J1991001137040 and the LEI code identifying it as a legal entity is 315700G9KRN3B7XDBB73;

The company's main activity is production. The company's main object of activity is 'Manufacture of civil aircraft and spacecraft' - CAEN code 3031;

Subscribed and paid-up share capital: RON 48.728.784;

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 are presented in accordance with the requirements of IAS1, Order 2844/2016 for the approval of the Accounting Regulations in line with the International Financial Reporting Standards.

The basis for the preparation and presentation of the financial statements is outlined in Note 3;

The company financial statements prepared for the First Quarter of 2025 are not accompanied by the report of the independent financial auditor. These statements have been audited by the company's internal auditor.;

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

Reporting Period: January 1 – March 31, 2025.

1. AEROSTAR S.A. PERFORMANCE IN KEY FIGURES

| | UM | Q1 2025 | Q1 2024 |
|--|-------|---------|---------|
| Share capital | k lei | 48.729 | 48.729 |
| Turnover | k lei | 168.822 | 155.309 |
| • export sales | k lei | 146.834 | 127.989 |
| • export share in turnover | % | 87% | 82% |
| Actual number of personnel | no. | 1872 | 1862 |
| Gross profit (before tax) | k lei | 24.593 | 29.213 |
| Net profit | k lei | 21.057 | 25.133 |
| Investment expenditure from own sources | k lei | 2.820 | 4.170 |

2. ECONOMIC AND FINANCIAL INDICATORS

| Indicator | Q1 2025 | Q1 2024 |
|----------------------------------|---------------|---------------|
| Net profit margin | 12,47% | 16,18% |
| EBITDA | 18,71% | 20,62% |
| Cash and cash equivalents | 297.889 k lei | 270.418 k lei |
| Net cash | 115.627 k lei | 97.964 k lei |
| Debt ratio | 0 | 0 |
| Current ratio | 7,60 | 6,84 |
| Receivables turnover (customers) | 54 days | 47 days |
| Fixed asset turnover ratio | 0,81 | 0,69 |

The reporting period has been marked by major economic turbulences, including unpredictability in customs duties and the realignment of defence policies by countries around the world.

The decisions made by organizations and states regarding the increase in defence budgets have generated, at the state level, various orientations, but all are converging toward increased defence spending.

In addition to these factors, we have witnessed the weakening of the dollar against the major international trading currencies.

Amid this monetary whirlwind, the Romanian leu has also entered the picture, registering a strengthening against the dollar, with consequences on the company's results.

From the analysis of the data presented in this report, it can be observed that the company's sales increased by 8,7%, with all three business lines contributing approximately the same percentage.

However, operating income has decreased compared to the same period last year, due to changes in the status of work-in-progress inventories.

The operating profit margin has remained approximately the same (14,7%) compared to the percentage recorded on 31.03.2024, that is 14,8%.

A major influence on net profit and its margin was the result of financial activity, where a decline of 3.000 thousand lei was recorded, mainly due to exchange rate differences.

Additionally, a slight impact on the net profit margin came from the corporate income tax expense, as the tax rate during this period was higher compared to the same period last year.

Under these circumstances, although the operating activity has generated the same profit margin, the net profit margin decreased by 1,5%, reaching 13,4 %, or 21.057 thousand lei, calculated based on total revenue.

In the first quarter of 2025, the company's activity led to a 2,3% increase in equity, despite an increase in total liabilities and a decrease in the provision level, thereby strengthening the book value per share.

Liquidity and solvency indicators are higher than in 2024, with the company consolidating its financial position and demonstrating sound working capital management.

Activity indicators are within the same range as last year, demonstrating the company's increased capacity for efficient asset management.

All the reported indicators are within the budgetary estimates for 2025, thus generating the management's confidence that the parameters approved by the General Meeting of Shareholders through the revenue and expenditure budget for 2025 will be achieved.

3. KEY ASPECTS IN THE FIRST QUARTER OF 2025

The following main events took place between 1 January and 31 March 2025:

28 February

Publication of the preliminary financial results for the year 2024.

17 March

Expansion of the operational team through the appointment of Mr. LAURENȚIU PASCAL as DEPUTY CHIEF EXECUTIVE OFFICER.

17 March

AEROSTAR published the current report convening the Ordinary General Meeting of Shareholders for **April 24, 2024**. The convening notice, the agenda, the draft resolutions, materials subject to the approval of the General Meeting of Shareholders, and the forms requested by AEROSTAR have been posted on the company's website www.aerostar.ro in the Investors Relations Section.

25 March

The annual negotiations between the Board of Directors of AEROSTAR S.A. and the Employees' Committee were finalised. As part of the collective labour agreement for 2025-2026, benefit packages for employees have been adopted as follows:

- ☐ Increases of 9,9 % in the salary package;
- ☐ Granting annual holiday vouchers;
- ☐ Year-end bonuses for the financial year, production year, and performance;
- ☐ Partial reimbursement of inter-city transport costs incurred for employee travel;
- ☐ Annual leave between 20 and 28 working days, depending on the number of years of service.
- ☐ Other

The provisions of the collective labour agreement will apply starting with the salary rights for the month of April 2025.

4. EVENTS AFTER THE REPORTING DATE

17 April

AEROSTAR S.A. celebrated 72 years of Continuous Activity!

17 April

The first edition of the 'Investor Day' took place, an event attended by investors and analysts, the press, members of the Board of Directors, executive management, and a significant segment of the operational management team.

24 April

The General Meeting of Shareholders took place for the approval of the annual financial results for the year 2024.

At the Ordinary General Meeting the shareholders of AEROSTAR approved the following:

- ☐ The Board of Directors' report and financial statements for 2024
- ☐ The financial auditor's report on the audit of the financial statements
- ☐ The discharge of the Board of Directors and Executive Management from liability.
- ☐ The allocation of the net result for the financial year 2024 (profit), amounting to 95.724.563,92 lei to the following destinations:

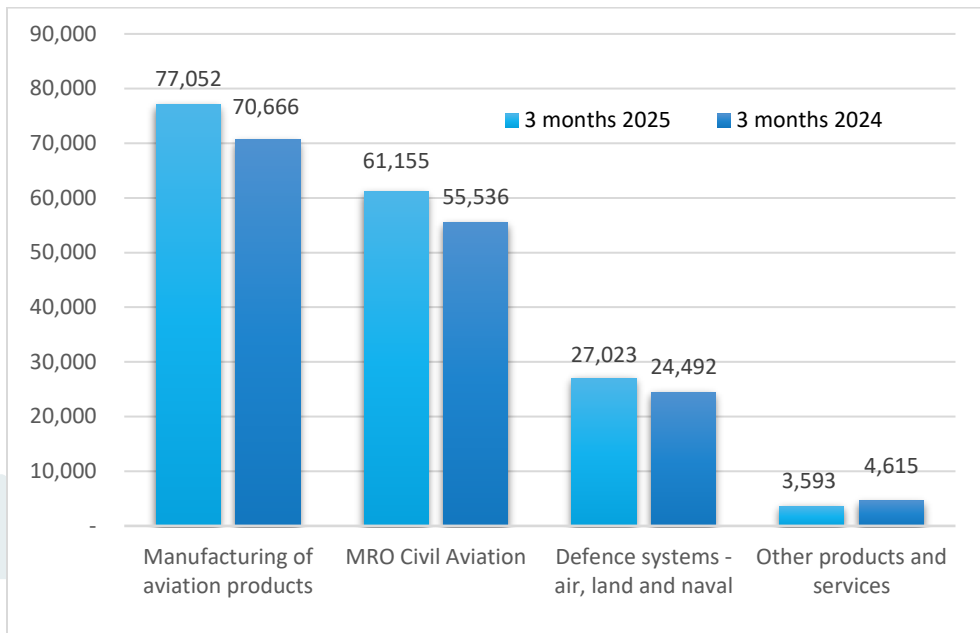
| | |
|---|--------------------|
| allocations to the legal reserve of reinvested profit | 18.730.570,38 lei; |
| allocations to reserves | 40.447.405,54 lei |
| distribution as dividends | 36.546.588,00 lei |

- ☐ The gross dividend per share is 0,24 lei.
- ☐ The dividend payment date for the 2024 financial year is **June 5, 2025**.

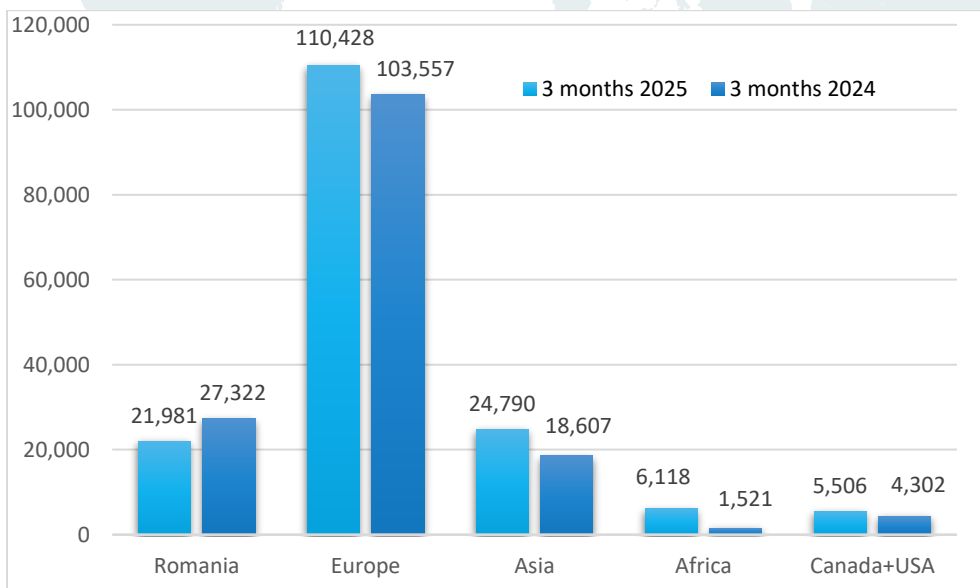
5. SALES OVERVIEW

From the turnover of 168.822 thousand lei achieved in the first quarter, the company sold products and services worth 21.988 thousand lei on the domestic market, and the equivalent of 146.834 thousand lei on the foreign market.

Comparative evolution of sales by business lines (thousand lei)



Comparative evolution of sales by market (thousand lei)



AEROSTAR's clients are located in Europe, Asia, Africa, the USA, and Canada. In Europe, we provide maintenance services for civil aviation, aviation products (landing gear systems, mechanical parts, assemblies, and subassemblies), electronic equipment, and ground support equipment. In Asia and Africa, we provide civil aviation maintenance services, and in Canada, we supply aviation products.

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

6. INVESTMENTS

In the first quarter, AEROSTAR made investment expenditures totalling 2.820 thousand lei. From the total expenditure on investments in tangible fixed assets, approximately 90% were allocated to the purchase of technological equipment and installations intended for production programs, aircraft maintenance programs, and civil aircraft maintenance.

| Category | Investment Expenditures First Quarter (thousand lei) | Share (%) |
|-----------------------------|--|-----------|
| Total tangible fixed assets | ~2.373 | ~85 % |
| Intangible fixed assets | ~447 | ~15% |
| TOTAL | 2.820 | 100,0 % |

7. BUSINESS LINES

AEROSTAR's business is focused on enhancing performance through continuous improvement and professional development of employees, guided by integrity, innovation, and initiative. AEROSTAR is committed to meeting the requirements and expectations of its customers, by acting to achieve continuous improvement at all levels. AEROSTAR operates across three business lines.

MANUFACTURING OF AERONAUTICAL PRODUCTS

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

MRO CIVIL AVIATION

We hold authorisations for the maintenance of commercial aircraft and are currently authorized to perform base maintenance on Boeing 737 (series 300–900), Boeing 737 MAX, Airbus 320 family, ceo & neo aircraft types, as well as for components.

DEFENCE SYSTEMS

We are a maintenance centre for F-16 aircraft of the Romanian Army and a maintenance centre for Black Hawk S-70® helicopters of the Ministry of Internal Affairs, and we are part of the national defence industry in accordance with Law 232/2016.

8. BUSINESS MODEL

Committed to a sustainable future, the management has adopted ambitious measures and an integrated business model, grounded in a process-system approach and risk-based thinking.

The company's management is focused on maintaining a solid capital base for a continuous development, within the context of the global market, leveraging its competitive advantage through quality, capabilities, and high-level technologies to support sustainable and organized growth, ultimately achieving its company objectives.

Although the company's business model has remained unchanged despite the international context, the way activities are conducted has been adjusted to reflect the specific characteristics of our business flows.

