



AEROSTAR S.A.

BOARD OF DIRECTORS REPORT

1ST SEMESTER 2025

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ABOUT AEROSTAR S.A.

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

The company is the successor of URA, founded in 1953.

It was later renamed IRAv (Aircraft Repair Enterprise) in 1970 and IAv (Aircraft Enterprise) in 1978.

In 1991, it was registered as a joint-stock company in the Bacău Trade Register under the name Societatea Aerostar S.A.

Over the years, we have established a global footprint, focusing on fulfilling our mission, requirements, and customer expectations through continuous improvement at all levels.

The company's unique European identification code (EUID) is ROONRC.J1991001137040, and the LEI code for legal entity identification is 315700G9KRN3B7XDBB73;

Subscribed and paid-up share capital: RON 48.728.784.

Unique Registration Code 950531, ISIN code ROAEROACNOR5,

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

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

The semi-annual report was prepared in accordance with the provisions of Law 24/2017 on issuers of financial instruments and market operations, Regulation No. 5/2018 of the Financial Supervisory Authority on issuers of financial instruments and market operations, Annex 14 on applicable reporting requirements, and the Guidelines described in the European Commission Communication.

The company financial statements prepared for the first semester of 2025 are accompanied by the statutory auditor's review report.

Applicable accounting standards: the company financial statements were prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the European Union, Order no. 2844/2016 approving the Accounting Regulations in line with IFRS, Accounting Law no. 82/1991, republished, as subsequently amended and supplemented, and are presented in accordance with the requirements of IAS 1 (Note 3).

AEROSTAR S.A. is listed on the Bucharest Stock Exchange under the ticker ARS, with all issued shares in the Standard category. The register of shares and shareholders is maintained, in accordance with the law, by S.C. Depozitarul Central S.A. Bucharest.

The purpose of this report is to inform the investors about changes in the company's position and performance during the reporting period January–June 2025, as well as about the foreseeable developments in the aviation and defence industry and the potential development opportunities for the company.

AEROSTAR OPERATES AS AN INDEPENDENT COMPANY ON THE GLOBAL MARKET FOR PRODUCTS AND SERVICES IN THE AERONAUTICAL AND DEFENSE INDUSTRIES.

TODAY, WE ARE THE NATIONAL MARKET LEADER AND AN INTEGRATED SUPPLIER IN THE GLOBAL SUPPLY CHAINS OF THE MAJOR AEROSPACE COMPANIES.

MARKET EVOLUTION

In the first half of 2025, the European aerospace industry continued to face various structural and contextual challenges that negatively impacted production rates, delivery capacity, and medium-term development prospects. Although global air transport demand has recovered significantly, geopolitical tensions, sustainability pressures, and supply chain disruptions have weighed heavily on the performance of this sector.

DELAYS IN DELIVERIES OF NEW AIRCRAFT

Global manufacturers such as Airbus and Boeing have reported delays in deliveries scheduled for 2025, with deliveries falling significantly short of initial forecasts.

These delays are putting additional pressure on existing fleets, reducing operational efficiency.

SUPPLY CHAIN ISSUES

Supply chains remain strained, with difficulties in delivering critical components and industrial materials (aluminium, titanium, bronze) — whose prices have experienced sharp price fluctuations due to global demand and high energy costs.

A shortage of skilled personnel in the manufacturing and maintenance sectors is exacerbating bottlenecks. Although demand for certified technicians is growing rapidly, their training involves a complex process, which makes it difficult to respond quickly to the increased demand.

SUSTAINABILITY PRESSURES

The transition to sustainable aviation faces challenges due to the high costs of alternative fuels (SAF) and the underdeveloped infrastructure.

Despite these obstacles, the European regulations (ReFuelEU Aviation, the Green Deal) set ambitious emission reduction targets, forcing industry players to accelerate investments in green technologies, sustainable fuels, and more efficient operations.

VOLATILITY OF INTERNATIONAL DEMAND

External demand has been affected by regional conflicts (e.g., Ukraine), which have led to the reconfiguration of trade routes and the closure of strategic airspace.

The migration of skilled personnel to better-paid markets, such as the Middle East, is exacerbating the labour shortage in Central and Eastern Europe, including Romania.

LABOR SHORTAGE AND VOCATIONAL TRAINING

The demand for certified technicians has increased significantly, but the training centres are struggling to meet the market needs.

The Aerospace companies are fiercely competing to attract and retain personnel by offering increasingly competitive salary packages and working conditions.

In the absence of coordinated training and retention policies, the risk of stagnation in production and maintenance capacity remains high.

CONVERSION OF CIVIL AVIATION COMPANIES TO THE MILITARY SEGMENT – AN EMERGING TREND

In the current geopolitical context and amid the apparent increase in global defence budgets, an increasing number of civil aviation companies are reconfiguring their business models, strategically shifting towards military and dual-use operations. This trend is driven by:

- Funding allocations and growing demand for modern military equipment, including aircraft, avionics systems, and maintenance components.

- The need for NATO interoperability, which favours suppliers capable of adapting to military standards. This profile conversion intensifies competition in the military segment, resulting in increased competitive pressures in tenders and strategic partnerships, and driving the need to strengthen production capabilities and military certifications to remain relevant in the supply chains of the major integrators.

GEOPOLITICAL AND ECONOMIC CONTEXT

International instability persists, with regional conflicts and trade route reconfigurations creating uncertainties in planning. Despite these challenges, AEROSTAR has demonstrated resilience, recording turnover growth in S1 2025.

CLIMATE CHANGE

Climate change represents a global challenge with potential impacts on investment planning and business models. AEROSTAR continuously evaluates the environmental risks and opportunities associated with its operations. During the reporting period, no material impacts on the company's assets or liabilities were recorded due to climate-related risks.

INTERNAL ENVIRONMENT AND WORKFORCE

The shortage of skilled personnel remains a major challenge in the aerospace industry. High competence and experience requirements, combined with labour migration to better-paid markets, increase pressure on recruitment and retention. AEROSTAR continues to invest in professional training, educational partnerships, and youth attraction programs to strengthen organizational culture and team diversity.

IMPORTANT EVENTS DURING THE REPORTING PERIOD

During the period January 1 – June 30, 2025, the following main events took place:

MARCH 2025

AEROSTAR finalised the annual negotiations between the Company's Management and the Employees' Committee. The main employee benefit packages were agreed under the 2025–2026 collective labour agreement, as follows:

- ☐ A 9.9% increase in the salary package;
- ☐ Granting of annual vacation vouchers;
- ☐ Financial year-end, production year-end, and performance bonuses;
- ☐ Partial reimbursement of intercity transport expenses incurred for commuting employees;
- ☐ Annual leave between 20 and 28 working days, depending on seniority.

The provisions of the collective labour agreement took effect as of the April 2025 salary rights.

APRIL 2025

AEROSTAR S.A. celebrated 72 years of continuous activity on April 17!

On the same day, the first edition of "Investor Day" was held, an event attended by investors and analysts, media representatives, members of the Board of Directors, the executive management, and a significant part of the operational management.

On April 24, the **General Shareholders' Meeting** took place to approve the annual financial results for 2024. During the Ordinary General Meeting, AEROSTAR shareholders approved the following:

- ☐ The administrators' report and the financial statements for the year 2024;
- ☐ The statutory auditor's report on the audit of the financial statements;
- ☐ Discharge of liability of the members of the Board of Directors and of the executive management;
- ☐ Allocation of the net profit for the financial year 2024, namely the amount of 95.724.563,92 lei, as follows:

allocations to the legal reserve of reinvested profit	18.730.570,38 lei;
allocations to other reserves	40.447.405,54 lei
allocation for dividends	36.546.588,00 lei

- ☐ Gross dividend per share: 0,24 lei;
- ☐ Dividend payment date for the financial year 2024: **June 5, 2025.**

MAY 2025

Aerostar celebrated 25 years of collaboration with Safran Landing Systems — a partnership based on shared commitment, product quality and safety, and on-time delivery.

Over this quarter-century of partnership, Aerostar has delivered hundreds of thousands of machined parts and hydraulic systems made from aluminium, steel, bronze, and titanium alloys; fully equipped landing gear and retraction mechanisms for the Daher TBM 960; part kits for the Airbus A320 family, Super Puma, and Falcon 7X; as well as kits for the Boeing 787, Airbus A330/A340, and Airbus A350, retraction, locking and steering actuators.

Aerostar obtained the necessary qualifications through rigorous audit processes carried out jointly with Safran Landing Systems and certification bodies. These accreditations reflect a sustained effort to meet the most demanding standards of the aerospace industry.

EVENTS SUBSEQUENT TO THE REPORTING DATE

No events subsequent to the reporting date were recorded.

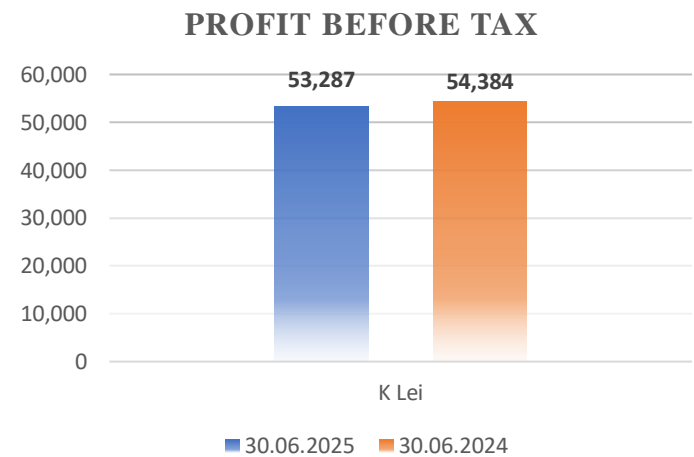
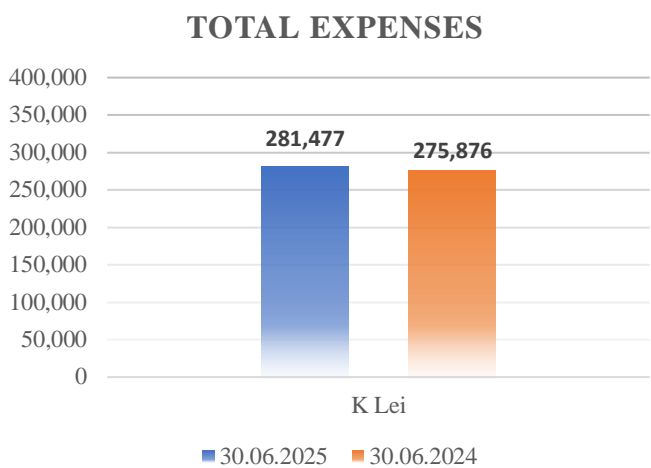
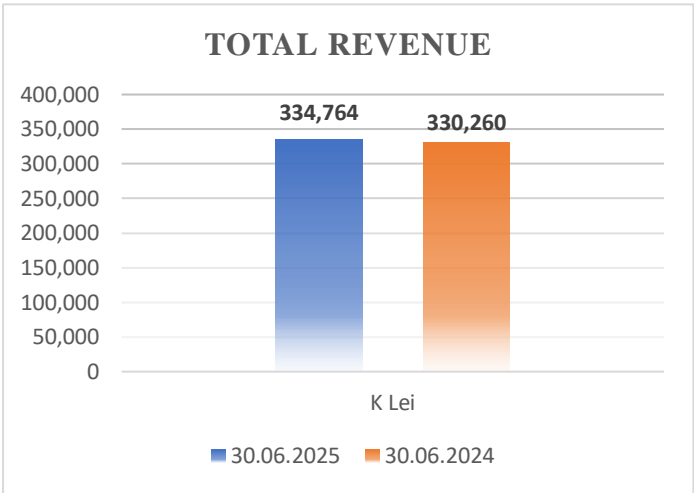
AEROSTAR RESULTS FOR THE FIRST SEMESTER OF 2025**S1 2025 vs S1 2024**

	UM	30.06.2025	30.06.2024
Share Capital	K lei	48.729	48.729
Turnover	K lei	314.564	292.833
Export Sales	K lei	276.383	240.227
Export Share in Turnover	%	88%	82%
Actual Number of Personnel	no.	1.825	1.844
Gross Profit (Before Tax)	K lei	53.287	54.384
Net Profit	K lei	46.147	47.357
Cash flow	K lei	290.590	237.170
Current Ratio	-	10.35	8.73
Investment Expenditures from Own Funds	K lei	6.455	12.557

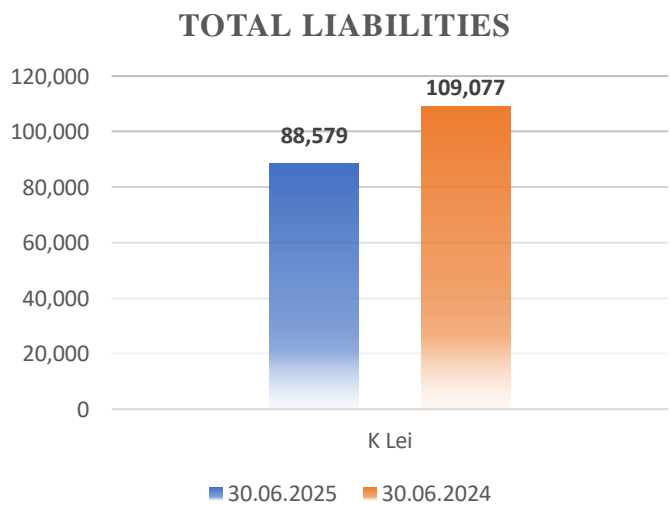
Indicator	30.06.2025	30.06.2024
Net Profit Margin	14,67%	16,18%
EBITDA	19,25%	20,62%
Cash and Cash Equivalents	290.590	237.170
Net Treasury	120.983	78.698
Debt-to-Equity Ratio	0	0
Receivables Turnover Ratio- Customers	54 days	48 days
Fixed Asset Turnover Ratio	1,52	1,28

