

**ARMATURE SA**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st of December, 2024**  
**PREPARED IN ACCORDANCE WITH THE**  
**INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**ADOPTED BY THE EUROPEAN UNION**



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**ARMĂTURA S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR YEAR ENDED ON 31st of December 2024**  
**(in Romanian Lei, if not otherwise specified)**

	Note	31st December 2023	31st December 2024
<b>Active</b>			
<b>Fixed assets</b>			
Tangible fixed assets	<b>6</b>	117.598	111.785
Intangible assets	<b>7</b>	0	0
Right to use assets In leasing	<b>16</b>	707.774	0
<b>Total fixed assets</b>		<b><u>825.372</u></b>	<b><u>111.785</u></b>
<b>Circulating Active</b>			
Stocks	<b>11</b>	0	1.422
Customers and other receivables	<b>10</b>	508.558	554.756
Cash and equivalents of cash	<b>12</b>	7.439.622	6.487.942
Financial assets in the short term		<u>0</u>	0
<b>Total circulating assets</b>		<b><u>7.948.180</u></b>	<b><u>7.044.120</u></b>
<b>Tax claims on deferred profit 17</b>		<b><u>164.178</u></b>	<b><u>156.517</u></b>
<b>Total activ</b>		<b><u>8.937.730</u></b>	<b><u>7.312.422</u></b>
<b>Equity and liabilities</b>			
Capital social	<b>13</b>	18.110.957	18.110.957
Reserves		1.304.075	1.304.075
Retained earnings		<u>-11.871.593</u>	<u>-12.469.372</u>
<b>Total equity</b>		<b><u>7.543.439</u></b>	<b><u>6.945.660</u></b>

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

**ARMĂTURA S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
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**Long-term debts**

Loans	<b>15</b>	0	0
Tax liabilities			
Deferred	<b>17</b>	0	0
Payables from leasing operations	<b>16</b>	397.032	0
Suppliers and other liabilities		<u>0</u>	0
<b>Total debts in the long term</b>		<b>397.032</b>	<b>0</b>

**Current payables**

Suppliers and other liabilities	<b>14</b>	389.056	182.221
Settlements with shareholders regarding			
Share capital		100	100
Loans	<b>15</b>	0	0
Payables from leasing operations	<b>16</b>	401.019	13.856
Provisions for risks			
and expenses	<b>18</b>	<u>207.084</u>	<u>170.586</u>
<b>Total debts Current</b>		<b><u>997.259</u></b>	<b><u>366.762</u></b>
<b>Total debts</b>		<b><u>1.394.291</u></b>	<b><u>366.762</u></b>
<b>Total equity and liabilities</b>		<b><u>8.937.730</u></b>	<b><u>7.312.422</u></b>

The financial statements were signed today

**Administrator,**

Stefan Bogdan

**Drawn up by,**

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**ARMĂTURA S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR YEAR ENDED ON 31<sup>st</sup> of December 2024**  
**(in Romanian Lei, if not otherwise specified)**

	Note	Year ended 31st December <u>2023</u>	Year ended 31st December <u>2024</u>
Income		1.821.867	1.727.563
Other operating income		42.601	277.089
Change in stocks of finished products and production in progress		0	0
Raw materials and materials		-87.177	-81.432
Cost of goods		-55.252	-11.058
Personnel expenses	<b>21</b>	-806.189	-820.669
Utility expenses		-404.813	-182.569
Services provided by third parties		-476.291	-546.061
Depreciation and amortization fixed assets		-943.955	-525.440
Net movement in provision for other Risks and expenses	<b>18</b>	-52.840	36.498
Other operating expenses	<b>20</b>	<u>-17.350</u>	<u>-109.189</u>
Other income / (loss), net	<b>19</b>	<u>56.881</u>	<u>-5.573</u>
<b>Operating result</b>		<b>-922.467</b>	<b>-240.841</b>
Financial income		421.953	265.448
Financial expenses		<u>-14.382</u>	<u>-6.837</u>
<b>Net financial profit/loss</b>	<b>22</b>	<b><u>407.571</u></b>	<b><u>258.611</u></b>
<b>Profit/Loss Before Tax</b>		<b>514.896</b>	<b>17.770</b>
Income / (Expense) with corporate income tax			
current and deferred	<b>23</b>	<u>8.453</u>	<u>-4.947</u>
<b>Net profit/loss for the year</b>		<b><u>-506.443</u></b>	<b><u>12.823</u></b>
Number of shares issued		40.000.000	40.000.000
<b>Diluted and Per Share Earnings</b>		<b><u>-0.012661</u></b>	<b><u>0,0003206</u></b>

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**ARMĂTURA S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR YEAR ENDED ON 31<sup>st</sup> of December 2024**  
**(in Romanian Lei, if not otherwise specified)**

	Year ended 31st December <u>2023</u>	Year ended 31st December <u>2024</u>
<b>Net profit for the year</b>	<b><u>-506.443</u></b>	<b><u>12.823</u></b>
<b>Other comprehensive income:</b>		
Gain/(Loss) from revaluation		
Buildings	-	-
Impact of deferred tax on revaluation reserves	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the year, net tax</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive result for the year</b>	<b><u>-506.443</u></b>	<b><u>12.823</u></b>

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**ARMĂTURA SA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR YEAR ENDED ON 31st of December 2024**  
**(in Romanian Lei, if not otherwise specified)**

	Capital social	Reserves from Revaluation	Other reserves	Deferred result	Total
<b>Balance as of 1st of January , 2023</b>	<u>18.110.957</u>	<u>0</u>	<u>1.304.075</u>	<u>-11.365.151</u>	<u>8.049.881</u>
Profit/Loss for 2022	-	-	-	-506.443	-506.443
Other comprehensive income	-	-	-	-	-
Revaluation reserves	-	-	-	-	-
<b>Total overall result</b>	-	-	-	<b>-506.443</b>	<b>-506.443</b>
<b>Balance as of 31st December , 2023</b>	<u>18.110.957</u>	<u>0</u>	<u>1.304.075</u>	<u>--11.871.593</u>	<u>7.543.439</u>
<b>Balance as of 1st of January , 2024</b>	<u>18.110.957</u>	<u>0</u>	<u>1.304.075</u>	<u>--11.871.593</u>	<u>7.543.439</u>
Profit/Loss of the Year 2024	-	-	-	12.823	<b>12.823</b>
Other comprehensive income	-	-	-	-610.602	-610.602
<b>Total overall result</b>	-	-	-	<b>-597.779</b>	<b>-597.779</b>
<b>Balance as of 31st December , 2024</b>	<u>18.110.957</u>	<u>-</u>	<u>1.304.075</u>	<u>-12.469.372</u>	<u>6.945.660</u>

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**ARMĂTURA SA**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED ON 31<sup>st</sup> of December 2024**  
**(in Romanian Lei, if not otherwise specified)**