We fully comply with applicable national and international legislation, by acting consistently, intensively, and transparently in order to pursue growth opportunities and ensure access to new programs in the aviation and defence sectors.

WE ARE CONSOLIDATING THE PROGRESS ON THE PROPOSED COMMITMENTS!

OBJECTIVES



WE PROTECT THE ENVIRONMENT

Reducing atmospheric greenhouse gas emissions and volatile organic compound emissions;

Reducing environmental impact by increasing waste recovery and educating all employees to minimize waste generation, thereby improving environmental performance;

Supplying part of the energy needed for the company's processes from green sources through its own photovoltaic parks

We respect the environment, nature and resources!



TOP EMPLOYER

Training employees for professional development and fostering an inclusive culture where every employee can reach their full potential and contribute with our support, thus ensuring the evolution of tomorrow's professions;

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

Ongoing training and professional development programs;

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



COMMUNITY INVOLVEMENT AND DEVELOPMENT

Continuous dialogue with local communities, in the spirit of our goal to positively influence the community;

Developing partnerships to attract young people for internships and study programs;

Continuing scholarship programs for students in dual education

Improving professional and social integration.

Actions for the benefit of the community!



CUSTOMER SATISFACTION

Developing partnerships so that we represent a benchmark for our customers;

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

Transparent practices based on integrity and business ethics

Focus on customers and end users

We uphold the highest standard of professional ethics!

9. AEROSTAR SHAREHOLDERS

The significant shareholders of AEROSTAR S.A. are IAROM S.A. Bucharest and EVERGENT Investments S.A. Bacău.

The consolidated summary structure of financial instrument holdings for the first quarter of 2025 is as follows:

| Shareholders | Number of shares | Percentage % |
|---------------------------------|------------------|--------------|
| IAROM S.A. | 108.900.118 | 71,5143% |
| Evergent Investments S.A | 23.053.957 | 15,1394% |
| Other shareholders | 20.323.375 | 13,3463% |
| Total | 152.277.450 | 100% |

In the current year, no subscriptions for new shares, participation certificates, convertible bonds, options, or similar rights have been recorded.

10. AEROSTAR ARS SHARE

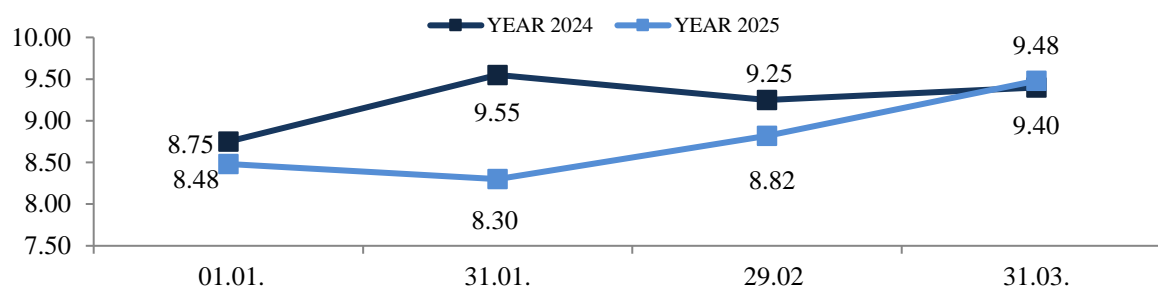
The shares of Aerostar S.A. Bacău have been traded since 1998 on the regulated market administered by the Bucharest Stock Exchange.

Main characteristics of the securities issued: 152.277.450 registered shares, ordinary, of equal value, fully paid, issued in dematerialized form and evidenced by entry in the Register of Shareholders. It is managed by the Central Depository S.A. Bucharest. The issuer Aerostar S.A. Bacău is registered with the following data: Unique Registration Code 950531, ISIN code ROAEROACNOR5, stock exchange symbol ARS, the issued shares being all in the Standard category.

| Aerostar shares in figures: | Q1 2025 | Q1 2024 | Q1 2023 |
|---------------------------------------|---------------|---------------|---------------|
| 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)* | 9,48 | 9,40 | 7,55 |
| Market capitalization (lei)* | 1.443.590.226 | 1.431.408.030 | 1.149.694.748 |
| Maximum price (lei)* | 9,90 | 9,90 | 8,20 |
| Minimum price (lei)* | 8,18 | 8,25 | 7,00 |
| Earnings per share (lei) | 0,138 | 0,165 | 0,198 |

Source: Monthly Bulletin issued by the Bucharest Stock Exchange

Monthly evolution of the reference price of ARS shares in 2025 compared to the same period of 2024 (lei/share):



During 2025:

- Aerostar S.A. did not issue any bonds or similar securities;
- no subscriptions for new shares or participation certificates, convertible bonds, options or similar rights were registered;
- there was no share buy-back program in place.

11. AEROSTAR'S EMPLOYEES

General Information about Personnel

The Aerostar S.A. team is mainly composed of professionals with experience, skills and solid technical knowledge. In addition to continuous development, it is necessary to transfer the knowledge of these key employees to new hires to ensure the company's long-term success.

In the first quarter of 2025, Aerostar had a total of 1.872 employees, and the average unionization rate was approximately 60%. Employees of Aerostar S.A. can join the trade union organization – AVIAS.

The voluntary attrition rate in the first quarter of 2025 was 2,40%, which is comparable to the first quarter of 2024.

Employee benefits

Starting from April 1, 2025, benefits have been provided to cover the dynamic needs through a 9,9 % increase in the salary package.

Training, Education, Professional Development

Internships programs at AEROSTAR represent a valuable opportunity for pupils and students to learn from professionals and familiarize themselves with advanced processes and technologies used in the processing and production of aeronautical components.

During the reporting period, professional training courses were organized for the company's employees, with the priority aim of covering training needs in the areas relevant for the performance of production activities:

| | UM | Q1 2025 | Q1 2024 |
|---|----|---------|---------|
| Number of participations in training programs | no | 1.363 | 1.128 |
| Number of employees included in training programs | no | 827 | 688 |

Occupational Health and Safety, Working Conditions

AEROSTAR consistently takes action to reduce the risks of workplace accidents and illnesses, applying internal rules and regulations that ensure compliance with legal requirements. No work-related accidents occurred during the reporting period.

We are fully committed to ensuring the continuity of our business while protecting the health and safety of our colleagues.

| Events | Q1 2025 | Q1 2024 |
|---|---------|---------|
| No. of work accidents | 0 | 0 |
| No. of minor accidents | 0 | 1 |
| No. of fatal work accidents | 0 | 0 |
| No. of employees with occupational diseases and hazardous incidents | 0 | 0 |
| Total events | 0 | 1 |



**1872
EMPLOYEES**



**9,9 % SALARY PACKAGE
INCREASES**



**0
WORK
ACCIDENTS**

Committed to a sustainable future, the company channels its efforts through the proposed commitments towards achieving its main goal of enhancing sustainability by linking profitability with responsibility, creating value in the short, medium, and long term, and thus boosting the company's performance.

We are committed to strengthening our culture and the diversity of our workforce by attracting, retaining, and developing our employees professionally, and by fostering partnerships to attract young people to internships and study programs.

12. SUMMARIZED FINANCIAL STATEMENTS

| Financial Performance | UM | Q1 2025 | Q1 2024 |
|-----------------------|-------|---------|---------|
| Turnover | k lei | 168.822 | 155.309 |
| Total revenue | k lei | 162.047 | 172.513 |
| Total expenses | k lei | 137.454 | 143.300 |
| Profit before tax | k lei | 24.593 | 29.213 |

| Financial Position | UM | Q1 2025 | Q1 2024 |
|---------------------------|-------|---------|---------|
| Fixed assets (net values) | k lei | 229.648 | 243.960 |
| Current assets | k lei | 603.940 | 547.381 |
| Share capital | k lei | 48.729 | 48.729 |
| Equity | k lei | 640.552 | 578.445 |
| Total liabilities | k lei | 114.263 | 112.967 |

AEROSTAR S.A. BACĂU
COMPANY FINANCIAL STATEMENTS
AS AT 31 MARCH 2025

UNAUDITED

The financial statements as at 31.03.2025 were audited by the internal auditor of Aerostar S.A.

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AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

| | Note | 31 March 2025 | 31 March 2024 |
|--|--------|------------------|------------------|
| Operating income | | | |
| Income from sales | 19 | 168.822 | 155.309 |
| Other income | 19 | 330 | 325 |
| Income related to the inventories of finished goods and work in progress | 19 | (12.800) | 11.236 |
| Income from production of fixed assets | 19 | 541 | 307 |
| Income from operating subsidies | 19 | 177 | - |
| Total operating income | | 157.070 | 167.177 |
| Operating expenses | | | |
| Material expenses | 20 | (63.830) | (73.871) |
| Expenses with employees' benefits | 20 | (50.739) | (47.739) |
| Expenses with the depreciations of fixed assets | 5;6;20 | (7.304) | (6.589) |
| Net income (expenses) from adjustments regarding current assets | 20 | (7.496) | (3.281) |
| Net income (expenses) from adjustments regarding provisions | 20 | 6.335 | 2.646 |
| Expenses for external services | 20 | (10.369) | (12.218) |
| Other expenses | 20 | (552) | (1.322) |
| Total operating expenses | | (133.955) | (142.374) |
| Profit/loss from operating activity | | 23.115 | 24.803 |
| Financial income | 21 | 4.977 | 5.336 |
| Financial expenses | 22 | (3.499) | (926) |
| Financial profit/loss | | 1.478 | 4.410 |
| Profit before tax | | 24.593 | 29.213 |
| Tax on current and deferred profit | 17;23 | (3.536) | (4.080) |
| Net profit of the period | | 21.057 | 25.133 |

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

| | 31 March 2025 | 31 March 2024 |
|--|--------------------------|--------------------------|
| Net profit for the period | 21.057 | 25.133 |
| Deferred income tax recognized in equity | (327) | (791) |
| Revaluation at fair value of equity instruments through other comprehensive income | (471) | 1.901 |
| Gain transferred to retained earnings related to the sale of equity instruments through other comprehensive income | (41) | 245 |
| Other comprehensive income | (839) | 1.355 |
| Total comprehensive income for the period | 20.218 | 26.488 |

Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF FINANCIAL POSITION
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

| | Note | 31 March 2025 | 31 December 2024 |
|---|--------|------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 155.292 | 159.745 |
| Intangible assets | 5 | 1.934 | 1.788 |
| Investment property | 6 | 6.433 | 6.598 |
| Right-of-use assets | 32 | 1.714 | 1.723 |
| Financial assets | 7 | 43.988 | 46.133 |
| Deferred income tax receivables | 17 | 20.287 | 20.103 |
| Total non-current assets | | 229.648 | 236.090 |
| Current assets | | | |
| Inventories | 10 | 190.377 | 206.205 |
| Trade receivables and other receivables | 8;9;18 | 113.264 | 110.772 |
| Current income tax receivables | 23 | - | - |
| Prepaid expenses – short-term | 31 | 2.410 | 1.049 |
| Cash and cash equivalents | 11 | 297.889 | 260.403 |
| Total current assets | | 603.940 | 578.429 |
| Total assets | | 833.588 | 814.519 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 12 | 48.729 | 48.729 |
| Current result | 12 | 21.057 | 95.725 |
| Retained earnings | 12 | 131.671 | 54.374 |
| Reserves | 12 | 469.966 | 467.681 |
| Deferred income tax recognized in equity | 17 | (27.835) | (27.444) |
| Profit allocation to legal reserves | 12 | (3.036) | (18.731) |
| Total equity | 12 | 640.552 | 620.334 |
| Long-term liabilities | | | |
| Deferred income tax liabilities | 17 | 29.135 | 28.834 |
| Long-term investment grants | 14 | 645 | 724 |
| Other long-term liabilities | 16 | 1.445 | 1.467 |
| Total long-term liabilities | | 31.225 | 31.025 |
| Long-term provisions | 13 | 44.561 | 43.866 |
| Current liabilities | | | |
| Trade payables | 15;18 | 57.102 | 59.246 |
| Current income tax payable | 23 | 3.797 | 7 |
| Deferred income | 31 | 2.886 | 3.448 |
| Short-term investment grants | 14 | 700 | 828 |
| Other current liabilities | 16 | 18.553 | 14.523 |
| Total current liabilities | | 83.038 | 78.052 |
| Short-term provisions | 13 | 34.212 | 41.242 |
| Total provisions | | 78.773 | 85.108 |
| Total liabilities | | 114.263 | 109.077 |
| Total equity, liabilities and provisions | | 833.588 | 814.519 |

