



BOARD OF DIRECTORS REPORT

January 1st - March 31st 2026

9 Condorilor Street,
Bacau 600302, Romania

Web www.aerostar.ro

e-mail: aerostar@aerostar.ro

Telephone/fax:
+40 234 575070/ +40 234 572023

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GENERAL INFORMATION

Aerostar S.A. has had the successive names URA-1953, IRAv (Aircraft Repair Enterprise) - 1970, IAv (Aircraft Enterprise) - 1978, and has been operating under its current name, AEROSTAR S.A., since 1991, when it was registered as a joint-stock company, wholly state-owned, at the Bacău Trade Register.

AEROSTAR's quarterly report was prepared in accordance with the reporting regulations in force to provide additional information about the company to all stakeholders and the progress it has made in its corporate processes.

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

Since January 2018, AEROSTAR has registered a secondary registered office and branch within the perimeter of the Iași International Airport. In 2023 a second secondary registered office and branch was opened in the Municipality of Fetești;

The Company's European Unique Identifier (EUID) is

ROONRC.J1991001137040, and its Legal Entity Identifier (RON code) is 315700G9KRN3B7XDDB73;

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

Subscribed and paid-up share capital: 48.728.784 RON;

Applicable accounting standards: The company financial statements 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 amended and supplemented, and are presented in accordance with the requirements of IAS 1 and Order 2844/2016 approving the Accounting Regulations compliant with IFRS (International Financial Reporting Standards).

The basis of preparation and presentation of the financial statements is detailed in Note 3.

The Company financial statements prepared for the First Quarter of 2026 are not accompanied by the independent financial auditor's report. These were audited by The Company's internal auditor;

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

Reporting period 1 January - 31 March 2026.

1. AEROSTAR S.A. PERFORMANCE IN KEY FIGURES

	MU	Q1 2026	Q1 2025
Share capital	k RON	48.729	48.729
Turnover	k RON	194.867	168.822
<ul style="list-style-type: none"> • export sales • export share in turnover 	k RON %	170.861 88%	146.834 87%
Employee headcount	no.	1.885	1.872
Gross profit (before tax)	k RON	48.397	24.593
Net profit	k RON	41.142	21.057
Investment expenditure from own sources	k RON	3.707	2.820

2. ECONOMIC AND FINANCIAL INDICATORS

Indicators	Q1 2026	Q1 2025
Net profit margin (to total revenue)	20,84%	12,99%
Cash and cash equivalents	356.066 k RON	297.889 k RON
Net treasury	180.428 k RON	115.627 k RON
Indebtedness ratio	0	0
Current ratio	8,49	7,60
Receivables turnover - customers	57 days	54 days
Non-current assets turnover	0,83	0,81

The net profit margin (to total revenue) in Q1 2026 was 20,84% compared to 12,99% in Q1 2025. This was primarily influenced by the 15,43% increase in turnover, as well as by the changes in inventories of finished goods and work in progress, which resulted in a 20,59% increase in operating revenue.

Cash and cash equivalents increased by 19,53% compared to the same period of the previous year, while the net treasury indicator increased by 56,04%.

The indebtedness ratio stands at 0, as the Company finances its operations solely through equity.

The current ratio reached 8,49, an increase from 7,60 in Q1 2025. This evolution is attributable to the growth in current assets coupled with a decrease in current liabilities compared to Q1 2025.

The receivables turnover - customers indicator (average collection period for trade receivables) was 57 days compared to 54 days in Q1 2025.

The non-current assets turnover indicator was 0,83, representing a slight increase compared to Q1 2025.

The Company's net profit recorded a significant increase in the first quarter of 2026, from 21.057 k RON to 41.142 k RON, an evolution supported by both the operational performance and the financial activity result.

Within the civil aviation manufacturing business line, turnover recorded an advance of 25%, supported by a production growth rate that outperformed cost dynamics, especially regarding indirect costs. Furthermore, the optimisation of commercial terms contributed to improved margins.

The Civil Aviation MRO business line recorded a revenue increase of approximately 15%, driven by improved operational efficiency and a favourable work mix during the reporting period, characterised by MRO packages of higher complexity and added value compared to the first quarter of 2025.

The financial result contributed 6.951 k RON to the profit for the period, primarily due to favourable exchange rate differences. This evolution contrasts with the first quarter of 2025, when the Company recorded unfavourable exchange differences generated by the accelerated depreciation of the US dollar against the Romanian leu.

Despite market challenges, The Company has maintained a high level of performance across its economic and financial indicators.

3. MAIN ASPECTS IN THE FIRST QUARTER OF 2026

In the period 1 January - 31 March 2026, the following main events took place:

FEBRUARY

Publication of the preliminary financial results for the year 2025.

MARCH

AEROSTAR finalised the annual negotiations between the Administration of The Company AEROSTAR S.A. and the Employees' Commission. The negotiated package comprises a salary increase fund of **10,5%** which includes:

- Salary increases through indexation of **6,6%**;
- Individual negotiations fund of **3%**;
- An increase in the value of meal vouchers from 40 RON to 45 RON;

In addition, the increase in the value of holiday vouchers from 550 RON to 600 RON was also agreed. The provisions of the new Collective Labour Agreement will apply starting with the salary rights for the month of April 2026.

4. POST-REPORTING DATE EVENTS

APRIL

AEROSTAR S.A. celebrated 73 years of Continuous Activity on 17 April!

On **17 April**, the second edition of the “Investor Day” took place, an edition attended by investors and analysts, the press, members of the Board of Directors, the executive management and the operational executive management.

On **22 April**, the **General Meeting of Shareholders** was held for the approval of the annual financial results for 2025. At the Ordinary General Meeting, the shareholders of AEROSTAR approved the following:

- The Board of Directors’ Report and the financial statements for 2025;
- The auditor’s report on the audit of the financial statements;
- Discharge from liability of the members of the Board of Directors and executive management;
- Allocation of the net profit for the 2025 financial year, amounting to **98.037.044,52 RON** as follows:

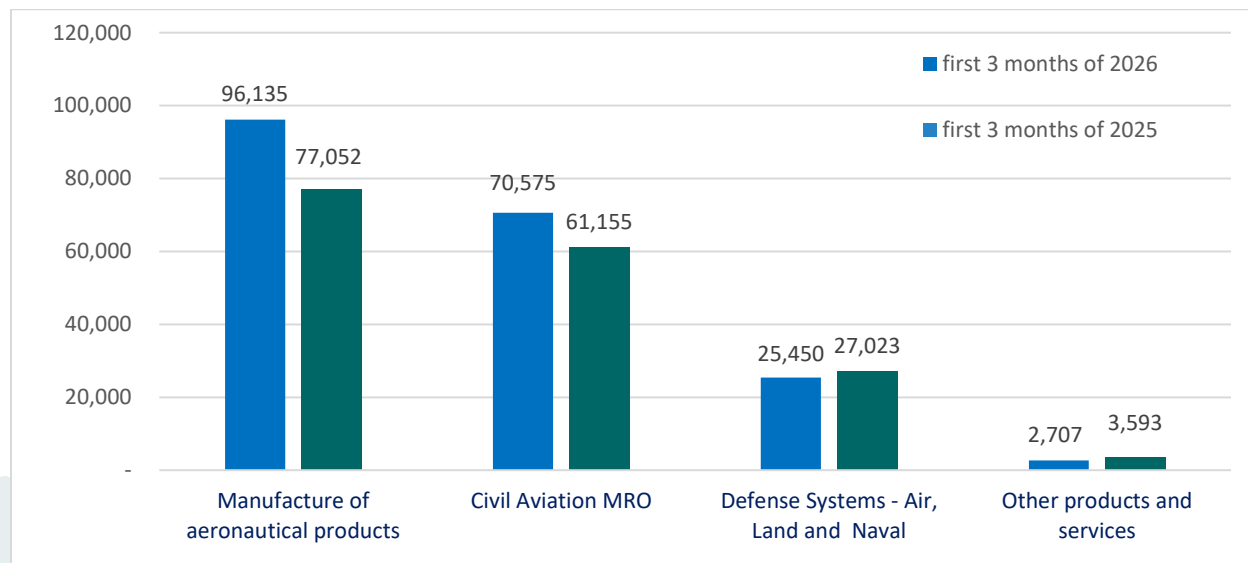
allocations of reinvested profit to the legal reserve	9.734.591,88 lei
allocations of profit to reserves	35.005.345,14 lei
distribution as dividends	53.297.107,50 lei

- Gross dividend per share 0,35 RON;
- The payment date for the dividends related to the 2025 financial year is 5 June 2026.

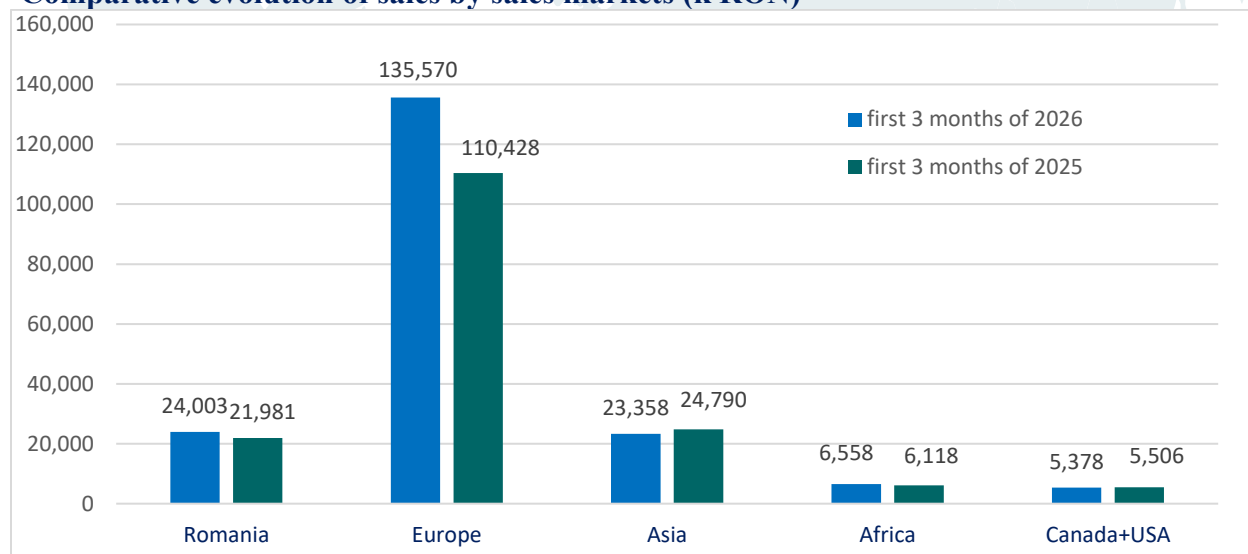
5. SALES

Out of the turnover of 194.867 k RON achieved in the first 3 months of 2026, the Company sold products and services worth 24.006 k RON on the domestic market, and 170.861 k RON on the foreign market.

Comparative evolution of sales by business lines (k RON)



Comparative evolution of sales by sales markets (k RON)



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

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

6. BUSINESS MODEL AND LINES

AEROSTAR's business model is built on a robust framework, oriented towards performance and professionalism. The Company's activities are structured around directions that generate long-term value and support the organisation's resilience in a competitive global environment. The management has adopted an ambitious strategy and an integrated business model, based on a process-systemic approach and risk-based thinking.

A focal point in AEROSTAR's business is the increase of performance through continuous improvement and the professional development of employees in the spirit of integrity, innovation, and initiative. AEROSTAR focuses on meeting the requirements and expectations of its customers, acting for continuous improvement at all levels.

AEROSTAR operates through three business lines:

In the civil aviation sector, the Company has a consolidated role in the global supply chain, through the production and delivery of aerostructures, landing gears, components and assemblies manufactured in compliance with international quality, safety, and performance standards. AEROSTAR is authorised to perform maintenance work on Boeing 737 aircraft (all series) and Airbus A320 aircraft (ceo & neo), as well as maintenance of certain components related to these platforms.

In the defence sector, the Company has a strategic role, being: Maintenance Centre for the F-16 aircraft of the Romanian Air Force, Maintenance Centre for the Black Hawk helicopters of the Ministry of Internal Affairs and Maintenance Centre for the rocket launcher systems used by the Ministry of National Defence.

AEROSTAR BUSINESS LINES

MANUFACTURE OF AERONAUTICAL PRODUCTS

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

By constantly adapting to the new market requirements regarding the new production structure, as well as to the new quality and environmental protection standards, AEROSTAR maintains its position as a leading manufacturer of aeronautical products in Romania and strengthens its position in the supply chain of major global companies in the aviation and aerospace sectors.