FINANCIAL POSITION – SUMMARY – FIRST SEMESTER OF 2025

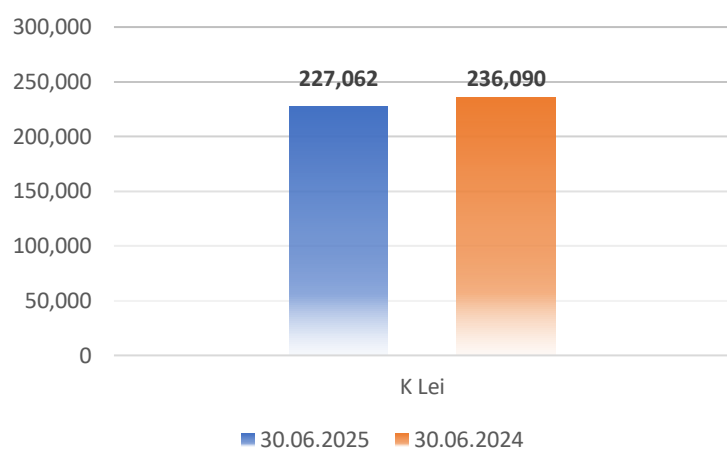
Financial Performance



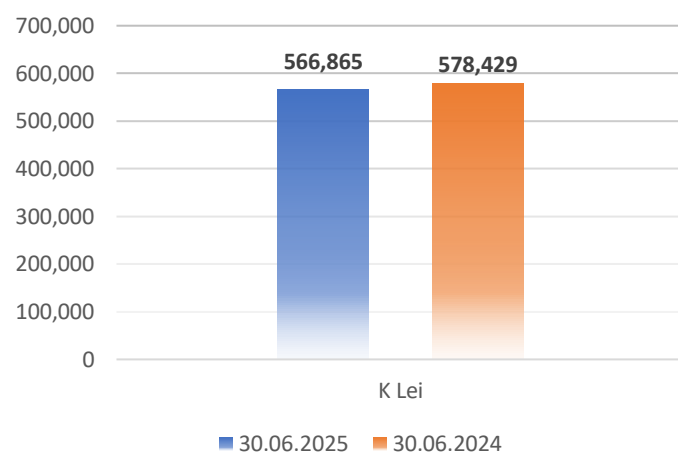
Financial Position



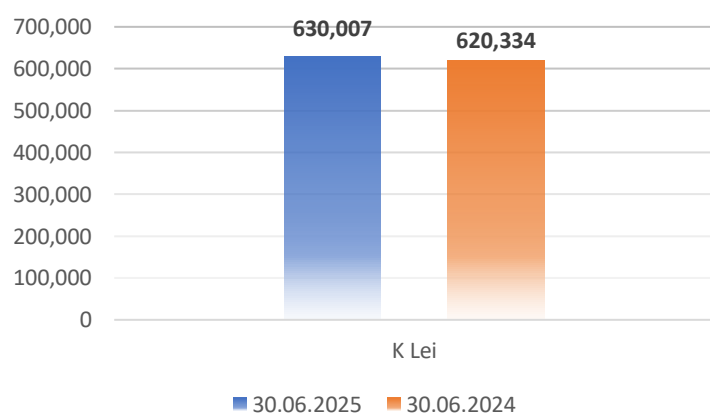
NON-CURRENT ASSETS(NET BOOK VALUE)



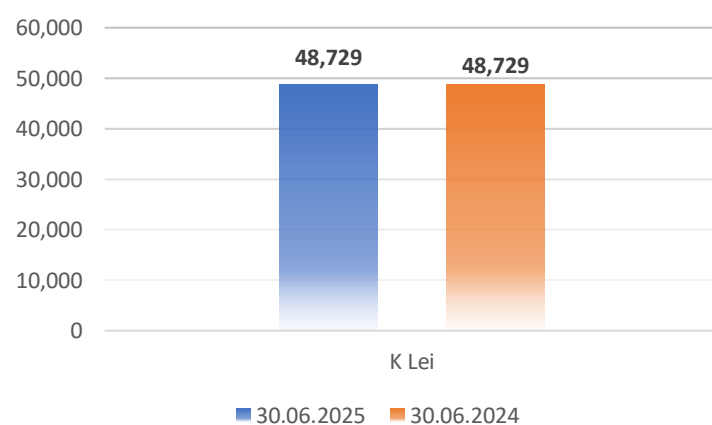
CURRENT ASSETS



EQUITY



SHARE CAPITAL



AEROSTAR prepares its financial statements as a standalone company, in accordance with the International Financial Reporting Standards (IFRS).

FINANCIAL PERFORMANCE

The company maintained a relatively stable performance in the first semester of 2025, marked by a modest increase in revenue and a slight decrease in net profit.

In the first semester of 2025, the company recorded total revenues of 334,7 million lei, a slight increase compared to 330,2 million lei in the same period of the previous year. This growth indicates the company's continued ability to generate revenue, although at a slower pace.

The operating revenues also increased slightly, reaching 319,9 million lei in S1 2025, compared to 316,4 million lei in S1 2024. This suggests stability in the company's core operations, with potential improvements in operational efficiency.

Conversely, the financial result was significantly lower, amounting to 5,3 million lei in the first semester of 2025, compared to 12 million lei in the same period last year. This decrease was due to less favourable conditions in the foreign exchange market, influenced by external factors.

The net result for the period was 46,1 million lei, slightly below the 47,5 million lei recorded in the first semester of last year.

This moderate decline reflects the impact of the decreased financial result, despite the increase in operating revenues.

FINANCIAL POSITION

The company's financial position remains solid, with increasing equity, decreasing liabilities, and improved liquidity.

The company has better managed receivables and maintained a higher level of available cash, which enhances short-term stability.

However, the increase in the working capital needs and a slight decline in profitability require increased attention to cost efficiency and resource management in the medium term.

The more efficient use of assets is a strong point, but it is important to maintain this trend to counterbalance the decline in profitability.

The company's activity in the first semester of the year generated a slight increase in equity, suggesting a consolidation of the financial structure and a growth of own resources.

Total liabilities have significantly decreased, indicating reduced indebtedness and a stronger position from the financial risk perspective.

The working capital need increased from 263,8 million lei to 301,6 million lei, reflecting a greater need for resources to finance the operating cycle.

From the perspective of economic and financial indicators, we estimate that the company's activity remains roughly on the same track as last year, with a moderate upward trend in some key indicators, in line with the provisions of the income and expenditure budget.

AEROSTAR'S PRESENCE IN THE GLOBAL MARKET

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

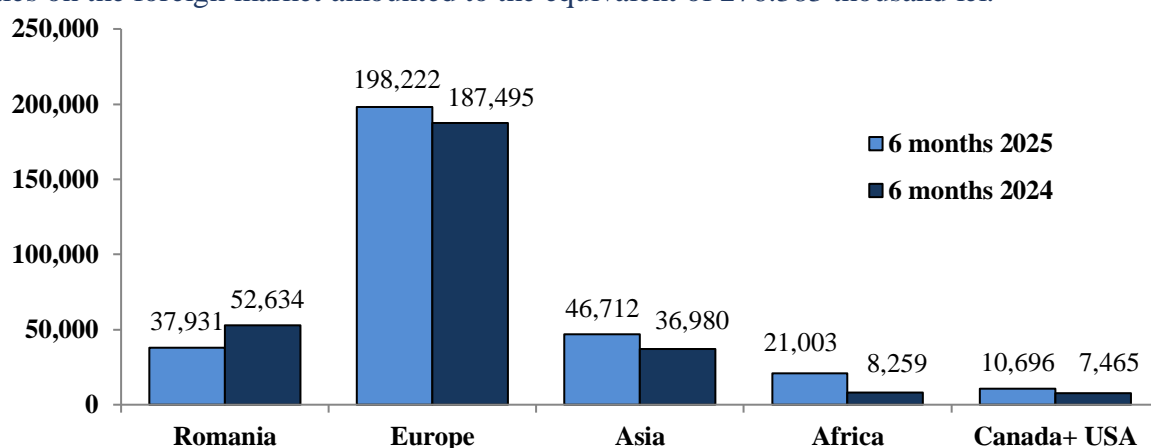
AEROSTAR operates on the global market for aerospace and defence products and services as an independent company.

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

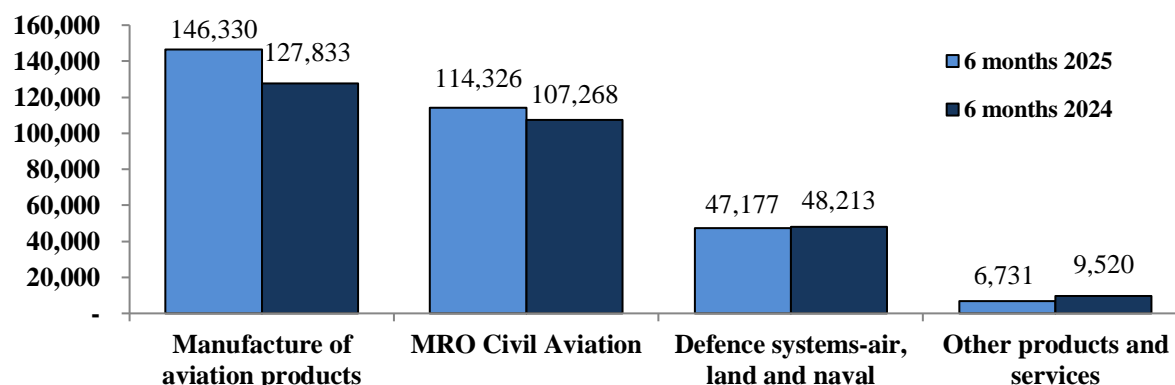
In Romania, we provide repair services for military aircraft and state helicopters, repair of parts and electronic components for military aircraft, modernization, integration, and maintenance of military aviation systems, repair services for systems and launchers, as well as civil aviation products.

COMPARATIVE EVOLUTION OF SALES

From the analysis of the data presented in this report, it is observed that out of the turnover of 314.564 thousand lei achieved in the first semester of 2025, the company sold on the domestic market products and services amounting to 38.181 thousand lei, representing a decrease of 38% compared to the same period last year, while sales on the foreign market amounted to the equivalent of 276.383 thousand lei.



Comparative evolution of sales by markets (K lei)



Comparative evolution of sales by business lines (K lei)

Thus, for the period under review, a 2% decrease in sales was recorded in the defence systems business line, while the other two business lines saw increases: up 14,5% in manufacture of aviation products and up 6,5% in civil aircraft maintenance.

AEROSTAR'S ACTIVITY AND PRODUCTS

AEROSTAR operates across three business lines, based on the products and services it provides.

The company's main field of activity is manufacturing. The company's core business is "Manufacture of civil aircraft and spacecraft" - CAEN code 3031;

AEROSTAR BUSINESS LINES

MANUFACTURE OF AVIATION PRODUCTS

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

By constantly adapting to the latest market demands regarding new production structures, as well as to the evolving quality and environmental protection requirements, **AEROSTAR** maintains its leading position in Romania for the manufacture of aviation products and continues to strengthen its role in the supply chains of the major global companies in the aerospace and aviation sectors. To meet the increasingly high standards of quality and efficiency, it is essential to adopt advanced technological solutions.

CIVIL AVIATION MAINTENANCE

AEROSTAR has a significant business footprint in the Civil Aviation MRO field, acting as an independent provider of industrial-level maintenance services for commercial aircraft from the Airbus A320 family ceo & neo and Boeing B737 series (300–900). **AEROSTAR** is EASA Part-145 certified, with an extensive range of authorizations granted by civil aviation authorities.

DEFENCE SYSTEMS

In the defence systems business line, **AEROSTAR** is a top-tier supplier to the Romanian Ministry of National Defence.

AEROSTAR has constantly developed the necessary capabilities to strengthen its position as a supplier, increasing its expertise in the field of maintenance and modernization of military aircraft, in the field of ground-to-ground launch systems and radar communication systems, which are part of the command-and-control systems.

AEROSTAR serves as the MAINTENANCE CENTRE FOR F-16 AIRCRAFT operated by the Romanian Army, nominated by the Romanian Government and authorized by the National Military Aviation Authority. **AEROSTAR** also serves as a MAINTENANCE CENTRE FOR BLACK HAWK S-70 HELICOPTERS, a centre authorized both by the manufacturer – Sikorsky (part of the Lockheed Martin group) – and by the National Military Aeronautical Authority.

AEROSTAR has been designated as the MAINTENANCE CENTRE FOR THE HIMARS SYSTEM - operated by the Romanian Ministry of National Defence, following nomination by the Romanian Government.

BUSINESS MODEL

WE BELIEVE THAT BY ACTING RESPONSIBLY, WE CONTRIBUTE TO LONG-TERM ECONOMIC SUCCESS. WITH A FOCUS ON SUSTAINABLE DEVELOPMENT, WE ARE COMMITTED TO BUILDING A SAFER FUTURE.

We aim to align with both global requirements and prevailing trends by channelling our efforts towards achieving the main goal of enhancing sustainability—through the integration of profitability with responsibility, the creation of value over the short, medium, and long term, and consequently, the improvement of the company's overall performance. Relevant data and performance indicators are disclosed in both annual and periodic reports, in line with best practices, the company's internal procedures and policies, and in accordance with the applicable legislation.

Strategic priorities:

- enhancing performance through the continuous improvement of activities, processes, products, and services;
- maintaining ongoing compliance with environmental protection standards, all quality requirements, and both national and international regulations;
- supporting employees' professional development grounded in integrity, innovation, and initiative, while maintaining a thriving social dialogue;
- securing a skilled workforce in line with the company's needs;
- increasing efficiency while reducing costs;
- maintaining our status as a top employer;
- meeting customer requirements and ensuring maximum safety for our employees;
- creating value for the community and strengthening collaborative relationships.

The company's management policy is focused on maintaining a strong capital base to support continuous development within the global market context, while preserving its competitive advantage through quality, capabilities, and high-level technologies. This approach ensures sustainable and well-structured growth and facilitates the achievement of strategic objectives.

Although the company's business model has not been altered by the international context, operational practices have been adapted in line with the specific nature of the company's activity flows.

SUSTAINABILITY



WE PROTECT THE ENVIRONMENT

Reducing greenhouse gas emissions and emissions of volatile organic compounds;

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

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

We respect the environment, nature and natural resources!



TOP EMPLOYER

Engaging employees in professional development and supporting an inclusive culture where each employee can reach their full potential and contribute with our support, thus enabling the evolution of tomorrow's professions;

Improving quality of life in the workplace, ensuring employee health and safety of our employees, and maintaining a thriving social dialogue; Promoting a culture of occupational health and safety.

Continuing training and professional development programs

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



INVOLVEMENT IN THE COMMUNITY AND ITS DEVELOPMENT

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

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

Continuing scholarship programs for students in dual education;

Enhancing professional and social integration;

Community engagement initiatives!



OUR CUSTOMERS' SATISFACTION

Developing partnerships to establish ourselves as a trusted reference point for our customers;

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

Adopting transparent practices grounded in integrity and business ethics;

Maintaining a strong focus on customers and end-users;

We uphold the highest standard of professional ethics!