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CASH FLOWS
(DIRECT METHOD)
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

| | Note | 31.03.2025 | 31.03.2024 |
|---|------|----------------|----------------|
| CASH FLOWS FROM OPERATIONS | | | |
| collections from customers | | 173.582 | 157.107 |
| recoveries of taxes from the State Budget | | 1.231 | 1.401 |
| collections of subsidies from the State Budget | | 125 | 68 |
| payments to suppliers | | (89.194) | (90.355) |
| payments to employees | | (28.794) | (25.847) |
| payment of taxes and duties to the State Budget | | (22.040) | (18.473) |
| NET CASH FROM OPERATING ACTIVITIES | 27 | 34.910 | 23.901 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| proceeds from sale of financial fixed assets | 27 | 1.674 | 4.341 |
| interest collected from bank deposits | | 4.956 | 486 |
| payments for acquisition of property, plant and equipment and intangible assets | | (3.032) | (4.590) |
| NET CASH FROM INVESTING ACTIVITIES | 27 | 3.598 | 237 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| gross dividends paid | | (162) | (163) |
| NET CASH FROM FINANCING ACTIVITIES | 27 | (162) | (163) |
| Net increase in cash and cash equivalents | | 38.346 | 23.975 |
| Cash and cash equivalents at the beginning of the period | | 260.403 | 245.792 |
| Effect of foreign exchange rate variation on cash and cash equivalents | 27 | (860) | 651 |
| Cash and cash equivalents at the end of the period | 11 | 297.889 | 270.418 |

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 31 MARCH 2025
(all amounts are stated in thousand lei)

| | Share capital | Reserves | Reserves from revaluation of financial assets through other comprehensive income | Deferred income tax recognized on equity | Retained earnings | Result for the period | Total equity |
|--|---------------|----------------|--|--|-------------------|-----------------------|----------------|
| Comprehensive income | | | | | | | |
| A. Balance on 1 January 2025 | 48.729 | 459.571 | 8.110 | (27.445) | 54.374 | 76.994* | 620.334 |
| Profit of the period | | | | | | 21.057 | 21.057 |
| Other comprehensive income | | | | | | | |
| Recognition of deferred income tax on equity | | | | (390) | 63 | | (327) |
| Transfer of the 2024 financial year profit to retained earnings, representing undistributed profit, pending allocation to the destinations approved by the shareholders in the OGMS of 24 April 2025 (Note 12) | | | | | 76.994 | (76.994) | - |
| Allocation of profit in Q1 2025 to reserves from tax facilities, in gross amounts | | 3.036 | | | | (3.036) | - |
| Gain transferred to retained earnings from the sale of equity instruments through other comprehensive income | | | (280) | | 239 | | (41) |
| Revaluation at fair value of equity instruments through other comprehensive income | | | (471) | | | | (471) |
| Transfer of retained earnings to reserves representing realized surplus from revaluation reserves | | - | | | - | | - |
| Total comprehensive income of the period | - | 3.036 | (751) | (390) | 77.296 | (58.973) | 20.218 |
| B. Balance on 31 March 2025 | 48.729 | 462.607 | 7.359 | (27.835) | 131.670 | 18.021** | 640.552 |
| C. Changes in equity (Note 12) | - | 3.036 | (751) | (390) | 77.296 | (58.973) | 20.218 |

* The result of 91.160 k lei on 31.12.2024 is influenced by the allocation of profit to other legal reserves from fiscal facilities in the amount of 18.731 k lei;

** The result of 21.057 k lei on 31.03.2025 is influenced by the allocation of profit to other legal reserves from fiscal facilities in the amount of 3.036 k lei;

Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 31 MARCH 2024
(all amounts are stated in thousand lei)

| | Share capital | Reserves | Reserves from revaluation of financial assets through other comprehensive income | Deferred income tax recognized on equity | Retained earnings | Result of the period | Total equity |
|--|---------------|----------------|--|--|-------------------|----------------------|----------------|
| Comprehensive income | | | | | | | |
| A. Balance on 1 January 2024 | 48.729 | 407.359 | 2.669 | (23.481) | 51.577 | 65.104* | 551.957 |
| Profit of the period | | | | | | 25.133 | 25.133 |
| Other comprehensive income | | | | | | | |
| Recognition of deferred income tax on equity | | | | (834) | 43 | | (791) |
| Transfer of the 2023 financial year profit to retained earnings, representing undistributed profit, pending allocation to the destinations approved by the shareholders in the OGMS of 18 April 2024 (Note 12) | | | | | 65.104 | (65.104) | - |
| Allocation of profit in Q1 2024 to reserves from tax facilities, in gross amounts | | 3.364 | | | | (3.364) | - |
| Gain transferred to retained earnings from the sale of equity instruments through other comprehensive income | | | (187) | | 432 | | 245 |
| Revaluation at fair value of equity instruments through other comprehensive income | | | 1.901 | | | | 1.901 |
| Transfer of retained earnings to reserves representing realized surplus from revaluation reserves | | - | | | - | | - |
| Total comprehensive income of the period | - | 3.364 | 1.714 | (834) | 65.579 | (43.335) | 26.488 |
| B. Balance on 31 March 2024 | 48.729 | 410.723 | 4.383 | (24.315) | 117.156 | 21.769** | 578.445 |
| C. Changes in equity (Note 12) | - | 3.364 | 1.714 | (834) | 65.579 | (43.335) | 26.488 |

* The result of 93.028 k lei on 31.12.2023 de 93.028 is influenced by the allocation of profit to other legal reserves from fiscal facilities in the amount of 27.924 k lei

** The result of 25.133 k lei on 31.03.2024 de 25.133 is influenced by the allocation of profit to other legal reserves from fiscal facilities in the amount of 3.364 k lei;

**Chief Executive Officer,
Alexandru Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(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. conducts its activities at its registered office in Bacau, 9 Condorilor Street, postal code 600302. In accordance with the Resolution no. 2/14.12.2017 of the Board of Directors, the opening of a secondary establishment without legal personality (place of business) located at 25B Aeroportului Street, Iași, was approved. Furthermore, in accordance with Resolution no. 1/02.06.2023 of the Board of Directors, the opening of another secondary establishment without legal personality (place of business) at 2 Carpaților Street, ap. 7, Fetești, was approved.

The main area of activity of AEROSTAR S.A. is production.

The main business activity of the company is “Manufacture of civil aircraft and spacecraft” – code 3031.

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

The company is listed on the Bucharest Stock Exchange under the stock symbol ARS, and the record of its shares and shareholders is maintained, in accordance with the law, by Depozitarul Central S.A. Bucharest.

During the first quarter of 2025, there were no subscriptions of new shares, nor any participation certificates, convertible bonds, warrants, options or similar rights issued.

From the perspective of accounting regulations, AEROSTAR S.A. is a subsidiary of IAROM S.A., which is therefore the parent company that consolidates the group’s financial statements. IAROM S.A. is registered under the unique identification code 1555301, with its registered office in Bucharest, 39 Aerogării Boulevard. The consolidated financial statements for the 2023 financial year were submitted to A.N.A.F. under registration number 770692053/22.08.2024. Copies of the consolidated financial statements are available at the registered office of the parent company, IAROM S.A. The parent company will also prepare and publish a new set of consolidated financial statements, in accordance with applicable accounting regulations, for the financial year ended 31.12.2024.

The company operates in a single business segment in accordance with IFRS 8, and no separate financial information is available for distinct components of the entity. Information on sales by business lines and markets is presented in detail in the Board of Directors’ Report.

The company’s management policy focuses on maintaining a solid capital base to support the company’s continuous development and the achievement of its strategic objectives.

The company remains firmly committed to ensuring the sustainability of its investments and the preservation of its production capabilities. In addition, drawing on the experience of its team, the company is actively seeking the most appropriate solutions to new economic challenges.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

(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 reviewed.

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 on 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 first 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. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

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

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

- 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 - row affected in the financial statement;
 - for the basic and diluted results per share.
- the value of the correction at the beginning of the first prior period presented;
- if retrospective restatement is not possible for a specific prior period, the circumstances leading to the existence of that condition and a description of how and when such error was corrected.

2.3. Changes in the accounting policies

Changes in accounting policies are allowed only if required by IFRS or result in more relevant or reliable information regarding the company's operations.

The company modifies an accounting policy only if such change:

- is required by an IFRS; or
- results in financial statements that provide reliable and more relevant information with reference to the effects of the transactions, of other events or conditions 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, to the extent 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 influences 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, to the extent possible.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(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;
- OM.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 accounts are kept in the Romanian language and in the national currency.
The accounting of transactions conducted in foreign currency is kept both in the national currency and in the respective 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 SA 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 2023, there are no changes in the applied principles, methods, policies and accounting procedures.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(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 | 31.03.2025 | AVERAGE EXCHANGE RATE Q1 2025 | 31.12.2024 | AVERAGE EXCHANGE RATE YEAR 2024 |
|-----------------|-------------------|--|-------------------|--|
| 1 EUR | 4,9771 lei | 4,9763 lei | 4,9741 lei | 4,9746 lei |
| 1 USD | 4,6005 lei | 4,7312 lei | 4,7768 lei | 4,5984 lei |
| 1 GBP | 5,9460 lei | 5,9527 lei | 5,9951 lei | 5,8769 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 87% of the turnover recorded in the reporting period is denominated in USD and EUR, while a significant part of the operating costs is denominated in LEI, the fluctuations 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 foreign currency exposure, resulting from the difference between the collections from financial assets and the payments of financial liabilities denominated in foreign currency, is as follows:

| Q1 2025 | K EUR | K USD | K GBP |
|--------------------------------------|--------------|--------------|--------------|
| Collections from financial assets | 8.892 | 18.144 | - |
| Payments of financial liabilities | (3.428) | (11.071) | (109) |
| Foreign exchange net exposure | 5.464 | 7.073 | (109) |

AEROSTAR chose not to use currency hedging instruments (such as options or forward contracts) due to relatively high initial costs and the risk of losing potential gains in the event of a depreciation of the LEU against major currencies (USD, EUR).

In the first quarter of 2025, the appreciation of the LEU against the USD by 1,00% resulted in the recognition of a financial loss from unfavourable foreign exchange differences amounting to 1.635 thousand lei.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 5 - INTANGIBLE ASSETS: reporting period 31 March 2025

| | Values on 31 March 2025 | | | Values on 01 January 2025 | | |
|---|-------------------------|--------------------------|--------------|---------------------------|--------------------------|--------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Licences | 8.955 | (7.413) | 1.542 | 8.620 | (7.299) | 1.321 |
| Other intangible assets (software) | 1.347 | (955) | 392 | 1.340 | (873) | 467 |
| Total | 10.302 | (8.368) | 1.934 | 9.960 | (8.172) | 1.788 |

Net book value as of March 31, 2025 and transactions during the period:

| | Net value on 1 January 2025 | Gross value entries | Depreciation during the period | Net value on 31 March 2025 |
|--------------------------------|-----------------------------|---------------------|--------------------------------|----------------------------|
| Licenses | 1.321 | 440 | (219) | 1.542 |
| Other intangible assets | 467 | 7 | (82) | 392 |
| Total | 1.788 | 447 | (301) | 1.934 |

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 5 - INTANGIBLE ASSETS: reporting period 31 March 2025 (continued)

COMPARATIVE FIGURES – INTANGIBLE ASSETS: reporting period 31 March 2024

| | Values as at 31 March 2024 | | | Values as at 01 January 2024 | | |
|------------------------------------|----------------------------|--------------------------|--------------|------------------------------|--------------------------|--------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Licences | 7.820 | (6.673) | 1.147 | 7.754 | (6.527) | 1.227 |
| Other intangible assets (software) | 1.221 | (670) | 551 | 1.194 | (613) | 581 |
| Total | 9.041 | (7.343) | 1.698 | 8.948 | (7.140) | 1.808 |

Net book value as of March 31, 2024 and transactions during the period:

| | Net value as at 1 January 2024 | Gross value entries | Depreciation during the period | Net value as at 31 March 2024 |
|-------------------------|--------------------------------|---------------------|--------------------------------|-------------------------------|
| Licences | 1.227 | 85 | (165) | 1.147 |
| Other intangible assets | 581 | 27 | (57) | 551 |
| Total | 1.808 | 112 | (222) | 1.698 |

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 5 - INTANGIBLE ASSETS: reporting period 31 March 2025 (continued)

The category of intangible assets includes the following classes of assets of similar nature and use:

- Licences
- Other intangible assets

Other intangible assets include software programs and software optimisations.

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 at 31.03.2025 are not depreciated and no adjustments were made for the depreciation thereof.

When determining the gross book value of the intangible assets, the company uses the historical cost method.

The value of the completely amortized software licenses as at 31 March 2025 and which are still in use is 5.973 thousand lei.