CIVIL AVIATION MRO

AEROSTAR has a significant footprint in terms of turnover in the Civil Aviation MRO sector, being an independent provider of industrial-scale maintenance services for commercial aircraft from the Airbus A320 CEO & NEO family, all Boeing B737 series, and the Boeing 737 MAX. AEROSTAR is EASA Part-145 authorised with a wide range of approvals obtained from civil aviation authorities.

The Company has over 20 years of experience in civil aviation maintenance, built through strong partnerships with international airlines and through the implementation of the highest technical and safety standards.

DEFENCE SYSTEMS

Within the defence systems business line, AEROSTAR is a prime contractor to the Romanian Ministry of National Defence.

AEROSTAR has been designated as a Maintenance Centre for the F-16 aircraft of the Romanian Air Force, the Black Hawk helicopters of the Ministry of Internal Affairs and the rocket launcher systems used by the Ministry of National Defence.

AEROSTAR has consistently developed the capabilities required to strengthen its position as a supplier, enhancing its expertise in the maintenance and modernisation of military aircraft, in surface-to-surface launch systems, and in radar communications systems, as part of command-and-control systems. AEROSTAR is an integral part of the national defence industry, in accordance with Law 232/2016, contributing to the strengthening of national security capabilities and to the sustainable development of this sector.

7. INVESTMENTS

In the first quarter, AEROSTAR incurred investment expenses amounting to 3.707 k RON. Out of the value of investment expenses in tangible assets, approx. 90% were made for the acquisition of technological equipment and installations for the production programmes and the civil aircraft maintenance programmes.

Category	Investment expenses Quarter 1 (k RON)	Share (%)
Total property, plant and equipment	3.360	90,64
Intangible assets	347	9,36
TOTAL	3.707	100,00

**WE CONSOLIDATE THE PROGRESS OF OUR COMMITMENTS!
OBJECTIVES**



WE PROTECT THE ENVIRONMENT

Reducing greenhouse gas emissions and emissions of volatile organic compounds;

Mitigating environmental impact by increasing waste recovery and educating all employees to minimise waste generation in order to improve environmental performance;

Partially supplying the energy required for the company processes from green sources through our own photovoltaic parks. We respect the environment, nature and 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 ensuring the evolution of tomorrow's professions;

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

Continuing the training and professional development programmes

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



COMMUNITY ENGAGEMENT AND DEVELOPMENT

Ongoing dialogue with local communities, in line with our goal of positively influencing the community;

Developing partnerships to attract young people to internships and study programmes;

Continuing scholarship programmes for students in dual education;

Improving professional and social integration.

Actions for the benefit of the community!



OUR CUSTOMERS' SATISFACTION

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

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

Transparent practices based on integrity and business ethics;

Focus on customers and end-users;

We uphold the highest standards of professional ethics!

8. AEROSTAR SHAREHOLDERS

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

The summary consolidated shareholding structure as of the first quarter of 2026 is as follows:

Shareholders	Number of shares	Percentage%
IAROM S.A.	108.910.958	71,5213%
Evergent Investments S.A	23.053.957	15,1394%
Other shareholders	20.312.535	13,339%
Total	152.277.450	100%

In the current year, no subscriptions for new shares were registered, nor any participation certificates, convertible bonds, options or similar rights.

9. AEROSTAR SHARE (ARS)

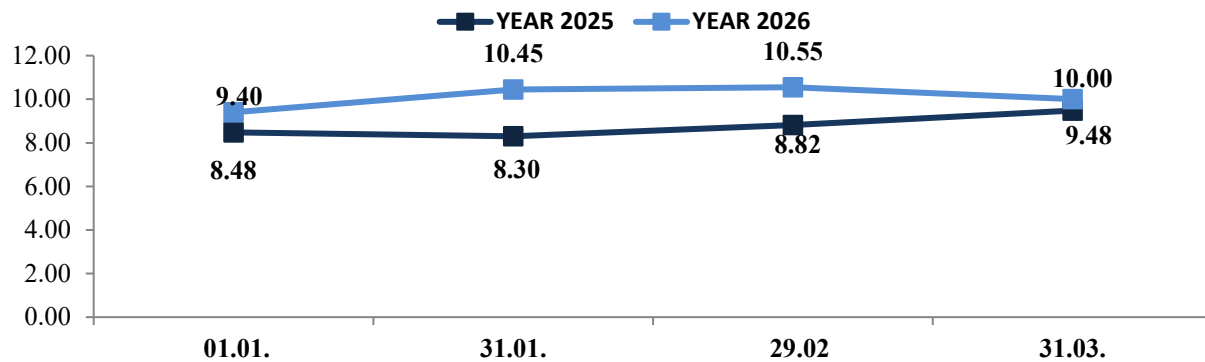
The shares of Aerostar S.A. Bacău have been traded since 1998 on the regulated market administered by the Bucharest Stock Exchange.

Main characteristics of the issued securities: 152.277.450 registered, ordinary shares of equal value, fully paid, issued in dematerialised form and recorded in the Shareholders' Register. The register is managed by Depozitarul Central S.A. Bucharest. The issuer, Aerostar S.A. Bacău, is registered with the following details: Unique Registration Code 950531, ISIN code ROAEROACNOR5, stock exchange symbol ARS, and all issued shares are classified in the Standard category.

Aerostar shares in figures:	Q1 2026	Q1 2025	Q1 2024
Number of shares	152.277.450	152.277.450	152.277.450
Nominal value per share (RON)	0,32	0,32	0,32
Price at the end of the period (RON)*	10,00	9,48	9,40
Market capitalisation (RON)*	1.522.774.500	1.443.590.226	1.431.408.030
Maximum price (RON)*	10,90	9,90	9,90
Minimum price (RON)*	9,26	8,18	8,25
Earnings per share (RON)	0,270	0,138	0,165

Source: Monthly bulletin issued by the Bucharest Stock Exchange

Monthly evolution of the reference price for ARS shares in the period January – March 2026 compared to the same period of 2025 (RON/share):



During 2026:

- the Company Aerostar S.A. has not issued bonds or other similar securities;
- no subscriptions for new shares were registered, nor any participation certificates, convertible bonds, options or similar rights;
- there was no programme for the acquisition of own shares.

10. TANGIBLE ASSETS

Aerostar S.A.’s production facilities and capacities are located at the registered office in Bacău, Romania, at 9 Condorilor Street, postal code 600302, which is also the company’s head office, at the secondary office without legal personality and branch in Iași, at 25B Aeroportului Street, and at the secondary office without legal personality and branch in Fetești, at 2 Carpați Street, ap. 7. The Company owns land with a total area of 49,17 hectares, with access to the European road E85.

Aerostar has direct access to the runway of the “George Enescu” Airport in Bacău, and for the Iași branch, it benefits from direct access to the runway of the Iași International Airport.

All types of facilities necessary for the proper execution of the production activities, in accordance with the Company’s object of activity, are established at the registered office.

The production areas include hangars, industrial halls, technological test benches, and spaces for administrative and social activities. The company also owns office spaces for technical and economic activities.

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

Aerostar S.A.’s assets fall within the provisions established in the health, safety and environmental management system, complying with the applicable legislation and regulations regarding occupational safety, as well as property protection and security norms.

As at 31 March 2026, Aerostar S.A. Bacău owns property, plant and equipment for operational purposes with a gross value of 416.339 k RON, comprising land, buildings, special constructions, installations, technological equipment and means of transport:

Category of property, plant and equipment	Gross value (k RON)	Depreciation rate (%)	Estimated useful life (years)
Land	31.171	N/A	N/A
Land improvements	495	1,76%	10 years
Buildings	103.599	56,94%	30-50 years
Investment property	12.964	55,79%	25-50 years
Technical installations, of which:	263.935	76,06%	
• technological equipment	252.374	76,36%	4-25 years
• means of transport	11.560	69,57%	4-18 years
Other property, plant and equipment	4.176	67,94%	2-18 years
TOTAL	416.339	64,81%	

During the first quarter of 2026, no risks related to ownership of property, plant and equipment were identified.

11. AEROSTAR'S EMPLOYEES

General personnel data

During the quarter under review, the Human Resources activity within Aerostar focused on supporting its objectives of attracting, developing and retaining qualified personnel, particularly in the technical area.

The Aerostar S.A. team consists mainly of professionals with solid experience, skills and technical knowledge; in addition to continuous development, the knowledge transfer from these key employees to new hires is also necessary to ensure continuity.

In the first quarter, Aerostar had 1.885 employees, with an average unionisation rate of approximately 59,43%. At Aerostar S.A., the employees may join the AVIAS trade union.

The voluntary turnover rate in the first quarter of 2026 was 2,45%, which is comparable to the first quarter of 2025.

	31.03.2025	31.03.2026
Gender	Number of employees	Number of employees
Male	1.317	1.323
Female	555	562
Other	0	0
Undisclosed	0	0
Total	1.872	1.885

Employee benefits

Starting from 1 APRIL 2026, benefits have been provided to address the employees' evolving needs through salary package increases of 10,5 %.

Training and professional development

Internships at AEROSTAR represent a valuable opportunity for pupils and students, as they have the chance to learn from professionals and familiarise themselves with the advanced processes and technologies used in the machining and production of aeronautical components. During the reporting period, professional training courses were organised for the Company employees, with a priority focus on covering the training needs in the areas of interest for the conduct of production activities:

	MU	Q1 2026	Q1 2025
Number of attendances at training programmes	no.	1.431	1.363
Number of employees included in training programmes	no.	689	827

Occupational health and safety, working conditions

During the quarter under review, the occupational health and safety activities primarily focused on preventing accidents and maintaining a safe environment for all employees. The actions carried out aimed at both compliance with the legislation in force and the strengthening of an organisational culture oriented towards safety. Periodic SSM (Occupational Health and Safety) and SU (Emergency Situations) training sessions, internal controls, and workplace risk assessments were performed, with an emphasis on production areas. Additionally, the monitoring of incidents and the implementation of corrective measures were undertaken in order to reduce risks and prevent recurrence.

The results reflect the effectiveness of the preventive measures and the employees' involvement in complying with safety norms. No work accidents occurred during the mentioned period.

Events	Q1 2026	Q1 2025
No. of work accidents	0	0
No. of off-the-job accidents	0	1
No. of minor accidents	0	0
No. of fatal work accidents	0	0
No. of employees with occupational diseases and dangerous incidents	0	0
Total events	0	1



**1.885
EMPLOYEES**



**10,5% SALARY PACKAGE
INCREASES**



**WORK
ACCIDENTS**

Committed to a sustainable future, the Company channels its efforts towards achieving its primary goal of increasing sustainability by aligning profitability with responsibility, creating value in the short, medium and long term, and thus enhancing the Company's overall performance.

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

12. SUMMARY FINANCIAL STATEMENTS

Financial performance	MU	31.03.2026	31.03.2025
Total revenue	k RON	197.435	162.047
Total expenses	k RON	149.038	137.454
Profit before tax	k RON	48.397	24.593

Financial position	MU	31.03.2026	31.12.2025
Non-current assets (net values)	k RON	254.285	250.104
Current assets	k RON	698.856	648.760
Share capital	k RON	48.729	48.729
Equity	k RON	757.826	710.205
Total liabilities	k RON	123.159	113.360

AEROSTAR S.A. BACĂU
COMPANY FINANCIAL STATEMENTS
AS AT 31 MARCH 2026
UNAUDITED

The financial statements as at 31.03.2026 were audited by the internal auditor of Aerostar S.A.

