

2024 IN KEY FIGURES - PRELIMINARY VERSION

	UM	31.12.2024	31.12.2023
Share capital	K lei	48.729	48.729
Turnover	K lei	584.004	506.294
• Export sales	K lei	458.805	410.908
• <i>Share of export in turnover</i>	%	79%	81%
Gross profit before tax	K lei	104.809	96.956
Net profit	K lei	95.725	93.028
Actual number of personnel	No.	1.884	1.846
Investment expenses from own sources	K lei	26.625	19.329
Earnings per share	lei	0,629	0,611

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

A handwritten signature in blue ink, appearing to read 'Doru Damaschin', is written over the printed name.

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

AEROSTAR S.A. BACĂU

**PRELIMINARY INDIVIDUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024**

UNAUDITED

Prepared in accordance with the Ministry of Public Finance Order No. 2844/2016, for the approval of the accounting regulations in compliance with the International Financial Reporting Standards, including subsequent amendments and clarifications

The preliminary financial statements as of 31/12/2024 have been audited by Aerostar's internal auditor.

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

TABLE OF CONTENTS

COMPANY OVERVIEW

ECONOMIC CONTEXT

COMPANY SALES IN 2024

AEROSTAR SHARE

**PRELIMINARY INDIVIDUAL STATEMENT OF COMPREHENSIVE
INCOME**

PRELIMINARY INDIVIDUAL STATEMENT OF FINANCIAL POSITION

PRELIMINARY ECONOMIC AND FINANCIAL INDICATORS

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

COMPANY OVERVIEW

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

AEROSTAR S.A. conducts its activity at its registered office in Bacău, 9, Condorilor Street, postal code 600302. The company has a secondary office without legal personality (working point) in Iași, 25B Aeroportului Street and a secondary office without legal personality (working point) in Fetești, 2 Carpați Street, ap. 7.

The main field of activity of AEROSTAR S.A. is production. The company's main activity is 'Manufacturing of civil aircraft and spacecraft' - code 3031. The company has been registered as a joint-stock company at Bacău Trade Register (under registration number J1991001137040) with the current name of "AEROSTAR S.A." and has a unique identification code 950531, the European Unique Identifier (EUID) being ROONRC.J1991001137040.

The company is listed on the Bucharest Stock Exchange under the code ARS, and the records of shares and shareholders are kept, in accordance with the law, by S.C. Depozitarul Central S.A. Bucharest. During 2024, no subscriptions of new shares, participation certificates, convertible bonds, warrants, options or similar rights were registered. Throughout 2024, there was no share buyback program and no bond issuances or other similar securities.

In terms of accounting regulations, AEROSTAR S.A. is a subsidiary of IAROM S.A. and therefore, the parent company that consolidates the financial statements of the group is IAROM S.A., with unique identification code 1555301 and registered office in Bucharest, 39, B-dul Aerogării. The consolidated financial statements for the financial year 2023 were submitted to the National Agency for Fiscal Administration (A.N.A.F.) under registration no. 770692053/22.08.2024. Copies of the consolidated financial statements can be obtained from the registered office of the parent company, IAROM SA. The parent company will prepare and publish a set of consolidated financial statements in accordance with the applicable accounting regulations for the financial year ending 31.12.2024.

Management's policy is focused on maintaining a strong capital base in order to support the continuous development of the company and the achievement of its strategic objectives.

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

ECONOMIC CONTEXT

The company's activity in 2024 was marked by significant challenges and uncertainties and their influences had a significant impact on the company's operations.

Although international traffic and passenger numbers increased, suppliers of products and services have not managed to return to pre-pandemic production capacity and a shortage of skilled personnel contributed to the global supply chain crisis. Geopolitical instability and imposed sanctions have had various impacts, forcing producers to seek alternative sourcing methods for raw materials, which slowed down the industry's recovery and led to an increase in raw material purchase prices.

The rise in production costs, overall inflation and geopolitical instabilities continue to create uncertainties regarding future business prospects. These uncertainties are causing suppliers to be reluctant to enter into long-term commitments.

Despite numerous challenges (wars, high oil prices, high interest rates and labor shortages), the International Air Transport Association (IATA) predicts that the global airline industry's net profits will reach USD 30.5 billion in 2024 with a profit margin of 3.1%.

In the defense sector, new geopolitical challenges, combined with the prioritization of military modernization, have led to strong demand in 2024 particularly for next generation weapons.

As companies in our industry prepare for the coming years several key trends are being focused on:

- Workforce;
- Introduction of new products;
- Digital transformation;
- Supply chain.

