

ARMATURA SA

INDIVIDUAL FINANCIAL STATEMENTS

FOR THE QUARTER ENDED ON MARCH 31 2024

**DRAFTED PURSUANT TO FINANCIAL REPORTING INTERNATIONAL
STANDARDS ADOPTED BY THE EUROPEAN UNION**



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ARMATURA SA
STATEMENT OF FINANCIAL POSITION
ON 31 MARCH 2024
(in lei, if not mentioned otherwise)

	Note	<u>01st January 2024</u>	<u>31st March 2024</u>
Asset			
Fixed assets			
Tangible assets	6	117.598	130.284
Intangible assets	7	0	0
Right of use of assets			
In leasing		707.774	707.774
Total fixed assets		<u>825.372</u>	<u>838.058</u>
Current assets			
Stocks	11	0	0
Clients and other claims		508.558	622.075
Cash and cash equivalents	12	7.439.622	7.031.641
Short-term financial assets		0	0
Total current assets		<u>7.948.180</u>	<u>7.653.716</u>
Tax receivables on Deferred profit		164.178	164.178
Total assets		<u>8.937.730</u>	<u>8.655.952</u>
Equity and debts			
Registered capital	13	18.110.957	18.110.957
Reserves		1.304.075	1.304.075
Reported result		<u>-11.871.593</u>	<u>-12.062.787</u>
Total equity		7.543.439	7.352.245
Long term debts			
Loans		-	-
Debts from leasing operations	16	397.032	732.155

The appended notes represent an integral part of the financial statements hereof.

ARMATURA SA
STATEMENT OF FINANCIAL POSITION
ON 31 MARCH 2024
(in lei, if not mentioned otherwise)

	Note	01 st January 2024	31 st March 2024
Current debts			
Suppliers and other debts	14	389.056	314.544
Settlements with shareholders on registered capital		100	100
Loans	15	0	0
Debts from leasing operations	16	401.019	65.896
Provisions for risks and expenses	18	207.966	191.012
Total current debts		997.259	571.552
Total debts		1.394.291	1.303.707
Total equity and debts		8.937.730	8.6655.952

Administrator,

Stefan Bogdan



Drafted by,

Ec. Rus Dana

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ARMATURA SA
STATEMENT OF REVENUES AND EXPENSES
FOR THE QUARTER ENDED ON 31 MARCH 2024
(in lei, if not mentioned otherwise)

	Note	<u>31st March 2023</u>	<u>31st March 2024</u>
Income		425.754	472.416
Other operating income		36.112	25.583
Variation of finished products stocks and undergoing production		-24.795	0
Raw materials and materials		-34.466	-41.281
Cost of merchandise		-81.572	-55.252
Staff expenditure	21	-273.353	-88.249
Utilities expenditure		-97.428	-361.487
Services rendered by third parties		-109.026	-343.419
Amortisation and depreciation of fixed assets		-103.758	-1.400
Net movement in provision for other risks and expenditure	18	7.002	-52.840
Other operational expenditure	20	<u>-124.270</u>	<u>-2.815</u>
Other revenues / (losses), net	19	<u>43.056</u>	<u>56.881</u>
Operational result		-336.744	-922.467
Financial income		<u>0</u>	<u>37.944</u>
Financial expenses		<u>-518.218</u>	<u>-504</u>
Net financial loss	22	<u>-518.218</u>	<u>37.440</u>
Loss before taxation		-854.962	-191.193
Income / (Expense) with profit tax current and delayed	23	<u>-</u>	<u>-</u>
Net loss related to the exercise		<u>-854.962</u>	<u>-191.193</u>
Number of shares issued		40,000,000	40,000,000
Basic and diluated earnings per share		<u>-0.0214</u>	<u>-0.004780</u>

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ARMATURA S.A.
STATEMENT OF GLOBAL RESULT FOR
THE QUARTER ENDED ON 31 MARCH 2024
(in lei, if not mentioned otherwise)

	Note	<u>01st January 2024</u>	<u>31st March 2024</u>
Loss related to exercise		<u>-506.443</u>	<u>-191.193</u>
Other elements of the global result:			
Gain /(Loss) from revaluation of buildings		-	-
Impact of deferred tax on revaluation reserves		-	-
Other elements of the global result Related to the year, net tax		<u>-</u>	<u>-</u>
Total overall result for the year		<u>-506.443</u>	<u>-191.193</u>

