ARMĀTURA S.A.

FINANCIAL STATEMENTS FOR QUARTER ENDED SEPTEMBER 30, 2024

DRAWN UP IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION

ARMATURA SA
STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified)

	01 January 2024	September 30 2024
Active		
Fixed assets		
Tangible fixed assets	117.598	116645
Intangible assets	0	0
Real estate investments	707.774	304.412
Total fixed assets	**825.372**	**421.057**
Current assets		
Stocks	0	893
Customers and other receivables	508.558	767.518
Cash and equivalents of cash	7.439.622	6.488.280
Deferred profit receivables	164.178	164.178
Total current assets	**8.112.358**	**7.420.869**
Total assets	**8.937.730**	**7.841.926**
Equity and liabilities		
Share capital	18.110.957	18.110.957
Reserves	1.304.075	1.304.075
Retained earnings including profit or loss for the period	-11.871.593	-12.615.531
Total equity	**7.543.439**	**6.799.501**
Long-term debts		
Loans	-	-
Debts related to financial leasing	397.032	0
Tax liabilities Deferred	0	0

The attached notes are part of these financial statements.

ARMATURA SA
STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified)

	01 January 2024	September 30 2024
Current payables		
Suppliers and other liabilities	389.056	470.927
Settlements with shareholders regarding		
Share capital	100	100
Loans	0	0
Provisions for risks		
and expenses	207.084	170.379
Payables from leasing operations 401,019 401,019		
Total debts Current	**997.259**	**1.042.425**
Total debts	**7.543.439**	**6.799.501**
Total equity and liabilities	**8.937.730**	**7.841.926**

The accompanying notes are part of these financial statements

ARMĂTURA SA
STATEMENT OF INCOME AND EXPENSES
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified)

	SEPTEMBER 30 2024	SEPTEMBER 30 2023
Income	1.323.314	1.399.761
Other operating income	210.460	1.092
Change in stocks of finished products and production in progress	0	0
Raw materials and materials	-66.660	-62.818
Cost of goods	-55.252	-55.252
Personnel expenses	-605.553	-561.940
Utility expenses	-165.149	-326.726
Services provided by third parties	-521.995	-343.419
Depreciation and amortization fixed assets	-392.092	-456.073
Net movement in provision for other Risks and expenses	-25.392	0
Other operating expenses	23.487	-15.859
Other income / (loss),net	56.881	-170.763
Operating result	**-922.467**	**-545.978**
Financial income	180.454	252.801
Financial costs - net	-35.018	-3.944
Net financial result	**173.621**	**248.857**
Profit/Loss Before Tax	-133.337	-297.120
Income / (Expense) with corporate income tax current and postponed	-	-
Profit / Loss for the year	**-133.337**	**-297.120**
Number of shares issued	40.000.000	40.000.000
Basic and diluted earnings per share	**-0.003333**	**-0.007428**

The accompanying notes are part of these financial statements

ARMATURA SA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified

	SEPTEMBER 30 2024	SEPTEMBER 30 2023
Profit/Loss for the year	-133.337	-297.120
Other comprehensive income:		
Gain/(Loss) from revaluation Buildings	-	-
Impact of deferred tax on Revaluation reserves	-	-
Other comprehensive income for the year, net tax	-	-
Total comprehensive result for the year	-133.337	-297.120

Administrator,
Stefan Bogdan

SOCIETATEA COMERCIALA ARMĂTURA S.A. 2 CLUJ-NAPOCA, ROMÂNIA

Drawn up,
Ec.Rus Dana

The accompanying notes are part of these financial statements

ARMĂTURA S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified)

	Share capital	Reserves from Revaluation	Other reserves	Deferred result	Total
Balance as of January 1, 2024	18.110.957	0	1.304.075	-11.871.593	7.543.439
Profit / (Loss) for the year	-	-	-	-133.337	-133.337
Other elements of the result	-	-	-	-610.601	-610.601
Total overall result	-	-	-	-743.938	-743.938
Balance as of September 30, 2024	18.110.957	0	1.304.075	-12.615.531	6.799.501