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AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF PROFIT OR LOSS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

	Note	31 March 2026	31 March 2025
Operating revenue			
Revenue from sales	19	194.867	168.822
Other income	19	210	330
Revenue related to inventories of finished goods and work in progress	19	(5.962)	(12.800)
Revenue from production of non-current assets	19	295	541
Operating grants	19	4	177
Total operating revenue		189.414	157.070
Operating expenses			
Material expenses	20	(76.811)	(63.830)
Employee benefits expenses	20	(55.042)	(50.739)
Depreciation and amortisation of non-current assets	5;6;20	(6.873)	(7.304)
Net income/(expenses) from adjustments to current assets	20	(321)	(7.496)
Net income/(expenses) from adjustments to provisions	20	3.142	6.335
Expenses for external services	20	(8.230)	(10.369)
Other expenses	20	(3.833)	(552)
Total operating expenses		(147.968)	(133.955)
Operating profit or loss		41.446	23.115
Financial income	21	8.021	4.977
Financial costs	22	(1.070)	(3.499)
Financial profit or loss		6.951	1.478
Total revenue		197.435	162.047
Total expenses		(149.038)	(137.454)
Profit before tax		48.397	24.593
Current and deferred income tax	17;23	(7.255)	(3.536)
Net profit for the period		41.142	21.057

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

	31 March 2026	31 March 2025
Net profit for the period	41.142	21.057
Deferred income tax recognised in equity	(1.663)	(327)
Revaluation of equity instruments at fair value through other comprehensive income	8.142	(471)
Gain reclassified to retained earnings on the sale of equity instruments through other comprehensive income	-	(41)
Other comprehensive income	6.479	(839)
Total comprehensive income for the period	47.621	20.218

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF FINANCIAL POSITION
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

	Note	31 March 2026	31 December 2025
ASSETS			
Non-current assets			
Property, plant and equipment	6	142.270	145.597
Intangible assets	5	1.541	1.538
Investment property	6	5.731	5.906
Right-of-use assets	32	1.734	1.745
Fixed financial assets	7	83.593	75.451
Deferred income tax assets	17	19.416	19.867
Total non-current assets		254.285	250.104
Current assets			
Inventories	10	202.532	209.751
Trade receivables and other receivables	8;9;18	137.312	124.761
Current tax receivables	23	-	-
Short-term prepayments	31	2.946	896
Cash and cash equivalents	11	356.066	313.352
Total current assets		698.856	648.760
Total assets		953.141	898.864
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	48.729	48.729
Current result	12	41.142	98.037
Retained earnings	12	143.760	55.390
Reserves	12	563.019	552.363
Deferred income tax recognised in equity	17	(36.310)	(34.579)
Appropriation of profit for legal reserves	12	(2.514)	(9.735)
Total equity	12	757.826	710.205
Non-current liabilities			
Deferred income tax liabilities	17	37.240	35.602
Non-current government grants	14	1.354	468
Other non-current liabilities	16	1.457	1.480
Total non-current liabilities		40.051	37.550
Non-current provisions			
	13	42.629	41.180
Current liabilities			
Trade payables	15;18	53.967	52.302
Current income tax liabilities	23	7.435	605
Deferred income	31	617	5.510
Short-term government grants	14	212	264
Other current liabilities	16	20.877	17.129
Total current liabilities		83.108	75.810
Current provisions			
	13	29.527	34.119
Total provisions		72.156	75.299
Total liabilities		123.159	113.360
Total equity, liabilities and provisions		953.141	898.864

Chief Executive Officer,

Alexandru Filip

Financial Director,

Doru Damaschin

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CASH FLOWS
(DIRECT METHOD)
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

	Note	31.03.2026	31.03.2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		190.231	173.582
Tax recoveries from the State Budget		2.097	1.231
Receipts of government grants from the State Budget		4	125
Payments to suppliers		(92.387)	(89.194)
Payments to employees		(30.169)	(28.794)
Payment of taxes and duties to the State Budget		(25.571)	(22.040)
NET CASH FROM OPERATING ACTIVITIES	27	44.205	34.910
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from bank deposits		2.064	4.956
Proceeds from the sale of financial assets	27	-	1.674
Payments for the acquisition of property, plant and equipment and intangible assets		(3.804)	(3.032)
NET CASH FROM INVESTING ACTIVITIES	27	(1.740)	3.598
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross dividends paid		(212)	(162)
NET CASH FROM FINANCING ACTIVITIES	27	(212)	(162)
Net increase in cash and cash equivalents		42.253	38.346
Cash and cash equivalents at the beginning of the period		313.352	260.403
Effect of changes in foreign exchange rates on cash and cash equivalents	27	461	(860)
Cash and cash equivalents at the end of the period	11	356.066	297.889

Chief Executive Officer
Filip Alexandru

Financial Director
Damaschin Doru

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

	Share capital	Reserves	Revaluation reserves of financial assets through other comprehensive income	Deferred income tax recognised in equity	Retained earnings	Profit for the period	Total equity
Comprehensive income							
A. Balance as at 1 January 2026	48.729	510.069	42.293	(34.579)	55.390	88.302*	710.205
Profit for the period						41.142	41.142
Other comprehensive income							
Deferred income tax recognised in equity				(1.731)	68		(1.663)
Transfer of the profit for the financial year 2025 to retained earnings representing undistributed profit, until the appropriation to the destinations decided by the shareholders at the Ordinary General Meeting of Shareholders (AGOA) on 22 April 2026 (Note 12)					88.302	(88.302)	-
Appropriation of profit in Q1 2026 to reserves from tax incentives, in gross amounts		2.514				(2.514)	-
Gain transferred to retained earnings on the sale of equity instruments through other comprehensive income			-		-		-
Fair value revaluation of equity instruments through other comprehensive income			8.142				8.142
Transfer to reserves of retained earnings representing surplus from revaluation reserves		-			-		-
Total comprehensive income for the period	-	2.514	8.142	(1.731)	88.370	(49.674)	47.621
B. Balance as at 31 March 2026	48.729	512.583	50.435	(36.310)	143.760	38.628**	757.826
C. Changes in equity (Note 12)	-	2.514	8.142	(1.731)	88.370	(49.674)	47.621

* The result as at 31.12.2025, amounting to 98.037 thousand RON, is affected by the appropriation of profit to other reserves from tax incentives in the amount of 9.735 thousand RON;

** The result as at 31.03.2026, amounting to 41.142 thousand RON, is affected by the appropriation of profit to other reserves from tax incentives in the amount of 2.514 thousand RON;

**Chief Executive Officer,
Alexandru Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR 31 MARCH 2025
(unless specified otherwise, all amounts are stated in thousands of RON)

	Share capital	Reserves	Revaluation reserves of financial assets through other comprehensive income	Deferred income tax recognised in equity	Retained earnings	Profit 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						21.057	21.057
Other comprehensive income							
Deferred income tax recognised in equity				(390)	63		(327)
Transfer of the profit for the financial year 2024 to retained earnings representing undistributed profit, until the appropriation to the destinations decided by the shareholders at the Ordinary General Meeting of Shareholders (AGOA) on 24 April 2025 (Note 12)					76.994	(76.994)	-
Appropriation of profit in Q1 2025 to reserves from tax incentives, in gross amounts		3.036				(3.036)	-
Gain transferred to retained earnings on the sale of equity instruments through other comprehensive income			(280)		239		(41)
Fair value revaluation of equity instruments through other comprehensive income			(471)				(471)
Transfer to reserves of retained earnings representing surplus from revaluation reserves		-			-		-
Total comprehensive income for the period	-	3.036	(751)	(390)	77.296	(58.973)	20.218
B. Balance as at 31 March 2025	48.729	462.607	7.359	(27.835)	131.670	18.021**	640.552
C. Changes in equity (Note 12)	-	3.036	(751)	(390)	77.296	(58.973)	20.218

* The result as at 31.12.2024, amounting to 91.160 thousand RON, is affected by the appropriation of profit to other reserves from tax incentives in the amount of 18.731 thousand RON;

** The result as at 31.03.2025, amounting to 21.057 thousand RON, is affected by the appropriation of profit to other reserves from tax incentives in the amount of 3.036 thousand RON;

**Chief Executive Officer,
Alexandru Filip**

**Financial Director,
Doru Damaschin**

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 1 – COMPANY DESCRIPTION

AEROSTAR was established in 1953 and operates in accordance with the Romanian law. AEROSTAR S.A. conducts its business activity at its registered office located in Bacau, 9 Condorilor Street, postal code 600302. In accordance with the Board of Directors' Resolution no. 2/14.12.2017, the opening of a secondary place of business without legal personality (branch) located in Iasi, at 25B Aeroportului Street was approved. Furthermore, in accordance with the Board of Directors' Resolution no. 1/02.06.2023, the opening of a second secondary place of business without legal personality (branch) located in Fetești, at 2 Carpați Street, ap. 7 was approved.

The main field of activity of AEROSTAR is production.

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

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

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

During 2026, there were no subscriptions of new shares, nor any convertible bonds, warrants, options or similar rights.

In terms of accounting regulations, AEROSTAR S.A. is a subsidiary of IAROM S.A.; therefore, the parent company that consolidates the Group's financial statements is IAROM S.A., with the unique identification code 1555301. The consolidated financial statements for the financial year 2024 were submitted to the National Agency for Fiscal Administration (A.N.A.F.) under registration number 962157978/26.08.2025. The parent company will prepare and publish a set of consolidated financial statements in accordance with the applicable accounting regulations for the financial year ended 31.12.2025.

The Company has a single operating segment in accordance with IFRS 8, as the activities performed by Aerostar S.A. are not separately structured into operating components with distinct financial information, but function as an integrated system in which resources are allocated based on an integrated medium- and long-term vision, and the nature of the products and services offered presents similar economic characteristics. The Company operates across three main business lines, structured to meet specific market requirements, with a view to maximising sales.

Information regarding sales by business lines and markets is presented in detail in the Directors' Report.

The management policy is focused on maintaining a solid capital base to support the Company's continuous development and the achievement of its strategic objectives.

The Company will continue to act decisively to ensure the sustainability of its investments and the preservation of its production capabilities. Furthermore, drawing on the experience accumulated within its workforce, the Company takes action to identify the most appropriate solutions to new economic challenges.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 2 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

2.1. Estimates

The preparation and presentation of the Company financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses.

Estimates and judgements are based on historical experience and other factors considered relevant and reasonable under the circumstances. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and reflect reasonable expectations regarding probable future events. The carrying amounts of assets and liabilities that cannot be determined from other sources are based on these estimates, considered adequate by the Company's management.

Estimates, as well as the judgements and assumptions underlying them, are reviewed periodically, and the outcome of these reviews is recognised in the period in which the estimate is revised. Any changes in accounting estimates are recognised prospectively by including them in the result of:

- the period in which the change occurs, if it affects only that period; or
- the period in which the change occurs and future periods, if the change also affects them.

The Company uses estimates to determine:

- doubtful customers and loss allowance on related receivables;
- the amounts of provisions for risks and expenses to be recognised at the end of the period (month, quarter, year) for litigations, for dismantling property, plant and equipment, for warranties granted to customers, for obligations to personnel, and other liabilities;
- adjustments for impairment of property, plant and equipment and intangible assets. At the end of each reporting period, the Company assesses whether there are 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 lives of property, plant and equipment and intangible assets. The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at least at the end of each financial year to determine their adequacy;
- inventories of raw materials and consumables requiring write-downs;
- deferred taxes.

Presentation of information

The Company presents, to the extent practicable, the nature and amount of a change in an accounting estimate that has an effect in the current and/or future periods.

2.2. Errors

Errors may arise in the recognition, measurement, presentation or disclosure of elements in the financial statements.

The Company retrospectively corrects material prior-period errors in the first set of financial statements authorised for issue after their discovery by:

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

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

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

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

2.3. Changes in accounting policies

Changes in accounting policies are permitted only if required by an IFRS or if they result in more relevant or reliable information regarding the Company's operations.

The Company shall change an accounting policy only if the change:

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

Application of changes in accounting policies:

- The entity shall account for a change in accounting policy arising from the initial application of an IFRS in accordance with the specific transitional provisions, if any, of that IFRS; and
- Upon the initial application of an IFRS that does not include specific transitional provisions.

Presentation of information

When the initial application of an IFRS has an effect on the current period or on prior periods, the Company shall present in the notes to the financial statements:

- the title of the IFRS;
- the nature of the change in accounting policy;
- where applicable, the fact that the change is made as a result of the transitional provisions and a description of those provisions;
- for the current period and each prior period presented, the amount of the adjustments for each affected line item in the statement of financial position, to the extent practicable.

When it is impracticable to determine the specific effects for one or more prior periods presented, the Company shall apply the new accounting policy to the carrying amounts of assets and liabilities for the first period for which retrospective application is possible, which may be the current period.