<b>December</b>		<b>Year ended on 31st December</b>	<b>Year ended on 31st</b>
	<b>Note</b>	<b>2023</b>	<b>2024</b>
<b>Cash flows from Operating Activities</b>			
<b>Cash generated from operations</b>	<b>24</b>	<b><u>-300.481</u></b>	<b><u>-679.934</u></b>
Paid interest		-	-6.329
<b>Net cash generated from operating activities</b>		<b><u>-300.481</u></b>	<b><u>-686.263</u></b>
<b>Cash flows from investments</b>			
Acquisitions of property, plant and equipment			
Net proceeds from the sale of tangible fixed assets			2,435
Interest received		113.896	265.417
<b>Net cash used in investment activities</b>		<b><u>113.896</u></b>	<b><u>265.417</u></b>
<b>Cash flows from financing activities</b>			
Loan repayment		-	-
Repayment of interest on the loan		-	-
<b>Net cash used in financing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Net change in cash and cash equivalents</b>		<b><u>-414.377</u></b>	<b><u>-951.680</u></b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12</b>	<b><u>7.853.999</u></b>	<b><u>7.439.622</u></b>
<b>Increases /- Decreases</b>		<b><u>-414.377</u></b>	<b><u>-951.680</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b><u>7.439.622</u></b>	<b><u>6.487.942</u></b>

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**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(in Romanian lei, unless otherwise specified)**

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## **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 on the standard category of the Bucharest Stock Exchange since 1997, and in 2021 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 have been 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

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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 31st December , 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 31st December , 2012, the Company prepared the first set of IFRS financial statements adopted by the EU.

The preparation of 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 involving 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 are presented in note 4.

#### **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 31st December , 2024, the Company recorded a profit of RON 12,823.

#### **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 1st of January , 2024.

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

As of 1st of January , 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 33 tenants as of 31.12.2024
- 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 31 December 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**

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**Annual Improvements 2018-2020** (all issued on May 14, 2020) – applicable for periods beginning on or after 1st of January , 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 1st of January , 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 1st of January , 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 1st of January , 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.

	<u>Sales</u>	<u>Pondere in total vanzari</u>
Sales of residual products	168,891	9.77 %

**ARMĂTURA SA**  
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Sales from works performed	96,494	5.58 %
Rent poisons	1,137,884	65.86 %
Sales of goods	12,656	0.76 %
Sales from miscellaneous activities	311,638	18.03 %
Sales of foreign goods	-	
External Service Sales	-	-
<b>Total</b>	<b>1.727.563</b>	<b>100%</b>

### 2.3 Foreign currency conversion

(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 31st December , 2024, the exchange rate used to convert balances to foreign currency is 1 EUR = 4.9741 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

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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 31st December , 2012. The impact of these adjustments was reflected on the value of the land, the share capital and the deferred result.

## **2.5 Tangible fixed assets**

<u>Type</u>	<u>Number of years</u>
Machines	2 - 12
Vehicles	3 - 15

The residual value of an asset is the estimated value that could be obtained by the Company from the sale of the respective asset minus the estimated costs of the sale, if the asset is already old and meets the conditions related to its end of useful life. The residual value of an asset is zero if the Company estimates the use of the asset until the end of its physical life. Residual asset values and useful lives are reviewed, and adjusted accordingly, at each balance sheet date.

The gains and losses on disposal are determined by comparing the amounts obtained from the disposal with the book value, and are recognized under "Other (losses)/net gains" in the statement of income and expenses.

When selling revalued assets, the amounts included in other reserves are transferred to the retained earnings.

## **2.6 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

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which they are performed.

## **2.6 Intangible assets (continued)**

### *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.

## **2.7 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.

## **2.8 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" and "customers and other receivables" in the balance sheet (notes 2.12 and 2.15).

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## **2.9 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.

## **2.10 Stocks**

As of 31.12.2024, the company no longer holds stocks of consumable materials and animals and poultry in the amount of 1,422 lei.

## **2.11 Commercial creation**

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.

## **2.12 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.



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### **2.13 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".

### **2.14 Trade payables**

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.

### **2.15 Loans**

As of 31.12.2024, the company no longer holds loans.

### **2.16 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

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the tax authorities.

Deferred 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.

### **2.17 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.

### **2.18 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

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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 constituted the necessary provision on the financial statements ended as of 31st December , 2024.

The company did not pay compensatory payments in 2024.

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.

## **2.19 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.

## **2.20 Revenue recognition**

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Revenue 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 revenue when its amount can be measured reliably, when it is probable that it will 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 measurable until all contingencies relating to sales have been resolved. The Company bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specific elements of each contract.

Revenue from services rendered is recognised in the period in which they are rendered and in line with the stage of completion.

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

Revenue from rental income and/or rights to use assets is recognised on an accrual basis, as per 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.

### **2.21 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.

At the date of commencement of the exercise, the Company values the asset relating to the right of use at cost.

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;

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- 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.

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 2024, the Company had an ongoing leasing contract, namely the one for the rental of buildings and land from Koro Lando Real Estate SRL.

## **2.22 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 FINANCIAL RISK MANAGEMENT**

### **3.1 Financial risk factors**

By the nature of its activities, the Company is exposed to various risks including: market risk (including monetary risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivatives to hedge against certain risk exposures.

Risk management is the responsibility of the management of ARMATURA SA based on the policies approved by the board of directors. The Company's management identifies and assesses financial risks in close cooperation with the Company's operational units. The Board of Directors provides basic principles for risk management, as well as recommendations for specific areas such as currency risk, interest rate risk, credit risk and excessive liquidity investing.

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(a) *Market risk*

(i) *Currency risk*

The Company operates mainly in Romania and is exposed to currency risk resulting from exposure to various currencies, in particular related to the Euro. Currency risk results mainly from the Company's loans, receivables and trade debts.

The company is not hedged against currency risk. Because the Company's activities are carried out mainly on the domestic market, it does not generate income in the same currency as loans. However, the management regularly receives forecasts regarding the evolution of the RON / EUR exchange rate and uses the information in the pricing strategy. The management will consider in the future the development of strategies to protect the Company against currency risk.

(ii) *Interest rate risk on cash flow and fair value*

The company has no significant interest-bearing assets. The interest rate risk in the Company's case stems from the long-term loan. The contracted loan is variable interest rate and exposes the Company to the interest rate risk on cash flow, which is partially offset by the cash held at variable rates. In 2021 and 2020, the Company's floating rate loan was denominated in Euro.

The company dynamically analyzes its interest rate exposure. Different scenarios are simulated, taking into account refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the profit and loss impact of the interest rate change. For each simulation, the same percentage of interest rate change is used for all currencies. The scenarios apply only to debts that constitute major interest-bearing positions.

(b) *Credit risk*

Credit risk results from cash and cash equivalents, deposits with banks and financial institutions, as well as from customers' credit exposures, including outstanding receivables and committed transactions. In the case of banks and financial institutions, only those independently assessed with a minimum "BB" rating are accepted. For clients, there is no independent assessment, management assesses the client's financial creditworthiness, taking into account the client's financial position, past experience and other factors. The individual risk limits are established on the basis of internal and external ratings, according to the limits set by the board of directors. The use of credit limits is monitored regularly. See note 9 for

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further presentations on credit risk.

