

ALUMIL ROM INDUSTRY S.A.

SEPARATE FINANCIAL STATEMENTS

**Prepared in accordance with
Minister of Public Finance Order 2844/2016**

31 DECEMBER 2024

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**ANNUAL REPORT
OF THE ADMINISTRATOR
REGARDING THE FINANCIAL YEAR 2024**

Name of issuer: S.C. ALUMIL ROM INDUSTRY S.A.
Registered office: Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Sector 1
Telephone number: 021 424 34 56, fax: 021 423 39 32
Sole Registration Code with the Trade Registry Office: RO10042631
Trade Register number: 1997008540401
Share capital called up and paid in: RON 6,250,000.

Legal framework for the preparation of the annual financial statements

S.C. ALUMIL ROM INDUSTRY S.A., with the registered office in Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Complex Baneasa Business & Technology Park, Sector 1, is a joint-stock company operating in accordance with the provisions of the Company Law 31/1991, as republished with subsequent changes.

The share capital of the Company is a private capital in full.

Starting 2012, the Company prepares separate annual financial statements in accordance with the International Financial Reporting Standards as approved by the OMFP no. 2844/2016 with subsequent changes and completions.

1. Analysis of the company activity

1.1 Description of the company's main activity

a) Company presentation

ALUMIL ROM INDUSTRY S.A. is a subsidiary of the company **ALUMIL ALUMINIUM INDUSTRY S.A. Greece**, an industrial group at European level operating in the Aluminum extrusion industry.

ALUMIL ALUMINIUM INDUSTRY S.A. is one of the European leaders in Aluminum extrusion, owning production sites with state-of-the-art technologies, being one of the top factories of Aluminum profiles for constructions, covering all types of applications known in this field.

b) Company subsidiaries

ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ, having head office in Turkey, FatihMah., 1188 Sokak, No.13/B Gazimir /İZMİR, was established and registered in Turkey with the Gazimir Tax Office on 16 September 2015 under number 0680907038 and with the Izmir Chamber of Commerce under number: 183607 as a joint stock company, Turkish legal entity, having an unlimited operation duration and operating according to the Turkish Commercial Code. The company was established by SC ALUMIL ROM INDUSTRY SA, as sole shareholder. The company's share capital at the date of establishment was of 50,000 Turkish Lira, divided into 50 shares of 1,000 Turkish Lira each. On 16 November 2015, SC ALUMIL ROM INDUTRY SA has assigned 60% of the shares in ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET S.A., to the company ALUMIL INTERNATIONAL AG Switzerland, the shareholding structure following the assignment is as follows: 20 shares SC ALUMIL ROM INDUSTRY SA namely 40% of the share capital, the equivalent of 20,000 Turkish Lira and 30 shares the ALUMIL INTERNATIONAL AG Switzerland company, namely 60% of the share capital, the equivalent of 30,000 Turkish Lira. In December 2015, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ, to the total value of 950,000 Turkish Lira, representing 950 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 380 shares at the nominal value of 1,000 Turkish Lira each.

1. Analysis of the company activity (continued)

In April 2016, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ, to the total value of 1,900,000 Turkish Lira, representing 1,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 760 shares having a nominal value of 1,000 Turkish Lira each. In October 2019, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ, to the total value of 4,900,000 Turkish Lira, representing 4,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 1,960 shares at the nominal value of 1,000 Turkish Lira each.

ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, having head office in Egypt, Cairo, was established and registered in Egypt on 20 March 2016, according to the joint-stock company set up certificate number 1375/20.03.2016 issued by the General Investment and Free Area Authority as a joint stock company for a duration of 25 years. The Company's issued capital at the set up date was of 1,000,000 Egyptian Lira, divided into 1000 shares of 1,000 Egyptian Lira each. The share capital structure at the set up date is the following: Alumil International AG Switzerland 59%, Alumil Rom Industry SA Romania 40% and Alumil MISR for Trading Egypt 1%. In November 2016, the first share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, to the total value of 16,000,000 Egyptian Lira, representing 16,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 6,400 shares at the nominal value of 1,000 Egyptian Lira each. In December 2016, a new share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC and, therefore, the company's capital reached 30,000,000 Egyptian Lira, representing 30,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 12,000 shares at the nominal value of 1,000 Egyptian Lira each.

In February 2019, the third share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 20,600,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 8,240,000. The increase will be done in stages, so as of 31.12.2019 the share capital of the company amounted to Egyptian Lira 33,000,000 representing 33,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 13,200 shares at the nominal value of 1,000 Egyptian Lira each.