Administrator,
Stefan Bogdan

SOCIETATEA COMERCIALA ARMĂTURA S.A. 2 CLUJ-NAPOCA, ROMÂNIA

Drawn up,
Ec.Rus Dana

The accompanying notes are part of these financial statements

ARMĂTURA S.A.
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(in lei, unless otherwise specified)

	01 January 2024	September 30 2024
Cash flows from activities of exploitation		
Cash generated from operations	-300.481	837.446
Interest paid	-	-
Net cash generated from operating activities	**-300.481**	**-837.446**
Cash flows from investment activities		
Acquisitions of property, plant and equipment	0	0
Net proceeds from the sale of tangible fixed assets	0	0
Interest received	113..896	113.896
Net cash used in investment activities	**113.896**	**113.896**
Cash flows from financing activities		
Leasing loan repayments	-	-
Settlements from associates	-	-
Net cash used in financing activities		-
Net change in cash and cash equivalents	**-414.377**	**-951.342**
Cash and cash equivalents at the beginning of the year	**7.853.999**	**7.439.622**
Increases /- Decreases	**-414.377**	**-951.342**
Cash and cash equivalents at the end of the semester	**7.439.622**	**6.488.280**

Administrator ,
Stefan Bogdan

SOCIETATEA COMERCIALĂ ARMĂTURA S.A. 2 CLUJ-NAPOCA, ROMÂNIA

Drawn up,
Ec. Rus Dana

The accompanying notes are an integral part of these financial statements.

1 GENERAL INFORMATION

ARMATURA SA (the "Company") was registered at the beginning of 1991 with the Cluj Trade Register as a joint stock company, and at the end of 1996 it completed the privatization process, being currently a fully private company. The company has its registered office in Cluj Napoca, Garii Street, no. 19, where it also carries out its production activity.

The company's object of activity is "Manufacture of taps", NACE code 2814 and operates in the field of metal fittings with an experience in the production of fittings for heating and water and gas supply installations, including today in its product portfolio over 1,500 typodimensional items. The Company's clients are national and international companies.

The Company's shares have been listed in the standard category of the Bucharest Stock Exchange since 1997, and in 2024 the main shareholder is HERZ ARMATUREN Ges.m.b.H Austria.

The company does not have open branches, is not in association with other companies and does not hold shareholdings.

The company has subscribed and paid-up share capital in the amount of RON 4,000,000 consisting of 40,000,000 shares with a nominal value of RON 0.1 per share.

Starting with 2021, when the Company carries out the activity of sub-leasing the premises, this risk is no longer applicable, the clients being predominantly internal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are presented below. These policies have been applied consistently in all the years presented, unless otherwise specified.

2.1 Basis of preparation

The Company's financial statements were prepared in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications.
These provisions correspond to the requirements of the International Financial Reporting Standards (IFRS), adopted by the European Union (EU). The effects of the change in the exchange rates, regarding the functional currency. For the purpose of preparing these financial statements in accordance with the legislative requirements of Romania, the functional currency of the Company is considered to be RON ("Romanian leu").

For the year ended December 31, 2011 and for all previous financial years, the Company has prepared the financial statements in accordance with the Romanian accounting regulations (local accounting principles) represented by OMF 3055/2009 for the years 2011 and 2010. As of December 31, 2012, the Company prepared the first set of IFRS financial statements adopted by the EU.

Preparing financial statements in accordance with IFRS requires the use of critical accounting estimates. It also asks the management to use reasoning in the process of applying the Company's accounting policies. Areas that involve a higher degree of complexity and application of these reasonings or those in which assumptions and estimates have a material impact on the financial statements.

2.1.1. Business continuity

These financial statements have been prepared based on the principle of business continuity, which implies that the Company will continue its activity for the foreseeable future.

The nature of the Company's activity may bring unpredictable variations in terms of cash inflows in the future. The management analyzed the issue of the opportunity to prepare the financial statements based on the principle of business continuity.

As of September 30, 2024, the Company recorded a loss of RON 133,337.