Administrator,
Stefan Bogdan




Drafted by,
Ec.Rus Dana



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ARMATURA S.A.
STATEMENT OF MODIFICATIONS OF EQUITY
FOR THE QUARTER ENDED ON 31 MARCH 2024
(in lei, if not mentioned otherwise)

	Registered capital	Reserves reassessment	Other reserves	Reported result	Total
Balance at 1 January 2024	<u>18.110.957</u>	-	<u>1.304.075</u>	<u>-11.871.593</u>	<u>7.543.439</u>
Profit/Loss related to the year	-	-	-	-191.193	-191.193
Other elements of global result	-	-	-	-	-
Reserves from reassessment	-	-	-	-	-
Total global result	-	-	-	-191.193	-191.193
Balance at 31 March 2024	<u>18.110.957</u>	-	<u>1.304.075</u>	<u>-12.062.787</u>	<u>7.352.245</u>

Administrator,

Stefan Bogdan



Drafted by,

Ec. Rus Dana

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ARMATURA S.A.
INDIVIDUAL STATEMENT OF TREASURY FLOWS
FOR THE QUARTER ENDED ON 31 MARCH 2024

(in lei, if not mentioned otherwise)

		1 st January	31 st March
	Note	<u>2024</u>	<u>2024</u>
Cash flows from the operating activities			
Cash generated from operations	23	<u>-300.481</u>	<u>-294.085</u>
Interest paid		-	-
Net cash generated from operating activities		<u>-300.481</u>	<u>-294.085</u>
Cash flows from investment activities			
Purchase of tangible assets		0	0
Net proceeds from the sale of tangible assets		0	0
Interest received		0	0
Dobanzi incasate		113.896	113.896
Net cash used in investment activities		<u>113.896</u>	<u>113.896</u>
Cash flows from financing activities			
Settlements from shareholders		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net modification of cash and cash equivalents		<u>-414.377</u>	<u>-407.981</u>
Cash and cash equivalents at the beginning of the year	12	<u>7.853.999</u>	<u>7.439.622</u>
Increases /- Decreases		<u>-414.377</u>	<u>-407.981</u>
Cash and cash equivalents at the end of the year	12	<u>7.439.622</u>	<u>7.031.641</u>

Administrator,

Stefan Bogdan




Drafted by,

Ec. Rus Dana



ARMATURA S.A.
NOTES TO INDIVIDUAL FINANCIAL SITUATIONS
FOR THE QUARTER REFERRED
TO 31 MARCH 2024

(in lei, if not mentioned otherwise)

1 GENERAL INFORMATION

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

The company's object of activity is "Manufacturing of faucets", CAEN code 2814 and operates in the field of metal fittings with experience in the production of fittings for thermal installations and water and gas supply, including today in the product portfolio over 1,500 dimensional items. The Company's clients are national and international companies.

The Company's shares are listed in the standard category of the Bucharest Stock Exchange since 1997, and in 2024 the main shareholder is HERZ ARMATUREN Ges.mbH Austria

The company has no open branches, is not in association with other companies and does not hold participation titles

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of the Company were drawn up in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016, for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to commercial 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 changes in exchange rates, regarding the functional currency. For the purpose of preparing these financial statements in accordance with the legislative requirements in Romania, the functional currency of the Company is considered to be RON ("Romanian leu").

2.1.2 New accounting regulations

The following amendments to 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– Reform of the benchmark interest rate – 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 1 January 2023.

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

Starting with January 1, 2018, the Company applied the IFRS 15 Revenue from contracts with customers standard. IFRS 15 establishes a five-stage model that will be applied for the recognition of revenues from a contract concluded with a customer (with limited exceptions), regardless of the type of transaction or industry. Also, the requirements of the standard will apply for the recognition and evaluation of gains and losses from the sale of certain assets of a different nature than the operational one that are not the result of the entity's usual activity (e.g.: sale of tangible and intangible assets). The presentation will be provided extensive information, including disaggregation of total income,

information about performance obligations, changes in the contractual balances of assets and liabilities accounts between periods and key ratios and estimates.