OUR EMPLOYEES

At AEROSTAR S.A., the rights and responsibilities of employees, as established in the Collective Labor Agreement (CCM) and the Rules of Organization and Functioning, are formulated in accordance with the respect for human rights and the right to work, in line with the principles contained in the International Charter of Human Rights and the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work. These are transposed into labour relations legislation and are governed by the principles of consensus and good faith, which form the foundation of interactions within labour relations.

Human resources represent a key factor in the performance, efficiency, growth, and development of the company.

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

In the first semester of 2025, AEROSTAR had a total of 1.825 employees. The voluntary turnover rate in the second quarter of 2025 was **5,39%**, which is comparable to the second quarter of 2024 (**5,64%**).

	No. of employees	Share of women in Aerostar	Share of men in Aerostar	Share of women in management positions	Employees under 30 years old	Employees aged 31 to 50	Employees over 51 years old
S1 2025	1825	30%	70%	25%	20%	43%	37%
S1 2024	1844	30%	70%	27%	20%	44%	36%

At AEROSTAR, there are no incidents of workplace discrimination based on gender, race or ethnic origin, nationality, religion or beliefs, disability, age, sexual orientation, or other relevant forms of discrimination or harassment.

AEROSTAR respects and guarantees equal and non-discriminatory treatment in its relationships with employees, partners, collaborators, suppliers, and customers. Within the company's labour relations, the principle of equal treatment for all employees is applied. Any direct or indirect discrimination against an employee is prohibited if it aims to deny, restrict, or remove the recognition, enjoyment, or exercise of rights provided by labour legislation and the Collective Labour Agreement, based on criteria such as gender, sexual orientation, age, race, ethnicity, religion, political opinion, social origin, disability, family situation or responsibilities, trade union membership or activity.

The company maintains ongoing transparent relations with its social dialogue partner (the representative trade union). The Collective Labour Agreement concluded with the union ensures compliance with human resources policies.

	Average degree of unionization	Employee turnover rate	Work-related fatalities
S12025	59,58%	5,39%	0
S12024	61%	5,64%.	0

AEROSTAR is committed to supporting its employees, their professional development, and ensuring talent attraction and retention through actions included in its development strategy and performance evaluation processes.

We have continued to invest in the training of our personnel by offering opportunities for growth and career advancement, thus, each employee benefits from training programs designed to support their professional development.

Up to 30.06.2025 AEROSTAR has organized professional training courses for its employees, with a primary focus on meeting the training needs in areas of interest relevant to the production activities.

	Unit of Measure	30.06.2024	30.06.2025
Number of participations in training programs	no.	2.274	2.208
Number of employees included in training programs	no.	1.022	897
Average training hours per employee	hours	10	16

The main objective in the second quarter was to increase the number of certified structural aircraft sheet metal workers by attracting suitable candidates and training them in the required competencies, thereby ensuring the sustainability and competitiveness of the aircraft production and maintenance.

High School Students in Practical Training	
30.06.2024	416
30.06.2025	459

AEROSTAR has established a PROFESSIONAL SKILLS ASSESSMENT CENTER for competencies acquired through non-formal pathways. We are authorized by the Ministry of Labor and the Ministry of Education to organize qualification courses in four trades specific to the aviation industry.

EMPLOYEE BENEFITS

Starting April 1, 2025, Aerostar implemented a new benefits package for its employees, which includes, among other things, a 9,9% increase in the salary package.

This raise reflects the company's commitment to maintaining competitiveness in the labour market, rewarding performance, and supporting employee well-being in a dynamic economic context, as well as the company's dedication to motivating and retaining personnel.

EXECUTIVE AND OPERATIONAL MANAGEMENT

The executive management is ensured by the Chief Executive Officer and the Financial Director.

The executive-operational management structure is completed by the other directors of divisions and directorates.

The Executive and Operational Management consists of the following members:

Name	Position
Filip Alexandru	Chief Executive Officer (CEO)
Damaschin Doru	Financial-Accounting Director
Rogoz Vasile Laurențiu	Quality Director
Vîrnă Daniel	Director of Legal and Human Resources Directorate
Cristea Andra	Logistics Division Director
Pascal Laurentiu	Deputy CEO
Buhai Ovidiu	Defence Systems Division Director
Iosipescu Șerban	Aeronautical Products Division Director
Veleșcu Ioan - Dan	Civil Aviation MRO Division Director
Branche Cătălin Bogdan	Utilities and Infrastructure Division Director

BOARD OF DIRECTORS

The Board of Directors of AEROSTAR S.A. was elected for a period of four years during the General Meeting of Shareholders held on July 4, 2024. The election was conducted by secret ballot, with the new mandate lasting four years, from 11.07.2024 until 10.07.2028.

The Board of Directors consists of the following members:

Name	Position
Filip Grigore	President
Damaschin Doru	Vice President
Filip Alexandru	Member
Toncea Radu Tudor	Member
Doroș Liviu- Claudiu	Member

AEROSTAR SHAREHOLDERS

The significant shareholders of AEROSTAR S.A. are IAROM S.A. Bucharest and EVERGENT Investments S.A. Bacău. The summarized shareholder structure 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%

Shareholders can obtain information about AEROSTAR S.A. and key events on the website www.aerostar.ro.

RELATIONSHIP WITH SHAREHOLDERS AND THE CAPITAL MARKET

In its relationship with shareholders, Aerostar has focused on protecting and ensuring shareholders' rights, namely:

- the right to participate in General Meetings either in person or by proxy — by providing them with special proxies, mail-in voting ballots, and other useful information;
- the right to fair treatment, regardless of the size of their holdings;
- the right to receive dividends proportional to each shareholder's holdings.

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

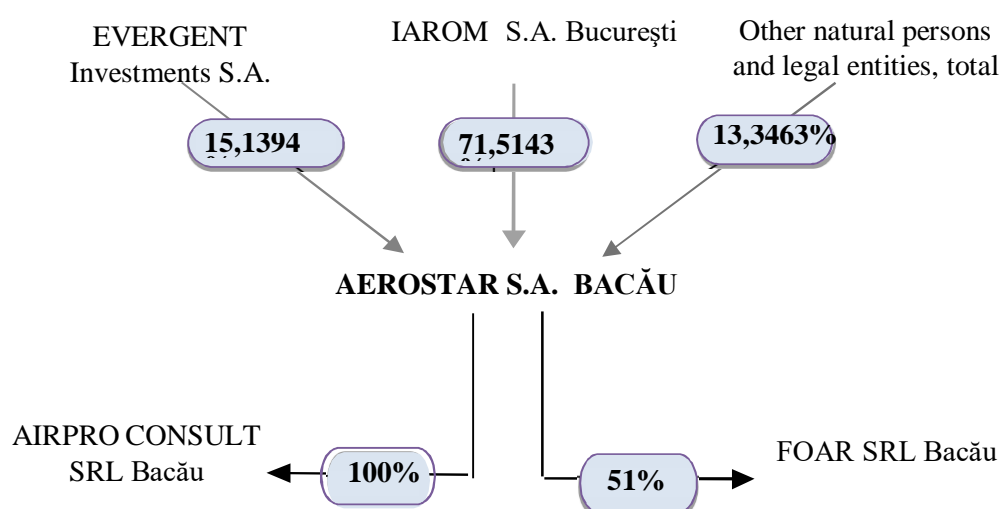
In accordance with the provisions of the Corporate Governance Code, continuous and periodic information has been disseminated simultaneously in both Romanian and English. Shareholders can obtain information about Aerostar and key events on the website www.aerostar.ro.

Additionally, annual and semi-annual reports for the past ten years, quarterly reports for the past five years, current reports, as well as other useful information for shareholders, are available for download. There have been no changes regarding shareholders' rights. No major transactions were concluded by the company with persons acting in concert or involving such persons during the relevant period.

ASPECTS CONCERNING THE COMPANY'S CAPITAL AND MANAGEMENT

There have been no changes affecting the capital or management of Aerostar S.A. The company has not experienced any inability to meet its financial obligations during this period..

Aerostar's relationship with the parent company, other shareholders, and companies in which it holds equity stakes:



Aerostar is a subsidiary of IAROM S.A. and, therefore, the parent company consolidating the group's financial statements is IAROM S.A., having the unique identification code 1555301 and its registered office in Bucharest, 39 Aerogării Boulevard. The consolidated financial statements for the fiscal year 2023 were submitted to the Romanian National Agency for Fiscal Administration (ANAF) under registration number 770692053-2023/22.08.2024

The parent company will prepare and publish a set of consolidated financial statements in accordance with applicable accounting regulations for the financial year ending 31.12.2024.

Aerostar owns shareholdings valued at 2.500 lei in the Education for Sustainable Development Cluster (C-EDD), supporting strategic collaboration initiatives in the field of education. The founding members of this Cluster, alongside Aerostar, are: Vasile Alecsandri University, the Bacau County Council and Local Council, the Bacau County School Inspectorate, the Bacau County Small and Medium Enterprises Employers' Association, Barleta Ltd., and Barrier Ltd.

AEROSTAR ARS SHARES

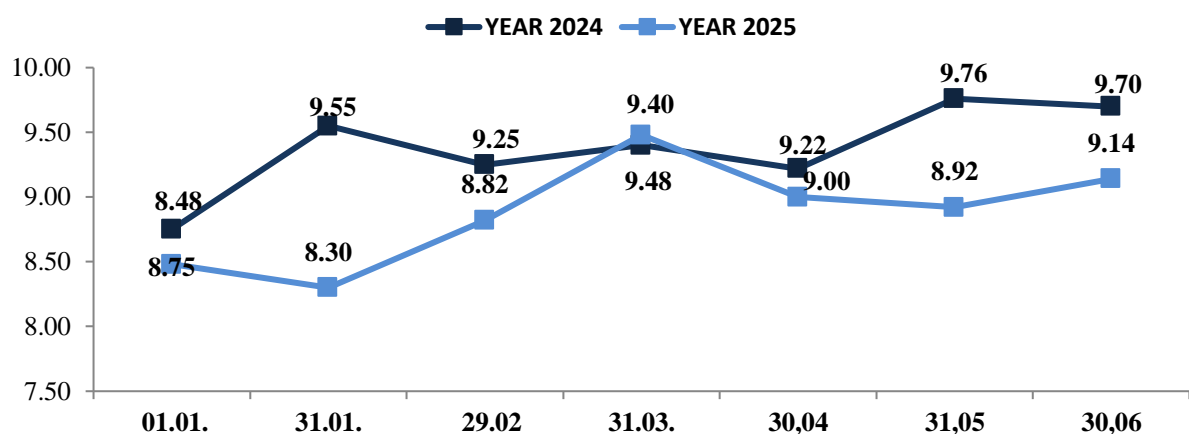
Aerostar S.A. Bacău shares have been traded since 1998 on the regulated market operated by the Bucharest Stock Exchange.

The main characteristics of the issued securities are as follows: 152.277.450 nominative, ordinary shares of equal nominal value, fully paid, issued in dematerialized form and recorded in the Shareholders' Register. This register is managed by Depozitarul Central S.A. Bucharest. The issuer, Aerostar S.A. Bacău, is registered with the following identification details: Unique Registration Code 950531, ISIN Code ROAEROACNOR5, Stock Symbol ARS, all issued shares are included in the Standard category.

Aerostar Shares – Key Figures:	30.06.2025	30.06.2024	30.06.2023
Number of Shares	152.277.450	152.277.450	152.277.450
Nominal Value per Share (lei)	0,32	0,32	0,32
Book value per share	4,14	3,75	3,31
End-of-Period Price (lei)*	9,14	9,70	8,25
Market Capitalization (lei)*	1.391.815.893	1.477.091.265	1.256.288.963
Maximum Price (lei)*	9,90	9,90	8,30
Minimum Price (lei)*	8,18	8,25	7,00
Earnings per Share (lei)	0,303	0,311	0,308

Source: Monthly Bulletin issued by the Bucharest Stock Exchange

It can be observed that over the past three years, the market price has consistently remained above the book value per share, reflecting investors' expectations regarding future performance, growth prospects, profitability, risks, as well as market demand and supply.



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

During the year 2025 :

- Aerostar S.A. did not issue bonds or any other similar securities;
- no subscriptions for new shares, participation certificates, convertible bonds, options, or similar rights were recorded;
- there was no share buyback program.

AFFILIATED PARTIES

As of June 30, 2025, AEROSTAR S.A.'s shareholdings in other companies are as follows:

Name of branch / subsidiary	Main activity	No. of Shares Held by Aerostar	Voting rights	Value of Aerostar's shareholding (thousand lei)	Financial information for the last financial year (2024) for which the financial statements of the affiliated companies were approved		
					Sales (thousand lei)	Equity (thousand lei)	Net Profit (thousand lei)
Airpro Consult S.R.L. Bacău	CAEN code 7820	100	100%	10	18.800	1.036	721
Foar S.R.L. Bacău	CAEN code 7739	408	51%	4	306	556	124
TOTAL				14	19.106	1.592	845

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

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

Transactions with related parties are presented in the Financial Statements under Note 26.

TANGIBLE ASSETS

Aerostar S.A.'s production facilities and capabilities are located at the company's headquarters and registered office in Bacău, Romania, at 9 Condorilor Street, postal code 600302, as well as at two secondary workplaces without legal personality: one in Iași at 25B Aeroportului Street, and another in Fetești at 2 Carpați Street, Apt. 7. The company owns land totalling 49.17 hectares, with direct access to the European route E85.

Aerostar also has direct access to the runway of “George Enescu” Airport in Bacău. The headquarters include all types of facilities necessary for the proper conduct of production activities, according to the company’s object of activity.

The production areas include hangars, industrial halls, technological test benches, and areas designated for administrative and social functions. Additionally, the company owns office spaces dedicated to technical and economic activities.

All these facilities are maintained in good condition. The total built-up area of the buildings amounts to approximately 14,54 hectares.

Aerostar S.A.’s tangible assets comply with the requirements of the company’s health, safety, and environmental management system, and they fully adhere to applicable legislation and regulations on occupational safety, as well as property protection and security standards.

As of June 30, 2025, Aerostar S.A. Bacău holds tangible assets necessary for its operations with a gross value of 407.275 thousand lei, consisting of land, buildings, special constructions, installations, technological equipment, and means of transport:

Category of Tangible Assets	Gross Value (K lei)	Degree of Wear (%)	Estimated Useful Life (years)
Land	31.171	N/A	N/A
Constructions	101.685	53,46%	30-50 years
Investment Properties	12.964	51,73%	25-50 years
Technical Installations, of which:	257.509	72,35%	
• technological equipment	247.252	72,33%	4-25 years
• means of transport	10.257	72,83%	4-18 years
Other Tangible Assets	3.946	65,52%	2-18 years
TOTAL	407.275	63,58%	N/A

In the first six months of 2025, no risks were identified regarding the ownership of tangible assets.