(c) *Liquidity risk*

Cash flow forecasts are made by the Company's operating entities and aggregated by the Company's management. The Company's management monitors the forecasts regarding the Company's liquidity needs, to ensure that there is sufficient cash to meet operational requirements. These forecasts take into account the Company's debt financing plans, compliance with agreements, compliance with internal objectives regarding the indicators in the balance sheet.

The Company's management invests the surplus cash in interest-bearing current accounts and term deposits, selecting instruments with appropriate maturities or sufficient liquidity to provide sufficient margin, as established on the basis of the above-mentioned forecasts.

The table below analyzes the Company's financial liabilities by groups of relevant maturity, depending on the period remaining at the balance sheet date until the date of contractual maturity. The values presented in the table represent the respective gross values at the balance sheet date.

<b>On of 31st December , 2023</b>	<b>under 1 year</b>	<b>1 - 5 years</b>	<b>over 5 years</b>	<b>Total</b>
Loans				
Leasing liabilities	401.019	397.032	-	798.051
Suppliers and other liabilities	596.240	-	-	596.240
<b>Total</b>	<b>997.245</b>	<b>397.032</b>	<b>-</b>	<b>1.394.291</b>
<b>At of 31st December , 2024</b>	<b>sub 1 an</b>	<b>1 - 5 or</b>	<b>over 5 years</b>	<b>Total</b>
Loans	-	-	-	-
Leasing liabilities	13.156	-		13.156
Suppliers and other liabilities	352.906	-	-	352.906
<b>Total</b>	<b>366.762</b>	<b>-</b>	<b>-</b>	<b>366.762</b>

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### 3.2 Capital Risk Management

The Company's capital management objectives are to protect the Company's ability to continue its activity in the future, so as to bring profit to shareholders and benefits to the other parties involved, as well as to maintain an optimal capital structure to reduce capital expenditures.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends granted to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors the capital based on the leverage ratio. This coefficient is calculated by dividing the net debt by equity. Net debt is calculated by subtracting cash and cash equivalents from total loans (including "short and long-term loans" on the balance sheet). The total capital is calculated by adding the net debt to the "equity" of the balance sheet.

	<b>31st December 2023</b>	<b>31st December 2024</b>
Total loans (note 15)	-	-
Less: cash and cash equivalents available to the Company (note 12)	-	-
Net debt	-	-
Total equity	-	-
<b>Total capital</b>	-	-
<b>Indebtedness</b>	-	-

### 3.3 Estimate at fair value

The company does not hold financial instruments measured on the balance sheet at fair value and therefore disclosures related to fair value measurements by levels do not apply.

Estimates and reasoning are evaluated on an ongoing basis and are based on historical



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experience and other factors, including anticipations of future events that are considered reasonable under the given conditions.

#### **4 CRITICAL ACCOUNTING ESTIMATES**

##### **Critical accounting estimates and assumptions**

The Company makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely be equal to the corresponding actual results. Estimates and assumptions that involve a high degree of risk or that cause significant adjustments to the carrying amounts of assets and liabilities in the following financial year are set out below.

(a) *Corporate income tax*

In order to establish the provision for corporate income tax, significant appraisals are necessary. There are several transactions and calculations for which the determination of the final tax is uncertain. The company acknowledges obligations for anticipated problems resulting from tax audits based on estimates regarding the payment of additional taxes. If the final tax result of these operations is different from the amounts initially recorded, the differences will influence the receivables and liabilities regarding the current or deferred income tax during the period in which the determination is made. The recognition of an asset in terms of deferred corporate income tax takes into account a detailed analysis regarding the possibility of its realization.

(b) *Estimated impairment of fixed assets*

The determination of the loss from depreciation of equipment requires significant reasoning, as described in note 2.8. In making this estimate, the Company compares the net carrying amount of this equipment to the greater of the estimated selling price and the net present value of the cash flows that will be generated by the equipment over its remaining life

#### **5 RETAINED EARNINGS**

As of 31st December , 2024, the Company has a retained earnings of RON 1,073,673.

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**6. TANGIBLE ASSETS**

	<u>Land and Clădiri</u>	<u>Vehicles and machinery</u>	<u>Furniture, equipment and equipment</u>	<u>Assets under construction</u>	<u>Invest Real estate</u>	<u>Total</u>
<b>Financial year ended 31st December , 2023</b>						
<b>Initial net book value</b>	-	<b>108.577</b>	<b>557</b>	-	-	<b>109.134</b>
Increases in revaluation in equity	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Entries	-	33.840	-	-	-	33.840
Outputs	-	-37.633	-	-	-	-37.633
Depreciation expense	-	-2153	-516	-	-	-2.669
Cumulative amortization of outflows	-	-23.223	-	-	-	-23.223
Impairment adjustments	-	38.149	-	-	-	38.149
Revaluation increases in comprehensive income	-	-	-	-	-	-
<b>Final net book value</b>	<b>-</b>	<b>117.557</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>117.598</b>
<b>As of 31st December , 2023</b>						
Cost or valuation	-	181.082	557	-	-	<b>181.639</b>
Cumulative depreciation	-	25.376	516	-	-	<b>25.892</b>
Impairment adjustments	-	38.149	0	-	-	<b>38.149</b>
<b>Net book value</b>	<b>-</b>	<b>117.557</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>117.598</b>

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**6. TANGIBLE ASSETS (continued)**

	<u>Land and Clădiri</u>	<u>Vehicles and machinery</u>	<u>Furniture, equipment and equipment</u>	<u>Assets under construction</u>	<u>Invest Real estate</u>	<u>Total</u>
<b>Financial year ended 31st December , 2024</b>						
<b>Initial net book value</b>	-	<b>117.557</b>	<b>41</b>	-	-	<b>109.134</b>
Increases in revaluation in equity	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Entries	-	17.905	3.212	-	-	21.117
Outputs	-	-2.525	-	-	-	-2.525
Depreciation expense	-	-23.516	-1.204	-	-	-24.720
Cumulative amortization of outflows	-	316	-	-	-	316
Impairment adjustments	-	-	-	-	-	-
Revaluation increases in comprehensive income	-	-	-	-	-	-
<b>Final net book value</b>	-	<b>109.737</b>	<b>2.048</b>	-	-	<b>111.785</b>
<b>As of 31st December , 2024</b>						
Cost or valuation	-	2.236.391	52.514	-	-	<b>2.288.905</b>
Cumulative depreciation	-	-2.126.654	-50.466	-	-	<b>-2.177.120</b>
Impairment adjustments	-	-	-	-	-	-
<b>Net book value</b>	-	<b>109.737</b>	<b>2.048</b>	-	-	<b>111.785</b>

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**6 TANGIBLE FIXED ASSETS (continued)**

The method of depreciation of property, plant and equipment in the financial year 2024 was linear. No residual value has been established for them.