When a voluntary change in accounting policy has an effect on the current period or on a prior period, the Company shall present in the notes to the financial statements:

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

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

During the Board of Directors' meeting held on 19.03.2026, the update of the Accounting Policies Manual was approved, following the amendment of Art. 28 para. (2) of the Fiscal Code by Emergency Ordinance (OUG) no. 8/2026. The Company's management has established a capitalisation threshold for assets of 5.000 RON. All acquisitions below this amount will be recognised as expenses for the period. The alignment of the fiscal threshold with the accounting recognition threshold was necessary for practical and operational reasons, in order to simplify the internal procedures and workflows applicable to the acquisition of goods. The change will be applied prospectively from the date of approval; therefore, the restatement of prior financial statements is not required, as the impact of the change is not material.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 3 – ACCOUNTING POLICIES AND MEASUREMENT BASES

3.1. Basis of Preparation and Presentation of the Financial Statements

The Company financial statements of AEROSTAR S.A. are prepared in accordance with the provisions of:

- International Financial Reporting Standards (IFRS) as adopted by the European Union;
- Accounting Law no. 82/1991, republished, as amended and supplemented;
- Order of the Ministry of Public Finance (O.M.F.P.) no. 881/2012 on the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market;
- Order of the Ministry of Public Finance (O.M.F.P.) no. 2.844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, as amended and supplemented;
- Order of the Ministry of Public Finance (O.M.F.P.) no. 2.861/2009 for the approval of Norms regarding the organisation and conduct of inventories of assets, liabilities and equity;
- Order of the Ministry of Public Finance (O.M.F.P.) no. 1.826/2003 for the approval of Clarifications regarding certain measures for the organisation and management of cost accounting;
- Order of the Ministry of Public Finance (O.M.F.P.) no. 2.634/2015 on financial-accounting documents, as amended and supplemented;
- Law no. 24/2017, republished, on issuers of financial instruments and market operations.

Accounting is kept in Romanian and in the national currency.

Accounting for transactions conducted in foreign currency is kept both in the national currency and in the foreign currency.

The financial year is the calendar year.

The financial statements are prepared and reported in thousands of RON and all values are rounded to the nearest thousand. Due to rounding, the figures presented may not always exactly correspond to the totals provided, and percentages may not precisely reflect absolute amounts.

The financial statements are prepared on the historical cost basis.

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

3.2. Applied Accounting Policies

AEROSTAR S.A. describes the accounting policies applied in the notes to the Company financial statements and avoids repeating the text of the standard, unless this is considered relevant for understanding the content of the note. Compared to the accounting policies presented at the end of the 2025 financial year, there are no changes in the principles, methods, policies and procedures applied.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 4 – TRANSACTIONS IN FOREIGN CURRENCIES

AEROSTAR considers the Romanian leu as the functional currency and the financial statements are presented in thousands of RON.

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

At the date of the Statement of Financial Position, financial assets and liabilities denominated in foreign currency are retranslated into the functional currency using the exchange rate, communicated by the National Bank of Romania, effective at the end of the reporting period:

Currency	31.03.2026	Average Exchange Rate Q1 2026	31.12.2025
1 EUR	5,0988 RON	5,0943 RON	5,0985 RON
1 USD	4,4463 RON	4,3515 RON	4,3417 RON
1 GBP	5,8749 RON	5,8672 RON	5,8335 RON

Foreign exchange gains and losses arising on the settlement of financial assets and liabilities denominated in foreign currency are recognised in the Statement of Profit or Loss for the period in which they occur.

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

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

First Quarter (Q1) 2026	k EUR	k USD	k GBP
Cash inflows from financial assets	8.036	22.388	-
Cash outflows for financial liabilities	(4.647)	(9.566)	(70)
Foreign exchange net exposure	3.389	12.822	(70)

AEROSTAR has decided not to use foreign currency hedging (options, forwards) due to the relatively high initial costs and the potential loss of opportunities in case of RON depreciation against the main currencies (USD, EUR).

The remeasurement of financial assets and liabilities denominated in foreign currencies as at 31 March 2026 resulted in the recognition of a foreign exchange gain of 1.925 thousand RON.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 5 – INTANGIBLE ASSETS: reporting period - 31 March 2026

	Carrying amounts as at 31 March 2026			Carrying amounts as at 1 January 2026		
	Gross carrying amount	Accumulated amortisation	Net carrying amount	Gross carrying amount	Accumulated amortisation	Net carrying amount
Licences	9.792	(8.479)	1.313	9.577	(8.221)	1.356
Other intangible assets (software)	1.540	(1.312)	228	1.408	(1.226)	182
Total	11.332	(9.791)	1.541	10.985	(9.447)	1.538

Net carrying amount as at 31.03.2026 and transactions during the period:

	Net carrying amount as at 1 January 2026	Additions at gross carrying amount	Amortisation for the period	Net carrying amount as at 31 March 2026
Licences	1.356	215	(258)	1.313
Other intangible assets	182	132	(86)	228
Total	1.538	347	(344)	1.541

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 5 – INTANGIBLE ASSETS: reporting period - 31 March 2026 (continued)

	Carrying amounts as at 31 March 2025			Carrying amounts as at 1 January 2025		
	Gross carrying amount	Accumulated amortisation	Net carrying amount	Gross carrying amount	Accumulated amortisation	Net carrying amount
Licences	8.955	(7.413)	1.542	8.620	(7.299)	1.321
Other intangible assets (software)	1.347	(955)	392	1.340	(873)	467
Total	10.302	(8.368)	1.934	9.960	(8.172)	1.788

Net carrying amount as at 31.03.2025 and transactions during the period:

	Net carrying amount as at 1 January 2025	Additions at gross carrying amount	Amortisation for the period	Net carrying amount as at 31 March 2025
Licences	1.321	440	(219)	1.542
Other intangible assets	467	7	(82)	392
Total	1.788	447	(301)	1.934

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 5 – INTANGIBLE ASSETS: reporting period - 31 March 2026 (continued)

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

- Licences
- Other intangible assets

Software programmes are recorded under other intangible assets.

The useful lives for the intangible assets are determined in years, based on the period of the contract or the service life, as the case may be. The useful life of software programmes, purchased or internally generated, is 3 years.

Amortisation expenses are recognised in the Statement of Profit or Loss using the straight-line method.

The intangible assets in balance as at 31 March 2026 are not impaired, and no impairment adjustments were recognised.

When determining the gross carrying amount of intangible assets, the Company uses the historical cost method.

The value of fully amortised software licences as at 31 March 2026 and still in use is 7.214 thousand RON.

All intangible assets in balance as at 31 March 2026 are the property of Aerostar S.A.

Additions of intangible assets consisted of:

	<u>347 thousand RON</u>
• purchase of complete documentation for the M-14-P engine repair	117 thousand RON
• development of the production management IT system	15 thousand RON
• purchase of software licences	215 thousand RON

During the reporting period, there were no additions of internally generated licences or licences acquired through business combinations.

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

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT: reporting period - 31 March 2026

	Carrying amounts as at 31 March 2026			Carrying amounts as at 1 January 2026		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Land	31.171	-	31.171	31.171	-	31.171
Land improvements	495	(9)	486	-	-	-
Buildings	103.599	(58.985)	44.614	103.410	(57.442)	45.968
Plant and machinery and motor vehicles	263.935	(200.745)	63.190	260.685	(196.361)	64.324
Other equipment and office equipment	4.176	(2.837)	1.339	4.050	(2.753)	1.297
Technical installations and motor vehicles in the course of procurement	-	-	-	327	-	327
Property, plant and equipment under construction	1.470	-	1.470	2.510	-	2.510
Total property, plant and equipment	404.846	(262.576)	142.270	402.153	(256.556)	145.597
Investment property	12.964	(7.233)	5.731	12.964	(7.058)	5.906
Grand total	417.810	(269.809)	148.001	415.117	(263.614)	151.503

Net carrying amount as at 31.03.2026 and transactions during the period:

	Net carrying amount as at 1 January 2026	Additions (reclassifications) at gross carrying amount	Disposals (reclassifications) at gross carrying amount	Depreciation for the period	Net carrying amount as at 31 March 2026
Land	31.171	-	-	-	31.171
Land improvements	-	495	-	(9)	486
Buildings	45.968	189	-	(1.543)	44.614
Plant and machinery and motor vehicles	64.324	3.590	(341)	(4.383)	63.190
Other equipment and office equipment	1.297	126	-	(84)	1.339
Technical installations and motor vehicles in the course of procurement	327	-	(327)	-	-
Property, plant and equipment under construction	2.510	3.360	(4.400)	-	1.470
Total property, plant and equipment	145.597	7.760	(5.068)	(6.019)	142.270
Investment property	5.906	-	-	(175)	5.731
Grand total	151.503	7.760	(5.068)	(6.194)	148.001

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (continued): reporting period 31 March 2026

COMPARATIVE FIGURES - PROPERTY, PLANT AND EQUIPMENT

	Carrying amounts as at 31 March 2025			Carrying amounts as at 1 January 2025		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Land	31.171	-	31.171	31.171	-	31.171
Buildings	101.605	(52.839)	48.766	101.423	(51.316)	50.107
Plant and machinery and motor vehicles	254.021	(181.040)	72.981	251.321	(175.987)	75.334
Other equipment and office equipment	3.882	(2.509)	1.373	3.886	(2.433)	1.453
Property, plant and equipment under construction	1.001	-	1.001	1.680	-	1.680
Total property, plant and equipment	391.680	(236.388)	155.292	389.481	(229.736)	159.745
Investment property	12.964	(6.531)	6.433	12.954	(6.356)	6.598
Grand total	404.644	(242.919)	161.725	402.435	(236.092)	166.343

Net carrying amount as at 31.03.2025 and transactions during the period:

	Net carrying amount as at 1 January 2025	Additions (reclassifications) at gross carrying amount	Disposals (reclassifications) at gross carrying amount	Depreciation for the period	Net carrying amount as at 31 March 2025
Land	31.171	-	-	-	31.171
Buildings	50.107	183	-	(1.524)	48.766
Plant and machinery and motor vehicles	75.334	2.870	(170)	(5.053)	72.981
Other equipment and office equipment	1.453	-	(4)	(76)	1.373
Property, plant and equipment under construction	1.680	2.373	(3.052)	-	1.001
Total property, plant and equipment	159.745	5.426	(3.226)	(6.653)	155.292
Investment property	6.598	10	-	(175)	6.433
Grand total	166.343	5.436	(3.226)	(6.828)	161.725

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026

(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are measured at acquisition or production cost less accumulated depreciation and impairment losses.

The depreciation method applied to property, plant and equipment is the straight-line method.

Depreciation expenses are recognised in the Statement of Profit or Loss.

Estimated useful lives:		Depreciation degree (%)
Buildings	30-50 years	56,94%
Plant and machinery	4-25 years	76,36%
Motor vehicles	4-18 years	69,57%
Other property, plant and equipment	2-18 years	67,94%
Investment property	25-50 years	55,79%

Useful lives are determined by committees comprising the Company's specialists. The tax depreciation lives of property, plant and equipment are regulated by the applicable tax legislation.

The Company has not acquired assets through business combinations and has not classified any assets as held for sale.

Investment property comprises 13 real estate properties – buildings leased to third parties under lease agreements. Rental income for this category of assets amounted to 774 thousand RON.

At the date of transition to IFRS, the Company estimated and included in the cost of property, plant and equipment the estimated costs of dismantling the assets at the end of their useful lives.

These costs were reflected through the recognition of a provision, which is recorded in the Statement of Profit or Loss over the useful lives of the property, plant and equipment by inclusion in the depreciation expense. This expense is not tax-deductible.

Depreciation of an asset begins when it is available for use and ends on the date the asset is reclassified to another category or when it is derecognised.

Depreciation does not end when the asset is not in use.

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

Land has an unlimited useful life and therefore is not depreciated.

The value of land owned by Aerostar S.A. is presented at acquisition cost, i.e., the assumed cost recorded at the date of transition to IFRS.

In accordance with IAS 36 "Impairment of Assets", the Company proceeded to identify indications of impairment of property, plant and equipment, considering internal and external sources of information.

Internal sources of information:

The economic performance of the assets is good; all fixed assets in operation provide benefits to the Company.

AEROSTAR S.A. BACĂU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (continued)

External source of information:

The indicator providing information on investor interest in companies listed on the capital market is the market capitalisation to equity ratio (MBR).

<u>MBR Indicator – Market to Book Ratio</u>	<u>Values</u>	<u>31.03.2026</u>
Market capitalisation/Equity	1.522.774 k RON/757.826 k RON	2,01

The **above-unit value** of the MBR indicator is achieved by high-performing companies on the capital market that attract investor interest..

Property, plant and equipment in balance as at 31 March 2026 are not impaired, and no significant indicators of impairment were identified.

The gross carrying amount of property, plant and equipment fully depreciated and still in use as at 31 March 2026 is 138.174 thousand RON.

As at 31.03.2026, no mortgages were established on the investment properties owned by Aerostar S.A.