In July 2020, the fourth share capital increase was done for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with the total value of Egyptian Lira 3,000,000, out of which Alumil Rom Industry contribution is Egyptian Lira 1,200,000. The increase is done in stages, so as of 31.12.2020 the share capital of the company amounted to Egyptian Lira 36,000,000 representing 36,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 14,400 shares at the nominal value of 1,000 Egyptian Lira each.

During 2021 there were 3 successive share capital increases for ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, in a total amount of EGP 14,600,000, out of which Company's contribution is EGP 5,840,000. Consequently the share capital as at 31.12.2021 reached the value of 50,600,000 Egyptian Lira representing 50,600 shares at the nominal value of Egyptian Lira 1,000 lire egiptene each, out of which Alumil Rom Industry holds 40%, namely 20,240 shares at the nominal value of 1,000 Egyptian Lira each.

c) Main activities

Alumil Rom Industry S.A. manufactures and trades a large range of Aluminum profiles systems (sliding, opening and partitioning systems) and accessories related to these systems, machine tools and specific tools used for aluminum joinery, interior doors and decorative Aluminum panels. The main activities of Alumil Rom Industry S.A. are the production of aluminum profiles, more specifically, processing of profiles through the provision of thermal breaks and electrostatic painting, as well as the trade of a large range of profiles, accessories, composite panels (J-Bond), polycarbonate films etc.

1. Analysis of the company activity (continued)

Processing activity

S.C. ALUMIL ROM INDUSTRY S.A. conducted, starting 18.05.2011 the project "Eco efficient and innovative investment in a modern Aluminum processing facility", co-financed by the **European Regional Development Fund** under the financing contract signed with the Ministry of Economy, Trade and Business Environment, as the Managing Authority for the Operational Sectorial Program "Increase of Economic Competitiveness". The project objective was to increase the productivity of the company by creating a modern, eco-efficient Aluminum profiles production and processing facility.

The project, implemented in Filipeștii de Pădure, Minieri village no. 149, Prahova County, was completed in July 2013 and resulted in the building of a production hall of 8,835 square meters and the purchase of 11 state-of-the-art pieces of equipment, creating over 45 new jobs.

Therefore, S.C. ALUMIL ROM INDUSTRY S.A. has put into operation new modern equipment for:

- horizontal painting with two automatic painting booths capable of painting Aluminum profiles in all RAL colors. ALUMIL ROM INDUSTRY S.A. paints about 1,450 kinds of Aluminum profiles in about 200 RAL colors;
- wood-effect painting with a technology based on a pre-printed film for decorating profiles, Aluminum panels and Aluminum accessories, using the sublimation method;
- thermal break production with a capacity of 150 profiles /hour

The installation also includes equipment for applying self-adhesive tape on Aluminum profiles in order to protect painted surfaces.

A small part of the production process is represented by the bending of profiles, an operation carried out only on client request.

The processing (painting) line is composed of:

- Chemical treatment line (baths) for filiform corrosion resistance with a waste water treatment plant;
- Frame preparation line;
- Electrostatic painting installation;
- Polymerization oven;
- Wood-effect painting installation;
- Thermal break production line;
- Profile assembly line.

The production and storage facilities are equipped with:

- fresh water installation and demineralized and fresh water tanks;
- deionized water installation;
- treatment plant (reduction-oxidation, neutralization, flocculation, settling, press filter);
- own wastewater and rainwater sewer network;
- own central heating plant (fuel: natural gas);
- air compressors;
- hydrophore installation;
- transformer station 10 /0.4 KV.

d) Products

Alumil Rom Industry offers a wide range of Aluminum profiles and accessories and tools used for Aluminum profiles processing.

1. Analysis of the company activity (continued)

The main product categories of Alumil Rom Industry are:

- Aluminum profiles
- Accessories for Aluminum profiles
- Outdoor Aluminum systems (fences, railings, pergolas)
- J-Bond / Outdoor decorative panels
- Polycarbonates
- WPC composite materials

The Aluminum profiles are grouped in the following categories of systems:

I. Opening windows/doors systems

- a) Without thermal break: COMFORT M940, COMFORT M9400, COMFORT M15000
- b) With thermal break: SMARTIA M9660, SMARTIA M11000, SMARTIA S67, SUPREME S77, SUPREME SD77, SUPREME S91, SUPREME SD95