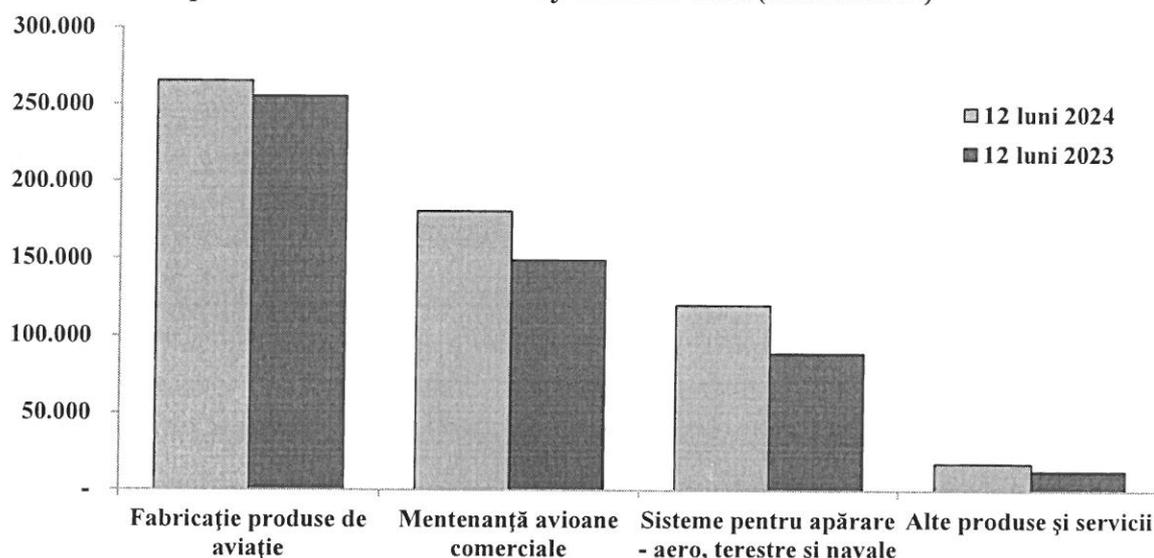
The company's perspectives are highly influenced by the global context and the evolution of key factors.

However, Aerostar has not altered its commitment to its established responsibilities. The conflict between Ukraine and Russia has not directly affected the company's business but the resulting effects remain an ongoing concern.

COMPANY SALES IN 2024

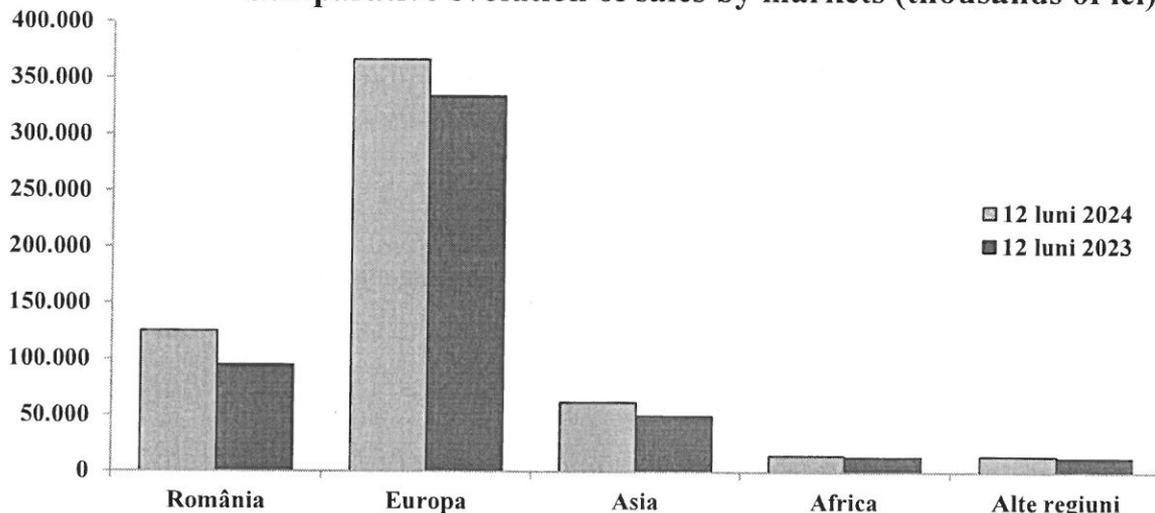
From the turnover of 584,004 thousand lei achieved in 2024, the company sold products and services on the domestic market of 125,199 thousand lei (21%) and on the foreign market of 458,805 thousand lei equivalent (79%). Compared to the previous year, the company recorded a 15% increase in sales, consisting of increases in the following sectors: the manufacture of aviation products (+4%), maintenance of commercial aircraft (+21%), defense systems (+35%) and other products and services (+38%).