Additions of property, plant and equipment consisted of: 7.760 thousand RON

- commissioning of technological equipment, hardware, and measurement and control equipment

3.590 thousand RON
- building modernisation work

189 thousand RON
- land improvement work

495 thousand RON
- property, plant and equipment under construction during the period

3.360 thousand RON
- commissioning of other equipment and office equipment

126 thousand RON

Disposals of property, plant and equipment consisted of: 5.068 thousand RON

- transfer of assets under construction to property, plant and equipment following commissioning

4.400 thousand RON
- derecognition for decommissioning of certain property, plant and equipment (buildings, technical installations, motor vehicles and technological equipment) as the Company no longer expects future economic benefits from their use

668 thousand RON

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NOTE 7- FINANCIAL ASSETS

	Shares/equity interests held in subsidiaries	Other non- current investments – shares	Other non- current investments – contribution to equity	Other non- current receivables – supplier guarantees	Total
As at 1 January 2026	221	75.181	2	47	75.451
Increases/(Decreases)	-	8.142	-	-	8.142
As at 31 March 2026	221	83.323	2	47	83.593

As at 31.03.2026, the increase in value relating to other non-current investments – shares amounts to 8.142 thousand RON and consists of:

Fair value revaluation of Evergent Investments S.A. shares	Value of shares sold during January – March 2026	Value of shares purchased during January – March 2026	Total net increase in value
8.142	-	-	8.142

A) Investments in subsidiaries recorded at cost:

Subsidiary/Registered office	CAEN Code	No. of shares / equity interests issued	Voting rights (%)	Aerostar's holding (k RON)	Financial information for 2024				
					Share capital (k RON)	Reserves (k RON)	Net profit (k RON)	Nominal value per share (k RON)	Net asset per share (k RON)
Airpro Consult SRL Bacău Str. Condorilor nr.9	- core activity according to CAEN code 7820	100	100%	10	10	305	721	0,10	10,36
Foar SRL Bacău Str. Condorilor nr.9	- core activity according to CAEN code 7739	800	100%	211	8	424	124	0,01	1,4
TOTAL	x	x	x	221	x	x	x	x	x

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NOTE 7- FINANCIAL ASSETS (continued)

Both companies in which Aerostar holds participations are registered in Romania.

B) Investments in equity instruments through other comprehensive income:

Issuer / Registered office	CAEN Code	No. of shares	Symbol	Price per share as at 31.03.2026 (RON)	Portfolio value at market price (k RON)	Portfolio value at acquisition cost (k RON)
Evergent Investments S.A. Str. Pictor Aman 94C, Bacău	- core activity according to CAEN code 6499	27.140.923	EVER	3,0700	83.323	32.887

As at 31 March 2026, the Company held 27.140.923 shares of Evergent Investments S.A., 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 because these financial assets are held both for the collection of dividends and for potential gains from their sale, and not for trading. The gain or loss relating to these equity instruments is recognised in other comprehensive income, except for dividend income.

C) Cash contribution to the initial equity of the “Cluster for Education for Sustainable Development – C-EDD” association

The Association was voluntarily established by its founding members, operating as a Romanian private legal entity without a profit-making purpose. The Association is non-governmental, apolitical, non-profit, and independent, and is 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 space for dialogue and collaboration among the main stakeholders in education, to improve the quality of educational processes, and to connect continuing education with the economic environment, providing qualified human resources for sustainable development. The value of Aerostar’s contribution to the equity of the “Cluster for Education for Sustainable Development – C-EDD” Association amounts to 2.500 RON.

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NOTE 8 – TRADE RECEIVABLES

	31 March 2026	31 December 2025
TRADE RECEIVABLES, OF WHICH:		
Customers:	120.885	112.760
Domestic customers	6.998	29.460
Foreign customers	113.887	83.300
Doubtful customers	2.237	3.675
Loss allowance for trade receivables	(1.342)	(2.036)
Suppliers – debtors	1.629	2.350
TOTAL TRADE RECEIVABLES	123.409	116.749

In accordance with the provisions of the Accounting Policies Manual, in order to cover the risk of non-recovery of amounts representing doubtful trade receivables, the Company recognises loss allowances for doubtful customers as follows:

- at 50% of the value of receivables outstanding at due date, if the delay period is between 30 days and 180 days. As at 31 March 2026, the Company recognised loss allowances of this nature amounting to 895 thousand RON;
- at 100% of the value of receivables outstanding at due date, if the delay period exceeds 180 days. As at 31 March 2026, the Company recognised loss allowances of this nature amounting to 447 thousand RON.

In determining the recoverability of a trade receivable, changes in the customer's creditworthiness from the date the trade credit was granted up to the reporting date were taken into consideration.

Suppliers – debtors have the following settlement terms:

- ✓ in 2026: 1.555 thousand RON
- ✓ in 2027: 74 thousand RON

Receivables denominated in foreign currency were measured at the exchange rate of the foreign exchange market communicated by the National Bank of Romania applicable at the end of March 2026.

Favourable or unfavourable foreign exchange differences arising between the exchange rate at which foreign currency receivables are recorded and the exchange rate communicated by the National Bank of Romania applicable at the end of March 2026 were recognised in the corresponding income or expense accounts.

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NOTE 9 - OTHER RECEIVABLES

	31 March 2026	31 December 2025
Receivables related to personnel and similar accounts	25	27
Receivables related to social security budget and state budget, of which:	7.599	4.845
- VAT recoverable	4.415	2.097
- Non-chargeable VAT	85	94
- Amounts recoverable from the Health Insurance House (sick pay reimbursements)	3.013	2.521
- Excise duties recoverable for fuel used	69	66
- Other receivables related to the local budget	3	53
- Other receivables related to social security budget and state budget	14	14
Interest receivable on bank deposits	5.497	2.987
Other debtors	1.291	635
Loss allowance for receivables - other debtors	(509)	(482)
TOTAL OTHER RECEIVABLES	13.903	8.012

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 and represents 39% of total other receivables;
- Receivables related to the state budget represent 54% of total other receivables, with the following structure:
 - 4.415 thousand RON VAT recoverable,
 - 3.013 thousand RON amounts reimbursed but not yet collected from the Health Insurance House.

AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
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NOTE 10 - INVENTORIES

	31 March 2026	31 December 2025
of which:		
Raw materials	60.341	62.320
Consumable materials	100.961	97.487
Other materials	38	27
Semi-finished goods	-	-
Packaging materials	45	78
Finished goods	46.107	58.434
Work in progress (goods and services)	76.356	71.733
Gross carrying amount of inventories	283.848	290.079
Allowance for inventory write-downs	81.316	80.328
Net carrying amount of inventories	202.532	209.751

INVENTORY WRITE-DOWNS

	31 March 2026	Increases/ Write-downs recognised/	Decreases/ Reversals/	31 December 2025
Total write-downs	81.316	2.476	1.488	80.328
Write-downs of raw materials	37.317	46	680	37.951
Write-downs of consumable materials	41.032	699	804	41.137
Write-downs of semi-finished goods	-	-	-	-
Write-downs of finished goods	121	-	4	125
Write-downs of work in progress	2.846	1.731	-	1.115

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

Net realisable value represents the estimated selling price of inventories less all estimated costs to complete and all estimated costs necessary to make the sale.

The cost of inventories comprises purchase costs, conversion costs, and other costs incurred in bringing the inventories to their present location and condition.

Inventory write-downs are made periodically based on the findings of inventory review committees and/or 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 age exceeds the storage period established internally by the Board of Directors.

In accordance with the Accounting Policies Manual, Aerostar S.A. establishes inventory write-downs as follows:

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NOTE 10 – INVENTORIES (continued)

- for raw materials, consumables, semi-finished goods, and spare parts, different storage periods are established for each profit centre;
- for finished goods and work in progress, inventory write-downs are made each period as follows:
 - a) 100% of the value for inventories of this type that are not based on customer contracts;
 - b) variable percentages, agreed with the relevant profit centres, for finished goods not delivered within contractual deadlines.

The cost of materials recognised as expense during the period amounts to 76.811 thousand RON, comprising:

- 70.849 thousand RON representing expenses related to material inventories;
- 5.715 thousand RON representing expenses related to water, gas, and electricity consumption;
- 247 thousand RON representing expenses related to non-inventory materials.

Aerostar S.A. holds finished goods (safety stocks) at the levels agreed under customer contracts. Aerostar S.A. does not have pledged inventories.

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NOTE 11 - CASH AND CASH EQUIVALENTS

Cash includes:

- cash on hand (cash held at Aerostar's cash office);
- demand deposits held with banks (current bank accounts).

Cash equivalents include term deposits held with banks.

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

	31.03.2026	31.12.2025	31.03.2025
Cash on hand	54	30	30
Demand deposits held with banks	14.922	23.237	26.197
Term deposits held with banks	341.090	290.085	271.662
Cash and cash equivalents	356.066	313.352	297.889

There are no restrictions on the use of current bank accounts or deposits held with banks.

The value of the Credit Line available in the form of an overdraft, accessible for future operating activities, is 2.500 thousand USD (equivalent to 11.116 thousand RON).

During the reporting period, the Credit Line was not utilised.

AEROSTAR's policy is to maintain cash deposits in an amount corresponding to the established provisions. The balance of provisions as at 31.03.2026 amounts to 72.156 thousand RON.

Term deposits are placed for short periods (up to 6 months), as AEROSTAR prefers to maintain easy access to its cash savings. As a result, alternative options for investing excess cash, such as investments in investment funds, are not considered by AEROSTAR due to the associated investment risks. Consequently, in the short term, such investments may experience significant fluctuations due to various market conditions.

AEROSTAR's decision to place only short-term bank deposits is mainly driven by global political and economic uncertainties and the disruption of supply chains, with events potentially occurring at any time that may require the purchase of raw materials and supplies in order to build buffer stocks.

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NOTE 12 - EQUITY

The Company's equity as at 31 March 2026 amounted to 757.826 thousand RON. The increase in equity during 2026 compared to year-end 2025 amounted to 47.621 thousand RON.

Changes in equity items in the first quarter of 2026 compared to 2025 :

- **Share capital remained unchanged:**
As at 31 March 2026, the share capital of AEROSTAR S.A. Bacau amounted to 48.728.784 RON, divided into 152.277.450 shares with a nominal value of 0,32 RON.
- **Reserves increased by 10.656 thousand RON:**
 - an increase of 2.514 thousand RON arising from the allocation during 2026 of tax incentives received;
 - an increase of 8.142 thousand RON resulting from the revaluation at fair value of the shares held in Evergent Investments S.A;
- **Other items of equity decreased by 1.731 thousand RON** as a result of deferred income tax recognised in equity.
- **Retained earnings increased by 88.370 thousand RON as follows:**
 - an increase of 88.302 thousand RON following the transfer of the profit for the 2025 financial year to retained earnings, representing undistributed profit, pending allocation in accordance with the decisions of the shareholders at the AGOA (Ordinary General Meeting of Shareholders) held on 22 April 2026;
 - an increase of 68 thousand RON arising from deferred income tax recognised in equity;
- The balance of retained earnings as at 31 March 2026 amounted to 143.760 thousand RON, comprising :
 - retained earnings arising from the use, at the date of transition to IFRS, of fair value as deemed cost = 26.120 thousand RON ;
 - retained earnings representing gains realised from revaluation reserves, capitalised as property, plant and equipment are depreciated = 24.534 thousand RON;
 - retained earnings representing undistributed profit for the 2025 financial year = 88.302 thousand RON;
 - net gains realised on the disposal of equity instruments previously recognised in other comprehensive income = 4.804 thousand RON.
- **The profit for the period amounted to 41.142 thousand RON.**

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NOTE 13 - PROVISIONS

	31 December 2025	Increases/ Additions/ Reclassifications	Increases/ Additions/ Reclassifications	Revaluation differences	31 March 2026
Total provisions	75.299	7.435	10.578	-	72.156
Provisions for customer warranties	29.902	7.435	5.523	-	31.814
Provisions for decommissioning of property, plant and equipment	16.490	-	-	-	16.490
Provisions for employee benefits	9.479	-	4.893	-	4.586
Other provisions	19.428	-	162	-	19.266
Long-term provisions	41.180	2.918	1.469	-	42.629
Provisions for customer warranties	10.638	2.918	1.307	-	12.249
Provisions for decommissioning of property, plant and equipment	16.490	-	-	-	16.490
Other provisions	14.052	-	162	-	13.890
Short-term provisions	34.119	4.517	9.109	-	29.527
Provisions for customer warranties	19.264	4.517	4.216	-	19.565
Provisions for employee benefits	9.479	-	4.893	-	4.586
Other provisions	5.376	-	-	-	5.376

Provisions for customer warranties

Provisions for customer warranties are recognised to cover the risks of non-conformities arising during the warranty period of products sold and services rendered, in accordance with contractual terms. The standard warranty period is generally 24 months.