The society obtained in 2024 income from renting some spaces to other commercial companies until the date of sale of the buildings, and the income is measured at the fair value of the net collected amounts. The income obtained from renting the premises 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 can identify the rights of each party regarding the services that will be transferred
- The company can identify the payment terms for rent
- The contract has commercial content
- The company has a number of 37 tenants as of 31.03.2024
- The company extended the contracts for an indefinite period
- The company charges a reasonable level of rent

Based on the internal evaluation of the possible impact resulting from the application of IFRS 15, we consider that the continuity of the activity 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 significant 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 ending on March 31, 2024, therefore not adopted:

Amendments to IFRS 3 Business Combinations; IAS 16 Tangible assets; IAS 37 Provisions, contingent liabilities and contingent assets; and 2018-2020 Annual Improvements(all issued on 14 May 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 in Accounting Estimates and Errors: Definition of Accounting Estimates(published on February 12, 2021)–applicable for periods beginning on or after January 1, 2023.

Amendments to IAS 1 Presentation of financial statements and Statement of Practice 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 the existing standards will not have a significant impact on the Company's financial statements during the period of initial application.

There are no other IFRS or IFRIC implementations that have not entered into force yet and that could have a significant 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 (activity segment) or provides products and services in a certain geographic environment (geographic segment) and which is subject to risks and benefits different from those of the other segments. From the point of view of the activity segments, the Company does not identify distinct components from the point of view of risks and benefits

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

The presentation of information regarding 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 activity segment, taking into account the quantitative thresholds and the aggregation criteria provided by the standard. Taking into account the quantitative thresholds and the aggregation criteria provided by the standard, from the point of view of the activity segments, the Company does not identify distinct components from the perspective of associated risks and benefits.

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 accounting records in lei, prepares and presents its financial statements in accordance with the specific legislation on the subject 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. The gains and losses resulting 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 liabilities denominated in foreign currency are reflected in the profit and loss account.

Exchange rate gains and losses relating to borrowings and cash and cash equivalents are presented in the income statement under 'financial income or expenses'. All other gains and losses from the exchange rate are presented in the profit and loss account under "other (losses)/gains - net".

Monetary assets and liabilities denominated in foreign currency are expressed in lei at the balance sheet date. On March 31, 2024, the exchange rate used to convert foreign currency balances is 1 EUR = 4.9695 RON (1 January 2024 1 EUR = 4.9746 RON). Gains and losses resulting from the conversion 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 went through periods of relatively high inflation and was considered hyperinflationary according to IAS 29 "Financial reporting in hyperinflationary economies" ("IAS 29").

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

The company decided to reflect the impact of the application of IAS 29 in the financial statements drawn up on December 31, 2012. The impact of these adjustments was reflected on the value of the land, the share capital and the retained earnings.

2.5 Tangible assets

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 corresponds to the conditions related to the end of its 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. Asset residual values and useful lives are reviewed, and adjusted accordingly, at each the accounting balance sheet.

Gains and losses from the sale are determined by comparing the amounts obtained from the sale with the accounting 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 retained earnings.

2.6 Intangible assets

Computer programs

Purchased licenses related to the rights to use computer programs are capitalized based on the costs recorded with the acquisition and commissioning of the respective computer programs. These costs are amortized over their estimated useful life (three years). The costs related to the development or maintenance of computer programs are recognized as expenses in the period in which they are carried out

Other intangible assets

Under other intangible assets are registered the computer programs created by the entity or purchased from third parties for its own use needs, as well as other intangible assets owned by the Company.

Expenditures that allow intangible assets to generate future economic benefits beyond the initially foreseen 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 subject to depreciation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. The impairment loss is represented by the difference between the accounting value and the recoverable value of the respective asset. The recoverable amount is the maximum between the fair value of the asset less costs to sell 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 and which are not quoted 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 date of the balance sheet. They are classified as fixed assets

Recognition and evaluation

Regular purchases and sales of financial assets are recognized on the transaction date – the date on which the Company undertakes to buy or sell the respective asset.

Financial assets cease to be recognized when the right to collect cash flows from investments expires or is transferred, and the Company transfers all the risks and benefits related to the right of 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.

2.9 Clearing of financial instruments

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

2.10 Stocks

As of 31.03.2024, the company no longer holds stocks of materials, finished products.

2.11 Trade Receivables

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

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

The provision for the depreciation of commercial receivables is established when there is objective evidence that the Company will not be able to collect all the amounts owed to it according to the initial conditions of the receivables. The significant difficulties faced by the debtor, the probability that the debtor enters bankruptcy or financial reorganization proceedings, non-payment or non-compliance with payment conditions are considered indicators of the impairment of trade receivables.