2.1.2 New accounting regulations

The following amendments to the existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current period:

Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Reform – Phase 2. They were adopted by the EU on 15 January 2020, and are applicable for periods starting on or after 1 January 2021.
Amendments to IFRS 4 Insurance Contracts – Extension of the temporary exemption from the application of IFRS 9. The expiry date of the temporary exemption from the application of IFRS 9 has been extended for annual periods beginning on or after January 1, 2023.

Amendments to IFRS 16 Leasing Agreements Adopted by the EU on August 30, 2021 and are applicable after June 30, 2021.

As of January 1, 2018, the Company has applied IFRS 15 Revenue from customer contracts. IFRS 15 sets out a five-step model that will apply to the recognition of income arising from a contract with a customer (with limited exceptions), regardless of the type of transaction or industry.

The requirements of the standard will also apply to the recognition and measurement of gains and losses on the sale of certain non-operational assets that are not the result of the entity's ordinary business (e.g., sale of property, plant and equipment and intangible assets). Provision will be made for extensive disclosures, including disaggregation of total income, information on performance obligations, changes in contractual balances of asset and liability accounts between periods, and key reasoning and estimates.

The company obtained in the year revenues from the rental of spaces to other companies until the date of sale of the properties, and the revenues are measured at the fair value of the net amounts collected. The income obtained from the rental of spaces is recognized when there is an obligation to register a contract, respectively if the following conditions have been met:

- The parties to the contract have approved the contract in writing
- The Company may identify the rights of each party in relation to the services to be transferred
- The company can identify the terms of payment for rent
- The contract has commercial content
- The company has a number of 34 tenants as of 30.09.2024
- The company extended the contracts for an indefinite period
- The company charges a reasonable level of rents

Based on the internal assessment of the possible impact resulting from the application of IFRS 15, we consider that the business continuity supported by the two aspects mentioned above is clear, namely the increase in the number of tenants and the extension of their existing contracts; No material effect was identified in these financial statements.
*New standards, amendments and interpretations issued by the IASB and adopted by the EU, but not applicable for the financial year ended 30 September 2024, as a result not adopted***:**

Amendments to IFRS 3 Business Combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (all issued on May 14, 2020) – applicable for periods beginning on or after January 1, 2022.

IFRS 17 Insurance Contracts (issued on May 18, 2017); **including Amendments to IFRS 17** (issued on June 25, 2020) **–** applicable for periods beginning on or after January 1, 2023.

Amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors: Definition of Accounting Estimates (published February 12, 2021) **–** applicable for periods beginning on or after January 1, 2023.

Amendments to IAS 1 Presentation of Financial Statements and Practice Statement 2 IFRS: Presentation of Accounting Policies (published on February 12, 2021) – applicable for periods beginning on or after January 1, 2021.

The Company anticipates that the adoption of these standards and amendments to existing standards will not have a material impact on the Company's financial statements during the initial application period.

There are no other IFRS or IFRIC interpretations that have not yet entered into force and that could have a material impact on the Company's financial statements.

2.2 Segment reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a specific geographic environment (geographic segment) and that is subject to different risks and rewards than other segments. From the point of view of business segments, the Company does not identify distinct components in terms of risks and benefits.

IFRS 8 Business Segments must apply to the Company's Financial Statements because its equity instruments are traded on a public market (BVB).

The presentation of information on the products and services, as well as the geographical areas in which the company operates is mandatory, even for those entities that identify a single reportable segment of activity, taking into account the quantitative thresholds and aggregation criteria provided by the standard. Taking into account the quantitative thresholds and aggregation criteria provided by the standard, from the point of view of the business segments, the Company does not identify distinct components from the perspective of the associated risks and benefits.

2.3 Conversion to foreign currency

(a) Functional and presentation currency

The financial statements are presented in lei (RON), the national currency of Romania. The company keeps the accounting records in lei, prepares and presents its financial statements in accordance with the specific legislation on the matter and with the Regulations on accounting and financial-accounting reports issued by the Ministry of Public Finance.

(b) Transactions and balances

Transactions in foreign currency are converted into functional currency using the exchange rate valid on the date of the transactions. Gains and losses arising from exchange rate differences following the conclusion of these transactions and from the conversion at the end of the financial year at the year-end exchange rate of monetary assets and obligations denominated in foreign currency are reflected in the profit and loss account.