INVESTMENTS FOR SUSTAINABILITY

AEROSTAR’s investment policy is guided by the principles of sustainable development, focusing on:

- The efficient and responsible use of available resources
- Reducing environmental impact
- Strengthening professional excellence

AEROSTAR adopts an integrated approach that combines economic performance with environmental responsibility, taking firm action to ensure the sustainability of all investment projects.

Between January and June 2025, AEROSTAR made investment expenditures totalling 6.451 thousand lei.

Investment expenditures are structured as follows:

Category	%
Development Expenditures	82%
Replacement Expenditures	18%
TOTAL	100%

Equipment	67%
Constructions	8,9 %
Measuring and Control Equipment and Installations	11,1%

These investments contribute to strengthening Aerostar's position as a competitive supplier in the aerospace industry, ready to meet the increasingly complex demands of the international market.

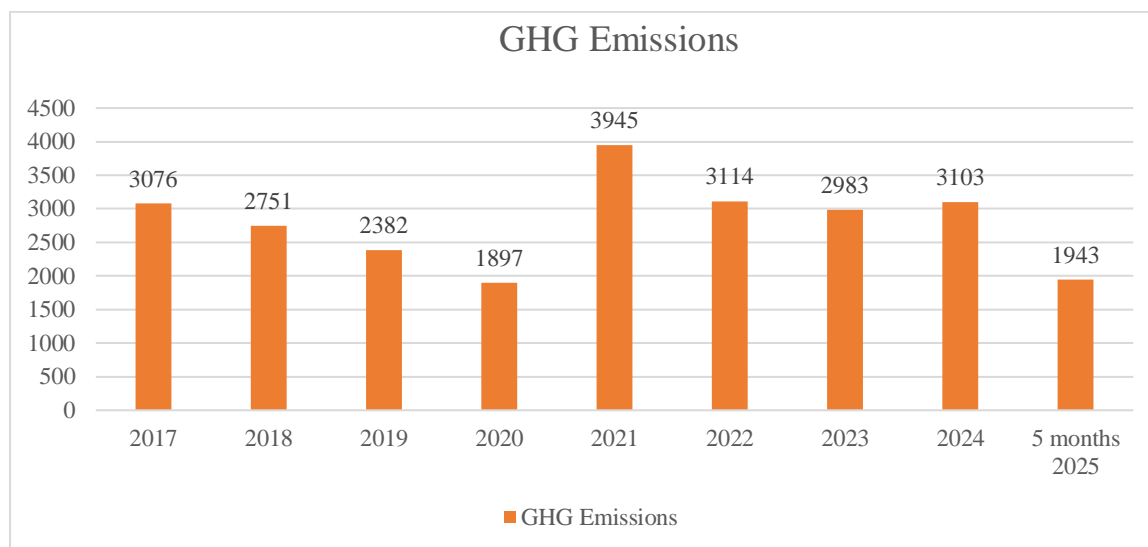
QUALITY AND ENVIRONMENT

We manage, evaluate, and monitor environmental impact activities responsibly and effectively! Through our Environmental Management System, we have clearly defined responsibilities and the necessary actions to track and comply with the authorized conditions according to the REACH regulation.

In the first semester of 2025, several sessions of monitoring the water emissions were carried out. Reports requested by APM Bacău were submitted via the Integrated Environmental System, along with the Annual Environmental Report for the Bacău site and the Iași MRO Centre. During this period, three inspections were conducted by the Environmental Guard, resulting in two general measures with permanent deadlines.

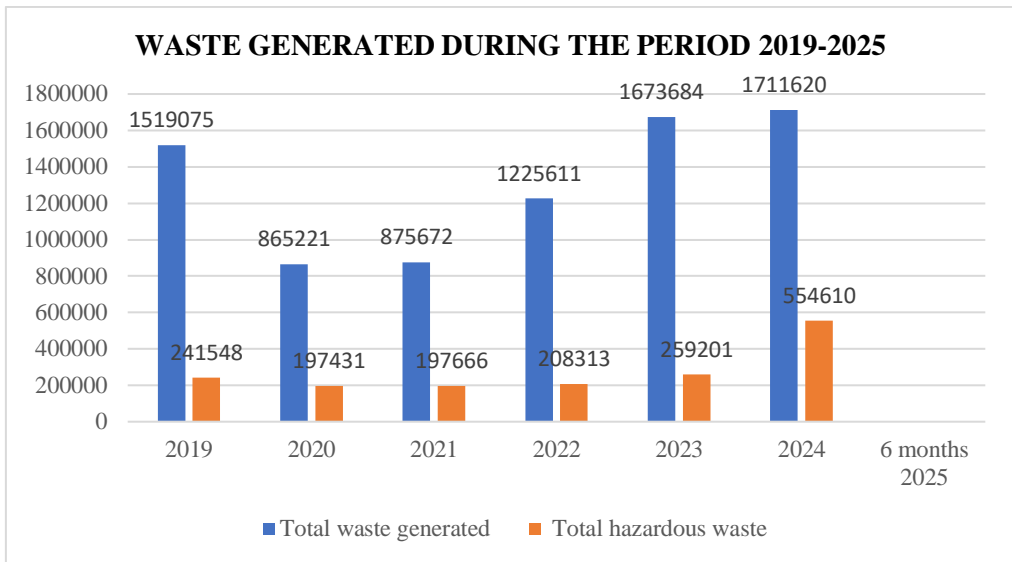
In June 2025, a surveillance audit of the environmental management system in accordance with ISO 14001:2015 was performed by the DQS team. The audit concluded with no non-conformities. Recommendations for improvement were reviewed, and the actions planned for their implementation were approved and communicated.

Employee training to increase awareness and ensure compliance with environmental requirements remains a continuous priority within the company.





All waste generated from the company’s activities is selectively stored in appropriate containers and subsequently handed over to authorized operators for collection, recovery, or disposal.
 In the first semester of 2025, recoverable waste accounted for approximately 84% of the total waste generated.



We are certified according to the requirements of ISO 9001, the ISO 14001 environmental management standard, and the ISO 45001 standard for occupational health and safety.
 We are also authorized as a Part 145 Maintenance Organization, a Part 21G Production Organization, and a Part 21J Design Organization. Our partnerships in the defence sector have led us to implement a quality management system compliant with NATO quality assurance standards AQAP 2110 and AQAP 2210.

RISK MANAGEMENT

AEROSTAR is exposed to a wide range of risks and uncertainties that may affect its financial performance. The business lines operated by AEROSTAR, its operational results, or financial position could be impacted by the materialization of the risks described below.

AEROSTAR aims to ensure the sustainable development of its operations over the medium and long term and to reduce the uncertainty associated with its strategic and financial objectives.

The risk management processes carried out ensure the identification, analysis, evaluation, and management of risks in order to minimize their effects to an acceptable level.

However, there may be additional risks and uncertainties beyond those described below, which are currently unknown or considered insignificant, but which could, in the future, affect AEROSTAR's business lines.

Operational Risk

Operational risk refers to the risk of incurring losses or failing to achieve estimated sales and profits, arising from:

- the use of inadequate processes, systems, or human resources, or their failure to properly fulfil their functions;
- external events and actions, such as the deterioration of global economic conditions, natural disasters, or other occurrences that may affect AEROSTAR's assets.

Amid ongoing global political unrest, the potential for new categories of risk is increasing. AEROSTAR is proactively observing critical conflict regions to assess any developments that could impact its operations or assets.

Legal Risk is also considered a component of Operational Risk, defined as the risk of loss resulting both from fines, penalties, and sanctions that AEROSTAR may incur due to non-compliance or improper application of legal or contractual provisions, as well as from improperly defined contractual rights and obligations of AEROSTAR and/or its business partners.

AEROSTAR allocates and will continue to allocate funds for investments and other operational expenses aimed at preventing and managing operational risk.

In addition, AEROSTAR seeks to maintain internal funding to cover its exposure to risks by establishing provisions for such risks and related expenses.

Furthermore, to mitigate operational risk, AEROSTAR annually renews, with top-tier insurance and reinsurance companies, a civil liability insurance policy covering its main lines of business (aerospace product manufacturing and commercial aircraft maintenance).

Credit risk refers to the risk that AEROSTAR may incur a financial loss due to a business partner's failure to meet contractual obligations, and is mainly determined by sight and term deposits held with banks and trade receivables.

Deposits are placed only with top-tier banking institutions (top 5 by asset size), which are considered to have high solvency.

Credit risk, including the country risk associated with the client's operating location, is managed individually for each business partner. When considered necessary, specific instruments are requested to mitigate credit risk (such as advance payments, bank payment guarantees, or confirmed export letters of credit).

AEROSTAR does not have significant exposure to any single business partner and does not record a significant concentration of revenue in any single geographic region.

However, there is some exposure to the global Airbus program market, as a large proportion of the company's products are integrated into Airbus aircraft.

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

Liquidity risk refers to the risk that AEROSTAR may encounter difficulties in meeting its debt obligations as they become due.

To manage liquidity risk, cash flows are monitored and analysed on a weekly, monthly, quarterly, and annual basis to assess the estimated level of net liquidity changes. This analysis forms the basis for financing decisions and capital commitments.

To mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a credit line structured as an overdraft facility granted by banks, amounting to USD 2.500 thousand.

During the reporting period, AEROSTAR did not utilize this credit line, as all operations were financed from internal resources.

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

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

AEROSTAR is primarily exposed to price risk, driven by fluctuations in the prices of raw materials and supplies used in the production processes, caused by exceptional events, the imposition of international sanctions that limit the ability to secure parts and materials, or increased costs related to specific import/export tariffs for metal products to and from the United States.

This risk is managed through:

- diversification of the supplier portfolio, which provides greater negotiation leverage in the event of price increases from certain suppliers;
- signing long-term contracts that include fixed-price clauses.

AEROSTAR is exposed to foreign exchange risk, as 88% of its revenue is denominated in USD and EUR, while a significant portion of its operating expenses is in LEI. Consequently, the company is exposed to the risk that exchange rate fluctuations may impact both its net income and financial position as reported in LEI. AEROSTAR has opted not to engage in foreign exchange hedging instruments (such as options or forward contracts), due to their relatively high upfront costs and the potential opportunity loss in the event of a RON depreciation against major currencies (USD, EUR).

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

As for interest rate risk, since AEROSTAR did not use the contracted Credit Line during the reporting period, its revenues and cash flows were not impacted by fluctuations in market interest rates.

At AEROSTAR, risk management is approached systematically through the allocation of dedicated resources, clearly defined responsibilities, and integration across all levels of the organization.

The overall risk management framework is based on an understanding of stakeholder needs and expectations, as well as on the company's strategic objectives.

Legal risk is monitored and mitigated through a continuous legislative tracking system, as well as through a structured process for analysing, endorsing, and approving the terms and conditions included in commercial contracts.

AEROSTAR S.A. BACĂU
COMPANY FINANCIAL STATEMENTS
AS AT 30 JUNE 2025

REVISED

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AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

	Note	30 June 2025	30 June 2024
Operating income			
Income from sales	19	314.564	292.833
Other income	19	656	976
Income related to the inventories of finished goods and work in progress	19	3.642	22.024
Income from production of fixed assets	19	780	512
Income from operating subsidies	19	306	48
Total operating income		319.948	316.393
Operating expenses			
Material expenses	20	(133.514)	(131.245)
Employee benefits expense	20	(102.803)	(96.618)
Depreciation expense for fixed assets	5;6;20	(14.732)	(13.242)
Net income (expenses) from adjustments regarding current assets	20	(7.641)	(7.898)
Net income (expenses) from adjustments regarding provisions	20	9.767	4.368
Expenses for external services	20	(20.530)	(26.429)
Other expenses	20	(2.535)	(2.956)
Total operating expenses		(271.988)	(274.020)
Profit/loss from operating activity		47.960	42.373
Financial income	21	14.816	13.867
Financial expenses	22	(9.489)	(1.856)
Financial profit/loss		5.327	12.011
Profit before tax		53.287	54.384
Tax on current and deferred profit	17;23	(7.140)	(7.027)
Net profit of the period		46.147	47.357

**Chief Executive Officer,
Alexandru Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

	30 June 2025	30 June 2024
Net profit for the period	46.147	47.357
Deferred income tax recognized in equity	(1.085)	(1.756)
Revaluation at fair value of equity instruments through other comprehensive income	1.199	5.491
Gain transferred to retained earnings related to the sale of equity instruments through other comprehensive income	(41)	246
Other comprehensive income	73	3.981
Total comprehensive income for the period	46.220	51.338

**Chief Executive Officer,
Alexandru Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF FINANCIAL POSITION
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

	Note	30 June 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	151.852	159.745
Intangible assets	5	1.765	1.788
Investment property	6	6.257	6.598
Right-of-use assets under leases	32	1.736	1.723
Financial assets	7	45.762	46.133
Deferred income tax receivables	17	19.690	20.103
Total non-current assets		227.062	236.090
Current assets			
Inventories	10	194.336	206.205
Trade receivables and other receivables	8;9;18	80.201	110.772
Current income tax receivables	23	-	-
Prepaid expenses – short-term	31	1.738	1.049
Cash and cash equivalents	11	290.590	260.403
Total current assets		566.865	578.429
Total assets		793.927	814.519
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	48.729	48.729
Current profit	12	46.147	95.725
Retained earnings	12	54.744	54.374
Reserves	12	515.410	467.681
Deferred income tax recognized in equity	17	(28.660)	(27.444)
Profit allocation to legal reserves	12	(6.363)	(18.731)
Total equity	12	630.007	620.334
Long-term liabilities			
Deferred income tax liabilities	17	29.868	28.834
Long-term investment grants	14	587	724
Other long-term liabilities	16	1.474	1.467
Total long-term liabilities		31.929	31.025
Long-term provisions	13	45.880	43.866
Current liabilities			
Trade liabilities	15;18	30.691	59.246
Current income tax liability	23	3.032	7
Deferred income	31	1.355	3.448
Short-term investment grants	14	551	828
Other current liabilities	16	21.021	14.523
Total current liabilities		56.650	78.052
Short-term provisions	13	29.461	41.242
Total provisions		75.341	85.108
Total liabilities		88.579	109.077
Total equity, liabilities and provisions		793.927	814.519

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CASH FLOWS
(DIRECT METHOD)
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