Provisions for decommissioning of property, plant and equipment

Provisions for the decommissioning of property, plant and equipment, particularly buildings, are recognised to cover the costs of dismantling, removal of components and restoration of the sites where they are located and are included in their cost. The value has been estimated using an annual discount rate of 6,5%.

Provisions for employee benefits

Provisions for employee benefits are recognised for bonuses granted in accordance with the applicable Collective Labour Agreement and for unused annual leave outstanding from the previous year.

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NOTE 13 – PROVISIONS (continued)

Other provisions

Other provisions include provisions recognised for:

- covering risks specific to the aviation industry, such as: the risk of latent defects and the risk of identifying quality-related incidents that may give rise to damages;
- covering expenses related to the Company's obligations towards A.J.O.F.M., in accordance with O.U.G. (Government Emergency Ordinance) no 95/2002;

During the period January – March 2026, the Company recorded expenses related to the recognition of provisions amounting to 7.436 thousand RON and income related to the reversal/reduction of provisions amounting to 10.578 thousand RON, resulting in net income from adjustments to provisions of 3.142 thousand RON.

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NOTE 14 – GOVERNMENT GRANTS FOR INVESTMENTS IN ASSETS

AEROSTAR recognises grants related to assets as deferred income.

	31.03.2026	31.03.2025
Balance as at 1 January, of which:	732	1.552
Short-term	264	828
Long-term	468	724
Grants received	939	-
Grants recognised in income in line with the depreciation/amortisation charged	(105)	(207)
Balance as at 31 March, of which:	1.566	1.345
Short-term	212	700
Long-term	1.354	645

The balance recorded as at 31 March 2026 represents grants related to investments in non-current assets which will be recognised in income over the useful life of the related assets, in line with the depreciation/amortisation recognised.

Grants received in previous years for the financing of assets, outstanding as at 31 March 2026, relate to the implementation of two investment projects under two non-reimbursable financing agreements:

1. Contract no. 210304/22.04.2010: "Expansion of manufacturing and assembly capacities for civil aviation aerostructures", carried out between April 2010 and October 2012, the grant received from the Ministry of Economy, Trade and Business Environment (MECMA) amounted to 5.468 thousand RON, with 352 thousand RON remaining to be recognised as income;
2. Financing contract no. 10/28.02.2023: "Equipping the AEROSTAR Testing Laboratory with NDT testing equipment", carried out between March 2023 and December 2023, the grant received from the Ministry of Economy amounted to 381 thousand RON, with 265 thousand RON remaining to be recognised as income.

All investment projects in non-current assets have been implemented and completed in accordance with the contractual terms agreed.

Aerostar S.A. is the beneficiary of an offset contract to be implemented by Lockheed Martin Inc., following the signing of the F-16 pilot training contract with the M.Ap.N.(Romanian Ministry of National Defence) - Romanian Air Force.

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NOTE 15 - TRADE PAYABLES

	31 March 2026	31 December 2025
Advances received from customers, of which:	12.244	12.737
Domestic customers with credit balances	14	9
Foreign customers with credit balances	12.230	12.728
Suppliers, of which:	41.723	39.565
Domestic suppliers of materials and services	12.582	9.539
Foreign suppliers of materials and services	24.235	24.023
Suppliers – invoices not yet received	3.893	3.229
Suppliers of non-current assets	1013	2.774
Total trade payables	53.967	52.302

Advances received from foreign customers relate to aircraft maintenance and repair services (99,89%) and other services provided (0,11%).

No mortgages have been established for the reported payables.

Favourable or unfavourable exchange rate differences between the market exchange rate at which the foreign currency trade payables are recorded and the exchange rate published by the National Bank of Romania applicable at the end of March 2026 have been recognised in profit or loss.

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NOTE 16 - OTHER LIABILITIES

	31 March 2026	31 December 2025
Other current liabilities, of which:	20.877	17.129
• <i>Liabilities related to personnel and related accounts</i>	7.174	4.653
• <i>Liabilities related to social security budget and state budget, of which:</i>	8.902	8.605
– VAT payable	-	1.792
– social security contributions	6.806	5.022
– work insurance contribution	425	313
– payroll income tax	1.355	979
– contribution for persons with disabilities not employed	252	251
– other taxes	13	193
– other social liabilities	51	55
• <i>Other liabilities, of which:</i>	4.801	3.871
– dividends	3.494	3.548
– other creditors	1.260	276
– guarantees received	47	47
Other non-current liabilities	1.457	1.480

The category “Other non-current liabilities” includes the liability related to the right-of-use for leased land for the MRO Hangar in Iași.

The dividends outstanding as at 31 March 2026, amounting to 3.494 thousand RON represent the amounts remaining due to shareholders who have not presented themselves at the payment agent CEC Bank S.A. (designated by AEROSTAR) and which are not statute-barred.

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

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NOTE 17 - DEFERRED INCOME TAX

Deferred tax is recognised for temporary differences arising between the tax base of the assets and liabilities and their carrying amounts. The deferred tax is calculated at a tax rate of 16% applicable to the temporary differences.

The Company has estimated and recognised deferred tax liabilities related to non-current assets (arising from differences between the carrying amounts and the tax values, differing useful lives, etc.) and reserves, and has recognised deferred tax assets related to non-current equity investments (shares), inventory write-downs, and loss allowance on trade receivables, as well as provisions for warranties granted to customers, and other provisions.

Structure of the deferred tax recorded as at 31.03.2026:

Deferred tax liabilities

1. Deferred tax liabilities arising from differences between the carrying amounts (higher) and the tax bases (lower) of non-current assets	584
2. Deferred tax liabilities related to legal reserves	1.559
3. Deferred tax liabilities related to reserves arising from tax incentives	26.966
4. Deferred tax liabilities related to retained earnings representing realised surplus from revaluation reserves	61
5. Deferred tax liabilities related to non-current equity investments - shares	8.070
Total deferred tax liabilities	37.240

Deferred tax assets

1. Deferred tax assets related to other provisions	285
2. Deferred tax assets related to provisions for warranties granted to customers	5.090
3. Deferred tax assets related to employee benefit provisions	734
4. Deferred tax assets related to inventory write-downs	13.011
5. Deferred tax assets related to loss allowance on trade receivables	296
Total deferred tax assets	19.416

Balance – Net deferred tax liability	17.824
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The Company has not recognised deferred tax assets related to other provisions for risks specific to the aviation industry, as there is uncertainty regarding the tax deductibility of the expenses arising from the settlement of future obligations. Consequently, the differences between the tax base and the carrying amount would be nil.

During the period 01 January 2026 – 31 March 2026, the Company recorded deferred tax income amounting to 1.471 thousand RON and deferred tax expense amounting to 1.896 thousand RON, resulting in a net impact on financial performance of (425) thousand RON.

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NOTE 17 - DEFERRED INCOME TAX (continued)

Deferred tax income recognised in equity, amounting to 36.310 thousand RON comprises deferred tax liabilities of 36.595 thousand RON and deferred tax assets of 285 thousand RON.

Deferred tax liabilities consist of:

- deferred tax liabilities related to legal reserves 1.559 thousand RON;
- deferred tax liabilities related to reserves arising from tax incentives 26.966 thousand RON;
- deferred tax liabilities related to non-current equity investments - shares 8.070 thousand RON.

Deferred tax assets amounting to 285 thousand RON relate to provisions for risks and expenses established prior to the date of transition to IFRS.

Of the **total deferred tax liabilities of 37.240 thousand RON**, an amount of 36.310 thousand RON is recognised in equity, while the difference of 930 thousand RON is recognised in retained earnings.

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NOTE 18 - FINANCIAL INSTRUMENTS

A financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

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

Financial assets of AEROSTAR include:

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

Financial liabilities of AEROSTAR include:

- trade payables;

As of the reporting date, AEROSTAR does not record any financial liabilities related to bank overdrafts or long-term bank loans.

The main types of risk arising from the financial instruments held, to which AEROSTAR is exposed, are:

- a) credit risk;
- b) liquidity risk;
- c) foreign currency risk;
- d) interest rate risk.
- e) market risk

a) Credit risk

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

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

Demand and term deposits are held exclusively with top-tier banks (top 5 by total assets), with ratings reflecting the lowest level of risk.

In certain cases, specific instruments are required to mitigate commercial credit risk (advance payments, bank payment guarantees, confirmed export letters of credit).

AEROSTAR has no significant exposure to a single counterparty and does not present a significant concentration of receivables in any single geographic area.

Credit risk exposure

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

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

	31.03.2026	31.03.2025
Demand and term deposits held with banks	356.012	297.859
Trade receivables, net of loss allowances	121.780	100.498
Non-current receivables	47	42
Total	477.839	398.399

*Cash on hand of AEROSTAR is not considered to be exposed to credit risk;

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** Assets in the form of advances paid to suppliers, for which the future economic benefits consist of the receipt of goods or services rather than the right to receive cash or another financial asset, are not financial assets.

The maximum credit risk exposure by geographic area for trade receivables, net of loss allowance, is presented in the table below:

	31.03.2026	31.03.2025
Domestic market	7.353	15.369
Eurozone countries	63.776	40.338
United Kingdom	31.776	21.835
Other European countries	8.302	9.744
Other regions	10.573	13.212
Total	121.780	100.498

Loss allowance

The ageing analysis of gross trade receivables at the reporting date is presented in the following table:

	Gross amount 31.03.2026	Loss allowance 31.03.2026	Gross amount 31.03.2025	Loss allowance 31.03.2025
In due time	120.885		99.832	
Overdue, total, of which:	2.237		1.332	
31-60 days	1.228	614	898	449
61-90 days	8	4	72	36
91-120 days	-	-	188	94
Over 120 days	915	638	174	87
More than 1 year	86	86	-	-
Total	123.122	1.342	101.164	666

The movement in the loss allowance for trade receivables during the year is presented in the following table:

	31.03.2026	31.03.2025
Balance at 1 January	2.036	110
Loss allowance recognised	643	579
Loss allowance reversed to income	(1.337)	(23)
Balance at 31 March	1.342	666

As at 31.03.2026, 98% of the balance of trade receivables relates 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 in cash.

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

To assess liquidity risk, cash flows from operating, investing, and financing activities are monitored and analysed on a weekly, monthly, quarterly, and annual basis to estimate the net changes in liquidity.

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Additionally, specific liquidity ratios (current ratio, quick ratio, and overall solvency ratio) are analysed monthly against budgeted levels.

Furthermore, to mitigate liquidity risk, AEROSTAR maintains an annual liquidity reserve in the form of a Credit Facility (available as an overdraft) granted by banks, up to 2.500 thousand USD.

The time bands used for the analysis of the contractual maturities of financial liabilities, to highlight the timing of cash flows, are presented in the following table:

	Liabilities	Carrying amount	Contractual cash flows	0-30 days	31-60 days	over 60 days
31.03.2026	Trade payables	37.380	(37.380)	(29.543)	(7.005)	(1.282)
31.03.2025	Trade payables	35.764	(35.764)	(32.164)	(2.898)	(702)

* Liabilities representing trade advances received are not considered financial liabilities, as the associated outflow of economic benefits represents the delivery of goods and services, rather than a contractual obligation to pay cash or another financial asset.

Cash flows included in the maturity analysis are not expected to occur earlier or in significantly different amounts.

As at 31.03.2026 AEROSTAR does not have any overdue liabilities.

c) Foreign currency risk

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.

Foreign currency risk exposure

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

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

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

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

31.03.2026	k EUR	k USD	k GBP
Demand and term deposits held with banks	1.211	1.828	28
Trade receivables	6.695	18.058	-
Trade payables	(2.015)	(3.456)	(2)
Net exposure in original currency	5.891	16.430	26

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Sensitivity analysis

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

Considering the historical evolution of the USD/RON and EUR/RON, high volatility is observed for USD/RON (+/-5%) and low volatility for EUR/RON (+/-2%). Accordingly, a reasonably possible change of +/-5% for USD/RON and +/-2% for EUR/RON at the end of the reporting period is considered.

The effect of a reasonably possible change in the EUR/RON and USD/RON exchange rates on AEROSTAR's financial result is calculated in the table below:

31.03.2026	EUR/RON	USD/RON
Net exposure in original currency	5.891 k EUR	16.430 k USD
Exchange rate	5,0988	4,4463
Net exposure in functional currency	30.037 k RON	73.053 k RON
Reasonably possible change in exchange rate	+/- 2%	+/- 5%
Effect of the change on financial result	+/- 601 k RON	+/- 3.653 k RON

d) Interest rate risk

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

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

Interest is applicable only to the overdraft.