Exchange rate gains and losses that relate to loans and cash and cash equivalents are presented in the profit and loss account under "financial income or expenses". All other gains and losses at the exchange rate are presented in the profit and loss account under "Other (loss)/gain – net".

Monetary assets and liabilities denominated in foreign currency are expressed in lei at the balance sheet date. As of September 30, 2024, the exchange rate used to convert balances into foreign currency is 1 EUR = 4.9756 RON, (January 01, 2024 1 EUR=4.9746 RON). Gains and losses arising from the translation of monetary assets and liabilities are reflected in the profit and loss account during the year.

2.4 Accounting for the effects of hyperinflation

The Romanian economy has gone through periods of relatively high inflation and has been considered hyperinflationary according to IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29").

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be restated in terms of purchasing power at the balance sheet date. The amounts expressed in terms of purchasing power at 31 December 2004 (the date of cessation of hyperinflation) are treated as the basis for the carrying amounts in these financial statements.

The Company has decided to reflect the impact of the application of IAS 29 in the financial statements as at December 31, 2012. The impact of these adjustments was reflected on the value of the land, the share capital and the deferred result.

2.5 Intangible assets

Computer programs

The acquired licenses related to the rights to use the software are capitalized on the basis of the costs incurred with the acquisition and commissioning of the respective software. These costs are amortized over their estimated useful life (three years). The costs related to the development or maintenance of software are recognized as expenses during the period in which they are performed.

Other intangible assets

Other intangible assets include computer programs created by the entity or acquired from third parties for their own use, as well as other intangible assets owned by the Company.
Expenses that allow intangible assets to generate future economic benefits beyond their originally anticipated performance are added to their original cost. These expenses are capitalized as intangible assets, if they are not an integral part of tangible assets.

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed to identify impairment losses whenever events or changes in circumstances indicate that the carrying amount can no longer be recovered. The impairment loss is represented by the difference between the carrying amount and the recoverable amount of the respective asset. The recoverable amount is the maximum of the fair value of the asset minus the costs of sale and the value in use.

2.6 Financial assets

Loans and receivables

Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are included in current assets, except for those that have a maturity period of more than 12 months from the balance sheet date. They are classified as fixed assets.

Recognition and evaluation

Regular purchases and sales of financial assets are recognised at the trading date – the date on which the Company undertakes to buy or sell the respective asset. Financial assets cease to be recognised when the right to receive cash flows from investments expires or is transferred, and the Company transfers all risks and benefits related to ownership. Loans and receivables are recorded at amortized cost based on the effective interest method. The Company's loans and receivables are classified as "cash and cash equivalents", respectively as "customers and other receivables" in the balance sheet.

Clearing of financial instruments

Financial assets and liabilities are offset and net worth is reported on the balance sheet only when there is an applicable legal right to offset the amounts recognised and there is an intention to offset on a net basis or to capitalise on the asset and offset the liability at the same time.

2.7 Stocks

As of 30.09.2024, the company holds stocks of materials worth 892.79 lei.

2.8 Trade receivables

Receivables are recorded at nominal value minus adjustments for their impairment.

Trade receivables are the amounts owed by customers for products, goods sold or services rendered in the normal course of business

The provision for the impairment of trade receivables is constituted when there is objective evidence that the Company will not be able to collect all the amounts due to it according to the initial conditions of the receivables. Significant difficulties faced by the debtor, the probability that the debtor will enter into bankruptcy or financial reorganization proceedings, non-payment or non-compliance with payment terms are considered indicative of impairment of trade receivables.

The carrying amount of the asset is reduced by using a provision account, and the amount of the loss is recognised in the statement of income and expenses under "other gains/(losses) – net" in the profit and loss account. When a trade receivable cannot be recovered, it is passed on to the expense, with the corresponding reversal of the provision for trade receivables. Subsequent recoveries of previously depreciated amounts are credited to the profit and loss account.