All the intangible assets recorded in the balance sheet as on 31 March 2025 are the property of AEROSTAR.

The entries of intangible assets were made by:

| | |
|---|--------------------------------|
| | <u>447 thousand lei</u> |
| • optimization of the IT production management system | 7 thousand lei |
| • purchases of software licences | 440 thousand 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. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT: reporting period 31 March 2025

| | Values on 31 March 2025 | | | Values on 01 January 2025 | | |
|--|-------------------------|--------------------------|----------------|---------------------------|--------------------------|----------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Land | 31.171 | - | 31.171 | 31.171 | - | 31.171 |
| Constructions | 101.605 | (52.839) | 48.766 | 101.423 | (51.316) | 50.107 |
| Technological equipment and vehicles | 254.021 | (181.040) | 72.981 | 251.321 | (175.987) | 75.334 |
| Other equipment and office equipment | 3.882 | (2.509) | 1.373 | 3.886 | (2.433) | 1.453 |
| Property, plant and equipment under construction | 1.001 | - | 1.001 | 1.680 | - | 1.680 |
| Total property, plant and equipment | 391.680 | (236.388) | 155.292 | 389.481 | (229.736) | 159.745 |
| Investment property | 12.964 | (6.531) | 6.433 | 12.954 | (6.356) | 6.598 |
| Grand Total | 404.644 | (242.919) | 161.725 | 402.435 | (236.092) | 166.343 |

Net book value as at 31.03.2025 and transactions during the period :

| | Net value on 1 January 2025 | Inflows (reclassifications)at gross value | Outflows (reclassifications)at gross value | Depreciation during the period | Net value on 31 March 2025 |
|--|-----------------------------|---|--|--------------------------------|----------------------------|
| Land | 31.171 | - | - | - | 31.171 |
| Constructions | 50.107 | 183 | - | (1.524) | 48.766 |
| Technological equipment and vehicles | 75.334 | 2.870 | (170) | (5.053) | 72.981 |
| Other equipment and office equipment | 1.453 | - | (4) | (76) | 1.373 |
| Property, plant and equipment under construction | 1.680 | 2.373 | (3.052) | - | 1.001 |
| Total property, plant and equipment | 159.745 | 5.426 | (3.226) | (6.653) | 155.292 |
| Investment property | 6.598 | 10 | - | (175) | 6.433 |
| Grand Total | 166.343 | 5.436 | (3.226) | (6.828) | 161.725 |

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT(continued): reporting period 31 March 2025

COMPARATIVE FIGURES - PROPERTY, PLANT AND EQUIPMENT

| | Values on 31 March 2024 | | | Values on 01 January 2024 | | |
|--|-------------------------|--------------------------|----------------|---------------------------|--------------------------|----------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Land | 31.171 | - | 31.171 | 30.894 | - | 30.894 |
| Constructions | 98.909 | (47.075) | 51.834 | 98.349 | (45.607) | 52.742 |
| Technological equipment and vehicles | 234.309 | (162.280) | 72.029 | 231.120 | (157.716) | 73.404 |
| Other equipment and office equipment | 3.835 | (2.196) | 1.639 | 3.835 | (2.115) | 1.720 |
| Property, plant and equipment under construction | 682 | - | 682 | 727 | - | 727 |
| Total property, plant and equipment | 368.906 | (211.551) | 157.355 | 364.925 | (205.438) | 159.487 |
| Investment property | 12.749 | (5.628) | 7.121 | 12.749 | (5.453) | 7.296 |
| Grand Total | 381.655 | (217.179) | 164.476 | 377.674 | (210.891) | 166.783 |

Net book value as at 31.03.2024 and transactions during the period:

| | Net value on 1 January 2024 | Inflows (reclassifications)at gross value | Outflows (reclassifications)at gross value | Depreciation | Net value on 31 March 2024 |
|--|-----------------------------|---|--|----------------|----------------------------|
| Land | 30.894 | 277 | - | - | 31.171 |
| Constructions | 52.742 | 560 | - | (1.468) | 51.834 |
| Technological equipment and vehicles | 73.404 | 3.267 | (78) | (4.564) | 72.029 |
| Other equipment and office equipment | 1.720 | - | - | (81) | 1.639 |
| Property, plant and equipment under construction | 727 | 4.059 | (4.104) | - | 682 |
| Total property, plant and equipment | 159.487 | 8.163 | (4.182) | (6.113) | 157.355 |
| Investment property | 7.296 | - | - | (175) | 7.121 |
| Grand Total | 166.783 | 8.163 | (4.182) | (6.288) | 164.476 |

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (continued)

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 662 thousand lei.

On the date of transition to IFRS, the company estimated and included in the cost of the property, plant and equipment the estimated costs for their decommissioning at the end of a useful lifetime.

These costs were reflected in the 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, is not subject to amortization.

The value of land owned by Aerostar SA is presented at acquisition cost, i.e. the assumed cost that was recorded on the date of transition to IFRS.

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

Internal sources of information:

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (continued)

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>indicator MBR-Market to book ratio</u> | <u>31.03.2025</u> |
| Stock exchange capitalization/ company equity | 2,25 |

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 31.03.2025 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 31 March 2025 is 99.969 thousand lei.

On 31.03.2025 no mortgages were set up on the real estate assets owned by Aerostar S.A.

| | |
|--|---------------------------|
| Inflows of property, plant and equipment: | <u>5.436 k lei</u> |
| • Commissioning of technical equipment, hardware equipment, measuring and control equipment | 2.870 k lei |
| • Land acquisition | 193 k lei |
| • Property, plant and equipment under construction during the period | 2.373 k lei |
| Outflows of property, plant and equipment: | <u>3.226 k lei</u> |
| • Transfer of assets under construction to property, plant and equipment following their commissioning | 3.052 k lei |
| • Derecognition of property, plant and equipment (buildings and technological equipment) because the company no longer expects future economic benefits from their use | 174 k lei |

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 7 – FINANCIAL ASSETS

| | Shares held in affiliated entities | Other non- current financial assets – shares | Other non-current financial assets - contribution to share capital | Other non-current receivables – supplier guarantees | Total |
|------------------------------|--|---|---|---|---------------|
| As at January 1, 2025 | 14 | 46.075 | 2 | 42 | 46.133 |
| Increases/Decreases | - | (2.145) | - | - | (2.145) |
| As at March 31, 2025 | 14 | 43.930 | 2 | 42 | 43.988 |

As at March 31, 2025 the decrease on other non-current financial assets - shares amounts to (2.145) thousand lei and consists of:

| Revaluation at fair value of Evergent Investments S.A. shares | Value of shares sold during the period January – March 2025 | Total impairment losses – net |
|--|--|-------------------------------|
| 471 | 1.674 | 2.145 |

A) Investments in affiliated entities recorded at 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 2023 | | | | |
|--|--|---------------------------------------|-------------------------|--|--|---------------------|--------------------------|---------------------------------------|-----------------------------------|
| | | | | | Company's share capital (k lei) | Reserves (k lei) | Net profit (k lei) | Nominal value/ Share (k lei) | Net asset/ Share (k lei) |
| Airpro Consult SRL Bacău 9, Condorilor Street | - main activity according to CAEN code 7820 | 100 | 100% | 10 | 10 | 205 | 556 | 0,10 | 7,7 |
| Foar SRL Bacău 9, Condorilor Street | - main activity according to CAEN code 7739 | 408 | 51% | 4 | 8 | 424 | 119 | 0,01 | 1,4 |
| TOTAL | x | x | x | 14 | x | x | x | x | x |

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NOTE 7 – FINANCIAL ASSETS (continued)

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

As at March 31, 2025, the company recorded no changes in terms of increase/decrease in the percentage of shareholdings, maintaining the same level of control, over the companies in the shareholding portfolio as in 2024.

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

B) Investments in equity instruments through other comprehensive income:

| Issuer's Name | CAEN Code | No. of shares | Symbol | Value price/share on 31.03.2025 (lei) | Portfolio value at market price (k lei) | Portfolio value at acquisition cost (k lei) |
|----------------------------------|--|-------------------|-------------|---------------------------------------|---|---|
| Registered head office | | | | | | |
| Evergent Investments S.A. | - main activity according to CAEN code 6499 | 30.191.883 | EVER | 1,4550 | 43.929 | 36.570 |
| 94C, Pictor Aman Street, Bacău | | | | | | |

As at March 31, 2025, the company held 30.191.883 shares in Evergent Investments S.A., a company listed on the Bucharest Stock Exchange. Aerostar accounts for its shareholding at fair value through other comprehensive income, in accordance with IFRS 9 “Financial Instruments”. The company has exercised the irrevocable option to designate these equity instruments at fair value through other comprehensive income, as the financial assets are held both to collect dividends and to realize gains on disposal, and not for trading purposes. The gain or loss related to these equity instruments is recognized in other comprehensive income, with the exception of dividend income.

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

The association was voluntarily established by its founding members, operating as a Romanian legal entity under private law, without patrimonial purpose. The association is non-governmental, apolitical, nonprofit, and independent, not subordinated to any other legal entity. The purpose of the association is to develop and implement effective mechanisms for public-private dialogue in the educational field, to act as a platform for dialogue and collaboration among key stakeholders in education, to improve the quality of educational processes, and to connect lifelong learning with the economic environment by providing it with qualified human resources for sustainable development.

AEROSTAR’s cash contribution to the patrimony of the “Education Cluster for Sustainable Development – C-EDD” association amounts to 2.500 lei

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NOTE 8 - TRADE RECEIVABLES

| | 31 March 2025 | 31 December 2024 |
|--|--------------------------|-----------------------------|
| TRADE RECEIVABLES OF WHICH: | | |
| Customers: | 99.832 | 96.855 |
| Customers from Romania | 15.180 | 31.782 |
| Customers from outside Romania | 84.652 | 65.073 |
| Uncertain customers | 1.333 | 219 |
| Adjustments for impairment of receivables - customers | (666) | (197) |
| Suppliers – debtors | 7.295 | 5.926 |
| Adjustments for impairment of advances to suppliers | (87) | - |
| TOTAL TRADE RECEIVABLES | 107.707 | 102.803 |

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 is between 30 days and 180 days. On 31 March 2025 the company recorded impairment adjustments of this nature amounting to de 666 thousand lei;
- in percentage of 100% of the value of the receivables not collected on time, if the delay exceeds 180 days. As on March 31, 2025, the Company had no records of any such impairment adjustments.

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.

The supplier-debtors outstanding as of March 31, 2025, in the amount of 7.295 thousand lei, are due for settlement in 2025.

The receivables denominated in foreign currency were evaluated at the market exchange rate provided by the National Bank of Romania for the closing of March 2025.

The favourable and unfavourable exchange rates differences between the exchange market rate at which foreign currency receivables are recorded and the market exchange rate provided by the National Bank of Romania available for the closing of March 2025 were recorded in the corresponding income or expense accounts.

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NOTE 9 - OTHER RECEIVABLES

| | 31 March 2025 | 31 December 2024 |
|--|--------------------------|-----------------------------|
| Receivables related to personnel and similar accounts | 52 | 63 |
| Receivables related to the social security budget and the state budget, of which: | 3.444 | 2.945 |
| – Recoverable VAT | 1.014 | 380 |
| – Non-due VAT | 105 | 109 |
| – Amounts to be recovered from the Health Insurance House (sick leave indemnities) | 2.193 | 2.360 |
| – Amounts with a subsidy nature | 115 | 64 |
| – Recoverable excise duties related to fuel used | 0 | 10 |
| – Other receivables related to the local budget | 3 | 8 |
| – Other receivables related to the social security budget and the state budget | 14 | 14 |
| Interest to be collected on bank deposits | 1.851 | 3.665 |
| Various debtors | 623 | 1.699 |
| Impairment adjustments for receivables - various debtors | (413) | (403) |
| TOTAL OTHER RECEIVABLES | 5.557 | 7.969 |

Note:

- Other receivables related to the social security, state, and local budgets represent amounts resulting from the submission of amended tax returns.
- Interest receivable relates to bank deposits held by the company at the end of the reporting period.
- Out of the total other receivables, 39%, amounting to 2.193 thousand lei, represents amounts settled but not yet collected from the Health Insurance House.