As the overdraft facility was not utilised during the reporting period, income and cash flows are independent of changes in market interest rates.

As at 31.03.2026, the value of guarantees granted under commercial contracts through the issuance of bank guarantees and import letters of credit is 7.273 thousand RON (equivalent to 1.636 thousand USD).

As at 31.03.2026 no mortgages have been established over 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 table below:

	31.03.2026	31.12.2025
Portfolio value of Evergent Investments S.A. shares (stock symbol: EVER)	83.323 k RON	75.180 k RON

The increase in the value of the share portfolio was driven by the closing price of 3,07 RON/share as at 31.03.2026 for EVER shares, representing an increase of 10,83% compared to 31.12.2025, while the number of shares remained unchanged.

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NOTE 19 - OPERATING REVENUE

	31 March 2026	31 March 2025
Operating revenue, of which:	194.867	168.822
Revenue from the sale of products	108.140	87.701
Revenue from services	85.484	80.108
Revenue from sale of goods	5	-
Rental income	787	739
Revenue from other activities	451	274
Revenue related to inventories of finished goods and work in progress	(5.962)	(12.800)
Revenue from the production of non-current assets	295	541
Operating grants	4	177
Investment grants	105	207
Other operating income	105	123
Total operating revenue	189.414	157.070

The Company recorded a 20,60% increase in operating revenue in the first quarter of 2026 compared to the same period of 2025, a positive variation driven by a 15% increase in revenue from sales, alongside a decrease in revenues related to finished goods inventories and work in progress.

Other operating income in the amount of 105 thousand RON represents amounts recovered from former employees (training costs and other outstanding amounts) and recovered taxes.

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NOTE 20 – OPERATING EXPENSES

	31 March 2026	31 March 2025
Employee benefits expenses, of which:	55.042	50.739
Salaries and allowances	48.630	44.305
Meal vouchers expense	3.770	3.562
Social security and insurance contributions	2.642	2.872
Raw materials and consumables	66.913	54.008
Energy, water, and gas	5.715	5.992
Other material expenses, of which:	4.183	3.830
Expenses related to non-inventoried materials	247	307
Expenses related to goods	5	5
Packaging materials	216	206
Other materials	3.715	3.312
External services, of which:	8.230	10.369
Repairs	1.872	4.171
Transport costs	1.356	1.137
Commissions and fees	776	697
Travel and secondments	322	234
Royalties and rents	160	221
Other services rendered by third parties	3.744	3.909
Trade discounts received	(179)	(297)
Depreciation and amortisation	6.873	7.304
Net expenses (income) from adjustments to provisions	(3.142)	(6.335)
Net expenses (income) from adjustments to current assets	321	7.496
Other operating expenses	4.012	849
<hr/> Total operating expenses:	<hr/> 147.968	<hr/> 133.955

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

In the first quarter of 2026, the Company granted to its employees meal vouchers amounting to 3.770 thousand RON.

Other operating expenses, totalling 4.012 thousand RON include, among others, local taxes and duties, sponsorships, scholarships granted to students enrolled in the dual education programmes, environmental protection expenses, and compensation expenses under contracts concluded with business partners.

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In the first quarter of 2026, AEROSTAR recorded increases/recognitions and decreases/reversals of adjustments to provisions, as follows:

Adjustments to provisions	31 March 2026	31 March 2025
Increases/provisions recognised	7.436	4.659
Decreases/reversals	(10.578)	(10.994)
Net expenses/(income) from adjustments to provisions	(3.142)	(6.335)

In the first quarter of 2026, the impact of adjustments to provisions led to a decrease in operating expenses of 3.142 thousand RON.

Adjustments for impairment of current assets	31 March 2026	31 March 2025
Increases/adjustments recognised		
Inventory write-downs	2.476	8.435
Loss allowance on receivables	671	593
Losses on receivables and other debtors		
Total increases/adjustments recognised	3.147	9.028
Decreases/reversals of adjustments		
Inventory write-downs	(1.488)	(1.506)
Loss allowance on receivables	(1.338)	(26)
Total decreases/reversals of adjustments	(2.826)	(1.532)
Net expense/(income) from adjustments for impairment of current assets	321	7.496

In the first quarter of 2026, the impact of adjustments for the impairment of current assets led to an increase in operating expenses of 321 thousand RON.

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NOTE 21 - FINANCIAL INCOME

	31 March 2026	31 March 2025
Foreign exchange gains	2.989	1.834
Interest income	4.574	3.143
Income from investments in subsidiaries	458	-
Total financial income	8.021	4.977

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

Income from investments in subsidiaries represents dividends receivable from FOAR SRL relating to the financial year 2025, appropriated in accordance with the Sole Shareholder's Resolution.

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NOTE 22 - FINANCIAL EXPENSES

	31 March 2026	31 March 2025
Foreign exchange losses	1.063	3.469
Interest on lease liabilities	7	30
Total financial expenses	1.070	3.499

In the first quarter of 2026, the Company recorded the following items under financial expenses:

- foreign exchange losses;
- interest expenses related to the right-of-use asset for the land concessioned for the MRO Hangar in Iași.

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NOTE 23 - INCOME TAX

Income tax is recognised in the statement of profit or loss. Current income tax is the tax payable on the profit for the current period, calculated based on the applicable tax regulations at the reporting date. The applicable income tax rate as at 31.03.2026 was 16% (the same rate applied for the financial year 2025).

	<u>31 March 2026</u>	<u>31 March 2025</u>
Gross accounting profit	48.398	24.593
Current income tax expense	6.830	3.744
Income tax on the gain from the sale of securities	-	46

Reconciliation between accounting profit and taxable profit as at 31 March 2026				Differences
Accounting revenue	197.435	Taxable revenue	183.651	-13.784
Accounting expenses	149.037	Tax-deductible expenses	137.816	-11.221
Gross accounting profit	48.398	Taxable profit	45.835	-2.563
Accounting tax (16%)	7.744	Income tax at statutory rate (16%)	7.334	-410
Tax deductions	-	<i>Tax deductions, of which:</i>	504	+504
		• related to investments under Art. 22 of the Fiscal Code	402	+402
		• sponsorships	102	+102
Final income tax expense	7.744	Final income tax expense	6.830	-914
Applicable statutory rate	16,00%	Applicable statutory rate	16,00%	
Effective average tax rate, calculated on gross accounting profit		14,11 %		

Comparative figures

31 March 2025

Gross accounting profit	24.593
Current income tax expense	3.744
Income tax on the gain from the sale of securities	46

Reconciliation between accounting profit and taxable profit				Differences
Accounting revenue	162.046	Taxable revenue	149.883	-12.163
Accounting expenses	137.453	Tax-deductible expenses	123.160	-14.293
Gross accounting profit	24.593	Taxable profit	26.723	+2.130
Accounting tax (16%)	3.935	Income tax at statutory rate (16%)	4.276	+341
Tax deductions	-	<i>Tax deductions, of which:</i>	486	+486
		• related to investments under Art.22 of the Fiscal Code	486	+486
		• sponsorships	-	-
Final income tax expense	3.935	Final income tax expense	3.790	-145
Applicable statutory rate	16,00%	Applicable statutory rate	16,00%	
Effective average tax rate, calculated on gross accounting profit		15,41 %		

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NOTE 23 - INCOME TAX (continued)

Key factors affecting the effective tax rate:

- tax incentives representing the corporate income tax exemption related to investments made under Art.22 of the Fiscal Code.
- non-deductible expenses for tax purposes (expenses related to the recognition or increase of provisions and value adjustments for current assets that are non-deductible for tax purposes, accounting depreciation that is non-deductible for tax purposes, etc.).
- non-taxable income resulting from the recovery of non-deductible expenses.

Financial performance in 2026 is influenced by current and deferred income tax as follows:

	<u>31 March 2026</u>	<u>31 March 2025</u>
Current income tax expense	(6.830)	(3.744)
Deferred tax expense	(1.896)	(1.747)
Deferred tax income	1.471	1.955
Current and deferred income tax	(7.255)	(3.536)

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NOTE 24 - EARNINGS PER SHARE

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

Diluted earnings per share is equal to basic earnings per share as the Company has no potential ordinary shares outstanding.

IN RON	<u>31.03.2026</u>	<u>31.03.2025</u>
Profit attributable to ordinary shareholders	41.141.979	21.056.600
Weighted average number of ordinary shares outstanding	152.277.450	152.277.450
Earnings per share	<u>0,270</u>	<u>0,138</u>

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NOTE 25 - AVERAGE NUMBER OF EMPLOYEES

Total number of employees* as at:	Q1 2026	Q1 2025
	1.885	1.872
Average number of own employees as at:	Q1 2026	Q1 2025
	1.740	1.694
Headcount of own employees as at:	31.03.2026	31.03.2025
	1.765	1.739

Note*)

As at 31 March 2026, the total headcount of the Company was 1.885, of which 1.765 were own employees and 120 were temporary agency workers.

As at 31 March 2025, the total headcount of the Company was 1.872, of which 1.739 were own employees and 133 were temporary agency workers.

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NOTE 26 - RELATED PARTY TRANSACTIONS

<u>Purchases of goods and services</u>	<u>Q1 2026</u>	<u>Q1 2025</u>
Airpro Consult SRL Bacău	2.976	3.650
Foar SRL Bacău	38	67
TOTAL	3.014	3.717
<u>Sales of goods and services</u>	<u>Q1 2026</u>	<u>Q1 2025</u>
Airpro Consult SRL Bacău	-	-
Foar SRL Bacău	1	1
TOTAL	1	1
<u>Payables</u>	<u>Balance as at 31.03.2026</u>	<u>Balance as at 31.03.2025</u>
Airpro Consult SRL Bacău	1.105	1.228
Foar SRL Bacău	-	23
TOTAL	1.251	1.251

Related party transactions for the period 01.01.2026 - 31.03.2026 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 equipment rental services;
- Provision by Aerostar S.A. to Foar SRL Bacău of premises rental services;
- Dividends receivable, distributed in March by FOAR S.R.L., amounting to 458 thousand RON. The dividends were received during April.
- In February 2026, the Board of Directors of Aerostar S.A. approved the initiation of procedures for the voluntary dissolution and liquidation of S.C. FOAR S.R.L., which are currently ongoing.

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NOTE 27 - CASH FLOW INFORMATION

The method used in presenting the Statement of Cash Flows is the direct method. The Statement of Cash Flows presents cash flows and cash equivalents classified by operating, investing and financing activities, thus highlighting the manner in which AEROSTAR generates and uses cash and cash equivalents.

For the purpose of preparing the Statement of Cash Flows:

- cash flows represent receipts and payments of cash and cash equivalents;
- cash comprises cash on hand (cash in the company's cash office) and demand deposits held with banks (balances in current bank accounts);
- cash equivalents comprise term deposits held with banks.

Cash flows arising from transactions in foreign currencies are recorded in the functional currency (RON) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow (the date of receipt or payment). Gains and losses arising from changes in foreign exchange rates are not cash flows. However, the effect of changes in foreign exchange rates on cash and cash equivalents held in foreign currency is reported in the Statement of Cash Flows separately from cash flows from operating, investing and financing activities, in order to reconcile cash and cash equivalents at the beginning and at the end of the reporting period.

The summary statement of cash flows for the first quarter of 2026 is presented in the table below:

Cash flows	Amount	%
Total receipts, of which:	194.396	100%
Receipts from operating activities	192.332	98,9%
Receipts from investing activities	2.064	1,1%
Receipts from financing activities	-	-
Total payments, of which:	(152.143)	100%
Payments for operating activities	(148.127)	97,4%
Payments for investing activities	(3.804)	2,5%
Payments for financing activities	(212)	0,1%
Net increase in cash and cash equivalents	42.253	
Cash and cash equivalents at the end of the period	356.066	

Operating activities are the main cash-generating activities of AEROSTAR.

- cash receipts from customers amounted to 190.231 thousand RON;
- cash receipts from the State Budget amounted to 2.101 thousand RON, of which 2.097 thousand RON represent VAT and other social contribution receivables, and 4 thousand RON represent operating grants;
- payments to suppliers and employees amounted to 122.556 thousand RON, of which 92.387 thousand RON were payments to suppliers and 30.169 thousand RON were payments to employees;
- payments of taxes and duties to the State Budget amounted to 25.571 thousand RON, of which 19.839 thousand RON were payroll taxes and contributions, 2.895 thousand RON represent VAT, 2.837 thousand RON local taxes and duties.

Operating activities generated a net cash inflow of 44.205 thousand RON, an increase of 9.295 thousand RON compared to the same period of the previous year.