2.9 Cash and cash equivalents

For the cash flow statement, cash and its equivalents include cash in the house, bank accounts, bank deposits on demand, other short-term financial investments, overdraft facilities, and the short-term part of restricted bank accounts.

2.10 Share capital and reserves

The share capital composed of common shares is registered at the value established on the basis of the articles of incorporation and addenda, as the case may be, as well as the supporting documents regarding the capital payments.
The repurchased own shares, according to the law, are presented in the statement of assets, debts and equity as a correction of the equity.

Gains or losses related to the issuance, redemption, sale, free disposal or cancellation of the entity's equity instruments are recognised directly in equity under the lines of "Gains / or Losses related to equity instruments".

2.11 Trade debts

Trade payables are recognised at fair value.

Trade debts are obligations to pay for goods or services that have been purchased in the normal course of business from suppliers. Accounts payable are classified as current payables if payment is due within one year or less than one year (or later in the normal course of business). Otherwise, they will be presented as long-term debts.

2.14 Loans

As of 30.09.2024, the company does not hold loans.

2.15 Current and deferred income tax

The company registers current corporate income tax at a rate of 16% of the taxable profit resulting from the statutory financial statements, by adjusting the expenses that cannot be deducted and the non-taxable income, in accordance with the Romanian Fiscal Code and related regulations.

The tax expense for the period includes the current tax and the deferred tax. The tax is recognised in the profit and loss account, unless it relates to items recognised in other comprehensive income or directly in equity. In this case, the related tax is also recognised in other items of comprehensive income or directly in equity.

The current income tax expense is calculated based on the tax regulations in force at the balance sheet date in Romania. The management periodically evaluates the positions in the tax returns in terms of the situations in which the applicable tax regulations are interpretable. This constitutes provisions, where applicable, based on the amounts estimated to be due to the tax authorities.

The deferred corporate income tax is recognized on the basis of the balance sheet obligation method, for the temporary differences between the tax bases of assets and liabilities and their book values in the financial statements. However, the deferred income tax resulting from the initial recognition of an asset or liability in a transaction other than a business combination, and which at the time of the transaction does not affect the accounting profit or the taxable profit is not recognised. The deferred corporate income tax is determined on the basis of the tax rates (and laws) that came into force until the balance sheet date and that are to be applied during the period in which the deferred tax to be recovered will be recovered or the deferred tax will be paid.

The deferred tax to be recovered is recognised only to the extent that it is likely that a taxable profit will be obtained in the future from which temporary differences are deducted.

Deferred tax receivables and liabilities are offset when there is an applicable legal right to offset current tax receivables against current tax liabilities, and when deferred tax receivables and liabilities are imposed by the same tax authority either on the same taxable entity or on different taxable entities, if there is an intention to offset the balances on a net basis.

2.16 Uncertain fiscal positions

The Company's uncertain tax positions are analyzed by the management at the date of each balance sheet. Liabilities are recorded for tax positions for which management believes that additional taxes are likely to be applied if these positions were to be verified by the tax authorities. The valuation is based on the interpretation of the tax laws that were adopted at the balance sheet date. Liabilities related to penalties, interest and taxes, other than income tax, are recognised on the basis of management's best estimates necessary to settle obligations at the balance sheet date.

2.17 Employee benefits

During the financial year, *the Company* makes payments to the Social Security budget on behalf of its employees, as all of them are included in the public pension system.
The Company does not contribute to any other pension plan or benefits after retirement and does not have any other obligations of the kind mentioned above, for its employees.

Benefits at the end of the activity
In the collective labor agreement of the Company, valid for the previous period, it was stipulated that the *Company's employees* receive on the occasion of retirement a bonus equivalent to one/two basic salaries they had in the month prior to retirement. The company has made an estimate of the present value of this promised benefit, in order to constitute the necessary provision, but which did not materialize because it is not considered to have a significant impact on the financial statements.
Also, in the collective labor agreement of the Company, valid for the previous period, it was provided that the Company's employees receive compensatory payments in case of termination of the individual employment contract for reasons related to the Company. The Company has made an estimate of the present value of this promised benefit, and has made the necessary provision on the financial statements ended December 31, 2022.