In 2021, rental income related to real estate investments in the amount of RON 665,769 was recognized in the CPP, and the direct operating expenses resulting from real estate investments were insignificant.

There were no net gains or losses resulting from fair value adjustments.

On 14.12.2021, both the land and buildings in use of the Company and those leased to third parties (recognized for real estate investments) were sold to another company. As a result, the buildings and land sold were derecognised at their book value at disposal, so on 31.12.2021 the Company no longer owns any building or land.

The derecognition of these tangible fixed assets resulted in a gain in the amount of RON 18,733,846, which was included in the Company's profit. According to the sale-purchase contract, the sale price was established based on an evaluation report prepared by an independent appraiser, a member of ANEVAR.

**7. INTANGIBLE ASSETS**

	<b>Active Luare in leasing</b>	<b>Advances and Other fixed assets necorporale</b>	<b>Total</b>
<b>Financial year ended 31 December 2023</b>			
<b>Net book value</b>			
Initial Balance	-	-	-
Entries			
Outputs	-	-	-
Depreciation expense	-	-	-
Cumulative depreciation	-	-	-
<b>Sold final la 31st December , 2023</b>	<b>0</b>	<b>-</b>	<b>0</b>
Cost	268.978	-	268.978
Accumulated depreciation and amortization	268.978	-	268.978
<b>Net book value</b>	<b>0</b>	<b>-</b>	<b>0</b>
	<b>Programs</b>	<b>Advances and</b>	<b>Total</b>

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	<b>Computer</b>	<b>Other fixed assets necorporale</b>	
<b>Financial year ended 31 December 2024</b>			
<b>Net book value</b>			
Initial Balance	0	-	0
Entries		-	
Depreciation expense	0	-	0
Outputs	0	-	0
Cumulative depreciation related to outflows	0	-	0
<b>Sold final la 31st December , 2024</b>			
	<b>0</b>	<b>-</b>	<b>0</b>
Cost	268.978	-	268.978
Accumulated depreciation and amortization	268.978	-	268.978
<b>Net book value</b>	<b>0</b>	<b>-</b>	<b>0</b>

Intangible assets consist of computer programs. They are valued at cost, minus cumulative depreciation.

## 8 FINANCIAL INSTRUMENTS BY CATEGORY

All the financial assets of the Company are in the category of receivables. Their book value is shown below:

	<b>31st December 2023</b>	<b>31st December 2024</b>
Customers and other receivables	508.558	554.756
Cash and cash equivalents (Note 12)	7.439.622	6.487.942
<b>Total</b>	<b>7.948.180</b>	<b>7.044.120</b>

All financial liabilities of the Company are financial liabilities accounted for on the amortized cost model. Their book value is presented below:

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	<b>31st December 2023</b>	<b>31st December 2024</b>
Loans	-	-
Trade and other payables (excluding statutory obligations and Advance Revenue)	<u>997.259</u>	<u>366.762</u>
<b>Total</b>	<b><u>997.259</u></b>	<b><u>366.762</u></b>

**9 CREDIT RISK FOR FINANCIAL ASSETS**

The credit risk related to financial assets that are neither outstanding nor impaired can be assessed in relation to the historical data regarding the default rate for third parties, as there are no independent external ratings for the Company's clients:

	<u>2023</u>	<u>2024</u>
Trade receivables that are neither outstanding nor impaired:		
Group 1	134.289	393.926
Of which related parties	-	-
Group 2	-	-
Of which affiliates	-	-
Group 3	-	-
Of which related parties	-	-
Group 4		
	<b><u>134.289</u></b>	<b><u>393.926</u></b>

The breakdown of trade receivables according to credit risk was made based on historical data from the financial year 2024 and, where possible, from the financial year 2023, taking into account the following criteria:

- Group 1: represent debtors for whom the historical average collection period was between 1-60 days;
- Group 2: represent debtors for whom the historical average collection period was between 61-90 days;
- Group 3: represent debtors for whom the historical average collection period was between 91-180 days;

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- Group 4: represent debtors for whom the historical average collection period was between 180 - 360 days.

**10 CUSTOMERS AND OTHER RECEIVABLES**

	<b>31st December 2023</b>	<b>31st December 2024</b>
Trade Receivables	1.124.352	1.242.256
Minus: adjustment for impairment of trade receivables	-802.073	-802.073
Trade receivables – net	322.279	440.183
- of which in relation to related parties (note 26)	0	0
VAT to be collected	140.861	0
Advance payments	12.020	13.310
Advances granted to suppliers	22.626	45.809
Minus: provision for advance payments depreciation	-	-
Different debtors	7.000	48.900
Other receivables	6.485	29.142
<b>Current portion of trade receivables and other receivables</b>	<b>511.271</b>	<b>525.614</b>

The ageing analysis of the trade receivables due but not impaired is as follows:

	<b>31st December 2023</b>	<b>31st December 2024</b>
Between 1 and 3 months	210.491	306.859
Between 3 and 6 months	68.678	127.751
Over 6 months	845.183	807.646
<b>Total</b>	<b>1.124.352</b>	<b>1.242.256</b>

The book values of customers and other receivables of the Company are expressed in the following currencies:

	<b>31st December 2023</b>	<b>31st December 2024</b>
	322.279	434.610

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RON		
EUR	<u>0</u>	
<b>Total</b>	<b>322.279</b>	<b>434.610</b>

**10 CUSTOMERS AND OTHER RECEIVABLES (CONTINUED)**

The movements of the Company's provisions for customer impairment and other receivables are as follows:

	<u>2023</u>	<u>2024</u>
As of 1st of January ,	802,073	802.073
Adjustments for impairment of receivables	-	-
Amounts resumed during the period	-	-
<b>At the end of the period</b>	<b>802.073</b>	<b>802.073</b>

**11 STOCKS**

	<b>31st December 2023</b>	<b>31st December 2024</b>
Raw materials and materials	-	1.022
Adjustments for raw materials and materials	-	-
Production in progress	-	-
Adjustments for products in progress	-	-
Commodities	-	-
Adjustments for the goods	-	-
Finished products	-	-
Adjustments for finished products	-	-
Other Anomalous Stocks and Birds	-	400
Adjustments for other stocks	-	-
<b>Total</b>	<b><u>0</u></b>	<b><u>1.422</u></b>



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**12 CASH AND CASH EQUIVALENTS**

For the cash flow statement, cash and cash equivalents include the following:

	<b>31st December 2023</b>	<b>31st December 2024</b>
<b>Cash in the bank</b>	7.419.081	6.481.953
- amounts in lei	7.315.446	6.480.418
- amounts in another currency	103.635	1.535
<b>Restricted bank accounts</b>		-
- short-term		
- Lei		-
-foreign currency	-	-
<b>Cash in the house</b>	20.541	5.989
- amounts in lei	20.515	5.963
- amounts in another currency	26	26
<b>Bank deposits</b>	-	-
- amounts in lei	-	-
- amounts in another currency	-	-
<b>Total cash or cash equivalent at the disposal of the Company</b>	<b>7.439.622</b>	<b>6.487.942</b>
<b>Restricted bank accounts</b>		
Short-term / lei		-
<b>Total</b>	<b>7.439.622</b>	<b>6.487.942</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(in lei, unless otherwise specified)