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| NOTE 10 - INVENTORIES | 31 March 2025 | 31 December 2024 |
|--|--------------------------|-----------------------------|
| of which: | | |
| Raw materials | 71.570 | 70.654 |
| Consumable materials | 95.399 | 93.135 |
| Other materials | 18 | 37 |
| Semi-finished goods | - | 4 |
| Packaging materials | 10 | 36 |
| Finished goods | 38.713 | 44.580 |
| Work in progress (goods and services) | 70.052 | 76.215 |
| Gross (unadjusted) value of inventories | 275.762 | 284.661 |
| Impairment adjustments | 85.385 | 78.456 |
| Net (adjusted) value of inventories | 190.377 | 206.205 |

ADJUSTMENTS FOR IMPAIRMENT OF INVENTORIES

| | 31 March 2025 | Increases/ Recognitions / | Decreases/ Reversals/ | 31 December 2024 |
|--|--------------------------|--------------------------------------|----------------------------------|-----------------------------|
| Total adjustments | 85.385 | 8.435 | 1.506 | 78.456 |
| Adjustments for impairment of raw material | 42.015 | 1.649 | 1.371 | 41.737 |
| Adjustments for impairment of consumables | 34.005 | 2.636 | 131 | 31.500 |
| Adjustments for impairment of semi-finished goods | - | - | 4 | 4 |
| Adjustments for impairment of finished goods | 346 | 8 | - | 338 |
| Adjustments for impairment of production in progress | 9.019 | 4.142 | - | 4.877 |

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price of inventories less all estimated costs of completion and the estimated costs necessary to make 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.

Impairment 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, goods are considered impaired if their storage duration exceeds the period set by an internal decision of the Board of Directors.

According to the Accounting Policies Manual, at Aerostar SA, adjustments for inventory impairment are set up as follows:

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NOTE 10 – INVENTORIES (continued)

- For raw material, consumable materials, semi-finished goods and spare parts, different storage periods are established for each profit centre;
- For inventories of finished goods and work in progress, impairment adjustments are recognized at each reporting period, as follows:
 - a) 100% of their value, for inventories of this nature not based on contracts with customers;
 - b) variable percentages, agreed with the relevant profit centres, for inventories of finished goods not delivered within the contractual deadlines.

The value of material expenses recognized as an expense during the period amounts to 63.830 thousand lei, consisting of:

- 57.531 thousand lei representing expenses related to inventory materials;
- 5.992 thousand lei representing expenses related to water, gas, and electricity consumption;
- 307 thousand lei representing expenses related to non-inventoried materials.

Aerostar S.A. holds inventories of finished goods (safety stock) at the levels agreed upon in contracts with customers.

Aerostar S.A. does not have pledged inventories.

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NOTE 11 - CASH AND CASH EQUIVALENTS

Cash includes:

- cash held at AEROSTAR's cashier desk;
- demand deposits held with banks (current accounts with banks).

Cash equivalents include:

- term deposits held with banks;
- cheques deposited with banks for collection.

At the end of the reporting period, cash and cash equivalents consisted of:

| | 31.03.2025 | 31.12.2024 | 31.03.2024 |
|---|-------------------|-------------------|-------------------|
| Cash in the cashier | 30 | 30 | 34 |
| Demand deposits held with banks | 26.197 | 31.170 | 63.367 |
| Term deposits held with banks | 271.662 | 229.203 | 206.917 |
| Cheques deposited with banks for collection | - | - | 100 |
| Cash and cash equivalents | 297.889 | 260.403 | 270.418 |

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

The value of the credit line available in the form of an overdraft, available for future operating activity, is USD 2.500 thousand (equivalent to 11.500 thousand lei).

The Credit Line was not used during the reporting period.

AEROSTAR's policy is to deposit cash corresponding to the amount of provisions recognised. The balance of the provisions as at March 31, 2025 is 78.773 thousand lei.

Term deposits are made for short periods (under 6 months), as AEROSTAR prefers easy access to liquidity. As a result, other saving alternatives for surplus cash, such as placements in investment funds, are not preferred due to the associated investment risks. These may be subject to significant short-term fluctuations caused by various conjunctural factors.

AEROSTAR's decision to only make short-term bank deposits is mainly driven by global political and economic uncertainty and the deterioration of supply chains. Unexpected events may arise at any time, requiring purchases of raw materials and other materials to ensure safety inventories.

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NOTE 12 – COMPANY’S EQUITY

The company’s equity as of March 31, 2025 is 640.552 thousand lei. The increase in the company’s equity in 2025 compared to the end of 2024, was 20.218 thousand lei.

The evolution of the company's equity elements in 2025 compared to the end of 2024 :

- **The share capital remained unchanged:**

As of 31 March 2025, the share capital of AEROSTAR SA Bacau is 48.728.784 lei, divided in 152.277.450 shares having each a nominal value of 0,32 lei.

- **The reserves increased by 2.285 thousand lei:**

- an increase of 3.036 thousand lei as a result of the allocation during 2025 of tax facilities received;
- a decrease of 471 thousand lei due to the fair value revaluation of the shares held in Evergent Investments S.A.;
- a decrease of 280 thousand lei resulting from the transfer to retained earnings of the fair value revaluation differences of equity instruments recognised in other comprehensive income, following their sale

- **Other equity elements decreased by 390 thousand lei** due to deferred income tax recognised in equity.

- **The retained earnings increased by 77.296 thousand lei, as follows:**

- an increase of 76.994 thousand lei resulting from the transfer of the 2024 financial year's profit to retained earnings, representing retained profit, pending distribution to the destinations approved by the shareholders at the OGMS of April 24, 2025;
- an increase of 63 thousand lei from the deferred income tax recognised in equity;
- an increase of 239 thousand lei representing the net gain realised from the sale of equity instruments recognised in other comprehensive income.

- The balance of the retained earnings as at 31 March 2025 is 131.671 thousand lei, comprising:
 - the retained earnings resulted from the use, at the date of transition to IFRS, of fair value as presumed cost = 26.302 thousand lei;
 - the retained earnings representing the realized gain from revaluation reserves, capitalized in line with the depreciation of tangible fixed assets = 24.408 thousand lei;
 - the retained earnings representing the retained profit for the financial year 2024 = 76.994 thousand lei;
 - the net gain realised from the sale of equity instruments recognised in other comprehensive income = 3.967 thousand lei.

- **The result for the period was a profit in the amount of 21.057 thousand lei.**

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NOTE 13 - PROVISIONS

| | 31 December 2024 | Increases/ Recognition/ Reclassification of provisions | Reductions/ Reversals/ Reclassifications of provisions | Differences from revaluation | 31 March 2025 |
|--|------------------------|---|---|------------------------------------|---------------------|
| Total provisions | 85.108 | 4.641 | 10.993 | 17 | 78.773 |
| Provisions for customer guarantees | 34.726 | 4.641 | 6.039 | 4 | 33.332 |
| Provisions for decommissioning property, plant and equipment | 16.466 | - | - | - | 16.466 |
| Employee benefits provisions | 9.246 | - | 4.801 | - | 4.445 |
| Other provisions | 24.670 | - | 153 | 13 | 24.530 |
| Long-term provisions | 43.866 | 2.075 | 1.390 | 10 | 44.561 |
| Provisions for bonds granted to customers | 7.726 | 2.075 | 1.237 | - | 8.564 |
| Provisions for decommissioning property, plant and equipment | 16.466 | - | - | - | 16.466 |
| Other provisions | 19.674 | - | 153 | 10 | 19.531 |
| Short-term provisions | 41.242 | 2.566 | 9.603 | 7 | 34.212 |
| Provisions for customer guarantees | 27.000 | 2.566 | 4.802 | 4 | 24.768 |
| Employee benefits provisions | 9.246 | - | 4.801 | - | 4.445 |
| Other provisions | 4.996 | - | - | 3 | 4.999 |

Provisions for customer guarantees

Provisions for customer guarantees are set up to cover the risk of non-conformity during the warranty period of products sold and services rendered, in accordance with contractual provisions. The warranty period is usually 24 months.

Provisions for decommissioning of property, plant and equipment

Provisions for the decommissioning of property, plant and equipment, mainly buildings, are established to cover the costs of dismantling, removing items and restoring the sites where they are located and are included in their cost. The value has been estimated using an annual discount rate of 6,5%.

Employee benefits provisions

Provisions for employee benefits are set up for bonuses granted in accordance with the terms of the applicable Collective Labour Agreement and for holiday leave not taken by employees in the previous year.

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NOTE 13 – PROVISIONS (continued)

Other provisions

The category Other provisions contains the provisions established for:

- covering risks specific to the aviation industry, such as: risk of hidden defects, risk of detecting quality incidents that can incur damages.
- coverage of some expenses regarding the Company's obligations towards A.J.O.F.M., based on O.U.G. 95/2002;
- covering certain risks related to the application by customers of delayed payment penalties and damages associated with the production of aeronautical products;

During the period January – March 2025, the company recorded expenses for the recognition of provisions in the amount of 4.659 thousand lei and income from the reversal/reduction of provisions in the amount of 10.994 thousand lei, resulting in net income from provision adjustments of 6.335 thousand lei.

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NOTE 14 – SUBSIDIES FOR INVESTMENT IN ASSETS

AEROSTAR recognizes subsidies related to assets as deferred income.

| | 31.03.2025 | 31.03.2024 |
|--|-------------------|-------------------|
| Balance as of 1 January, of which: | 1.552 | 2.380 |
| Short-term | 828 | 830 |
| Long-term | 724 | 1.550 |
| Subsidies received | - | - |
| Subsidies recognised as income corresponding to the calculated depreciation | (207) | (208) |
| Balance as of 31 March, of which: | 1.345 | 2.172 |
| Short-term | 700 | 829 |
| Long-term | 645 | 1.343 |

The balance recorded as of 31 March 2025 represents subsidies related to investments in fixed assets to be recognised in income as the calculated depreciation is charged to costs.

Subsidies received in previous years to finance assets related to the implementation of 4 investment projects under 4 non-reimbursable financing agreements:

1. Contract no. 210304/22.04.2010: 'Expansion of aerostructures manufacturing and assembly capacities for civil aviation', executed 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, with 515 thousand lei remaining to be recorded as income;
2. Contract no. 229226/14.06.2012: 'Creating a new manufacturing capacity to diversify production and export growth', executed between June 2012 and May 2014, the value of the subsidy received from the Ministry of Economy, Trade and Business Environment (MECMA) being 6.011 thousand lei, with 36 thousand lei remaining to be recorded as income;
3. Contract no. 5IM/013/24.03.2015: 'Strengthening and sustainable development of the machining and painting sectors through high-performance investments', executed between March and December 2015, the value of the subsidy received from the Ministry of European Funds (MFE) being 8.299 thousand lei, with 469 thousand lei remaining to be recorded as income.
4. Financing contract no. 10/28.02.2023: "Equipping the AEROSTAR Testing Laboratory with NDT testing equipment", executed between March 2023 and December 2023, the amount of the grant received from the Ministry of Economy being 381 thousand lei, with 313 thousand lei remaining to be recorded as income.

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

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NOTE 15 - COMMERCIAL DEBTS

| | 31 March 2025 | 31 December 2024 |
|---|--------------------------|-----------------------------|
| Prepaid amounts collected on customers' account, of which: | 14.253 | 9.593 |
| Credit customers from Romania | 17 | 19 |
| Credit customers from outside Romania | 14.236 | 9.574 |
| Suppliers, of which: | 42.849 | 49.653 |
| Suppliers of materials and services from Romania | 12.999 | 10.863 |
| Suppliers of materials and services from outside Romania | 21.087 | 30.561 |
| Suppliers-invoices not yet received | 7.076 | 6.024 |
| Suppliers of non-current assets | 1.687 | 2.205 |
| Total commercial debts | 57.102 | 59.246 |

Prepaid amounts collected from external clients are for aircraft maintenance and repair work (72,57%) and for other services (27,43%).

No mortgages have been set up for the recorded 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 March 2025, were recorded in the corresponding income or expense accounts.

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NOTE 16 - OTHER LIABILITIES

| | 31 March 2025 | 31 December 2024 |
|--|--------------------------|-----------------------------|
| Other current liabilities, of which: | 18.553 | 14.523 |
| • <i>Liabilities related to personnel and similar accounts</i> | 6.336 | 4.295 |
| • <i>Liabilities related to social security budget and the state budget, of which:</i> | 7.810 | 6.828 |
| - VAT payable | - | 626 |
| - Social security | 5.957 | 4.631 |
| - Labour insurance contribution | 371 | 287 |
| - Income tax on salary-type revenues | 1.185 | 906 |
| - Contribution for persons with disabilities not employed | 209 | 207 |
| - Other taxes | 39 | 116 |
| - Other social liabilities | 49 | 55 |
| • <i>Other liabilities, of which:</i> | 4.407 | 3.400 |
| - Dividends | 3.076 | 3.125 |
| - Various creditors | 1.308 | 252 |
| - Guarantees received | 23 | 23 |
| Other long-term liabilities | 1.455 | 1.467 |

The category "Other long-term liabilities" includes the liability related to the right of use of the land under concession for the MRO Hangar in Iași.