The company did not pay compensatory payments in 2023

Considering the situation generated by Covid-19 within *the Company,* the following decisions were issued in order to prevent the proper performance of the activity from being affected:

- By Decision no. 20/01.09.2020, people in the vicinity of those infected with Covid-19 benefited from the settlement of the Covid-19 test by the unit.
- As an additional protection measure for employees, the modification of the employment contract was chosen in some cases, in an employment contract with a teleworking clause.
- Employees were constantly informed about the legislative changes and updates brought to the areas affected by Covid-19.

2.18 Provisions

Provisions are recognised when the Company has a current obligation (legal or implied) generated by a previous event, it is likely that an outflow of resources is necessary to honour the obligation, and the debt can be credibly estimated.

Provisions for taxes are constituted for the amounts to be paid to the state budget, provided that these amounts are not reflected as a debt in relation to the state.

The provisions are revised at the date of the financial statements and adjusted to reflect Management's current best estimate in this regard. If an outflow of resources is no longer likely to be extinguished in order to extinguish an obligation, the provision must be cancelled by resumption of income.

2.19 Revenue recognition

Income is recorded when the significant risks and benefits of owning property are transferred to the client. The amounts representing the income do not include sales taxes (VAT), but include the commercial discounts granted. The financial discounts granted to customers (discounts) reduce the value of the Company's income.

The Company recognises income when its value can be reliably assessed, when it is likely to produce future economic benefits to the entity, and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered reliably assessable until all sales contingencies have been resolved. The company bases its estimates on historical results, taking into account the type of client, the type of transaction and the specific elements of each contract.

The income from the provision of services is recognized in the period in which they were provided and in correspondence with the execution stage.

Interest income shall be recognized periodically, in a proportional manner, as the respective income is generated, based on accrual accounting.

The income from the collection of rents and/or rights of use of assets is recognized on the basis of accrual accounting, according to the contract.

Dividends distributed to shareholders, proposed or declared after the date of the financial statements, are recognised as dividend income when the shareholder's right to receive them is established.

2.20 Leasing contracts

Leasing is a contract, or part of a contract, that gives the company the right to use an asset (the underlying asset) for a certain period of time in exchange for a consideration. The company, as lessee, obtains the right to use an underlying asset for a certain period of time in exchange for a countervalue.

On the date of commencement of the roll-off, the Company shall value at cost the asset related to the right of use.

The cost of the asset related to the right of use includes:

- The value of the initial valuation of the debt arising from the leasing contract;
- Any lease payment made on or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the company;
- An estimate of the costs to be incurred by the company as lessee for the dismantling and removal of the underlying asset, for the restoration of the place where it is located or for bringing the underlying asset to the condition imposed in the terms and conditions of the leasing contract, unless these costs are incurred for the production of inventories. The lessee assumes the obligation towards these costs either at the date of the start of the development or as a result of the use of the underlying asset during a certain period.

The Company will choose not to apply the provisions of IFRS16 for short-term leases (<12 months) and for leases for which the underlying asset has a low value.

The depreciation of the underlying asset is determined as follows:

- If at the end of the leasing contract the transfer of ownership takes place, then the depreciation will be recognized as an expense over the useful life of the asset.
- Otherwise, depreciation will be recognised for the lesser of the useful life of the asset and the lease period.

In the third quarter of 2024, the Company has an ongoing operational leasing contract, namely the one for the lease of buildings and land from Koro Lando Real Estate SRL.

2.21 Distribution of dividends

The distribution of dividends is recognized as a debt in the Company's financial statements during the period in which the dividends are approved by the Company's shareholders.

3 RUSSIAN-UKRAINIAN MILITARY CONFLICT

In the context of the invasion of Ukraine by the Russian Federation, our company has no direct exposure to Russia or Ukraine, nor does it have any customers, suppliers or operations in these countries. Our company closely monitors events inside Ukraine, and the outbreak of this war has naturally generated an important stock market correction that has spread globally. At the date of preparation of these financial statements, the company is not in a position to credibly estimate the impact, because events are constantly changing from one day to the next.