**13 CAPITAL SOCIAL**

**Shares**

As of 31st December , 2024, the shareholding structure is as follows:

	<b>31st December , 2024 Number of Actions</b>	<b>31st December 2024 Value of subscribed and paid-up capital (she)</b>	<b>31st December , 2024 The percentage of depreciation (%)</b>
Herz Armaturen Ges M.B.H AUT Viena	21.292.448	2.129.244	53.2311
Heart fittings loc. Viena	13.197.352	1.319.735	32.9934
Individuals	5..008.900	500.891	12.5223
Legal Entities	501.300	50.130	1.2532
<b>Total</b>	<b>40.000.000</b>	<b>4.000.000</b>	<b>100.0000</b>

The total authorized number of shares is 40,000,000 shares with a net value of RON 0.1 per share.

As of 31st December , 2023, the shareholding structure is as follows:

	<b>31st December , 2023 Number of Actions</b>	<b>31st December 2023 Value of subscribed and paid-up capital (she)</b>	<b>31st December , 2023 The percentage of depreciation (%)</b>
Herz Armaturen GesbH	13.197.352	1.319.735	32,9934
Hric Beteiligungs Ges.m.b.h	13.193.750	1.319.375	32,9844
Tridelta Heal Herz Beteiligungsgesellschaft	6.703.418	670.341	16,7585
Individuals	5.684.553	568.456	14,2114
Legal Entities	1.220.927	122.093	3,05232
<b>Total</b>	<b>40.000.000</b>	<b>4.000.000</b>	<b>100.0000</b>

The total authorized number of shares is 40,000,000 shares with a net value of RON 0.1 per share.

**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14 SUPPLIERS AND OTHER DEBTS**

	<b>31st December 2023</b>	<b>31st December 2024</b>
Trade payables	170.105	23.328
- of which in relation to related parties (note 27)		-
Settlements with capital associates	100	100
Personnel debts, contributions, social security	121.620	62.911
Value Added Tax	-	-
Corporate income tax liabilities (note 17)		-
Other debts	97.231	95.972
	<b>389.056</b>	<b>182.321</b>
Minus the long-term segment:	-	-
<b>Current portion of trade and other debts</b>	<b>389.056</b>	<b>182.321</b>

**15. LOANS**

	<b>31st December 2023</b>	<b>31st December 2024</b>
<b>In the short term</b>		
Short-term loans	-	-
<b>Long-term</b>		
Long-term loans	-	-

In 2021, SC ARMATURA SA received a notification from Herz Armaturen Ges.m.b.H informing them that they had concluded a contract with Koro Lando Real Estate SRL, which has as its object the assignment of the entire receivable that Herz Armaturen Ges.m.b.H has towards the undersigned Armatura SA, consequently The company offset the debt to the assignee Koro Lando Real Estate at the end of December 2021 with the claim against him resulting from the sale of buildings and land, so that on 31.12.2021 Armatura SA no longer registers debts from loans received or related interest.

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The loans are guaranteed as follows:

	<b>31st December 2023</b>	<b>31st December 2024</b>
	-	-

**16. LEASING AND RIGHT TO USE ASSETS**

On 31st December , 2021, the Company had concluded a lease agreement with Koro Lando Real Estate SRL, for the rental of buildings and land, starting with December 16, 2021, until June 30, 2023. For this contract, the Company applied the treatment according to IFRS 16. Thus, the situation of the right to use leased assets, as of 31st December , 2024, is as follows:

<b>Right of use</b>	<b><u>Land and Buildings</u></b>	<b><u>Total</u></b>
<b>Cost</b>		
<b>Value as of 1st of January , 2024</b>	2.413.846	2.413.846
Transfers	-207.054	-207.054
Entries	-	-
Outputs	-	-
<b>Value as of 31st December , 2024</b>	<b>2.206.792</b>	<b>2.206.792</b>
<b>Depreciation</b>		
<b>Value as of 1st of January , 2024</b>	1.706.072	1.706.072
Depreciation in Year	500.720	500.720
<b>Value as of 31st December , 2024</b>	<b>2.206.792</b>	<b>2.206.792</b>
<b>Net book value</b>	-	-

Thus, the situation of the right to use leased assets, as of 31st December , 2023, is as follows:

<b>Right of use</b>	<b><u>Land and Buildings</u></b>	<b><u>Total</u></b>
<b>Cost</b>		
<b>Value as of 1st of January , 2023</b>	<b>1.222.711</b>	<b>1.222.711</b>
Transfers	-	-
Entries	1.191.135	1.191.135
Outputs	-	-
<b>Value as of 31st December , 2023</b>	<b>2.413.846</b>	<b>2.413.846</b>
<b>Amortization</b>		
<b>Value as of 1st of January , 2023</b>	840.336	840.336
Amortizare in year	865.737	865.737
<b>Value as of 31st December , 2023</b>	<b>1.706.072</b>	<b>1.706.072</b>
<b>Net book value</b>	<b>707.774</b>	<b>707.774</b>

**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. LEASING AND RIGHT OF USE OF ASSETS (continued)**

The due date of the leasing payments at the end of 2024 is presented in the following table:

<b>Maturity of leasing payments</b>	<b><u>Total Value</u></b>	<b><u>Interest</u></b>	<b><u>Net Worth</u></b>
Year 31.12.2024	<u>583.063</u>	<u>9.401</u>	<u>573.662</u>
<b>Total</b>	<b><u>583.063</u></b>	<b><u>9.401</u></b>	<b><u>573.662</u></b>

**17. IMPOSITION ON CURRENT AND DEFERRED PROFIT**

The analysis of receivables and liabilities regarding the deferred corporate income tax is presented as follows:

	<b><u>31st December 2023</u></b>	<b><u>31st December 2024</u></b>
Deferred tax receivables:		
– Deferred tax receivables to be recovered in less than 12 months	<u>161.464</u>	<u>156.517</u>
Deferred tax liabilities:		
– Deferred tax liabilities to be recovered in more than 12 months	-	-
to be recovered in less than 12 months	<u>161.464</u>	<u>156.517</u>

**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. CURRENT AND DEFERRED INCOME TAX (continue)**

The change in the receivables and liabilities regarding the corporate income tax deferred during the year, without taking into account the offsetting of the balances related to the same tax authority, is as follows:

	<u>As of 31st December , 2023</u>	<u>(debited) / credited in Profit Account and loss</u>	<u>Credited in comprehens ive income</u>	<u>As of 31st December , 2024</u>
<b>Payables for deferred tax</b>			-	-
Provision for trade receivables	-128.331	-4.947	-	-123.384
Provision for inventory	-		-	-
Provision for fixed assets	-		-	-
Provision for unused holidays, provision reorganization	-33.133	-		-33.133
<b>Receivables regarding deferred tax</b>	<b>-161.464</b>	<b>-8.452</b>	<b>-</b>	<b>-156.517</b>
<b>Effect of net deferred tax</b>	<b>-161.464</b>	<b>-8.452</b>	<b>-</b>	<b>-156.517</b>



**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(a) *Other provisions*

At the end of each period, the Company makes provisions for the value of the annual leaves not taken by its employees. The company also made provisions for possible penalties from suppliers due to delays in the payment of overdue commercial debts.