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Investing activities include:

- interest received from bank deposits that reached maturity, amounting to 2.064 thousand RON;
- payments for the acquisition of property, plant and equipment and intangible assets amounting to 3.804 thousand RON.

The amount of cash flows allocated for the increase of operating capacity represents 3% of the aggregate amount of cash used in operating, investing, and financing activities.

Within financing activities, an amount of 212 thousand RON, representing dividends due to AEROSTAR's shareholders.

The level of cash and cash equivalents as at 31 March 2026 amounted to 356.066 thousand RON, an increase of 42.714 thousand RON compared to the beginning of the year.

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NOTE 28 - COMMITMENTS AND OTHER OFF-BALANCE SHEET ITEMS

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

	31 March 2026	31 December 2025
• Commitments , of which:	42.587	88.330
○ guarantees granted to partners – in the form of bank guarantees and letters of credit	-	-
○ guarantees received from partners – in the form of bank guarantees and letters of credit	42.587	87.830
○ mortgage guarantee received	-	500
• Assets , of which:	84.052	77.337
○ inventories of other materials provided for use (tools, devices, gauges, protective equipment, measurement and control equipment, technical library, etc.)	58.820	56.652
○ materials received in custody	2.237	2.237
○ finished goods received in custody	2	2
○ materials – customer owned	41	41
○ property, plant, and equipment and intangible assets – obtained or acquired as a result of co-financed activities	539	539
○ products received for processing/repair	14.966	10.553
○ materials received for processing/repair	4.520	4.540
○ underlying assets related to concession contracts – Iași Hangar	2.552	2.552
○ fixed assets proposed for scrapping	375	221
• Other off-balance sheet items , of which:	3.102	3.256
○ material guarantees established for the liability of inventory managers regarding asset management	265	258
○ commitments for covering certain obligations to A.J.O.F.M. under Report No. 9624/12.12.2011	1.783	1.944
○ debtors written off, still under collection	211	211
○ creditors	12	12
○ de minimis aid for participation in trade fairs and exhibitions	831	831
• Greenhouse gas emission certificates	1.465	3.116

As at 31 March 2026, Aerostar held a total of 4.045 greenhouse gas emission certificates. The market price as at the last trading day of a GHG certificate was 71,04 EUR, as published on the European Energy Exchange website (compared to 85,12 EUR in December 2025), based on a revaluation exchange rate of 5,0988 RON/EUR.

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NOTE 29 - REMUNERATION OF DIRECTORS

The Board of Directors of AEROSTAR S.A. as at 31.03.2026 comprises:

	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 2026, Aerostar S.A. did not grant any 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 of Shareholders held on 22 April 2026, the shareholders of Aerostar S.A. approved:

- the establishment of the directors' remuneration , at a fixed net amount of 5.000 RON per month;
- for the term of office starting on 11.07.2024, the remuneration of directors holding executive positions shall consist of the fixed remuneration plus an additional fixed net monthly remuneration not exceeding ten (10) times (inclusive) the remuneration granted to a member of the Board of Directors.

The total gross remuneration granted to the members of the Board of Directors and the executive management during January–March 2026, in accordance with the resolutions of the AGA (General Meeting of Shareholders) and by virtues of their responsibilities, amounted to 479 thousand RON.

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NOTE 30 - RISK MANAGEMENT

AEROSTAR is exposed to a variety 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 occurrence of the risks described below.

AEROSTAR aims to ensure medium- and long-term sustainability and to reduce uncertainty associated with its strategic and financial objectives.

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

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

Operational Risk

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

- the use of inadequate processes, systems, or human resources, or those that do not perform their intended function properly;
- external events and actions, including deterioration of global economic conditions, natural disasters, or other events that may affect AEROSTAR's assets.

Given the current global political turbulence, new types of risks may arise in the future, and AEROSTAR closely monitors key conflict areas.

Legal Risk is considered a component of operational risk and is defined as the risk of loss arising both from fines, penalties, and sanctions to which AEROSTAR may be subject in case of non-compliance or improper application of legal or contractual provisions and regulations, and from the improper establishment of the contractual rights and obligations of AEROSTAR and/or its business partners.

The monitoring and mitigation of legal risk are ensured through a continuous system of updates on legislative changes, as well as through the implementation of a structured process for analysing, endorsing, and approving the terms and conditions included in commercial contracts.

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

In addition, AEROSTAR aims to maintain, through the establishment of provisions for risks and related expenses, its own funds to cover the risks to which it is exposed.

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

Credit Risk represents the risk that AEROSTAR may incur a financial loss as a result of a business partner's failure to fulfil its contractual obligations, and it mainly arises from demand and term deposits held with banks as well as from trade receivables.

Deposits are placed only with top-tier banks (top 5 by total assets), which are considered to have a high degree of solvency.

Credit risk, including country risk related to the customer's operating location, is managed individually for each business partner. Where deemed necessary, specific instruments are requested to mitigate credit risk, such as advance payments, bank guarantees, and confirmed export letters of credit.

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AEROSTAR has no significant exposure to any single business partner and does not record any significant concentration of turnover in a single geographic area.

However, there is exposure to the global Airbus program market, as a substantial proportion of the Company's products are incorporated into Airbus aircraft.

Quantitative information on AEROSTAR's exposure to credit risk is presented in detail in Note 18 (Financial Instruments) of the Financial Statements.

Liquidity Risk is the risk that AEROSTAR may encounter difficulties in meeting its obligations associated with liabilities as they fall due.

To manage liquidity risk, cash flows are monitored and analysed on a weekly, monthly, quarterly, and annual basis to determine the estimated level of net liquidity changes. This analysis provides 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 provided by banks, amounting to 2.500 thousand USD. During the reporting period, AEROSTAR did not utilise the credit line, as all activities were financed from its own 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 arising from fluctuations in the prices of raw materials and other materials used in production processes, caused by exceptional events, the imposition of international sanctions affecting the availability of parts and materials, or increases in specific import/export duties on metal products to and from the United States.

Management of this risk is carried out through:

- diversification of the supplier portfolio, which provides increased negotiating leverage in the event of rising raw material prices from certain suppliers.
- signing long-term contracts with fixed-price clauses.

AEROSTAR is exposed to currency risk as 88% of its turnover is denominated in USD and EUR, while a significant portion of operating expenses is denominated in RON. Consequently, AEROSTAR is exposed to the risk that fluctuations in exchange rates may affect both its net income and its financial position as expressed in RON.

AEROSTAR has decided not to use foreign exchange hedging instruments (options, forwards) due to relatively high initial costs and the potential loss of opportunities in the event of a depreciation of the RON against the main currencies (USD, EUR).

An analysis of AEROSTAR's sensitivity to foreign exchange rate fluctuations is presented in detail in Note 18 (Financial Instruments) of the financial statements.

Regarding interest rate risk, as AEROSTAR did not utilise the contracted Credit Line during the reporting period, its income and cash flows are not affected by changes in market interest rates.

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

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FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 31 - PREPAID EXPENSES AND DEFERRED INCOME

	31 March	31 March
	2026	2025
Prepaid expenses (short-term)	2.946	2.410
Deferred income (short-term)	617	2.886

Expenses incurred and income recognised during the current period, but relating to future periods or financial years, are recorded separately in the accounting records, as prepaid expenses or deferred income, as appropriate.

As at 31 March 2026 **prepaid expenses** include amounts to be recognised within a period of up to one year representing, among others, local taxes and duties, subscriptions, insurance policies, commissions, participation in trade fairs and conferences, online services, and IT system maintenance.

As at 31 March 2026, Aerostar has not recognised any long-term **deferred income**. The short-term **deferred income** includes amounts relating to the delivery of goods and the provision of services for which the criteria for revenue recognition under IFRS 15 have not yet been met (the customers have not yet obtained control over the goods or services).

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**NOTE 32 - RIGHT-OF-USE ASSETS RELATED TO ASSETS HELD UNDER CONCESSION
PURSUANT TO CONCESSION CONTRACT NO. 25074/07.09.2017**

Reporting period 31 March 2026

	Carrying amount as at 31 March 2026			Carrying amount as at 01 January 2026		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Right-of-use asset for the MRO hangar land in Iași	2.022	(288)	1.734	2.022	(277)	1.745
Total	2.022	(288)	1.734	2.022	(277)	1.745

Net carrying amount as at 31.03.2026:

	Net carrying amount as at 1 January 2026	Revaluations in Q1 2026	Depreciation for the period	Net carrying amount as at 31 March 2026
Right-of-use asset for the MRO hangar land in Iași	1.745	-	(11)	1.734

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 32 - RIGHT-OF-USE ASSETS RELATED TO ASSETS HELD UNDER CONCESSION

PURSUANT TO CONCESSION CONTRACT NO. 25074/07.09.2017(continued)

COMPARATIVE FIGURES - reporting period 31 March 2025

	Carrying amount as at 31 March 2025			Carrying amount as at 01 January 2025		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Right-of-use asset for the MRO hangar land in Iași	1.960	(246)	1.714	1.959	(236)	1.723
Total	1.960	(246)	1.714	1.959	(236)	1.723

Net carrying amount as at 31.03.2025:

	Net carrying amount as at 1 January 2025	Revaluations in Q1 2025	Depreciation for the period	Net carrying amount as at 31 March 2025
Right-of-use asset for the MRO hangar land in Iași	1.723	-	(9)	1.714

According to IFRS 16, the right-of-use of the land for the MRO Hangar land in Iasi concessioned under Concession Contract No. 25074/2017, is recognised as a lease contract. A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

Upon initial measurement of the right-of-use asset, and in accordance with the contractual provisions, the lessee is required to estimate the costs to be incurred for dismantling and removing the underlying asset and for restoring the site on which it is located.

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

Obligations for such costs are recognised and measured as provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The estimated cost of dismantling and site restoration is updated annually.

The right-of-use of the land for the MRO Hangar land in Iasi has been retranslated at the market exchange rate communicated by the National Bank of Romania on the last banking day of each reporting period.

S.C. AEROSTAR S.A. BACAU
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR 31 MARCH 2026
(unless specified otherwise, all amounts are stated in thousands of RON)

NOTE 33 - EVENTS AFTER THE REPORTING PERIOD

Decisions of the Ordinary General Meeting of Shareholders held on 22 April 2026

At the Ordinary General Meeting of Shareholders held on 22 April 2026, the shareholders of Aerostar approved the following:

- Appropriation of the net profit for the financial year 2025, amounting to 98.037,044,52 RON, as follows:
 - appropriation of reinvested profit to the legal reserve 9.734.591,88 RON;
 - appropriations to statutory reserves 35.005.345,14 RON;
 - distribution of dividends 53.297.107,50 RON;

and the establishment of a gross dividend per share of 0,35 RON, corresponding to a share with a nominal value of 0,32 RON;

- **05 June 2026** as the payment date for the dividends related to the financial year 2025.

The distribution of dividends due to the shareholders of Aerostar for the year 2025 will be carried out in accordance with the applicable legal provisions.

Financial Calendar 2026 - upcoming events:

Presentation of the financial results for the first quarter of 2026	08.05.2026
Presentation of the financial results for the first semester of 2026	14.08.2026
Meeting with the press and interested investors to present the financial results for the first half of 2026	14.08.2026
Presentation of the financial results as at 30 September 2026	06.11.2026

The company financial statements as at 31 March 2026, comprising the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, were approved by the Board of Directors on 7 May 2026 and were signed on its behalf by:

Chief Executive Officer,
Alexandru FILIP

Financial Director,
Doru DAMASCHIN



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 **GRIGORE FILIP**, as Chairman of the Board of Directors of **AEROSTAR S.A.**, **ALEXANDRU FILIP**, as General Director of **AEROSTAR S.A.** and **DORU DAMASCHIN**, as Financial Director of **AEROSTAR S.A.**, hereby undertake the responsibility for the preparation of the individual financial statements as on **31.03.2026** and we confirm hereby that:

- a) The accounting-financial statement for **31.03.2026**, that was prepared in accordance with the applicable accounting standards provides a fair image, compliant with the reality of the assets, obligations, financial position, of the profit and loss account of the company Aerostar S.A. Bacău;
- b) The report of the Board of Directors for **31.03.2026**, prepared in accordance with the provisions of Regulation no. 5/2018 issued by the Financial Supervisory Authority - Annex no. 13, presents correctly and completely the information regarding Aerostar S.A. Bacău.

**President of the Board of Directors,
GRIGORE FILIP**

**General Director,
ALEXANDRU FILIP**
**Financial Director,
DORU DAMASCHIN**