	Note	30.06.2025	30.06.2024
CASH FLOWS FROM OPERATIONS			
receipts from customers		341.316	308.984
recoveries of taxes from the State Budget		1.782	6.227
receipts of subsidies from the State Budget		293	68
payments to suppliers		(172.494)	(194.955)
payments to employees		(60.906)	(56.287)
payment of taxes and duties to the State Budget		(43.085)	(38.208)
payments of income tax to the State Budget		(3.965)	(4.316)
NET CASH FROM OPERATING ACTIVITIES	27	62.941	21.513
CASH FLOWS FROM INVESTING ACTIVITIES			
interest income from bank deposits		6.169	6.242
proceeds from sale of financial fixed assets	27	1.674	4.341
dividends received from other entities		2.989	3.498
dividends received from affiliated entities		521	456
payments for the acquisition of non-current assets	7, 27	(105)	-
payments for the acquisition of property, plant and equipment and intangible assets		(6.611)	(15.287)
NET CASH FROM INVESTING ACTIVITIES	27	4.637	(750)
CASH FLOWS FROM FINANCING ACTIVITIES			
gross dividends paid		(34.458)	(30.379)
NET CASH FROM FINANCING ACTIVITIES	27	(34.458)	(30.379)
Net increase/decrease in cash and cash equivalents		33.120	(9.616)
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	(2.933)	994
Cash and cash equivalents at the end of the period	11	290.590	237.170

Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 30 JUNE 2025
(all amounts are stated in thousands of 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 as at 1 January 2025	48.729	459.571	8.110	(27.445)	54.374	76.994*	620.334
Profit for the period						46.147	46.147
Other comprehensive income							
Recognition of deferred income tax in equity				(1.215)	130		(1.085)
Distribution of the profit for the financial year 2024 as approved by the shareholders at the OGMS on April 24, 2025 (Note 12)					76.994	(76.994)	-
Allocation of profit for the first semester of 2025 to reserves from tax facilities, in gross amounts		6.363				(6.363)	-
Gain transferred to retained earnings related to the sale of equity instruments recognized through other comprehensive income			(280)		239		(41)
Revaluation of equity instruments at fair value through other comprehensive income			1.199				1.199
Total comprehensive income of the period	-	6.363	919	(1.215)	77.363	(37.210)	46.220
Reserves allocated from the 2024 profit		40.447			(40.447)		-
Dividends distributed related to the year 2024					(36.547)		(36.547)
Transactions with shareholders recognised directly in equity	-	40.447	-	-	(76.994)	-	(36.547)
B. Balance as at 30 June 2025	48.729	506.381	9.029	(28.660)	54.743	39.784**	630.007
C. Changes in equity (Note 12)	-	46.810	919	(1.215)	369	(37.210)	9.673

* The result of 95.725 k lei as at 31.12.2024 is impacted by the allocation of profit to other reserves from tax facilities in the amount of 18.731 k lei;

** The result of 46.147 k lei as at 30.06.2025 is impacted by the allocation of profit to other reserves from tax facilities in the amount of 6.363 k lei;

Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 30 JUNE 2024
(all amounts are stated in thousands of 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 as at 1 January 2024	48.729	407.359	2.669	(23.481)	51.577	65.104*	551.957
Profit of the period						47.357	47.357
Other comprehensive income							
Recognition of deferred income tax in equity				(1.845)	89		(1.756)
Distribution of the profit for the financial year 2023 as approved by the shareholders at the OGMS on April 18, 2024 (Note 12)					65.104	(65.104)	-
Allocation of profit for the first semester of 2024 to reserves from tax facilities, in gross amounts		5.952				(5.952)	-
Gain transferred to retained earnings related to the sale of equity instruments recognized through other comprehensive income			(186)		432		246
Revaluation of equity instruments at fair value through other comprehensive income			5.491				5.491
Total comprehensive income of the period	-	5.952	5.305	(1.845)	65.625	(23.699)	51.338
Reserves allocated from the 2023 profit		33.125			(33.125)		-
Dividends distributed related to the year 2023					(31.979)		(31.979)
Transactions with shareholders recognised directly in equity	-	33.125	-	-	(65.104)	-	(31.979)
B. Balance as at 30 June 2024	48.729	446.436	7.974	(25.326)	52.098	41.405**	571.316
C. Changes in equity (Note 12)	-	39.077	5.305	(1.845)	521	(23.699)	19.359

* The result of 93.028 k lei as at 31.12.2023 is impacted by the allocation of profit to other reserves from tax facilities in the amount of 27.924 k lei;

** The result of 47.357 k lei as at 30.06.2024 is impacted by the allocation of profit to other reserves from tax facilities in the amount of 5.952 k lei;

Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of 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 Resolution no. 2/14.12.2017 of the Board of Directors, the opening of a secondary establishment without legal personality (workplace) 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 (workplace) at 2 Carpaților Street, ap. 7, Fetești, was approved.

AEROSTAR S.A.'s main field of activity is production.

The company's core business object is the 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 semester 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 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 2-ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1. Estimates

The preparation and presentation of the company financial statements in accordance with IFRS requires the use of estimates, judgments, and assumptions, affecting the implementation of the accounting policies as well as the reported value of assets, liabilities, revenues, and expenses.

The estimates and judgments are made based on the historic experience as well as on a series of factors considered adequate and reasonable. The accounting estimates and judgments are continuously updated and are based on reasonable expectations regarding probable future events. The reported carrying amounts of assets and liabilities that cannot be determined or obtained from other sources rely on these estimates deemed 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 the related impairment adjustments of 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 retroactively corrects the material errors of the prior period in the first set of financial statements approved for publication after the identification of those 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:

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NOTE 2 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS
(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 the 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.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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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;
- OMFP no. 2.861/2009 for the approval of the Norms on the organization and execution of the inventory of assets, liabilities and equity elements;
- O.M.F.P. no. 1.826/2003 for 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 company 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 2024, there are no changes in the applied principles, methods, policies and accounting procedures.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 4 - TRANSACTIONS IN FOREIGN CURRENCIES

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

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

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

Currency	30.06.2025	Average exchange rate S1 2025	31.12.2024
1 EUR	5,0777 lei	5,0037 lei	4,9741 lei
1 USD	4,3329 lei	4,5844 lei	4,7768 lei
1 GBP	5,9329 lei	5,9391 lei	5,9951 lei

The favourable and unfavourable exchange rate differences arising from the settlement of assets and financial liabilities denominated in foreign currency are recognised in the Statement of Profit or Loss for the financial year in which they arise.

Considering that 88% of the turnover recorded during the reporting period is denominated in USD and EUR, while a significant portion of the operating expenses is denominated in LEI, fluctuations in exchange rates will affect both the company's net income and its financial position as expressed in the functional currency.

During the reporting period, the net foreign currency exposure, calculated as the difference between cash inflows from financial assets and cash outflows for financial liabilities denominated in foreign currency, is presented as follows:

S1 2025	K EUR	K USD	K GBP
Proceeds from financial assets	17.885	38.828	-
Payments of financial liabilities	(7.116)	(19.782)	(207)
Foreign exchange net exposure	10.769	19.046	(207)

AEROSTAR decided 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 case of a depreciation of the LEU against major currencies (USD, EUR).

In the first half of 2025, the appreciation of the LEU against the USD by 4,00% compared to the beginning of the year led to the recognition of a financial loss from unfavourable foreign exchange differences amounting to 5.081 thousand lei.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 5 - INTANGIBLE ASSETS: reporting period 30 June 2025

	Values as at 30 June 2025			Values as at 01 January 2025		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Licences	9.099	(7.681)	1.418	8.620	(7.299)	1.321
Other intangible assets (software)	1.391	(1.044)	347	1.340	(873)	467
Total	10.490	(8.725)	1.765	9.960	(8.172)	1.788

Net book value as at 30.06 2025 and transactions during the period:

	Net value as at 1 January 2025	Gross value entries	Depreciation during the period	Net value as at 30 June 2025
Licenses	1.321	584	(487)	1.418
Other intangible assets	467	51	(171)	347
Total	1.788	635	(658)	1.765

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NOTE 5 - INTANGIBLE ASSETS: reporting period 30 June 2025 (continued)

COMPARATIVE FIGURES – INTANGIBLE ASSETS: reporting period 30 June 2024

	Values as at 30 June 2024			Values as at 01 January 2024		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Licences	8.419	(6.868)	1.551	7.754	(6.527)	1.227
Other intangible assets (software)	1.265	(726)	539	1.194	(613)	581
Total	9.684	(7.594)	2.090	8.948	(7.140)	1.808

Net book value as at 30.06.2024 and transactions during the period:

	Net value as at 1 January 2024	Gross value entries	Depreciation during the period	Net value as at 30 June 2024
Licences	1.227	684	(360)	1.551
Other intangible assets	581	71	(113)	539
Total	1.808	755	(473)	2.090

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NOTE 5 - INTANGIBLE ASSETS: reporting period 30 June 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 of 30.06.2025 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 30 June 2025 and which are still in use is 5.984 thousand lei.

All the intangible assets recorded in the balance sheet as at 30 June 2025 are the property of AEROSTAR.

The entries of intangible assets were made by:

- | | |
|---|--------------------------------|
| | <u>635 thousand lei</u> |
| • optimization of the IT production management system | 51 thousand lei |
| • purchases of software licences | 584 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.

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT: reporting period 30 June 2025

	Values as at 30 June 2025			Values as at 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	101.685	(54.366)	47.319	101.423	(51.316)	50.107
Technological equipment and vehicles	257.509	(186.304)	71.205	251.321	(175.987)	75.334
Other equipment and office equipment	3.946	(2.586)	1.360	3.886	(2.433)	1.453
Property, plant and equipment under construction	797	-	797	1.680	-	1.680
Total property, plant and equipment	395.108	(243.256)	151.852	389.481	(229.736)	159.745
Investment property	12.964	(6.707)	6.257	12.954	(6.356)	6.598
Grand Total	408.072	(249.963)	158.109	402.435	(236.092)	166.343

Net book value as at 30.06.2025 and transactions during the period :

	Net value as at 1 January 2025	Inflows (reclassifications)at gross value	Outflows (reclassifications)at gross value	Depreciation during the period	Net value as at 30 June 2025
Land	31.171	-	-	-	31.171
Constructions	50.107	263	-	(3.051)	47.319
Technological equipment and vehicles	75.334	6.374	(187)	(10.316)	71.205
Other equipment and office equipment	1.453	67	(7)	(153)	1.360
Property, plant and equipment under construction	1.680	5.820	(6.703)	-	797
Total property, plant and equipment	159.745	12.524	(6.897)	(13.520)	151.852
Investment property	6.598	10	-	(351)	6.257
Grand Total	166.343	12.534	(6.897)	(13.871)	158.109

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT(continued): reporting period 30 June 2025

COMPARATIVE FIGURES - PROPERTY, PLANT AND EQUIPMENT

	Values as at 30 June 2024			Values as at 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	98.704	(48.338)	50.366	98.349	(45.607)	52.742
Technological equipment and vehicles	237.071	(166.847)	70.224	231.120	(157.716)	73.404
Other equipment and office equipment	3.835	(2.275)	1.560	3.835	(2.115)	1.720
Property, plant and equipment under construction	5.553	-	5.553	727	-	727
Total property, plant and equipment	376.334	(217.460)	158.874	364.925	(205.438)	159.487
Investment property	12.954	(6.007)	6.947	12.749	(5.453)	7.296
Grand Total	389.288	(223.467)	165.821	377.674	(210.891)	166.783

Net book value as at 30.06.2024 and transactions during the period:

	Net value as at 1 January 2024	Inflows (reclassifications)at gross value	Outflows (reclassifications)at gross value	Depreciation during the period	Net value as at 30 June 2024
Land	30.894	277	-	-	31.171
Constructions	52.742	560	(205)	(2.731)	50.366
Technological equipment and vehicles	73.404	6.138	(188)	(9.130)	70.224
Other equipment and office equipment	1.720	-	-	(160)	1.560
Property, plant and equipment under construction	727	11.804	(6.978)	-	5.553
Total property, plant and equipment	159.487	18.779	(7.371)	(12.021)	158.874
Investment property	7.296	205	-	(554)	6.947
Grand Total	166.783	18.984	(7.371)	(12.575)	165.821

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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(unless specified otherwise, all amounts are stated in thousands of 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 13 real estate – buildings and related lands that are rented to third parties based on renting contracts.

The value of renting income in this category of fixed assets was 1.554 thousand lei.

At the date of transition to IFRS, the company estimated and included in the cost of property, plant and equipment the decommissioning costs expected to be incurred at the end of their useful life.

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. This expense is not tax deductible.

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.

Land and buildings are considered separable assets and are accounted for separately, even when acquired together.

Land is deemed to have an indefinite useful life and is therefore not subject to depreciation. The value of the land held by Aerostar SA is presented at acquisition cost or at the deemed cost recorded at the date of transition to IFRS.

In accordance with IAS 36 “Impairment of Assets”, the company carried out an assessment to identify any indicators of impairment of property, plant and equipment, taking into account both internal and external sources of information.

Internal sources of information:

The economic performance of the assets is strong; all operational assets continue to generate benefits for the company.

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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>30.06.2025</u>
Stock exchange capitalization/ company equity	2,21

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 as at 30.06.2025 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 as at 30 June 2025 is 102.529 thousand lei.

As at 30.06.2025 no mortgages were set up on the real estate assets owned by Aerostar S.A.

Inflows of property, plant and equipment:	<u>12.534 k lei</u>
• Commissioning of technical equipment, hardware equipment, measuring and control equipment	6.451 k lei
• Land acquisition	263 k lei
• Property, plant and equipment under construction during the period	5.820 k lei
Outflows of property, plant and equipment:	<u>6.897 k lei</u>
• Transfer of assets under construction to property, plant and equipment following their commissioning	6.703 k lei
• Derecognition of property, plant and equipment (buildings and technological equipment) because the company no longer expects future economic benefits from their use	194 k lei

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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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	-	(371)	-	-	(371)
As at June 30, 2025	14	45.704	2	42	45.762

As at June 30, 2025 the decrease on other non-current financial assets - shares amounts to (371) thousand lei and consists of:

Revaluation at fair value of Evergent Investments S.A. shares	Value of shares sold during the period January – June 2025	Value of shares purchased during the period January – June 2025	Total impairment losses – net
1.199	(1.674)	104	(371)

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 2024				
					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	305	721	0,10	10,36
Foar SRL Bacău 9, Condorilor Street	- main activity according to CAEN code 7739	408	51%	4	8	424	124	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 30.06.2025, the company did not record any changes in the percentage of its shareholdings, maintaining the same level of control over the entities in its investment 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 as at 30.06.2025 (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	30.266.883	EVER	1,5100	45.704	36.674
94C, Pictor Aman Street, Bacău						

As at June 30, 2025, the company held 30.266.883 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, except for dividend income.