The dividends outstanding as of 31 March 2025, in the amount of 3.076 thousand lei, represent the amounts remaining in balance for the shareholders who did not present themselves at the counters of the paying agent, CEC Bank S.A. (the paying agent appointed by AEROSTAR), and which have not become time-barred.

The company does not record any overdue liabilities to the state budget, the social security budget, or the local budgets.

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NOTE 17 - DEFERRED INCOME TAX

Deferred tax is determined for the temporary differences between the tax base of assets and liabilities and their accounting base. It is calculated at a tax rate of 16% applicable to these temporary differences.

The company has estimated and recorded deferred tax liabilities related to non-current assets (arising from differences between accounting and fiscal values, differing useful lives, etc.) as well as from reserves. It has also recognized deferred tax assets related to non-current equity investments (shares), inventories, and trade receivables subject to impairment adjustments, as well as to provisions for customer guarantees, employee benefits, and other provisions.

The structure of deferred income tax recorded as of 31.03.2025 is as follows:

Deferred tax liabilities

| | |
|--|---------------|
| 1. Deferred tax liabilities arising from differences between the accounting base (higher) and the tax base (lower) of non-current assets | 845 |
| 2. Deferred tax liabilities related to legal reserves | 1.559 |
| 3. Deferred tax liabilities related to reserves from tax facilities | 25.492 |
| 4. Deferred tax liabilities related to retained earnings representing realised surplus from revaluation reserves | 61 |
| 5. Deferred tax liabilities related to non-current equity investments | 1.178 |
| Total deferred tax liabilities | 29.135 |

Deferred tax assets

| | |
|---|---------------|
| 1. Deferred tax assets related to other provisions | 394 |
| 2. Deferred tax assets related to provisions for guarantees granted to customers | 5.333 |
| 3. Deferred tax assets related to provisions for employee benefits | 711 |
| 4. Deferred tax assets related to adjustments for impairment of inventories | 13.662 |
| 5. Deferred tax assets related to adjustments for impairment of trade receivables | 187 |
| Total deferred tax assets | 20.287 |

| | |
|---|--------------|
| Balance – Deferred tax liabilities | 8.848 |
|---|--------------|

The Company did not recognize deferred tax assets related to other provisions for specific aviation industry risks due to uncertainty regarding the fiscal deductibility of the expenses that may arise from the settlement of obligations in future periods. Therefore, the differences between the tax base and the accounting base would be null.

In the period January 1, 2025 – March 31, 2025, the Company recorded deferred income tax revenues in the amount of 1.955 thousand lei and deferred income tax expenses in the amount of 1.747 thousand lei, resulting in a net impact on financial performance of 208 thousand lei.

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NOTE 17 - DEFERRED PROFIT TAX (continued)

The deferred income tax recognized on equity in the amount of 27.835 thousand lei consists of deferred tax liabilities in the amount of 28.229 thousand lei, as follows:

- Deferred tax liabilities related to legal reserves 1.559 thousand lei
- Deferred tax liabilities related to reserves from tax facilities 25.492 thousand lei
- Deferred tax liabilities related to non-current equity investments – shares 1.178 thousand lei;

and deferred tax assets in the amount of 394 thousand lei.

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NOTE 18 - FINANCIAL INSTRUMENTS

A financial instrument is any contract that simultaneously generates a financial asset for one entity and a financial liability or an equity instrument for another entity.

Financial assets and liabilities are recognized when AEROSTAR becomes a party to the contractual provisions of the instrument.

AEROSTAR's financial assets include:

- sight and term deposits held with banks;
- trade receivables;
- shares in Evergent Investments S.A. (stock symbol: EVER);
- non-current receivables (guarantees placed with third parties).

AEROSTAR's financial liabilities include:

- trade payables.

As at the reporting date, AEROSTAR does not record any financial liabilities related to bank overdrafts or 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) foreign exchange risk;
- d) interest rate risk;
- e) market risk.

a) Credit risk

Credit risk is the risk that one of the parties involved in a financial instrument may cause a financial loss to the other party by failing to fulfil a contractual obligation, mainly related to:

- sight and term deposits held with banks
- trade receivables

Sight and term deposits are held only in top-tier banking institutions (top 5 by asset size), with ratings that reflect the lowest level of risk.

In some cases, specific instruments are required to mitigate the risk of trade credit (advance payments, bank guarantees for good payment, confirmed export letters of credit).

AEROSTAR has no significant exposure to any single partner and does not register a significant concentration of receivables in a single geographical area.

Exposure to credit risk

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

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

| | 31.03.2025 | 31.03.2024 |
|--|-------------------|-------------------|
| Sight and term deposits held with banks | 297.859 | 270.284 |
| Trade receivables, net of impairment adjustments | 93.741 | 78.121 |
| Non-current receivables | 42 | 42 |
| Total | 391.642 | 348.447 |

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

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

| | 31.03.2025 | 31.03.2024 |
|--------------------------|-------------------|-------------------|
| Domestic market | 15.369 | 14.444 |
| Eurozone countries | 39.151 | 33.574 |
| United Kingdom | 21.835 | 19.362 |
| Other European countries | 5.363 | 3.001 |
| Other regions | 12.023 | 7.740 |
| Total | 93.741 | 78.121 |

Impairment adjustments

The aging structure of gross trade receivables as of the reporting date is presented in the table below:

| | Gross value | Impairment adjustments | Gross value | Impairment adjustments |
|---------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|
| | 31.03.2025 | | 31.03.2024 | |
| Due | 93.075 | | 78.002 | |
| Overdue, total of which: | 1.332 | | 238 | |
| 31-60 days | 898 | 449 | 230 | 115 |
| 61-90 days | 72 | 36 | 8 | 4 |
| 91-120 days | 188 | 94 | - | - |
| Over 120 days | 174 | 87 | - | - |
| More than 1 year | - | - | - | - |
| Total | 94.407 | 666 | 78.240 | 119 |

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

| | 31.03.2025 | 31.03.2024 |
|---|-------------------|-------------------|
| Balance as of 1 January | 110 | 267 |
| Impairment adjustments made | 579 | 119 |
| Impairment adjustments reversed to income | (23) | (267) |
| Balance as of 31 March | 666 | 119 |

As of March 31, 2025, 99% of the trade receivables balance is related to customers with a good payment history.

b) Liquidity risk

Liquidity risk is the risk that AEROSTAR may face difficulties in meeting its financial obligations associated with financial liabilities that are settled through the delivery of cash.

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

In order to evaluate liquidity risk, cash flows from operations, investments, and financing are monitored and analysed weekly, monthly, quarterly, and annually with a view to establishing the estimated level of net changes in liquidity.

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

Also, the specific liquidity indicators are reviewed monthly (general liquidity, immediate liquidity, and the general solvency ratio) compared to 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 up to a maximum limit of 2.500 thousand USD.

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

| | Liabilities | Accounting value | Contractual cash flows | 0-30 days | 31-60 days | over 60 days |
|------------|----------------|------------------|------------------------|-----------|------------|--------------|
| 31.03.2025 | Trade payables | 35.764 | (35.764) | (32.164) | (2.898) | (702) |
| 31.03.2024 | Trade payables | 37.358 | (37.358) | (32.872) | (4.369) | (117) |

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

As of 31.03.2025, AEROSTAR has no overdue financial liabilities.

c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in exchange rates.

Exposure to the foreign currency risk

AEROSTAR is exposed to the foreign currency risks, as 87% 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 fluctuations in the exchange rate may affect both its net income and its financial position as expressed in Lei.

However, AEROSTAR has chosen not to use currency hedging instruments (such as options or forward contracts) due to the relatively high initial costs and the potential loss of opportunities in the event of a depreciation of the RON against the main foreign currencies (USD, EUR).

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.

| 31.03.2025 | k EUR | k USD | k GBP |
|--|--------------|---------------|--------------|
| Sight and term deposits held with banks | 2.359 | 2.876 | 30 |
| Trade receivables | 3.852 | 12.867 | - |
| Trade payables | (1.325) | (3.322) | (60) |
| Net exposure in original currency | 4.886 | 12.421 | (30) |

Sensitivity analysis

Given the net exposure calculated in the table above, AEROSTAR can be considered to be mainly exposed to foreign exchange risk arising from fluctuations in the USD/LEU and EUR/LEU exchange rates.

Considering the historical evolution of the USD/LEU and EUR/LEU exchange rates in previous years, a relatively high volatility of USD/LEU (+/-10%) and a lower volatility of EUR/LEU (+/-1%)

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

can be observed. Therefore, a reasonably possible fluctuation of +/-10% for USD/LEU and +/-1% for EUR/LEU at the end of the reporting period can be considered.

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

| 31.03.2025 | EUR/LEU | USD/LEU |
|--|----------------------|------------------------|
| Net exposure, in original currency | 4.886 k EUR | 12.421 k USD |
| Exchange rate | 4,9771 | 4,6005 |
| Net exposure, in functional currency | 24.318 k lei | 57.143 k lei |
| Reasonable possible variation in exchange rate | +/- 1% | +/- 10% |
| Effect of variation on financial result | +/- 243 k lei | +/- 5.714 k lei |

d) Interest rate risk

For the reporting period, AEROSTAR has available a multi-product Credit Facility in the total amount of 7.000 thousand USD, intended for financing operating activities, which includes:

- 2.500 thousand USD, usable as an overdraft,
- a maximum of 7.000 thousand USD, usable for issuing guarantee instruments (bank guarantee letters and import letters of credit), on the condition that the overdraft product is not used.

The interest rate is applicable only for the overdraft.

Since the overdraft product was not used during the reporting period, income and cash flows are independent of changes in market interest rates.

As of 31.03.2025, the level of guarantees granted under commercial contracts, through the issuance of bank letters of guarantee and import letters of credit, amounts to 12.059 thousand lei (equivalent to 2.621 thousand USD).

As of 31.03.2025, there are no mortgages established on the real estate assets owned by AEROSTAR.

e) **Market risk** is the risk that the fair value or future cash flows of a financial asset may fluctuate due to changes in market prices.

The maximum exposure to market risk as of the reporting date is presented in the table below:

| | 31.03.2025 | 31.03.2024 |
|----------------------------------|-------------------|-------------------|
| Evergent Investments S.A. shares | 43.929 | 55.548 |

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NOTE 19 - OPERATING INCOME

| | 31 March 2025 | 31 March 2024 |
|--|--------------------------|--------------------------|
| Income from sales, of which: | 168.822 | 155.309 |
| Income from the sale of products | 87.701 | 88.530 |
| Income from services rendered | 80.108 | 65.875 |
| Income from the sale of goods | - | 6 |
| Rental income | 739 | 662 |
| Trade discounts granted | - | (2) |
| Income from other activities | 274 | 238 |
| Income related to inventories of finished products and work in progress | (12.800) | 11.236 |
| Income from production of fixed assets | 541 | 307 |
| Income from operating subsidies | 177 | - |
| Income from investment subsidies | 207 | 207 |
| Other operating income | 123 | 118 |
| Total operating income | 157.070 | 167.177 |

Other operating income, amounting to 123 thousand lei, includes, among others, income from the recovery of debts from former employees (tuition expenses and other receivables), income from compensations and recovered taxes, and income from offsetting purchases from protected units.

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NOTE 20 – OPERATING EXPENSES

| | 31 March 2025 | 31 March 2024 |
|---|--------------------------|--------------------------|
| Expenses with employee benefits, of which: | 50.739 | 47.739 |
| Salaries and allowances | 44.305 | 41.756 |
| Expenses with meal vouchers granted to employees | 3.562 | 3.529 |
| Expenses related to social security and insurance | 2.872 | 2.454 |
| Expenses with raw material and other materials | 54.008 | 65.316 |
| Energy, water, and gas | 5.992 | 5.387 |
| Other material expenses, of which: | 3.830 | 3.168 |
| Expenses with non-inventory materials | 307 | 460 |
| Expenses with goods | 5 | 4 |
| Expenses with packaging | 206 | 112 |
| Expenses with other materials | 3.312 | 2.592 |
| Expenses with external services, of which: | 10.369 | 12.218 |
| Repairs | 4.171 | 3.590 |
| Transportation costs | 1.137 | 3.200 |
| Commissions and fees | 697 | 698 |
| Travels, deployments | 234 | 186 |
| Rent and lease expenses | 221 | 249 |
| Other expenses with services provided by third parties | 3.909 | 4.295 |
| Trade discounts received | (297) | (44) |
| Depreciation | 7.304 | 6.589 |
| Net expenses (income) from adjustments to provisions | (6.335) | (2.646) |
| Net expenses (income) from adjustments to current assets | 7.496 | 3.281 |
| Other operating expenses | 849 | 1.366 |
| Total operating expenses: | 133.955 | 142.374 |

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 current assets, inventories, production in progress, and receivables, respectively (Note 8, Note 9, and Note 10).