The accounting value of the asset is reduced by using a provision account, and the amount of the loss is recognized 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 expensed, with the corresponding reversal of the provision for trade receivables. Subsequent recoveries of previously amortized amounts are credited to the profit and loss account.

2.12 Cash and Cash Equivalents

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

2.13 Share capital and reserves

The social capital composed of common shares is registered at the value established on the basis of the articles of incorporation and additional documents, as the case may be, as well as the supporting documents regarding the capital payments.

Own shares redeemed, according to the law, are presented in the statement of assets, liabilities and equity as a correction of equity.

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

2.14 Trade Debts

Trade payables are recognized at fair value.

Trade payables are obligations to pay for goods or services that were purchased in the normal course of business from suppliers. Accounts payable are classified as current liabilities 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 liabilities.

2.15 Loans

On 31.03.2024, the company no longer holds loans.

2.16 Current Income Tax and Deferred Tax

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

The tax expense for the period includes current tax and deferred tax. The tax is recognized in the profit and loss account, unless it refers to the elements recognized in other elements of the overall result or directly in the equity. In this case, the related tax is also recognized in other elements of the overall result or directly in equity.

The current profit tax expense is calculated based on the fiscal regulations in force at the balance sheet date in Romania. The management periodically evaluates the positions in the fiscal declarations regarding the situations in which the applicable fiscal regulations are interpretable. This constitutes provisions, where applicable, based on the amounts estimated to be owed to the tax authorities.

Deferred profit tax is recognized based on the balance sheet liability method, for temporary differences between the tax bases of assets and liabilities and their accounting values from the financial statements. However, deferred income tax that results from the initial recognition of an asset or liability from a transaction other than a business combination, and that at the time of the transaction does not affect accounting profit or taxable profit is not recognized. Deferred profit tax is determined based on the tax rates

(and laws) in force until the balance sheet date and which are to be applied during the period in which the deferred tax to be recovered will be capitalized or the deferred tax payable will be paid.

Deferred tax recoverable is recognized only to the extent that it is probable that a taxable profit will be obtained in the future from which the temporary differences can be deducted.

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

2.17 Uncertain fiscal positions

The uncertain fiscal positions of the Company are analyzed by the management at each balance sheet date. Liabilities are recorded for tax positions for which management believes that additional taxes are likely to be applied if these positions were to be audited by the tax authorities. The assessment 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 recognized based on management's best estimates necessary to settle the obligations at the balance sheet date.

2.18 Employee Benefits

During the financial year, the Company makes payments to the Social Insurance budget on behalf of its employees, because they are all included in the public pension system.

The society does not contribute to any other pension plan or post-retirement benefits and does not have any other obligations of the kind mentioned, for its employees.

Benefits upon termination of employment

In the collective labor contract of the Company, valid for the previous period, it was stipulated that the employees of the Company receive, on the occasion of retirement, a prize equivalent to one/two basic salaries earned in the month before retirement. The company made an estimate of the updated value of this promised benefit, in order to establish the necessary provision, but which did not materialize because it was not considered that it would have a significant impact on the financial statements.

Also, in the collective labor contract of the Company, valid for the previous period, it was stipulated that the Company's employees receive compensatory payments in the event of the termination of the individual labor contract for reasons related to the Company. The company made an estimate of the discounted value of this promised benefit, and constituted the necessary provision on the financial statements concluded on December 31, 2021.

Considering the situation generated by Covid-19 within the Company, the following decisions were issued in order to prevent the damage to the good development of the activity:

1. By Decision no. 20/01.09.2020, people in the vicinity of those infected with Covid-19 have benefited from the settlement of the Covid-19 test by the unit.
2. As an additional protection measure for employees, in some cases, the amendment of the

- employment contract was chosen, in an employment contract with a telework clause.
3. The employees were permanently informed about the legislative changes and updates brought to the areas affected by Covid-19.

2.19 Provisions

Provisions are recognized when the Company has a current obligation (legal or implied) generated by a previous event, it is probable that an outflow of resources will be necessary to honor the obligation, and the debt can be reliably estimated.

Provisions for taxes are established for the payment amounts owed to the state budget, provided that the respective amounts are not reflected as debt in the relationship with the state.