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

The association was 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

	30 June 2025	31 December 2024
TRADE RECEIVABLES OF WHICH:		
Customers:	69.764	96.855
Customers from Romania	5.246	31.782
Customers from outside Romania	64.518	65.073
Uncertain customers	1.873	219
 Adjustments for impairment of receivables - customers	 (936)	 (197)
 Suppliers – debtors	 1.542	 5.926
 Adjustments for impairment of advances to suppliers	 (87)	 -
 TOTAL TRADE RECEIVABLES	 72.156	 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. As at 30 June 2025, the company recorded impairment adjustments of this nature amounting to de 936 thousand lei;
- in percentage of 100% of the value of the receivables not collected on time, if the delay exceeds 180 days. As at June 30, 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 at June 30, 2025, in the amount of 1.542 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 June 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 June 2025 were recorded in the corresponding income or expense accounts.

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NOTE 9 - OTHER RECEIVABLES

	30 June 2025	31 December 2024
Receivables related to personnel and similar accounts	91	63
Receivables related to the social security budget and the state budget, of which:	3.705	2.945
– Recoverable VAT	1.244	380
– Non-due VAT	65	109
– Amounts to be recovered from the Health Insurance House (sick leave indemnities)	2.301	2.360
– Subsidy-related amounts	77	64
– Recoverable excise duties related to fuel used	-	10
– Other receivables related to the local budget	4	8
– Other receivables related to the social security budget and the state budget	14	14
Interest to be collected on bank deposits	4.027	3.665
Other receivables – intercompany settlements	63	-
Various debtors	615	1.699
Impairment adjustments for receivables - various debtors	(456)	(403)
TOTAL OTHER RECEIVABLES	8.045	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, 29%, amounting to 2.301 thousand lei, represents amounts settled but not yet collected from the Health Insurance House.

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NOTE 10 - INVENTORIES	30 June 2025	31 December 2024
of which:		
Raw materials	62.925	70.654
Consumable materials	89.989	93.135
Other materials	34	37
Semi-finished goods	-	4
Packaging materials	131	36
Finished goods	47.288	44.580
Work in progress (goods and services)	79.188	76.215
Gross (unadjusted) value of inventories	279.555	284.661
Impairment adjustments	85.219	78.456
Net (adjusted) value of inventories	194.336	206.205

ADJUSTMENTS FOR IMPAIRMENT OF INVENTORIES

	30 June 2025	Increases/ Recognitions/	Decreases/ Reversals/	31 December 2024
Total adjustments	85.219	12.029	5.266	78.456
Adjustments for impairment of raw material	39.045	1.742	4.434	41.737
Adjustments for impairment of consumables	36.591	5.701	610	31.500
Adjustments for impairment of semi-finished goods	-	-	4	4
Adjustments for impairment of finished goods	128	7	217	338
Adjustments for impairment of production in progress	9.455	4.579	1	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, and other costs incurred to bring the inventories to their present condition and location.

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

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

According to the Accounting Policies Manual, at Aerostar SA, impairment adjustments for inventories 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 type that are not covered by customer contracts;
 - b) variable percentages, agreed with the relevant profit centres, for inventories of finished goods not delivered within contractual deadlines.

The value of material expenses recognized as an expense during the period amounts to 133.514 thousand lei, consisting of:

- 125.169 thousand lei representing expenses related to inventory materials;
- 7.782 thousand lei representing expenses related to water, gas, and electricity consumption;
- 563 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:

	30.06.2025	31.12.2024	30.06.2024
Cash in the cashier	62	30	45
Demand deposits held with banks	53.543	31.170	53.945
Term deposits held with banks	236.985	229.203	182.980
Cheques deposited with banks for collection	-	-	200
Cash and cash equivalents	290.590	260.403	237.170

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 10.832 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 provisions as at 30 June 2025 is 75.341 thousand lei.

Term deposits are made for short durations (under 6 months), as AEROSTAR prefers to maintain easy access to liquidity. Consequently, alternative options for saving surplus cash, such as investments in mutual funds, are not pursued due to the investment risks involved. Such placements may experience significant short-term fluctuations driven by various conjunctural factors.

AEROSTAR's choice to rely exclusively on short-term bank deposits is primarily influenced by global political and economic uncertainties, as well as the deterioration of supply chains. Unexpected events may arise at any moment, requiring the prompt purchase of raw materials and other inputs to secure safety stocks.

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NOTE 12 – COMPANY’S EQUITY

The company’s equity as at June 30, 2025 is 630.007 thousand lei. The increase in the company’s equity in 2025 compared to the end of 2024, was 9.673 thousand lei.

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

- **The share capital remained unchanged:**

As at 30 June 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 47.729 thousand lei:**

- an increase of 40.447 thousand lei as a result of the allocation of the 2024 profit to the destinations approved by the shareholders at the OGMS of 24 April 2025 of tax facilities received;
- an increase of 6.363 thousand lei from the allocation during 2025 of the reserves related to the tax facilities received;
- an increase of 1.199 thousand lei from 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 1.215 thousand lei** due to deferred income tax recognised in equity.

- **The retained earnings increased by 369 thousand lei, as follows:**

- an increase of 130 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 30 June 2025 is 54.743 thousand lei, comprising:**

- the retained earnings resulted from the use, at the date of transition to IFRS, of fair value as presumed cost = 26.368 thousand lei;
- the retained earnings representing the realised gain from revaluation reserves, capitalised in line with the depreciation of tangible fixed assets = 24.408 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 46.147 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	30 June 2025
Total provisions	85.108	8.378	18.731	586	75.341
Provisions for customer guarantees	34.726	8.378	10.217	127	33.014
Provisions for decommissioning property, plant and equipment	16.466	-	-	-	16.466
Employee benefits provisions	9.246	-	8.201	-	1.045
Other provisions	24.670	-	313	459	24.816
Long-term provisions	43.866	3.209	1.550	355	45.880
Provisions for bonds granted to customers	7.726	3.209	1.237	-	9.698
Provisions for decommissioning property, plant and equipment	16.466	-	-	-	16.466
Other provisions	19.674	-	313	355	19.716
Short-term provisions	41.242	5.169	17.181	231	29.461
Provisions for customer guarantees	27.000	5.169	8.980	127	23.316
Employee benefits provisions	9.246	-	8.201	-	1.045
Other provisions	4.996	-	-	104	5.100

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* includes provisions recognised for:

- covering risks specific to the aviation industry, such as the risk of hidden defects and the risk of quality incidents that may lead to damages.
- covering certain expenses related to the Company's obligations towards A.J.O.F.M., pursuant to the Government Emergency Ordinance (O.U.G.) no. 95/2002;

During the period January – June 2025, the company recorded expenses for the recognition of provisions in the amount of 8.965 thousand lei and income from the reversal/reduction of provisions in the amount of 18.732 thousand lei, resulting in net income from provision adjustments of 9.767 thousand lei.

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NOTE 14 – SUBSIDIES FOR INVESTMENT IN ASSETS

AEROSTAR recognizes subsidies related to assets as deferred income.

	30.06.2025	30.06.2024
Balance as at 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	(414)	(415)
Balance as at 30 June, of which:	1.138	1.965
Short-term	551	828
Long-term	587	1.137

The balance recorded as at 30 June 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 475 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 32 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 320 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 301 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 - TRADE LIABILITIES

	30 June 2025	31 December 2024
Prepaid amounts collected on customers' account, of which:	5.866	9.593
Customers with credit balances - Romania	18	19
Customers with credit balances - outside Romania	5.848	9.574
 Suppliers, of which:	 24.825	 49.653
Suppliers of materials and services - Romania	7.779	10.863
Suppliers of materials and services - outside Romania	12.717	30.561
Suppliers – invoices not arrived	2.891	6.024
Suppliers of non-current assets	1.438	2.205
 Total trade liabilities	 30.691	 59.246

Prepayments received from external customers are for aircraft maintenance and repair services (99,26%) and other services provided (0,74%).

No mortgages have been established for the reported liabilities.

Favourable or unfavourable foreign exchange differences between the exchange rate at which the foreign currency liabilities are recorded and the exchange rate published by the National Bank of Romania applicable for the closing of June 2025 have been recognized in the corresponding income or expense accounts.

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NOTE 16 - OTHER LIABILITIES

	30 June 2025	31 December 2024
Other current liabilities, of which:	21.021	14.523
• <i>Liabilities related to personnel and related accounts</i>	6.257	4.295
• <i>Liabilities related to social security budget and state budget, of which:</i>	8.080	6.828
– VAT payable	-	626
– social insurance	5.903	4.631
– work insurance contribution	368	287
– income tax on salaries	1.162	906
– contribution for unemployed people with disabilities	231	207
– other taxes	357	116
– other social liabilities	59	55
• <i>Other liabilities, of which:</i>	6.684	3.400
– dividends	5.038	3.125
– various creditors	519	252
– guarantees received	1.127	23
Other long-term liabilities	1.474	1.467

Within the category “Other long-term liabilities” is included the liability related to the right-of-use of the concessioned land for the MRO Hangar in Iași.

The dividends outstanding as at 30 June 2025, amounting to 5.038 thousand lei, represent the amounts remaining unpaid to shareholders who did not present themselves at the counters of the paying agent, CEC Bank SA (the paying agent appointed by AEROSTAR), and which have not become time-barred.

The Company has no outstanding liabilities to the state budget, the social security budget, or the local budgets.

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NOTE 17 - DEFERRED INCOME TAX

The deferred tax is determined based on temporary differences occurring between the tax base of the assets and liabilities and their accounting base. The deferred tax is calculated at a tax rate of 16% applicable to the temporary differences.

The Company has estimated and registered deferred tax liabilities related to fixed assets (arising from differences between accounting and tax values, differing useful lives, etc.) and provisions, and has recognized deferred tax assets related to investment securities (shares), inventories, and trade receivables that have been subject to impairment adjustments, warranties provisions granted to customers, and other provisions.

Structure of the deferred tax registered as at 30.06.2025:

Liabilities from deferred tax

1. Deferred tax liabilities generated from differences between higher accounting bases (higher) and the fiscal ones (lower) of non-current assets	778
2. Deferred tax liabilities related to legal reserves	1.559
3. Deferred tax liabilities related to reserves from the fiscal facility	26.025
4. Deferred tax liabilities related to retained earnings representing realised surplus from revaluation reserves	61
5. Deferred tax liabilities related to non-current financial assets-shares	1.445
Total deferred tax liabilities	29.868

Deferred Tax Assets

1. Deferred tax assets related to other provisions	369
2. Deferred tax assets related to provisions for warranties granted to customers	5.282
3. Deferred tax assets related to provisions for employee benefits	167
4. Deferred tax assets related to inventory impairment adjustments	13.635
5. Deferred tax assets related to impairment adjustments of trade receivables	237
Total Deferred Tax Assets	19.690

Balance – Net Deferred Tax Liabilities	10.178
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The Company did not recognize deferred tax assets related to other provisions for industry-specific aviation risks, as there is uncertainty regarding the tax deductibility of 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 considered nil.

During the period 1 January 2025 - 30 June 2025, the Company recognized deferred tax income in the amount of 3.047 thousand lei and deferred tax expense in the amount of 3.410 thousand lei, resulting in a net negative impact on financial performance of (363) thousand lei.

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NOTE 17 - DEFERRED INCOME TAX (continued)

Deferred income tax recognized in equity in the amount of 28.660 thousand lei comprises deferred tax liabilities in the amount of 29.029 thousand lei, as follows:

- deferred tax liabilities related to legal reserves: 1.559 thousand lei
- deferred tax liabilities related to tax incentive reserves: 26.025 thousand lei
- deferred tax liabilities related to equity investments – shares: 1.445 thousand lei;

and deferred tax assets in the amount of 369 thousand lei.

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NOTE 18 - FINANCIAL INSTRUMENTS

A financial instrument is any contract generating simultaneously a financial asset of one entity and a financial liability or an equity instrument of another entity.

Financial assets and financial 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;
- Evergent Investments S.A. shares (stock symbol: EVER);
- non-current receivables (guarantees lodged with third parties)

AEROSTAR's financial liabilities include:

- trade liabilities;

As at the reporting date, AEROSTAR has no 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

The credit risk is the risk that one party involved in a financial instrument will cause a financial loss to the other party by failing to fulfil a contractual obligation, related mainly to:

- sight and term deposits held with banks
- trade receivables;

Sight and term deposits are held exclusively with top-tier banking institutions (top 5 by assets level), with credit ratings that indicate the lowest level of risk.

In certain cases, specific trade credit risk mitigation instruments are required (advance payments, bank payment guarantees, and confirmed export letters of credit).

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

Credit Risk Exposure

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

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

	30.06.2025	30.06.2024
Sight and term deposits held with banks	290.528	236.925
Trade receivables, net of impairment adjustments	69.313	68.010
Non-current receivables	42	42
Total	359.883	304.977

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

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

	30.06.2025	30.06.2024
Domestic market	5.457	13.095
Eurozone countries	29.978	27.205
United Kingdom	19.565	18.002
Other European countries	3.017	3.281
Other regions	11.296	6.427
Total	69.313	68.010

Impairment adjustments

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

	Gross amount	Impairment adjustments	Gross amount	Impairment adjustments
	30.06.2025		30.06.2024	
In due time	68.377		67.237	
Past due, total, of which:	1.872		1.545	
1-30 days	41	20	-	-
31-60 days	740	370	778	389
61-90 days	681	341	541	271
91-120 days	410	205	-	-
Over 120 days	-	-	226	112
Total	70.249	936	68.782	772

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

	30.06.2025	30.06.2024
Balance as at January 1	110	267
Impairment adjustments recognized	1.515	780
Impairment adjustments reversed to income	(689)	(275)
Balance as at June 30	936	772

As of June 30, 2025, 97% of the balance of trade receivables as related to customers with a good payment history.

b) Liquidity Risk

Liquidity risk is the risk that AEROSTAR may encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash.

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

To assess liquidity risk, the treasury cash flows from operating, investments and financing activities are monitored and analysed on a weekly, monthly, quarterly, and annual basis to determine the estimated level of net liquidity modifications.

Additionally, specific liquidity indicators (current ratio, quick ratio, and overall solvency ratio) are analysed monthly and compared to budgeted levels.

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

Additionally, to reduce liquidity risk, AEROSTAR maintains an annual liquidity buffer through Credit Facility (available as an overdraft) granted by banks up to a limit of USD 2.500 thousand.