Administrator,
Stefan Bogdan

SOCIETATEA COMERCIALĂ ARMĂTURA S.A. 2 CLUJ-NAPOCA, ROMÂNIA

Drafted,
Ec. Rus Dana

QUARTERLY REPORT
30.09.2024*
S.C. ARMATURA S.A.

Headquarters 400267 Cluj-Napoca
19 Gării Street

Telephone: +40 371 784 884
Fax: +40 371 784 881
Email: office@armatura.ro
www.armatura.ro

Unique registration code: RO 199001
Serial number in the Register J12/13/1991
Trade: Subscribed share capital 4,000,000

Regulated market on which the issued securities are traded:

The shares of S.C. ARMĂTURA S.A. are traded at the standard category of the Bucharest Stock

Exchange.

The main characteristics of the securities issued by the company:

1 Number of shares: 40,000,000
2 Nominal value: 0.1 RON/share
3 Registered shares, issued in dematerialized form, registered in the independent register of S.C. Depozitarul Central S.A., according to contract no. 1958 of 19.01.2007

Report date : 21.10.2024

* Drawn up according to Regulation no. 5/2018 of the Financial Supervisory Authority.
* The financial statements as of 30.09.2024 have not been audited.

Economic and financial indicators:

1. Current liquidity indicator (Working capital indicator = current assets: debts less than 1 year):

ILC = Current Assets / Current Liabilities

30.09.2024 ILC = 7,841,926 / 1,042,425 = 7.52

30.09.2023 ILC = 8.159.569 / 530.414 = 15.38

(b) the recommended value is around 2;
(c) highlights the extent to which current liabilities can be covered from current assets.

2. Indebtedness indicator:

IGI = Borrowed capital / equity * 100

30.09.2024 IGI = 0 / 6,799,501 * 100 = 0%

30.09.2023 IGI = 0 / 7,752,762 * 100 = 0%

- expresses the effectiveness of credit risk management, indicating potential financing and liquidity problems, with influences in the fulfillment of the assumed commitments.

Borrowed capital = loans over one year

3. Speed of rotation of receivables:

HRV = [(receivables at the beginning of the period + receivables at the end of the period) / 2] / CA * 270 days

30.09.2024 HRV = [(8,112,358+ 7,420,869) / 2] / 1,323,314 * 270 = 1,584 days

30.09.2023 VRC = [(526.823+595.510) / 2] / 1.399.761 * 270 =108 days

- expresses the company's effectiveness in collecting its receivables;
- expresses the number of days until the date on which the debtors pay their debts to the company;

ARMATURA

4. Rotation speed of fixed assets:

TRUE = Turnover / Fixed assets

30.09.2024 TRUE = 1.323.314 / 421.057 = 3.14

30.09.2023 TRUE = 1.399.761 / 113.475 = 12.33

- expresses the effectiveness of the management of fixed assets, by examining the turnover generated by a certain amount of fixed assets.

Administrator,

Stefan Bogdan

SOCIETATEA COMERCIALĂ ARMĂTURA S.A. 2 CLUJ-NAPOCA, ROMÂNIA

Drafted,

Ec. Rus Dana

ARMATURA

Statement

in accordance with the provisions of art. 30 of the Accounting Law no. 82/1991

The financial statements as of 30.09.2024 have been prepared for:
SC Armatura SA,
County: 12 – Cluj
Address: Cluj Napoca, 19 Garii Street
Trade Register number : J12/13/1991
Form of ownership: 34 – Joint stock companies
Main activity (NACE class code and name): 2814 – Manufacture of taps
Tax identification code: RO 199001

The undersigned Stefan Bogdan, as Administrator of SC Armatura SA, assumes responsibility for the preparation of the financial statements as of 30.09.2024 and confirms that:

a) The financial statements as of 30.09.2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and OMF 2844/2016.
b) The accounting policies used in the preparation of the financial statements for the third quarter are in accordance with the applicable accounting regulations.
c) The financial statements for the third quarter provide a true picture of the financial position, financial performance and other information related to the activity carried out.
d) The legal entity carries out its activity in conditions of continuity.

Signatures

Stefan Bogdan