Comparative evolution of sales by business lines (thousand lei)



In terms of distribution of sales by sales markets, there was an increase in sales across all markets compared to the previous year. In Romania the increase is +32%, in Europe +10%, in Asia +24%, in Africa +9% and in other regions +12%.

Comparative evolution of sales by markets (thousands of lei)



This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

THE AEROSTAR SHARE (ARS)

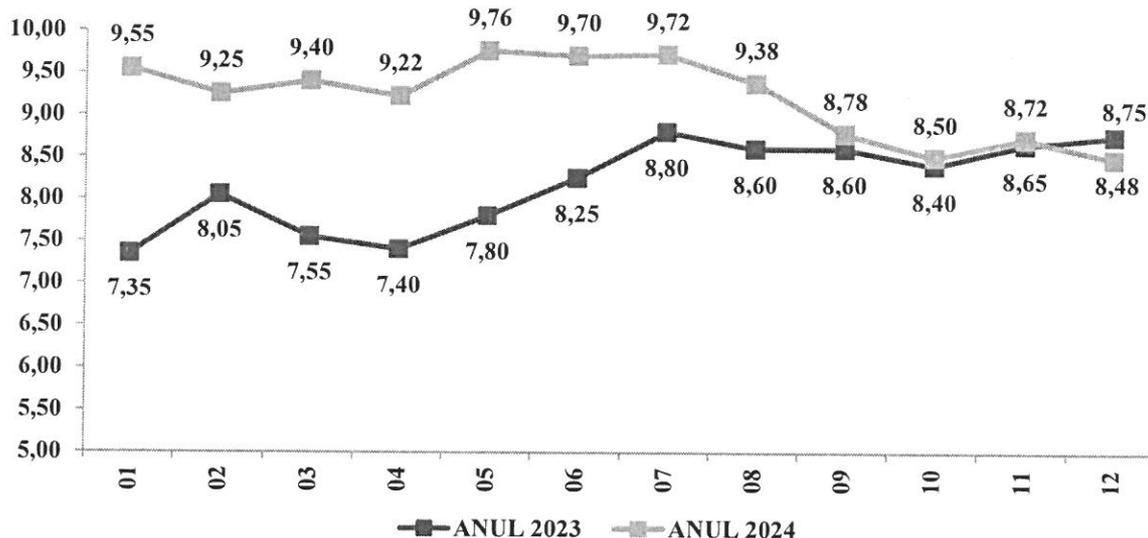
The shares of Aerostar S.A. Bacău have been traded since 1998 on the regulated market administered by the Bucharest Stock Exchange.

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

Aerostar shares in figures:	31.12.2024	31.12.2023	31.12.2022
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 end of the period (lei)*	8,48	8,75	7,70
Market capitalization (lei)*	1.291.312.776	1.332.427.688	1.172.536.365
Maximum price (lei)*	10,30	9,50	9,50
Minimum price (lei)*	8,02	7,00	6,35
Earnings per share (lei)	0,629	0,611	0,593

Source: Monthly bulletin issued by Bucharest Stock Exchange

Monthly evolution of the reference price of ARS shares in 2024 compared to the same period in 2023 (lei/share):



This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

**PRELIMINARY INDIVIDUAL STATEMENT OF COMPREHENSIVE
INCOME**

Financial performance	UM	31.12.2024	31.12.2023
Turnover	K lei	584.004	506.294
Operating income	K lei	633.346	533.062
Operating expenses	K lei	546.151	453.271
Operating profit	K lei	87.195	79.791
Operating profit margin	%	14,9%	15,8%
Net profit	K lei	95.725	93.028
Net profit margin	%	16,4%	18,4%
Other elements of the comprehensive income	K lei	4.631	(7.370)
Overall result for the fiscal year	K lei	100.356	85.658

Operating income increased by 19%, supported by both the increase in turnover and the rise in revenues related to finished goods inventories and production in progress.