The time intervals used for analysing the contractual due dates of financial liabilities, in order to present 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
30.06.2025	Trade liabilities	21.934	(21.934)	(17.909)	(2.883)	(1.142)
30.06.2024	Trade liabilities	26.112	(26.112)	(21.300)	(4.554)	(258)

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

As at June 30, 2025, AEROSTAR had no overdue liabilities.

c) Foreign Currency Risk

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

Exposure to Foreign Currency Risk

AEROSTAR is exposed to foreign currency risk as 88% of the turnover recorded during the reporting period is denominated in USD and EUR, while a significant portion of its operating expenses is denominated in lei.

As a result, AEROSTAR is exposed to the risk that fluctuations in exchange rates may affect both its net income and its financial position as expressed in lei.

However, AEROSTAR has decided not to access currency hedging products (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 major currencies (USD, EUR).

The net exposure to foreign currency risk of financial assets and liabilities is presented below, based on the carrying amounts denominated in foreign currencies recorded at the end of the reporting period:

30.06.2025	k EUR	k USD	k GBP
Sight and term deposits held with banks	2.067	7.848	61
Trade receivables	2.425	11.896	-
Trade liabilities	(967)	(2.122)	(42)
Net exposure, in original currency	3.525	17.622	19

Sensitivity Analysis

Based on the net exposure presented in the table above, AEROSTAR is mainly exposed to foreign currency risk arising from fluctuations in the USD/LEU and EUR/LEU exchange rates.

Taking into account the evolution of the USD/LEU and EUR/LEU exchange rates in recent years, a high volatility of $\pm 10\%$ has been observed for the USD/LEU rate and a low volatility of $\pm 2\%$ for the EUR/LEU rate. Accordingly, a reasonably possible variation of $\pm 10\%$ for USD/LEU and $\pm 2\%$ for EUR/LEU as at the reporting date has been considered.

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NOTE 18 - FINANCIAL INSTRUMENTS (continued)

The effect of the reasonably possible variation in the EUR/LEU and USD/LEU exchange rates on AEROSTAR's financial result is presented in the following table:

30.06.2025	EUR/LEU	USD/LEU
Net exposure, in original currency	3.525 k EUR	17.622 k USD
Exchange rate	5,0777	4,3329
Net exposure, in functional currency	17.899 k LEI	76.354 k LEI
Reasonably possible variation in exchange rate	+/- 2%	+/- 10%
Effect of the variation on financial result	+/- 358 k LEI	+/- 7.635 k LEI

d) Interest Rate Risk

During the reporting period, AEROSTAR had access to a multi-product Credit Facility totalling USD 7.000 thousand, intended to finance operating activities, consisting of:

- USD 2.500 thousand available as an overdraft,
- maximum USD 7.000 thousand available for issuing guarantee instruments (bank guarantees and import letters of credit), provided the overdraft facility is not utilized.

Bank interest is charged only on the overdraft.

Since the overdraft facility was not utilized during the reporting period, revenues and cash flows are not affected by fluctuations in market interest rates.

As at June 30, 2025, the level of guarantees granted under commercial contracts through bank guarantees and import letters of credit amounts to 11.785 thousand lei (equivalent to USD 2.720 thousand).

As at June 30, 2025, no mortgages have been 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 will fluctuate due to changes in market prices.

The maximum exposure to market risk at the reporting date is presented in the following table:

	30.06.2025	30.06.2024
Evergent Investments S.A. Shares	45.703	59.139

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NOTE 19 - OPERATING INCOME

	30 June 2025	30 June 2024
Income from sales, of which:	314.564	292.833
Income from product sales	169.919	159.295
Income from services rendered	142.340	131.779
Income from goods sales	271	10
Rental income	1.584	1.397
Trade discounts granted		(28)
Income from other activities	450	380
Income related to inventories of finished goods and work in progress	3.642	22.024
Income from production of property, plant and equipment	780	512
Income from operating subsidies	306	48
Income from investment subsidies	414	414
Other operating income	242	562
Total operating income	319.948	316.393

During the first six months of 2025, the company recognized operating subsidies income in the amount of 306 thousand lei. The majority of these amounts were granted for the permanent employment of graduates from educational institutions, in accordance with Law no. 76/2002 on the unemployment insurance system and the stimulation of employment.

Other operating income in the amount of 242 thousand lei includes, among others, income from the recovery of debts from former employees (tuition expenses and other receivables), income from compensation and recovered fees, as well as income from the sale of goods proposed for scrapping, which were recoverable and sold to individuals.

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NOTE 20 – OPERATING EXPENSES

	30 June 2025	30 June 2024
Employee benefits expenses, of which:	102.803	96.618
Salaries and allowances	90.168	84.634
Expenses for vouchers granted to employees	7.132	7.114
Expenses related to insurance and social protection	5.503	4.870
Expenses with raw material and other materials	117.405	116.283
Energy, water, and gas	7.782	7.570
Other material expenses, including:	8.327	7.392
Expenses for non-inventory materials	562	850
Expenses related to goods	345	6
Packaging expenses	327	394
Expenses for other materials	7.093	6.142
External service expenses, including:	20.530	26.429
Repairs	7.407	9.539
Transportation costs	2.301	5.545
Commissions and fees	1.220	1.312
Travel and secondments	621	511
Royalties and rent expenses	434	450
Other expenses for services provided by third parties	8.547	9.072
Trade discounts received	(304)	(60)
Depreciation	14.732	13.242
Net expenses (income) from adjustments for provisions	(9.767)	(4.368)
Net expenses (income) from adjustments for current assets	7.641	7.898
Other operating expenses	2.839	3.016
Total operating expenses:	271.988	274.020

In accordance with the provisions of the International Financial Reporting Standards and the Accounting Policies Manual, the company recognises adjustments for provisions (Note 13), as well as adjustments for the impairment of current assets, namely inventories, work in progress, and trade receivables (Notes 8, 9, and 10).

In the first six months of 2025, the company granted meal vouchers to employees amounting to 7.132 thousand lei.

The category “Other operating expenses”, totalling 2.839 thousand lei, includes, among others : local taxes and duties, sponsorships, scholarships granted to students enrolled in dual education programs, and environmental protection expenses.

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NOTE 20 – OPERATING EXPENSES (continued)

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

	30 June 2025	30 June 2024
Adjustments to provisions		
Increases/recognitions	8.965	9.890
Decreases/reversals	(18.732)	(14.258)
Net expenses/(income) from provision adjustments	(9.767)	(4.368)

In the first six months of 2025, the impact of adjustments to provisions resulted in a decrease in operating expenses amounting to 9.767 thousand lei.

	30 June 2025	30 June 2024
Adjustments for impairment of current assets		
Increases/recognitions of adjustments		
Adjustments for inventory impairment	12.029	10.722
Adjustments for receivables impairment	1.578	833
Total increases/recognitions of adjustments	13.607	11.555
Decreases/reversals of adjustments		
Adjustments for inventory impairment	(5.266)	(3.321)
Adjustments for receivables impairment	(700)	(336)
Total decreases / reversals of adjustments	(5.966)	(3.657)
Net expenses / (income) from adjustments related to impairment of current assets	7.641	7.898

In the first six months of 2025, the impact of adjustments related to impairment of current assets resulted in an increase in operating expenses amounting to 7.641 thousand lei.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 21 - FINANCIAL INCOME

	30 June 2025	30 June 2024
Foreign exchange gains	4.379	3.761
Interest income	6.531	5.787
Income from shares held in subsidiaries	585	517
Income related to financial assets measured at fair value	3.321	3.802
Total financial income	14.816	13.867

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

Income related to financial assets measured at fair value represents dividends from holdings of equity instruments in Evergent Investments S.A.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 22 - FINANCIAL EXPENSES

	30 June 2025	30 June 2024
Foreign exchange losses	9.460	1.826
Interest expenses related to lease contracts	29	30
Total financial expenses	9.489	1.856

In 2025, the company recorded the following items under finance costs:

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 23 - INCOME TAX

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

Income tax represents the tax payable on the profit earned during the current period, determined based on the tax regulations applicable at the reporting date.

The applicable income tax rate as of 30.06.2025, was 16% (the same rate applied for the 2024 financial year).

	<u>30 June 2025</u>	<u>30 June 2024</u>
Gross accounting profit	53.287	54.384
Current income tax expenses	6.776	7.661
Income tax related to the gain from the sale of held securities	46	82

Reconciliation of accounting profit to taxable profit as of June 30, 2025				Differences
Accounting revenues	334.763	Taxable revenues	306.600	-28.163
Accounting expenses	281.476	Tax-deductible expenses	257.157	-24.319
Accounting gross profit	53.287	Taxable profit	49.443	-3.844
Accounting tax (16%)	8.526	Income tax (16%)	7.911	-615
Tax deductions	-	<i>Tax deductions, of which:</i>	1.089	+1.089
		• related to investments made according to Art. 22 of the Fiscal Code	1.018	+1.018
		• sponsorships	71	+71
Final income tax	8.526	Final income tax	6.822	-1.704
Applicable legal rate	16,00%	Applicable legal rate	16,00%	
Average effective tax rate, calculated on accounting gross profit		12,80 %		

Comparative Figures

30 June 2024

Accounting gross profit	54.384
Current income tax expense	7.661
Income tax related to gain from sale of held securities	82

Reconciliation of accounting profit to taxable profit as at 30 June 2024				Differences
Accounting revenues	330.260	Taxable revenues	308.732	-21.528
Accounting expenses	275.876	Tax-deductible expenses	253.132	-22.744
Accounting gross profit	54.384	Taxable profit	55.600	+1.216
Accounting tax (16%)	8.701	Income tax (16%)	8.896	+195
Tax deductions	-	<i>Tax deductions, of which:</i>	1.153	+1.153
		• related to investments made according to Art. 22 of the Fiscal Code	952	+952
		• sponsorships	201	+201
Final income tax	8.701	Final income tax	7.743	-958
Applicable legal rate	16,00%	Applicable legal rate	16,00%	
Average effective tax rate, calculated on accounting gross profit		14,24 %		

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 23 - INCOME TAX (continued)

Main factors affecting the effective tax rate:

- tax facilities, representing the corporate income tax exemption related to investments made in accordance with Article 22 of the Fiscal Code, and sponsorship expenses.
- non-deductible expenses for tax purposes (such as expenses related to the setting up or increase of provisions and value adjustments for current assets that are not tax-deductible, accounting depreciation that is not tax-deductible, etc).
- non-taxable income resulting from the recovery of non-deductible expenses.

As of 30.06.2025, the Company recorded a current income tax liability of 3.032 thousand lei, related to the second quarter of 2025.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 24 - EARNINGS 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 are equal to the basic earnings per share, as the Company did not record any potential ordinary shares.

IN LEI	<u>30.06.2025</u>	<u>30.06.2024</u>
Profit attributable to ordinary shareholders	46.147.380	47.357.242
Number of ordinary shares	152.277.450	152.277.450
	<hr/>	<hr/>
Earnings per Share	<u>0,303</u>	<u>0,311</u>

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 25 - AVERAGE NUMBER OF EMPLOYEES

Average number of employees	S1 2025	S1 2024
Own employees	1.690	1.696

Employee headcount	30.06.2025	30.06.2024
Own employees	1.722	1.721

As at June 30, 2025, total employee headcount within the Company was 1.825 employees, of which 1.722 were own employees and 103 were temporary workers hired through a labour agency.

Asat June 30, 2024, the total headcount was 1.844 employees, of which 1.721 were own employees, and 123 were temporary workers hired through a labour agency.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 26 - TRANSACTIONS WITH RELATED PARTIES

Acquisitions of goods and services	S1 2025	S1 2024
Airpro Consult SRL Bacău	6.870	6.079
Foar SRL Bacău	129	201
TOTAL	6.999	6.280
Sales of goods and services	S1 2025	S1 2024
Airpro Consult SRL Bacău	-	-
Foar SRL Bacău	1	1
TOTAL	1	1
Liabilities	Balance as at 30.06.2025	Balance as at 30.06.2024
Airpro Consult SRL Bacău	1.020	1.121
Foar SRL Bacău	17	31
TOTAL	1.037	1.152
Dividends received by Aerostar	S1 2025	S1 2024
Airpro Consult SRL Bacău	521	456
Foar SRL Bacău	-	-
TOTAL	521	456

Transactions with related parties during the period 01.01.2025 – 30.06.2025 consisted of:

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 27 - INFORMATION REGARDING THE CASH FLOW

The method used for presenting the Cash Flow Statement is the direct method.

The Cash Flow Statement presents cash and cash equivalents flows classified by operating, investing, and financing activities, thus highlighting how AEROSTAR generates and uses cash and cash equivalents.

In the context of preparing the Cash Flow Statement:

- cash flows represent cash and cash equivalent receipts and payments;
- 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

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 payments and receipts).

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

Summary of cash flows for the First Semester of 2025 is presented in the table below:

Cash Flows	Value (thousand lei)	%
Total receipts, of which:	354.744	100%
Receipts from operating activities	343.391	97%
Receipts from investing activities	11.353	3%
Receipts from financing activities	-	0%
Total payments, of which:	(321.624)	100%
Payments from operating activities	(280.450)	87%
Payments from investing activities	(6.716)	2%
Payments from financing activities	(34.458)	11%
Net increase in cash and cash equivalents	33.120	
Cash and cash equivalents at the end of the period	290.590	

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

- cash receipts from customers amounted to 341.316 thousand lei;
- cash receipts from the State Budget totalled 2.075 thousand lei, of which 1.782 thousand lei represented recoveries of VAT, excise duties, and other social receivables, and 293 thousand lei were operating subsidies;
- payments to suppliers and employees amounted to 233.400 thousand lei, of which 172.494 thousand lei were payments to suppliers, and 60.906 thousand lei were salary payments to employees;

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 27 - INFORMATION REGARDING THE CASH FLOW (continued)

- payments of taxes and duties to the State Budget amounted to 47.050 thousand lei, of which 39.184 thousand lei were salary-related taxes and contributions, 3.965 thousand lei income tax, 1.611 thousand lei VAT, and 2.290 thousand lei local taxes and duties.

The operating activity generated a net cash of 62.941 thousand lei, representing an increase of 41.426 thousand lei compared to the same period of the previous year.

Investing activity includes:

- interest income from bank deposits amounting to 6.169 thousand lei;
- dividends received from Evergent Investments S.A. amounting to 2.989 thousand lei;
- proceeds from the sale of Evergent shares (stock ticker: EVER) totalling 1.674 thousand lei
The purchased shares are held both for the purpose of collecting dividends and for gains from their sale.
In the first semester, the sale of EVER shares generated a gross gain of 284 thousand lei.
- dividends received from affiliated entities (Airpro Consult SRL, Foar SRL) totalling 521 thousand lei;
- payments for the acquisition of tangible and intangible fixed assets amounting to 6.611 thousand lei.
- payments for the acquisition of financial assets (Evergent shares) amounting to 105 thousand lei.