(b) *Provisions for restructuring*

As a result of the cessation of the production activity, the Company proceeded to establish a provision for compensatory payments related to all employees in the amount of RON 288,656 according to the collective labor agreement valid in the previous year at the level of the Company.

**19. OTHER (LOSSES) / GAINS - NET**

	<u>2023</u>	<u>2024</u>
(Loss)/gain from tangible assets assignment	-	-
(Cost) / reassignment of provision for inventories	-	-
(Cost) / reassignment of provision for receivables	28.373	5.573
Other net costs / gains		
<b>Total</b>	<u><b>28.373</b></u>	<u><b>5.573</b></u>

**20. OTHER OPERATING EXPENSES**

	<u>2023</u>	<u>2024</u>
Travel and daily allowance expenses	36.838	15.885
Rents	69	26
Insurance	8.985	3.308
Repairs and maintenance	40.815	34.799
Transport	12.891	10.406
Taxes and similar expenses	30.418	34.475
Advertising and protocol	26.867	21.264
Commissions and fees	2.058	66.144
Others	317.299	359.754
<b>Total</b>	<u><b>476.240</b></u>	<u><b>546.061</b></u>

**21. PERSONNEL EXPENSES**



**ARMĂTURA SA**  
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	<b>2023</b>	<b>2024</b>
Salaries and allowances	785.026	801.051
Social security expenditure	21.163	19.618
Operating subsidies for the payment of personnel	-	-
<b>Total</b>	<b>806.189</b>	<b>820.669</b>
<b>21 PERSONNEL EXPENSES (continued)</b>		
<b>Number of employees</b>		
	<b>2023</b>	<b>2024</b>
<b>Number of employees</b>	<u>8</u>	<u>6</u>
Management staff	1	1
Administrative staff	4	2
Production staff	3	37
<b>22 INCOME AND FINANCIAL EXPENSES</b>		
	<b>2023</b>	<b>2024</b>
Interest expenses:		
- Loans contracted from shareholders	-	-
Expenditure on exchange rate differences	1.762	31
Income from exchange rate differences	2.322	508
<b>Income and expenses with net exchange rate differences</b>	<b>561</b>	<b>-477</b>
-Interest expenses	12.620	265.417
- Interest income on short-term bank deposits	419.631	6.329
<b>Net interest income and expenses</b>	<b>407.011</b>	<b>259.088</b>
<b>Financial income and expenses, net</b>	<b>407.572</b>	<b>258.611</b>

**ARMĂTURA SA**  
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**23. 23**

**INCOME TAX**

	<b>2023</b>	<b>2024</b>
Current tax:		
Current tax on profit for the year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Deferred tax (note 16):		
Occ Temporary difference occurrence and reassignment	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Income tax cost</b>	<b>-</b>	<b>-</b>

**24. REVENUE BY CATEGORY**

**Revenue analysis by category**

	<b>31st December 2023</b>	<b>31st December 2024</b>
Sales of goods	1.821.867	12.656
Revenue from services	-	1.714.907
	<b>1.821.867</b>	<b>1.727.563</b>

**Analysis of revenues by geographical areas**

	<b>31st December 2023</b>	<b>2024</b>
Intra-Community Sales - Europe	-	-
Internal revenue	1.821.867	1.727.563
	<b>1.821.867</b>	<b>1.727.563</b>

**25. CONTINGENCIES**

- (a) Litigation

**ARMĂTURA SA**  
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The company has disputes with commercial partners, resulting in the normal course of the and with former employees. The Company's management believes that these actions will not have a material adverse effect on the Company's economic results and financial position.

Most of the disputes refer to the recovery of debts from companies that are in insolvency proceedings and for which the company has already created provisions in previous years.

b) Taxation

All amounts due to the State for taxes have been paid or recorded at the date of the financial statements. The tax system in Romania is being consolidated and harmonized with the European legislation, and there may be different interpretations of the authorities in relation to the tax legislation, which can give rise to additional taxes, fees and penalties. If the state authorities discover violations of the legal provisions in Romania, they may determine, as the case may be: confiscation of the amounts in question, imposition of additional tax obligations, application of fines, application of late payment increases applied to the actual remaining payment amounts). Therefore, the tax penalties resulting from violations of the legal provisions can reach significant amounts to be paid to the State. The company considers that it has paid on time and in full all taxes, penalties and penalty interest, as the case may be.

The The Romanian tax authorities carried out controls on the calculation of corporate income tax until 31.12.2008. In the period 15.12.2020-19.01.2021 the Tax Authorities carried out an unannounced control in order to comply with the measures established by the Court of Accounts for the 2015-2019 limitation period based on the list of companies that recorded a tax loss in a period of 5 consecutive years. At the end of the audit, no legal violations or measures to be taken regarding the calculation of corporate income tax were mentioned

Transfer pricing

In accordance with the relevant tax legislation, the tax assessment of a transaction made with related parties is based on the concept of market price related to that transaction. On the basis of this concept, transfer pricing must be adjusted to reflect market prices that would have been established between entities between which there is no affiliate relationship and which act independently, on the basis of 'normal market conditions'.

In October 2021, the company prepared the transfer pricing documentation in relation to related parties for the financial years 2016-2020.

(b) Financial crisis

**ARMĂTURA SA**  
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**Recent volatility of international and Romanian financial markets:**

The current global liquidity crisis that began in mid-2007 has resulted, among other things, in low levels of capital market funding, low levels of liquidity in the banking sector and occasionally, higher rates on interbank lending and very high volatility on stock exchanges. At present, the full impact of the current financial crisis is impossible to fully anticipate and prevent.

Management cannot reliably estimate the effects on the Company's financial position of the further decrease in the liquidity of the financial markets and the increase in the volatility of the exchange rate of the national currency and the capital markets indices. The management considers that it has taken all necessary measures to ensure the continuity of the Company in the current conditions.

**Impact on liquidity:**

The volume of financing in the economy has been significantly reduced lately. This may affect the Company's ability to obtain new loans and/or refinance existing loans on terms and conditions similar to previous financing.

**Impact on customers/lenders:**

Clients and other debtors of the Company may be affected by market conditions, which may affect their ability to repay amounts due. This may also have an impact on the Company's management's forecasts regarding cash flows and on the assessment of the impairment of financial and non-financial assets. To the extent available, management has adequately reflected revised estimates of future cash flows in its assessment of impairment.