II. Sliding window systems

- a) Sliding windows without thermal break: COMFORT M900, COMFORT M9000, COMFORT M9200, SMARTIA M12500, SMARTIA M14000, SMARTIA M14500
- b) Sliding windows with thermal break: SMARTIA S350, SMARTIA S350LT, SMARTIA M450, SMARTIA S560, SMARTIA S560LT, SUPREME M630, SUPREME S650, SUPREME S700

III. Curtain wall systems

SMARTIA M1, SMARTIA M7, SMARTIA M6, SMARTIA M35, SMARTIA M50, SMARTIA M65, SMARTIA M78

IV. Special systems

The special systems are mainly systems for interior partitioning (P100 and P200 Office), systems for sun protection (M5600 Solar Protection), skylights (Skylight M9850, M10800 Skylight Alutherm), systems for protection against insects, fixed and bioclimatic pergola systems (PG120F, PG120P and PG160P), railing systems (M8200, M8250, M8100), fencing systems (FC10, FC60 and FC80) and cladding systems (M7000 Cladding).

e) Quality management and certifications

For the activities carried out in Romania, **ALUMIL ROM INDUSTRY** has implemented and is maintaining an integrated quality, environmental, occupational health and safety management system, according to the requirements of the following standards: SR EN ISO 9001: 2015, SR EN ISO 14001: 2015 and SR ISO 45001:2018, integrated management system which is designed for the continuous improvement of performance, taking into consideration the needs of the Company and of all interested parties. The certification of the quality, environment and occupational health and safety management systems was performed by SRAC CERT, Romanian certification body with the largest recognition of the brand and certificates as a result of the partnership with IQNet (The International Certification Network) and of the accreditation by RENAR – body having signed the EA-MLA (European agreement on recognizing certification).

In 2009, Alumil Rom Industry has obtained the license to use the QUALICOAT SEASIDE labels, certificate that is renewed every year by the Aluminum Association of Greece Certification Committee, also a painting and production processes certification body.

Having obtained the QUALICOAT SEASIDE labels licenses proves that ALUMIL ROM INDUSTRY meets the requirements for carrying out the production processes and it has the necessary equipment, the coverage materials required through specifications and regulations obtaining finished products of an adequate quality.

All the requirements in the QUALICOAT specifications must be met for a quality label to be granted and maintained.

1. Analysis of the company activity (continued)

1.1.1 General evaluation items for 2024

	Consolidated ratios	MU	2024	2023
a)	Net profit	RON	5,318,595	6,513,827
b)	Turnover	RON	113,024,934	118,154,689
c)	Exportation	RON	2,370,846	2,083,208
d)	Cash and cash equivalents	RON	2,958,982	2,151,537

1.1.2 Storage capacity

ALUMIL ROM INDUSTRY S.A. has a storage total area of 26,311 square meters. The statement of the Company of the storage capacities is shown below:

	Location	Surface (sq. m.)	Surface of land (sq. m.)	Total (sq. m.)	Type
1	Baia Mare	381	-	381	Rented
2	Brasov	450	-	450	Rented
3	Bucharest	1,109	-	1,109	Rented
4	Cluj	1,086	-	1,086	Rented
5	Galati	620	-	620	Owned
6	Iasi	969	-	969	Rented
7	Slatina	930	-	930	Rented
8	Timisoara	288	192	480	Rented
9	Filipestii de Padure	8,135	41,868	50,003	Owned
10	Filipestii de Padure	9,262	9,840	19,102	Owned
11	Filipestii de Padure	3,081	8,915	11,996	Owned
	Total	26,311	60,815	87,126	

1.1.3 New products introduced in 2024

Alumil Rom Industry is continuously concerned about the client satisfaction, and as a response to the ever changing needs, it is focusing on developing new technical solutions to improve the quality, comfort and safety. The systems are designed, developed and tested in the Alumil Group Research & Development Department in Greece and then certified by an internationally recognized certification institutions, such as IFT ROSENHEIM of Germany, CSTB – France, BaUTG – Belgium, INTERTEK – USA.



1. Analysis of the company activity (continued)

In 2024, Alumil Rom Industry has introduced in Romania a series of new premium systems:

I. SUPREME Range:

S500 PHOS – the sliding system with thermal barrier SUPREME S500PHOS sets new standards regarding the minimalist design, with symmetrical lines, impressive functionality and advanced technology.

The real revolution of the system consists in the ability to defy gravity using the version SUPREME S500 SlideAir which eliminates the force needed for operating the leaf by adding magnetic technology.

II. SMARTIA Range:

M450 – SMARTIA M450 represents the new generation of aluminum lifting-sliding systems for doors with minimalist design. This system satisfies the demanding requests of the modern residencies regarding the advanced thermic insulation and the trends of transparent architecture.