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

Within financing activity, an amount of 34.458 thousand lei was paid, representing dividends due to AEROSTAR's shareholders.

The level of cash and cash equivalents as of 30.06.2025 was 290.590 thousand lei, representing an increase of 30.187 thousand lei compared to the beginning of the year.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 28 - CONTINGENT LIABILITIES AND OTHER OFF-BALANCE SHEET ITEMS

AEROSTAR S.A. records off-balance sheet items representing rights, obligations, and assets that are not recognized among the company's assets and liabilities, namely:

	30 June 2025	31 December 2024
• Contingent liabilities:		
○ Guarantees issued to partners, in the form of bank guarantees and letters of credit	1.145	1.246
○ Guarantees received from partners, in the form of bank guarantees and letters of credit	13.198	46.866
○ Mortgage guarantee received	500	500
• Goods, including:		
○ Inventories of other materials in use (tools, jigs, fixtures, protective equipment, measuring and control equipment, technical library, etc.)	54.277	51.095
○ Materials received in custody	2.237	3.468
○ Finished goods received in custody	2	2
○ Customer-supplied materials	41	41
○ Tangible and intangible fixed assets – acquired or purchased as a result of co-financed activities	539	554
○ Products received for processing/repair	11.567	21.132
○ Materials received for processing/repair	4.500	4.420
○ Underlying assets related to concession contracts – Iași Hangar	2.542	2.490
○ Fixed assets proposed for disposal	173	448
• Other off-balance sheet items, including:		
○ Material guarantees established to ensure liability of custodians for asset management	252	244
○ Commitments for covering obligations to the A.J.O.F.M., based on Report No. 9624/12.12.2011	2.303	2.616
○ Debtors written off but still under collection	218	218
○ Creditors	14	14
○ De minimis aid for participation in trade fairs and exhibitions	787	787
• Greenhouse gas emission certificates	2.248	3.346

As at 30 June 2025, AEROSTAR S.A. held 6.512 greenhouse gas emission certificates (GHG certificates).

The market price on the last trading day for one GHG certificate was EUR 68,00, according to the European Energy Exchange website (compared to EUR 66.96 in December 2024), based on a revaluation exchange rate of 5,0777 LEI/EUR.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 29 - DIRECTORS' REMUNERATION

The Board of Directors of AEROSTAR S.A. as of 30.06.2025:

	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 advances or loans to members of the Board of Directors, nor did it assume any commitments on their behalf in the form of guarantees of any kind.

At the Ordinary General Meeting held on December 12, 2024, Aerostar shareholders approved:

- Setting the directors' indemnity for the financial year 2025 at a fixed net amount of 5.000 lei per month;
- For the mandate period starting on July 11, 2024, the indemnity of directors who also hold specific executive positions shall consist of the fixed remuneration plus an additional fixed net monthly remuneration of up to (and including) ten (10) times the remuneration granted to a member of the Board of Directors.

The total gross amount of indemnities granted to the members of the Board of Directors and the executive management during the period January–June 2025, pursuant to the resolutions of the General Meeting of Shareholders and in accordance with their responsibilities, amounted to 959 thousand lei.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 30 JUNE 2025
(unless specified otherwise, all amounts are stated in thousands of lei)

NOTE 30 - RISK MANAGEMENT

AEROSTAR is exposed to a wide range of risks and uncertainties that may affect its financial performance. The business lines operated by AEROSTAR, its operational results, or financial position could be impacted by the materialization of the risks described below.

AEROSTAR aims to secure the medium- and long-term sustainability of its operations and to reduce the uncertainty associated with its strategic and financial objectives.

The risk management processes carried out ensure the identification, analysis, evaluation, and management of risks in order to minimize their effects to an acceptable level.

However, there may be additional risks and uncertainties beyond those described below, which are currently unknown or considered insignificant, but which could, in the future, affect AEROSTAR's business lines.

Operational Risk

Operational risk refers to the risk of incurring losses or failing to achieve estimated sales and profits, arising from:

- the use of inadequate processes, systems, or human resources, or their failure to properly fulfil their functions;
- external events and actions, such as the deterioration of global economic conditions, natural disasters, or other occurrences that may affect AEROSTAR's assets.

Amid ongoing global political unrest, the potential for new categories of risk is increasing. AEROSTAR is proactively observing critical conflict regions to assess any developments that could impact its operations or assets.

Legal Risk is also considered a component of Operational Risk, defined as the risk of loss resulting both from fines, penalties, and sanctions that AEROSTAR may incur due to non-compliance or improper application of legal or contractual provisions, as well as from improperly defined contractual rights and obligations of AEROSTAR and/or its business partners.

Monitoring and mitigating the effects of legal risk are carried out through a permanent system for tracking legislative changes, as well as through the implementation of a structured process for reviewing, endorsing, and approving the terms and conditions included in commercial contracts.

AEROSTAR allocates and will continue to allocate funds for investments and other operational expenses aimed at preventing and managing operational risk.

In addition, AEROSTAR seeks to maintain internal funding to cover its exposure to risks by establishing provisions for such risks and related expenses.

Furthermore, to mitigate operational risk, AEROSTAR annually renews, with top-tier insurance and reinsurance companies, a civil liability insurance policy covering its main lines of business (aerospace product manufacturing and commercial aircraft maintenance).

Credit risk refers to the risk that AEROSTAR may incur a financial loss due to a business partner's failure to meet contractual obligations, and is mainly determined by sight and term deposits held with banks and trade receivables.

Deposits are placed only with top-tier banking institutions (top 5 by asset size), which are considered to have high solvency.

Credit risk, including the country risk associated with the client's operating location, is managed individually for each business partner. When considered necessary, specific instruments are

AEROSTAR S.A. BACĂU
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NOTE 30 - RISK MANAGEMENT(continued)

requested to mitigate credit risk (such as advance payments, bank payment guarantees, or confirmed export letters of credit).

AEROSTAR does not have significant exposure to any single business partner and does not record a significant concentration of revenue in any single geographic region.

However, there is some exposure to the global Airbus program market, as a large proportion of the company's products are integrated into Airbus aircraft.

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

Liquidity risk refers to the risk that AEROSTAR may encounter difficulties in meeting its debt obligations as they become due.

To manage liquidity risk, cash flows are monitored and analysed on a weekly, monthly, quarterly, and annual basis to assess the estimated level of net liquidity changes. This analysis forms the basis for financing decisions and capital commitments.

To mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a credit line structured as an overdraft facility granted by banks, amounting to USD 2.500 thousand.

During the reporting period, AEROSTAR did not utilize this credit line, as all operations were financed from internal resources.

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

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

AEROSTAR is primarily exposed to price risk, driven by fluctuations in the prices of raw materials and supplies used in the production processes, caused by exceptional events, the imposition of international sanctions that limit the ability to secure parts and materials, or increased costs related to specific import/export tariffs for metal products to and from the United States.

This risk is managed through:

- diversification of the supplier portfolio, which provides greater negotiation leverage in the event of price increases from certain suppliers.
- signing long-term contracts that include fixed-price clauses.

AEROSTAR is exposed to foreign exchange risk, as 88% of its revenue is denominated in USD and EUR, while a significant portion of its operating expenses is in LEI. Consequently, the company is exposed to the risk that exchange rate fluctuations may impact both its net income and financial position as reported in LEI.

AEROSTAR has opted not to engage in foreign exchange hedging instruments (such as options or forward contracts), due to their relatively high upfront costs and the potential opportunity loss in the event of a RON depreciation against major currencies (USD, EUR).

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

As for interest rate risk, since AEROSTAR did not use the contracted Credit Line during the reporting period, its revenues and cash flows were not impacted by fluctuations in market interest rates.

Other aspects related to risk management are presented in the chapter "RISK AND OPPORTUNITY MANAGEMENT" within the Report of the Board of Directors.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 31 - PREPAID EXPENSES AND DEFERRED INCOME

	30 June 2025	31 December 2024
Short-term prepaid expenses	1.738	1.049
Short-term deferred income	1.355	3.448

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

As at 30 June 2025, **prepaid expenses** included amounts to be carried forward for up to one year, representing, among others: taxes and duties, subscriptions, insurance premiums, commissions, participation in trade fairs and conferences, online services, and IT system maintenance.

As at 30 June 2025, Aerostar did not recognize any **long-term deferred income**. The **short-term deferred income** category includes the value of goods delivered and services provided for which the income recognition criteria under IFRS 15 have not yet been met (i.e., control over the goods/services has not yet been transferred to the customer).

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 32 - RIGHT-OF-USE ASSETS UNDER LEASES:

Reporting period 30 June 2025

	Values as at 30 June 2025			Values as at 01 January 2025		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Right-of-use asset for the MRO hangar land in Iași	1.992	(256)	1.736	1.959	(236)	1.723
Total	1.992	(256)	1.736	1.959	(236)	1.723

Net book value as at 30.06.2025:

	Net value as at 1 January 2025	Revaluations S1 2025	Depreciation during the period	Net value as at 30 June 2025
Right-of-use asset for the MRO hangar land in Iași	1.723	33	(20)	1.736

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

NOTE 32 - RIGHT-OF-USE ASSETS UNDER LEASES (continued)

COMPARATIVE FIGURES - RIGHT-OF-USE ASSETS UNDER LEASES

Reporting period 30 June 2024

	Values as at 30 June 2024			Values as at 01 January 2024		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Right-of-use asset for the MRO hangar land in Iași	1.937	(215)	1.722	1.940	(194)	1.746
Total	1.937	(215)	1.722	1.940	(194)	1.746

Net book value as at 30.06.2024:

	Net value as at 1 January 2024	Revaluations S1 2024	Depreciation during the period	Net value as at 30 June 2024
Right-of-use asset for the MRO hangar land in Iași	1.746	(4)	(20)	1.722

The right of use 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.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 33 - SIGNIFICANT EVENT DURING THE REPORTING PERIOD

As at May 13, 2025, Aerostar informed the company's shareholders, through a **press release**, about the details of the dividend payments due to shareholders, distributed from the 2024 profit, namely:

- a) the gross dividend per share is 0,24 lei, from which dividend tax will be deducted at the rates stipulated by the legislation in force on the payment date; the costs related to the payment shall be borne by the net dividend amount;
- b) the „ex-date” has been set for May 14, 2025, according to the Ordinary General Meeting of Shareholders (O.G.M.S.) held on April 24, 2025.
- c) the shareholders entitled to receive dividends distributed from the net profit of the 2024 financial year are those registered in the consolidated shareholders' register as at May 15, 2025 – the Record Date (approved by the O.G.M.S. dated April 24, 2025);
- d) the dividends distributed from the profit generated in the 2024 financial year **were paid to the shareholders starting on 5 June 2025.**

EVENTS AFTER THE REPORTING PERIOD

The individual financial statements as at June 30, 2025, 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 explanatory notes to the financial statements, will be approved by the Board of Directors on August 13, 2025, and will be signed on its behalf by:

2025 Financial Calendar – the next event will take place on:

Presentation of the financial results as at September 30, 2025	07.11.2025
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Chief Executive Officer,
Alexandru Filip

Financial Director,
Doru Damaschin



AEROSTAR S.A.

9, Condorilor's Street, Bacău 600302; EUID Code: ROONRC.J1991001137040 -R.C.Bacău;
Unique Registration Code: RO 950531; Share capital: 48.728.784 lei
Tel.+40 234575070; Fax +40 234572023 / +40 234572259
e-mail: aerostar@aerostar.ro; website: www.aerostar.ro

DECLARATION

The undersigned **ALEXANDRU FILIP**, acting as General Director of AEROSTAR S.A. and **DORU DAMASCHIN**, as Financial Director of AEROSTAR S.A., assume responsibility for the preparation of the individual financial statements as of 30.06.2025 and confirm that:

- a) The financial and accounting statement for the first semester of 2025, which was prepared according to the applicable accounting regulations, provides a fair and consistent view of the assets, liabilities, financial position, profit and loss account of Aerostar S.A. Bacău;
- b) The Report of the Board of Directors on the first semester of 2025, prepared according to the provisions of the Regulation no. 5/ 2018 issued by the Financial Supervisory Authority – ANNEX no. 14, presents correctly and completely the information regarding Aerostar S.A. Bacău.

GENERAL DIRECTOR,

ALEXANDRU FILIP

FINANCIAL DIRECTOR,

DORU DAMASCHIN





Auditeval Consulting s.r.l.

SIMTEX-OC
ISO 9001 REGISTERED C. 3264.1

Bacău, Str. Vadul Bistriței 29/C/4 Mobil: 0744 / 381.993 E-mail: dascalumarc@gmail.com
Nr. Înregistrare Registrul Comerțului J04/1836/2008 CUI: RO 24600940 Capital social: 200 lei
Intesa Sanpaolo România sucursala Bacău RO64 WBAN 0204 1V03 7508 R001
TREZORERIA BACĂU RO84 TREZ 0615 069X XX00 5679

REVIEW REPORT

To the shareholders of AEROSTAR SA

Introduction

1. I reviewed the attached interim financial statements of **AEROSTAR S.A. Bacău** ("the Company"), with headquarters in Bacău, no. 9, Condorilor Street which include the interim statement of the financial position as of 30.06.2025, the individual statement of the profit and loss account and comprehensive income, the individual statement of changes in equity and the individual statement of cash flows for the six-month period ended at this date, as well as a summary of significant accounting policies and other explanatory notes.

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

2. The Company's management is responsible for the preparation and faithful presentation of these interim financial statements in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, with subsequent amendments ("OMFP 2844/2016") and IAS 34 - "Interim financial reporting", and for a certain level of internal control that the management considers relevant for preparation and presentation of interim financial statements that do not contain significant distortions due to either fraud or error.

Auditor's responsibility

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

Scope of the review

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

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

Conclusions

5. Based on the review carried out, nothing has come to our attention that would make us believe that the attached interim individual financial statements of AEROSTAR S.A. on 30.06.2025, are not drawn up, in all significant aspects, in accordance with OMFP no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, with subsequent amendments.

Other aspects

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

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

Bacău, August 11, 2025

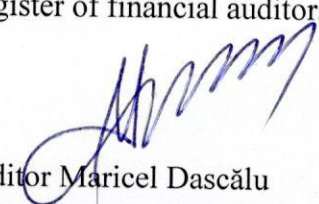
In the name of AUDITEVAL CONSULTING SRL

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


Through

Audit partner: financial auditor Maricel Dascălu

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



Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS) Firma de Audit: Societatea AUDITEVAL CONSULTING S.R.L. Registrul Public Electronic: FA865



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