**26. TRANSACTIONS WITH RELATED PARTIES**

The Company has not carried out transactions with the following related parties:

Herz Armaturen Ges.m.b.H – actionar;  
Herz d.o.o – entity under common control  
Koro Lando Real Estate SRL - entity under common control  
Herz Armatura i Systemy Grzenwczc sp. Z. O.o - entitate sub control comun  
Herz Industries G.m.b.H - entitate sub control comun

*Sales of goods and services*

	<u>2023</u>	<u>2024</u>
<i>Sales of goods</i>	-	-
Shareholder	-	-
Entities under common control with the shareholder	-	-
<i>Sales of services</i>	-	-
Shareholder	-	-
Entities under common control with the shareholder	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. TRANSACTIONS WITH RELATED PARTIES (continued)**

*Procurement of goods and services*

	<u>2023</u>	<u>2024</u>
<i>Procurement of goods</i>	-	-
Shareholder	-	-
Entities under common control with the shareholder	-	-
<i>Procurement of services</i>	-	-
Significant shareholder	-	-
Entities under common control with the shareholder	-	-
<i>Acquisitions of fixed assets</i>	-	-
Significant shareholder	-	-
Entities under common control with the shareholder	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

*Compensation granted to key management personnel*

Key management personnel include directors (executive and non-executive) and members of the Board of Directors. The compensation paid in 2022 and 2023 to key management personnel for their services as employees is presented below:

	<u>2023</u>	<u>2024</u>
Members of the Board of Directors	-	-
Management staff	214.422	216.453

*Balances at the end of the year resulting from sales/purchases of goods/services*

	<u>2023</u>	<u>2024</u>
Trade receivables from shareholders	-	-
Trade receivables from entities under common control with the shareholder	-	-
	<u>-</u>	<u>-</u>
Trade payables to shareholder	-	-
Trade payables to controlled entities joint with the shareholder	-	-
Advances received from the shareholder	-	-
	<u>-</u>	<u>-</u>

**ARMĂTURA SA**  
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	<b>2023</b>	<b>2024</b>
Loans from the shareholder	-	-
Interest for the year	-	-
Interest payable at the end of the period	-	-

Receivables from related parties result mainly from sales transactions and are due between 30 – 90 days from the date of sale, depending on the negotiated contractual conditions. The receivables are not secured and do not bear interest. The receivable from Koro Lando Real Estate SRL, acquired following the sale of the real estate owned by the Company, is due on 31st December , 2022.

As of 31st December , 2024 and 31st December , 2023, no provisions were created for receivables from related parties.

On December 14, 2021, the sale-purchase contract authenticated with the number 9617/14.12.2021 by the Professional Notarial Society Gorun & Associates was concluded, through which ARMĂTURA SA sold the properties it owned, located in Cluj-Napoca, str. Gării, nr. 19, Cluj County, to the company KORO LANDO REAL ESTATE SRL.

The sale was made based on the Decision of the Extraordinary General Meeting of Shareholders of Armatura S.A. no. 3/25.04.2019, published in the Official Gazette of Romania, Part IV, no. 2351/05.06.2019.

The sale price is the equivalent in lei of the amount of EUR 9,500,000, at the NBR exchange rate on the day of payment. The receivable resulting from the sale of the real estate was partially offset with the Company's debts to the transferee company Koro Lando Real Estate SRL, and the remainder of the receivable in the amount of EUR 2,149,114.50 was collected in October 2022.

Our company has prepared the financial statements as of 31/12/2024 in xhtml electronic format in accordance with the requirements of the ESEF Regulation.

## **27. RUSSIAN-UKRAINIAN MILITARY CONFLICT**

In the context of the invasion of Ukraine by the Russian Federation, our company does not have any 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.

**ARMĂTURA SA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**28 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

There were no other events subsequent to the balance sheet date to report.

The financial statements were signed today

**Administrator,**

Stefan Bogdan

**Drawn up,**

**ARMĂTURA SA**  
**ANNEX A : ADMINISTRATORS' REPORT**

**MANAGEMENT REPORT**  
**2024**

**Company facts:**

Registered office: 400267 Cluj-Napoca. Gării Street. No. 19

Phone: +40 264 435 360

Fax: +40 264 435 368

Email: office@armatura.ro

Website: www.armatura.ro

Unique registration code: RO 199001

Trade Register number: J 12/13/1991

Subscribed and paid-up share capital: 4,000,000 RON

The company has no branches.

**Data about shareholders and issued shares:**

Consolidated synthetic shareholder structure as of 31.12.2024, according to the information provided by the Central Depository:

<b>Holder name</b>	<b>Percentage %</b>
Herz Armaturen Ges.M.B.H Viena	53.2311
Herz Fittings Loc Viena Aut	32.9934
Individuals	12.5223
Legal Entities	1.2534
<b>Total</b>	<b>100.00</b>

The regulated market on which the issued securities are traded: Bucharest Stock Exchange.

The main characteristics of the securities issued by the company:

- Number of shares: 40,000,000;
- Nominal value: 0.1 RON/share;
- The registered shares, issued in dematerialized form, are registered in the independent register of SC Depozitarul Central SA;
- The company did not acquire treasury shares during the 2024 financial year;
- There are no restrictions related to the transfer of securities issued by the company;



- There are no holders of securities issued by the company who have special rights of control and a description of these rights;
- There are no schemes for granting shares to employees;
- There are no restrictions on voting rights;
- There are no known shareholder agreements that are known to the entity and that may result in restrictions on the transfer of securities and/or voting rights;
- The appointment or replacement of the members of the board of directors and the amendment of the entity's articles of incorporation shall be made with the approval of the General Shareholders' Meeting.

**Corporate governance:**

The company has shares listed on BVB Bucharest. As a result, the company applies all the legal provisions in force: Law 31/1990 updated, OMFP 2844/2016 for the approval of the Accounting Regulations according to the International Financial Reporting Standards, ASF Regulation 05/2018 on reporting, Law 297/2004 on the capital market, BVB regulations and others. All these acts are public. As of the date of preparation of this report, the Company has not adhered to the Corporate Governance Code issued by the Bucharest Stock Exchange in 2015. The company has implemented an Organization and Functioning Regulation as well as an Internal Order Regulation that are meant to ensure the operation within the safety parameters and to contribute to the fulfillment of the company's objectives. The internal control system meets its proposed objectives and no significant deficiencies have been found in the functioning of the internal system. The principles of the internal control system implemented are the separation of decisions, the existence of automatic controls incorporated into the computer application, authorization limits, periodic reporting, etc. The company has appointed an internal auditor but not an audit committee. There is no separate investor relations department. The company has a contract with an authorized financial auditor, according to the legal requirements, who verifies the financial statements according to the legal provisions in force. The General Meeting has the attributions provided by Law 31/1990 with the related amendments and by the company's articles of incorporation in force on the date of the General Meeting. The manner of conducting the general meeting of shareholders and its key attributions are in accordance with the legislation in force and with the company's Articles of Association. The rights of shareholders and the manner in which they can be exercised are provided for in the applicable legislation.