Operating expenses increased by 20% compared to the previous year with the main factors representing higher costs for materials, employee benefits and external services:

- Materials expenses rose due to increased production activity across all business lines. This trend was amplified by global inflationary pressures, particularly on the prices of metallurgical products, chemicals and standardized components;
- Employee benefit expenses increased by 17%, driven by the expansion of the workforce and salary increases implemented for personnel retention;
- External services expenses increased by 25%, driven by increased activities in the F-16 military program, as well as collaborations with industrial partners in the manufacturing of aeronautical products.

The operating profit increased by RON 7,404 thousand, resulting in a margin of 14.9% of turnover. This margin was influenced by the evolution of the operating expenses mentioned above. Net profit achieved at the end of 2024 amounted to 95,725 thousand RON.

The positive impact of other elements of comprehensive income was mainly driven by the appreciation in the value of equity instruments recognized through other comprehensive income. The comprehensive income for the fiscal year reflects the influence of net profit and other elements of comprehensive income, showing an increase of 17% compared to 2023.

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

PRELIMINARY INDIVIDUAL STATEMENT OF FINANCIAL POSITION

Financial position	UM	31.12.2024	31.12.2023
Fixed assets (net values)	K lei	236.090	248.385
Current assets	K lei	578.429	498.060
Share capital	K lei	48.729	48.729
Company equity	K lei	620.334	551.957
Total liabilities	K lei	109.077	91.914

At the end of 2024, the company's assets reached a value of 814,519 thousand RON, an increase of 9% compared to the end of the previous year. This growth was mainly driven by a 16% increase in current assets, supported by growth in trade receivables, inventories and cash equivalents.

The total liabilities of the company amount to 109,077 thousand lei, marking an increase of 19% compared to the previous year. The main contribution to this dynamic was generated by short-term trade payables, influenced by the intensification of production activity. At the end of 2024, the company has no financial liabilities.

Equity increased by 68,377 thousand RON, as a result of the positive net profit achieved at the financial year-end, as well as the revaluation at fair value of equity instruments recognized in other comprehensive income. This increase was partially influenced by the distribution of dividends related to the financial year 2023.

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

PRELIMINARY ECONOMIC AND FINANCIAL INDICATORS

Indicator	31.12.2024	31.12.2023
Net profit margin	16,39%	18,37%
Cash and cash equivalents	260.403 thousand lei	245.792 thousand lei
Net cash flow	106.830 thousand lei	89.796 thousand lei
Debt ratio indicator	0	0
Current ratio	7,41	8,30
Receivables turnover	47 days	52 days
Fixed assets turnover	2,47	2,22

The net profit margin is 16.39% compared to 18.37% in the previous year, which is impacted by the value of inventory adjustments. However, the indicator remains within the budgeted range.

The Cash and cash equivalents indicator has increased by 5.94% compared to the previous year. The Net Cash Flow indicator has increased by 18.97% RON compared to the previous year. The Debt ratio indicator is 0. The company finances its operations using only equity capital.

The current ratio indicator is 7.41 in 2024, showing a slight decrease from the previous year. This trend is due to the different growth rate of current assets compared to current liabilities.

The receivables turnover indicator (average collection period of trade receivables) is 47 days compared to 52 days in the previous year. The fixed assets turnover indicator has increased to 2.47 compared to 2.22 in the previous year.

Despite the market challenges, the company continued to maintain a high level of performance in its economic and financial indicators.

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

This report presents the unaudited preliminary financial results of Aerostar S.A. as of December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial results presented are preliminary and may be subject to change.

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

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

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

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

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

Chief Executive Officer,

Alexandru Filip



Financial Director,

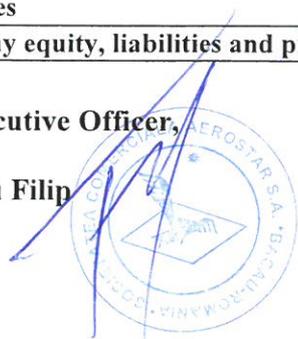
Doru Damaschin

AEROSTAR S.A. BACĂU
PRELIMINARY COMPANY STATEMENT OF THE FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024
(unless specified otherwise, all amounts are stated in thousand lei)

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

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

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

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

Chief Executive Officer,

Alexandru Filip



Financial Director,

Doru Damaschin

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

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

* The result on 31.12.2023 is 93.028 thousand lei and is influenced by the distribution of profit on other reserves from tax facilities in the amount of 27.924 thousand lei;
** The result on 31.12.2024 is 95.725 thousand lei and is influenced by the distribution of profit on other reserves from tax facilities in the amount of 18.731 thousand lei;

Chief Executive Officer,
Alexandru Filip



Financial Director,
Doru Damaschin