Provisions are reviewed at the date of the financial statements and adjusted to reflect Management's current best estimate in this regard. In the event that an outflow of resources is no longer likely to settle an obligation, the provision must be canceled by resuming income.

2.20 Revenue recognition

Revenues are recorded when the significant risks and advantages of ownership of the goods are transferred to the customer. The amounts representing the income do not include the sales tax (VAT), but they include the commercial discounts granted. Financial discounts granted to customers (discounts) reduce the value of the Company's revenues.

The Company recognizes revenues when their value can be reliably estimated, when it is likely to produce future economic benefits for 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 evaluable 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.

Revenues from the provision of services are recognized in the period in which they were provided and in correspondence with the stage of execution.

Interest income is recognized periodically, proportionally, as the respective income is generated, based on accrual accounting.

Revenues from the collection of rents and/or rights to use assets are 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 recognized as dividend income when the shareholder's right to collect them is established.

2.21 Leases

Leasing is a contract, or part of a contract, that grants 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 a support asset for a certain period of time in exchange for a consideration.

On the date of commencement of development, the Company evaluates the asset related to the right of use at cost

The cost of the right-of-use asset includes:

- The value of the initial assessment of the debt arising from the leasing contract
- Any lease payment made on or before the start date, minus any lease incentives received
- Any initial direct costs borne by the company;
- An estimate of the costs to be borne by the company as lessee for the dismantling and removal of the supporting asset, for the restoration of the place where it is located or for bringing the supporting asset to the condition imposed by the terms and conditions of the leasing contract, with except for the case in which these costs are borne for the production of stocks.

The lessee assumes the obligation towards these costs either at the start of the development, or as a result of the use of the supporting asset during a certain period

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

Depreciation of the supporting asset is determined as follows:

- If at the end of the leasing contract the ownership is transferred, then depreciation will be recognized as an expense during the useful life of the asset
- Otherwise, depreciation will be recognized on the shortest period between the useful life of the asset and the period of the leasing contract.

In 2024, the Company has a leasing contract in progress, namely the one for renting buildings and land from Koro Lando Real Estate SRL.

2.22 Distribution of Dividends

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



QUARTERLY REPORT 31.03.2024*
S.C. ARMATURA S.A.
CLUJ-NAPOCA

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St. Gării Nr. 19

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Email: office@armatura.ro
Website: www.armatura.ro

Unique registration code: RO 199001
Serial number in the Trade Register: J12/13/1991
Subscribed and paid-up share capital: 4.000.000 RON

Regulated market on which the issued securities are traded:

The shares of S.C. ARMATTURA S.A. are traded on the standard category of the Bucharest Stock Exchange.

The main features of the securities issued by the company:

- > Number of shares: 40,000,000
- > Face value: 0.1 RON/share
- > Registered shares, issued in dematerialized form, registered in the independent register S.C. Central Depository S.A., according to the contract no. 1958 from 19.01.2007

Date of report: 07.05.2024

*Drawn up in accordance with Regulation No. 05/2018 of the ASF

*The financial statements as of 31.03.2024 were not audited.



Economic and financial indicators:

1. Current liquidity indicator (Working capital indicator = current assets: liabilities under 1 year):

ILC = Current assets / Current liabilities

31.03.2024 ILC = 7.655.952/ 571.552 = 13.39

31.03.2023 ILC = 8.341.815/544.737=15.31

- the recommended value is around 2;
- highlights the extent to which current liabilities can be covered from current assets.

2. Leverage ratio:

IGI = Borrowed capital / equity * 100

31.03.2024 IGI = in 2024 we no longer have borrowed capital

31.03.2023 IGI = in 2023 we no longer have borrowed capital

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

Borrowed capital = loans over one year

3. Rotational speed of receivables:

VRC = [(receivables at the beginning of the period + claims at the end of the period) / 2] / CA * 90 days

31.03.2024 VRC = [(508.558+622.075) / 2] / 472.416 * 90 = 107days

31.03.2023 VRC = [(526.823+652.097) / 2] / 553.760 * 90 = 95 days

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



4. Rotational speed of fixed assets:

VRAI = Turnover / Fixed assets

31.03.2024 VRAI = 472.416 / 838.058 = 0.56
31.03.2023 VRAI = 553.760/491.298=1.12

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

Administrator

Stefan Bogdan

A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned below the name 'Stefan Bogdan'.