In the first 3 months of 2025, the company granted meal vouchers worth 3.562 thousand lei to employees.

Other operating expenses amounting to 849 thousand lei include, among others: local taxes and fees, scholarships granted to students enrolled in dual education, and environmental protection expenses.

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NOTE 20 – OPERATING EXPENSES (continued)

In the first 3 months of 2025, AEROSTAR recorded increases/recognitions and decreases/reversals of adjustments, as follows:

| Adjustments to provisions | 31 March 2025 | 31 March 2024 |
|---|--------------------------|--------------------------|
| Increases/recognitions | 4.659 | 5.661 |
| Decreases/reversals | (10.994) | (8.307) |
| Net expenses/(income) from adjustments to provisions | (6.335) | (2.646) |

In the first 3 months of 2025, the impact of the provision adjustments was a decrease in operating expenses by 6.335 thousand lei.

| Adjustments for impairment of current assets | 31 March 2025 | 31 March 2024 |
|---|--------------------------|--------------------------|
| Increases/recognition of adjustments | | |
| Adjustments for inventory impairment | 8.435 | 6.128 |
| Adjustments for impairment of receivables | 593 | 153 |
| Losses from receivables and other debtors | | |
| Total increases/recognition of adjustments | 9.028 | 6.281 |
| Decreases/reversals of adjustments | | |
| Adjustments for inventory impairment | (1.506) | (2.717) |
| Adjustments for impairment of receivables | (26) | (283) |
| Total decreases/reversals of adjustments | (1.532) | (3.000) |
| Net expenses/(income) from adjustments to impairment of current assets | 7.496 | 3.281 |

In the first 3 months of 2025, the impact of the impairment adjustments on current assets is to increase operating expenses by 7.496 thousand lei.

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NOTE 21 - FINANCIAL INCOME

| | 31 March 2025 | 31 March 2024 |
|---------------------------------------|--------------------------|--------------------------|
| Income from exchange rate differences | 1.834 | 2.353 |
| Interest income | 3.143 | 2.983 |
| Total financial income | 4.977 | 5.336 |

Aspects regarding the Company's exposure to the risks generated by the financial instruments held are presented in *Note 18 – Financial Instruments*.

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NOTE 22 – FINANCIAL EXPENSES

| | 31 March 2025 | 31 March 2024 |
|---|--------------------------|--------------------------|
| Expenses from exchange rate differences | 3.470 | 896 |
| Expenses with interest related to leasing contracts | 29 | 30 |
| Total financial expenses | 3.499 | 926 |

In 2025 the company recorded in the financial expenses category:

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

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NOTE 23 – INCOME TAX

The income tax is recognized in the statement of profit or loss.

The income tax represents the amount payable for the profit earned in the current period, determined based on the fiscal regulations applicable at the reporting date.

The tax rate applicable as at 31.03.2025 was 16% (the same rate applied for the financial year 2024).

| | <u>31 March 2025</u> | <u>31 March 2024</u> |
|--|-----------------------------|-----------------------------|
| Gross accounting profit | 24.593 | 29.213 |
| Expenses with current profit tax | 3.744 | 4.234 |
| Profit tax related to the gain from the sale of securities held | 46 | 82 |

| Reconciliation between accounting profit and taxable profit as at 31 March 2025 | | | | Differences |
|--|---------|---|---------|--------------------|
| Accounting revenues | 162.046 | Taxable income | 149.883 | -12.163 |
| Accounting expenses | 137.453 | Tax-deductible expenses | 123.160 | -14.293 |
| Restated gross accounting profit | 24.593 | Taxable profit | 26.723 | +2.130 |
| Accounting tax (16%) | 3.935 | Income tax (16%) | 4.276 | +341 |
| Tax deductions | - | <i>Tax deductions</i> , of which: | 486 | +486 |
| | | • related to investments made according to Art. 22 of the Fiscal Code | 486 | +486 |
| | | • sponsorships | - | - |
| Final income tax | 3.935 | Final income tax | 3.790 | -145 |
| Applicable legal tax rate | 16,00% | Legal rate applicable | 16,00% | |
| Effective average tax rate, calculated on the restated gross accounting profit | | | | 15,41 % |

| | |
|--|-----------------------------|
| Comparative key figures | <u>31 March 2024</u> |
| Gross accounting profit | 29.213 |
| Expenses with current income tax | 4.234 |
| Income tax related to the gain from the sale of held securities | 82 |

| Reconciliation of accounting profit with the taxable profit | | | | Differences |
|--|---------|---|---------|--------------------|
| Accounting revenues | 172.513 | Taxable income | 161.815 | -10.698 |
| Accounting expenses | 143.300 | Tax-deductible expenses | 130.925 | -12.375 |
| Restated gross accounting profit | 29.213 | Taxable profit | 30.890 | +1.677 |
| Accounting tax (16%) | 4.674 | Income tax (16%) | 4.942 | +268 |
| Tax deductions | - | <i>Tax deductions</i> , of which: | 626 | +626 |
| | | • related to investments made according to Art. 22 of the Fiscal Code | 538 | +538 |
| | | • sponsorships | 88 | +88 |
| Final income tax | 4.674 | Final income tax | 4.316 | -358 |
| Applicable legal tax rate | 16,00% | Legal rate applicable | 16,00% | |
| Effective average tax rate, calculated on the restated gross accounting profit | | | | 14,78 % |

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NOTE 23 – INCOME TAX (continued)

The main factors affecting the effective tax rate:

- tax facilities representing the corporate income tax exemption for investments made according to Art. 22 of the Fiscal Code.
- non-deductible expenses from a tax perspective (such as expenses related to the setting up or increase of provisions and value adjustments for current assets that are not tax-deductible, book depreciation that is not tax-deductible, etc.).
- non-taxable income resulting from the recovery of non-deductible expenses.

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NOTE 24 - RESULT PER SHARE

The calculation of the profit per basic share was based on the profit attributable to ordinary shareholders and the number of ordinary shares.

The diluted earnings per share is equal to the basic earnings per share, as the company did not have any potential ordinary shares.

| IN LEI | <u>31.03.2025</u> | <u>31.03.2024</u> |
|--|--------------------------|--------------------------|
| Profit attributable to ordinary shareholders | 21.056.600 | 25.133.493 |
| Number of ordinary shares | 152.277.450 | 152.277.450 |
| | <hr/> | <hr/> |
| Profit per share | <u>0,138</u> | <u>0,165</u> |

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NOTE 25 - AVERAGE NUMBER OF EMPLOYEES

| Average number of employees | Q1 2025 | Q1 2024 |
|------------------------------------|----------------|----------------|
| Own employees | 1.694 | 1.698 |

| Employee headcount | 31.03.2025 | 31.03.2024 |
|---------------------------|-------------------|-------------------|
| Own employees | 1.739 | 1.746 |

As of 31 March 2025, the total employee headcount in the Company is 1.872, of which 1.739 are own employees and 133 are temporary staff hired through a labour agency.

As of 31 March 2024, the total headcount was 1.862 employees, of which 1.746 were own employees and 116 were employees hired through a temporary labour agency.

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NOTE 26 - TRANSACTIONS WITH RELATED PARTIES

| Acquisitions of goods and services | Q1 2025 | Q1 2024 |
|---|---|---|
| Airpro Consult SRL Bacău | 3.650 | 2.684 |
| Foar SRL Bacău | 67 | 93 |
| TOTAL | 3.717 | 2.777 |
| Sales of goods and services | Q1 2025 | Q1 2024 |
| Airpro Consult SRL Bacău | - | - |
| Foar SRL Bacău | 1 | 1 |
| TOTAL | 1 | 1 |
| Liabilities | Balance as at 31.03.2025 | Balance as at 31.03.2024 |
| Airpro Consult SRL Bacău | 1.228 | 1.059 |
| Foar SRL Bacău | 23 | 34 |
| TOTAL | 1.251 | 1.093 |

Transactions with related parties during the period 01.01.2025 – 31.03.2025 consisted of:

- Provision of temporary manpower services by Airpro Consult SRL Bacău to Aerostar S.A.;
- Provision of machinery rental services by Foar SRL Bacău to Aerostar S.A.;
- Provision of space rental services by Aerostar S.A. to Foar SRL Bacău.

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NOTE 27 - INFORMATION REGARDING THE CASH FLOW

The method used for the preparation of the Cash Flow Statement is the direct method. The Cash Flow Statement presents the cash flows and cash equivalents classified by operating, investing, and financing activities, thus showing how AEROSTAR generates and uses cash and cash equivalents.

In the context of the Cash Flow Statement:

- cash flows represent cash receipts and payments, including cash equivalents;
- cash includes the cash held at the company's cashier office and the sight deposits held with banks (available in current bank accounts).
- cash equivalents include term deposits held with banks.

The cash flows arising from transactions carried out in foreign currency are recorded in the functional currency (LEU) by applying the exchange rate between the functional currency and the foreign currency at the date the cash flow occurs (the date of the payment or collection).

Gains and losses resulting from foreign exchange rate fluctuations are not considered cash flows. However, the effect of exchange rate changes on cash and cash equivalents held in foreign currency is reported separately in the cash flow statement, apart from the cash flows from operating, investing, and financing activities, in order to reconcile cash and cash equivalents at the beginning and end of the reporting period.

The summary of the cash flows for the year 2024 is presented in the table below:

| Cash flows | Value (thousand lei) | % |
|---|---------------------------------|-------------|
| Total inflows, of which: | 181.568 | 100% |
| Inflows from operating activities | 174.938 | 96% |
| Inflows from investing activities | 6.630 | 4% |
| Inflows from financing activities | - | 0% |
| Total outflows, of which: | (143.222) | 100% |
| Outflows from operating activities | (140.028) | 98% |
| Outflows from investing activities | (3.032) | 2% |
| Outflows from financing activities | (162) | 0,01% |
| Net increase in cash and cash equivalents | 38.346 | |
| Cash and cash equivalents at the end of the period | 297.889 | |

The operating activity is AEROSTAR's main cash-generating activity. Thus:

- Collections received from customers amounted to 173.582 thousand lei;
- Collections from the State Budget amounted to 1.356 thousand lei, of which 1.231 thousand lei represents recoveries of VAT and other social receivables, and 125 thousand lei are operating subsidies;
- Payments to suppliers and employees amounted to 117.988 thousand lei, of which 89.194 thousand lei were payments to suppliers and 28.794 thousand lei were salary payments to employees;
- Tax and duty payments to the State Budget amounted to 22.040 thousand lei, of which 18.288 thousand lei were taxes and social security contributions, 1.605 thousand lei in VAT, and 2.147 thousand lei in local taxes.

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NOTE 27 - INFORMATION REGARDING THE CASH FLOW (continued)

The operating activity generated a net cash of 34.910 thousand lei, an increase of 11.009 thousand lei compared to the same period last year.

Investment activity includes:

- Bank interest income amounting to 4.956 thousand lei from bank deposits made.
- Proceeds from the sale of Evergent shares (stock symbol: EVER) in the amount of 1.674 thousand lei.
The purchased shares are held for the collection of dividends as well as for gains from their sale. The sale of shares generated a gross gain of 284 thousand lei.
- Payments for the purchase of tangible and intangible fixed assets amounting to 3.032 thousand lei.

The value of cash flow allocated to increase operating capacity represents 2% of the aggregate amount of cash used in operating, investing, and financing activities.

As part of the financing activity, an amount of 162 thousand lei was paid, representing dividends due to AEROSTAR shareholders.

The level of cash and cash equivalents recorded as of 31.03.2025 is 297.889 thousand lei, an increase of 37.486 thousand lei compared to the beginning of the year.