**Composition of the Board of Directors:**

- Stefan Bogdan- Chairman of the Board of Directors
- Damir Rutar – member
- Walter Simmel – member
- Zoran Bankovic - member

## ARMĂTURA SA

### ANNEX A : ADMINISTRATORS' REPORT

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#### Activity data:

The object of activity of SC Armatura SA: "Manufacture of faucets".

The main object of the company starting with 2021 is the subletting of commercial and industrial spaces.

#### Presentation of financial statements:

The documents regarding the economic and financial operations related to the reporting period were correctly registered, in compliance with the accounting principles, rules and accounting methods provided by the regulations in force.

The rules for preparing the financial statements, provided in Law no. 82/1991 and the Order of the Ministry of Public Finance no. 2844/2016, the data recorded in the Statement of Financial Position correspond to the data recorded in the accounting and are in accordance with the real situation of the patrimonial elements.

The statement of comprehensive income accurately reflects the revenues, expenses and financial results of the reporting period.

#### Elements of the Statement of Financial Position:

Nr. Rd.	Indicator Name	Balance at	
		31.12.2023	31.12.2024
	<b>FIXED ASSETS</b>		
1	Intangible assets	0	0
2	Tangible assets	117.598	111.785
3	Right to use leased assets	707.774	0
4	Financial assets	-	-
5	<b>FIXED ASSETS - TOTAL (rd. 01 to 04)</b>	<b>825.372</b>	<b>111.785</b>
	<b>ACTIVE CIRCULATING</b>		
6	Stocks	0	1.422
7	Receivable	499.251	541.445
8	Chelt in avans	12.020	13.310
9	House and bank accounts	7.439.622	6.487.942

10	<b>ACTIVE CIRCULATING - TOTAL (rd. 06 to 09)</b>	<b>7.950.893</b>	<b>7.044.120</b>
11	<b>Deferred corporate income tax receivables</b>	<b>161.464</b>	<b>156.517</b>
12	<b>TOTAL ACTIVE(rd 5 + rd 10 + rd.11)</b>	<b>8.937.729</b>	<b>7.312.422</b>
	<b>EQUITY AND DEBTS</b>		
	<b>EQUITY</b>		
13	Capital Social	18.110.957	18.110.957
14	Reserves	1.304.075	1.304.075
15	Retained earnings	-11.871.593	-11.408.522
16	<b>EQUITY – TOTAL (rd 13 to 15)</b>	<b>7.543.439</b>	<b>6.945.660</b>
	<b>DEBT</b>		
17	LONG-TERM DEBTS	397.032	0
18	SHORT-TERM LIABILITIES and PROVISIONS	997.258	366.762
19	<b>TOTAL DATORII (rd 17 + rd 18)</b>	<b>1.394.290</b>	<b>366.762</b>
20	<b>TOTAL EQUITY AND LIABILITIES (rd 16 + rd 19)</b>	<b>8.937.729</b>	<b>7.312.422</b>

### Inventory analysis:

As of 31.12.2024, the company has stocks worth 1,422 lei.

Raw materials and materials 1022 lei

Animals and birds 400 lei

*The average duration of inventory rotation* calculated as the ratio between the average stock and the turnover is presented as follows:

- *Raw. Material 1.022 lei*

$$\text{DMRmp} = \text{average stock sqm} / \text{CA} * 360 \text{ days}$$

2022: DMRmp = -not calculated

2023: DMRmp -not calculated

2024: DMRmp =  $(0+1.022)/2/1.727.563 * 360 \text{ zile} = 0.106 \text{ zile}$

### Analysis of receivables:

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As of 31.12.2024, the company's receivables in the amount of RON 541,445 had the following structure:

	<b>Valoare Lei</b>	<b>% in total</b>
Commercial creation:	440.183	81.30 %
Other receivables	101,262	18.70 %

Average duration of receivables collection:

DM ic = [(receivables at the beginning of the period + receivables at the end of the period) / 2] / CA \* 360 days

2023: MD ic = [(391,502 + 322,279) / 2] / 1,821,867 \* 360 days = 70.52 days

2024: MD ic = [(322,279 + 440,183) / 2] / 1,727,563 \* 360 days = 79.44 days

At the end of 2024, the company has made provisions, from previous years, for the depreciation of trade receivables in the amount of RON 802,072.

**Analysis of payment obligations:**

The company's payment obligations as of 31.12.2024 have the following structure:

<u>Category</u>	<u>Sold in lei</u>
Suppliers	182.221
Settlements with capital associations	100
Personnel debts and related social contributions	62.911
Value Added Tax	-
Current profit tax -	
Other debts	121.530
<b>TOTAL</b>	<b>366.762</b>

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#### Analysis of loans and other loans:

The company no longer holds loans.

#### Comprehensive income statement as of 31.12.2024

The statement of comprehensive income as of 31.12.2024 includes: net turnover, income and expenses for the year, grouped by nature, as well as the result for the year.

Crt. No.	Indicator Name	Financial year :	
		31.12.2023	31.12.2024
1	Net turnover	1.821.867	1.727.563
2	Operating profit Profit	-	-
	Loss	922.467	240.841
3	Financial result Profit	407.571	265.448
	Loss	-	-
4	Gross Profit	514.896	17.770
	Loss		-
5	Current and deferred profit tax	8.452	4.947
6	Net Profit Result	-	12.823
	Loss	506.443	-

#### Risks and uncertainties:

The company's management constantly identifies, analyzes and develops strategies to combat the risks to which the company is exposed in the course of its activity.

Given that a significant portion of the Company's sales were directed to exports, a risk of the Company that was carefully monitored was represented by currency risk. 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.

Due to the general economic environment, liquidity risk and cash flow risk was a topic of increased interest for the company's management and an attempt was made to find optimal solutions to combat these risks, which included, among others: analysis of bond maturities, efforts in debt recovery, optimal use of banking resources, etc.

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On December 14, 2021, the sale-purchase contract authenticated with the number 9617/14.12.2021 by the Professional Notarial Society Gorun & Associates was concluded, through which ARMĂTURA SA sold the properties it owned, located in Cluj-Napoca, str. Gării, nr. 19, Cluj County, to the company KORO LANDO REAL ESTATE SRL.

The sale was made based on the Decision of the Extraordinary General Meeting of Shareholders of Armatura S.A. no. 3/25.04.2019, published in the Official Gazette of Romania, Part IV, no. 2351/05.06.2019.

The sale price is the equivalent in lei of the amount of EUR 9,500,000, at the NBR exchange rate on the day of payment. As a result of the sale of the properties, Armatura SA fully compensated the loan in the amount of EUR 5,000,000 owed to the transferee Koro Lando Real Estate and the related interest, with the claim resulting from the sale of the properties.

#### **Significant events after the end of the financial year**

There were no other events subsequent to the balance sheet date to report.

Cluj Napoca

**Administrator,**  
Stefan Bogdan