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NOTE 28 – COMMITMENTS AND OTHER OFF-BALANCE SHEET ITEMS

AEROSTAR S.A. records off-balance sheet rights, liabilities, and assets that are not recognized in the company's assets and liabilities, i.e.:

| | 31 March 2025 | 31 December 2024 |
|--|--------------------------|-----------------------------|
| • Commitments: | | |
| ○ Guarantees granted to partners – in the form of bank guarantee letters and letters of credit | 1.258 | 1.246 |
| ○ Guarantees received from partners – in the form of bank guarantee letters and letters of credit | 28.334 | 46.866 |
| ○ Mortgage guarantee received | 500 | 500 |
| • Goods, of which: | | |
| ○ Inventories of other materials released for use (tooling, jigs, fixtures, safety equipment, measuring and control equipment, technical library etc.) | 53.163 | 51.095 |
| ○ Materials received in custody | 2.237 | 3.468 |
| ○ Finished products received in custody | 2 | 2 |
| ○ Materials – customers | 41 | 41 |
| ○ Tangible and intangible assets –obtained or purchased because of co-financed activities | 543 | 554 |
| ○ Products received for processing/repair | 26.586 | 21.132 |
| ○ Materials received for processing/repair | 4.464 | 4.420 |
| ○ Support assets related to concession contracts – Hangar of Iași | 2.491 | 2.490 |
| ○ Fixed assets proposed for disposal | 410 | 448 |
| • Other off-balance sheet items, of which: | | |
| ○ Material guarantees established for the accountability of custodians regarding asset management | 237 | 244 |
| ○ Commitments to cover certain obligations to A.J.O.F.M. based on Minutes no. 9624/12.12.2011 | 2.462 | 2.616 |
| ○ Debtors written off from assets, still under follow-up | 218 | 218 |
| ○ Creditors | 14 | 14 |
| ○ <i>De minimis</i> aid for participation in fairs and exhibitions | 787 | 787 |
| • Greenhouse Gas Emission Certificates | 2.168 | 3.346 |

As of 31 March 2025, AEROSTAR S.A. held 6.512 greenhouse gas emission certificates.

The market value on the last trading day of a GHG certificate was 66,90 EUR, according to the European Energy Exchange website (in December 2024: 66,96 EUR), at a revaluation exchange rate of 4,9771 Lei/EUR.

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NOTE 29 – DIRECTORS’ REMUNERATION

The Board of Directors of AEROSTAR S.A. on 31.03.2025:

| | 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 and Financial Director | Economist |
| ▪ | FILIP ALEXANDRU | Member of the Board of Directors and Chief Executive Officer | Engineer |
| ▪ | TONCEA RADU TUDOR | Member of the Board of Directors | Aviation Engineer |
| ▪ | DOROȘ LIVIU-CLAUDIU | Member of the Board of Directors | Economist |

In 2025, AEROSTAR did not grant advance payments or loans to the members of the Board of Directors and did not make any commitments on their behalf as collateral of any kind.

During the Ordinary General Meeting of 12 December 2024, the shareholders of Aerostar approved the following:

- To set the net fixed monthly remuneration for the members of the Board of Directors for the 2025 financial year at 5.000 lei.
- For the duration of the mandate starting from 11.07.2024, the remuneration for members of the Board of Directors who also hold specific executive roles will consist of a fixed salary, plus an additional net fixed monthly remuneration, not exceeding 10 (ten) times (inclusive) the amount paid to a regular Board member.

The total gross remuneration granted to the members of the Board of Directors and executive management for the period January-March 2025, according to the decisions of the General Shareholders' Meeting, based on their responsibilities, was 479 thousand lei.

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NOTE 30 – RISK MANAGEMENT

AEROSTAR is exposed to multiple risks and uncertainties that may impact its financial performance. The business lines operated by AEROSTAR, its operational results, or its financial position may be affected by the materialization of the risks presented below.

AEROSTAR aims to ensure medium- 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 in addition to those presented below, which are currently unknown or considered insignificant, but which may, in the future, affect the business lines operated by AEROSTAR.

Operational Risk

It is the risk of incurring losses or failing to achieve the estimated revenues and profits, caused by:

- the use of inadequate processes, systems, or personnel, or their improper functioning;
- external events or actions, such as the deterioration of global economic conditions, natural disasters, or other events that may impact AEROSTAR's assets.

Given the current global political turmoil, new types of risks may emerge, and the Company is carefully analysing the main conflict areas.

Operational Risk also encompasses **Legal Risk**, which is defined as the risk of loss arising both from fines, penalties, or sanctions AEROSTAR may incur due to non-compliance or improper application of legal or contractual provisions, and from inadequately defined contractual rights and obligations between AEROSTAR and/or its business partners.

The effects of the legal risk are monitored and eliminated through a permanent system for tracking legislative changes, as well as through the implementation of a system for reviewing, endorsing and approving the terms and conditions included in the commercial contracts.

AEROSTAR allocates and will continue to allocate funds for investments and other operational expenses to prevent and manage operational risk.

In addition, AEROSTAR aims to have its own funds to cover the risks to which it is exposed, by establishing provisions for risks and related expenses.

Also, in order to mitigate operational risk, AEROSTAR annually renews a civil liability insurance contract with first-tier insurance-reinsurance companies, related to its main lines of business (manufacture of aviation products and MRO for civil aircraft).

The Credit Risk is the risk that AEROSTAR may 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 top-tier banking institutions (top 5 by asset size), considered to have high creditworthiness.

The credit risk including the risk associated with the country where the customer operates, is managed for each 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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NOTE 30 – RISK MANAGEMENT (continued)

AEROSTAR has no significant exposure to a single partner and no significant concentration of turnover in a single geographical area.

However, there is an exposure to the global market for Airbus programs, 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 credit risk is detailed in Note 18 (Financial Instruments) to the Financial Statements.

Liquidity Risk is the risk that AEROSTAR may face difficulties in meeting its debt-related obligations as they fall due.

To manage liquidity risk, cash flows are monitored and analyzed weekly, monthly, quarterly, and annually in order to assess the estimated level of net changes in liquidity. This analysis serves as the foundation for financing decisions and capital commitments.

To mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a Credit Line, which can be used as an overdraft granted by banks, amounting to 2.500 thousand USD. During the reporting period, AEROSTAR did not use the Credit Line, with all activities being financed from its own resources.

Market Risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate due to the changes in the market prices.

Market risk includes price risk, currency risk, and interest rate risk.

AEROSTAR is primarily exposed to price risk caused by fluctuations in the prices of raw materials and other materials used in its production processes, driven by exceptional events, the imposition of international sanctions that limit the ability to secure parts and materials, and increased costs related to specific taxes on the import/export of metal products to and from the USA.

The management of this risk is carried out through:

- diversifying the supplier portfolio, which can offer greater negotiating leverage in case the prices where raw materials prices rise with certain suppliers;
- entering into long-term contracts that include fixed-price clauses.

AEROSTAR is exposed to currency risk, as 87% of its turnover is denominated in USD and EUR, while a significant portion of its operating expenses is denominated in LEI. As such, AEROSTAR is exposed to the risk that fluctuations in foreign exchange rates may impact both its net income and financial position as expressed in Lei.

AEROSTAR has decided not to use currency hedging products (such as options or forward contracts) due to the relatively high initial costs and the potential loss of opportunity in the event of a depreciation of the RON against the main currencies (USD, EUR).

A detailed sensitivity analysis of AEROSTAR's exposure to foreign exchange rate fluctuations is presented in Note 18 (Financial Instruments) to the Financial Statements.

With regards to the interest rate risk, since AEROSTAR did not use the contracted Credit Line during the reporting period, its income and cash flows were not affected by fluctuations in market interest rates.

Other aspects related to risk management are presented in the RISK AND OPPORTUNITY MANAGEMENT section of the Board of Directors' Report.

S.C. 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 31 – PREPAID EXPENSES AND DEFERRED INCOME

| | 31 March 2025 | 31 December 2024 |
|------------------------------------|--------------------------|-----------------------------|
| Short-term prepaid expenses | 2.410 | 1.049 |
| Short-term deferred income | 2.886 | 3.448 |

The expenses incurred and the income earned in the current period, but relating to subsequent periods or financial years, are recorded separately in the accounting records, as prepaid expenses or deferred income, as applicable.

The category of **prepaid expenses** recorded as of 31 March 2025 includes amounts to be recognized over a period of up to one year, representing, among others, taxes and fees, subscriptions, insurance policies, commissions, participation in fairs and conferences, online services, and IT system maintenance.

As of 31 March 2025, Aerostar had not recognised any long-term **deferred income**. The short-term **deferred income** category includes amounts related to goods delivered and services provided for which the revenue recognition criteria under IFRS 15 are not yet met (i.e., control has not yet been transferred to the customers).

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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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 31 March 2025

| | Values as at 31 March 20225 | | | Values as at 01 January 2025 | | |
|---|-----------------------------|--------------------------|--------------|------------------------------|--------------------------|--------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Asset related to the right to use the MRO Hangar land in Iași | 1.960 | (246) | 1.714 | 1.959 | (236) | 1.723 |
| Total | 1.960 | (246) | 1.714 | 1.959 | (236) | 1.723 |

Net book value as at 31.03.2025:

| | Net value as at 1 January 2025 | Revaluations Q1 2025 | Depreciation during the period | Net value as at 31 March 2025 |
|---|--------------------------------|----------------------|--------------------------------|-------------------------------|
| Asset related to the right to use the MRO Hangar land in Iași | 1.723 | - | (9) | 1.714 |

S.C. AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025

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

NOTE 32 - ASSETS REGARDING THE RIGHTS TO USE THE LEASED ASSETS (continued)

COMPARATIVE KEY FIGURES - ASSETS REGARDING THE RIGHTS TO USE THE LEASED ASSETS:

Reporting period 31 March 2024

| | Values as at 31 March 2024 | | | Values as at 01 January 2024 | | |
|---|----------------------------|--------------------------|--------------|------------------------------|--------------------------|--------------|
| | Gross value | Accumulated depreciation | Net value | Gross value | Accumulated depreciation | Net value |
| Asset related to the right to use the MRO Hangar land in Iași | 1.935 | (205) | 1.730 | 1.940 | (194) | 1.746 |
| Total | 1.935 | (205) | 1.730 | 1.940 | (194) | 1.746 |

Net book value as at 31.03.2024:

| | Net value as at 1 January 2024 | Revaluations in Q1 2024 | Depreciation during the period | Net value as at 31 March 2024 |
|---|--------------------------------|-------------------------|--------------------------------|-------------------------------|
| Asset related to the right to use the MRO Hangar land in Iași | 1.746 | (6) | (10) | 1.730 |

The right to use the land for the MRO Hangar land in Iasi was revalued at the foreign exchange rate published by the National Bank of Romania on the last banking day of each reporting period.

S.C. AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousand lei)

NOTE 33 - EVENTS AFTER THE REPORTING PERIOD

Decisions of the Ordinary General Meeting of Shareholders held on 24 April 2025

In the Ordinary General Meeting of Shareholders held on 24 April 2025, the shareholders of Aerostar approved the following:

- The allocation of the net profit for the financial year 2024, in the total amount of 95.724.563,92 lei, as follows:
 - allocation of reinvested profit to the legal reserve,
in the amount of 18.730.570,38 lei;
 - allocation to other reserves, in the amount of 40.447.405,54 lei;
 - distribution of dividends, in the amount of 36.546.588,00 lei;

and the establishment of a gross dividend per share of 0,24 lei, corresponding to a share with a nominal value of 0,32 lei;

- **The date of 05 June 2025 as the payment date** for the dividends related to the financial year 2024.

The distribution of the dividends due to the shareholders of Aerostar for the year 2024 shall be made in accordance with the applicable legal provisions.

Financial Calendar 2025 - upcoming events:

| | |
|---|------------|
| Presentation of the financial results for the first quarter of 2025 | 09.05.2025 |
| Presentation of the financial results for the first semester of 2025 | 14.08.2025 |
| Meeting with the press and interested investors to present the financial results for the first 6 months of 2025 | 14.08.2025 |
| Presentation of the financial results as of 30 September 2025 | 07.11.2025 |

These company financial statements, which include the statement of financial position, the statement of profit or loss, other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, were approved by the Board of Directors on April 24, 2025, and signed on its behalf by:

Chief Executive Officer,
ALEXANDRU FILIP

Financial Director,
DORU DAMASCHIN



AEROSTAR S.A.

Str. Condorilor, nr.9, Bacău 600302; Cod EUID: ROONRC.J1991001137040 -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 **ALEXANDRU FILIP**, as General Director of **AEROSTAR S.A.** and **DORU DAMASCHIN**, as Financial Director of **AEROSTAR S.A.**, hereby undertake the responsibility for the preparation of the individual financial statements as on **31.03.2025** and we confirm hereby that:

- a) The accounting-financial statement for **31.03.2025**, that was prepared in accordance with the applicable accounting standards provides a fair image, compliant with the reality of the assets, obligations, financial position, of the profit and loss account of the company Aerostar S.A. Bacău;
- b) The report of the Board of Directors for **31.03.2025**, prepared in accordance with the provisions of Regulation no. 5/2018 issued by the Financial Supervisory Authority - Annex no. 13, presents correctly and completely the information regarding Aerostar S.A. Bacău.

GENERAL DIRECTOR,

ALEXANDRU FILIP

FINANCIAL DIRECTOR,

DORU DAMASCHIN