Z1000 ZIP SCREEN SYSTEM – stand-alone system of electric cassette blinds, equipped with fabric with ZIP technology which ensures optimal pre-tensioning for the realization of automated solutions of very large umbrellas (sizes up to 3800x6000 mm). The systems ZIP SCREEN represent an elegant and minimalist solution for shading and protection against sun radiation, suitable to be applied in modern houses and apartment buildings, as well as in commercial facilities and office buildings.

IFS (INTEGRATED FLY SCREEN SYSTEMS) – system containing solutions for protection against insects, completely integrated into the masonry structure or building insulation, suitable for the following ALUMIL systems (S650 ECLIPSE, S700, M630). IFS system was developed to meet the modern architectural requirements of minimising the visibility of aluminium systems on buildings facades, without jeopardising the functionality of complementary systems.

MF6500 – harmonic doors system without thermal break, with the unloading of the weight of the leaves on the lower track, intended for closing recreation spaces such as terraces, swimming pools, greenhouses etc.

At the same time, the following systems commercialized by Alumil were completed with new solutions:

PG120P – bioclimatic pergola system, was completed with ZIP SCREEN shading solutions and automated guillotine perimeter opening solutions with motorized sliding both towards the floor (3 movable leaves) and towards the ceiling (4 movable leaves)

M8200 GLASS RAILINGS – Premium railings system, which was completed with solutions of profiles type F for applications where resistance to extreme wind loads or linear loads is required (M8217, M8219 and M8228)

S67 – roto-tilting system was completed with PHOS typologies, i.e. solutions for windows with hidden sash

S67 URBAN – the system was completed with solution for doors, ensuring the same industrial “steel look” for these typologies too

SD77 – access doors system was completed with SD77PIVOT typologies, integrating pivoting openings, which allow the creation of large-sized doors (up to 2 meters wide and 3 meters high) and weighting up to 300 kg per pivoting leaf.

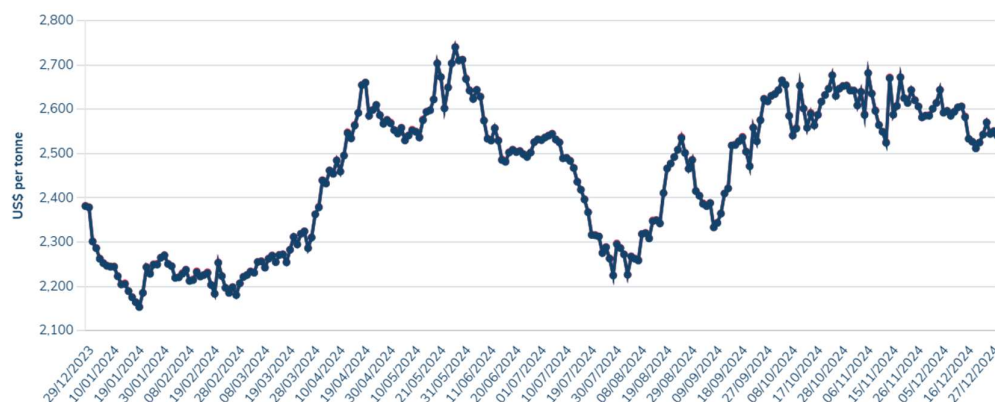
1. Analysis of the company activity (continued)

1.1.4 Evaluation of the supply activity

The main supplier of Alumil Rom Industry S.A. is Alumil Aluminium Industry S.A. Greece for both processed and unprocessed profiles. The Company's competitive advantages consist in offering quality products, with a design and functionality of the highest level and the fact that it has access to favorable purchase prices because of the relationship with the parent company from Greece.

The price of Aluminum profiles is strongly influenced by the price of Aluminum on the international market, namely on London Metal Exchange. During the first half of 2024, the price of Aluminum on London Metal Exchange (LME) registered an upward evolution, increasing from USD 2,200/ton in the first months of 2024 to USD 2,700/ton in May. Subsequently, in the second half of the year, the price had a fluctuant evolution, stabilizing toward the end of the year to around USD 2,600/ton.

Evolution of Aluminum quotation on London Metal Exchange, Jan.-Dec. 2024



Source: LME.com

1.1.5 Evaluation of the sale activity

a) Description of the sales evolution and long-term prospects

In 2024, out of the total turnover of RON 113,024,934 (2023: 118,154,689), the exports to Group companies represented only RON 2,370,846 (2023: RON 2,083,206). As such the turnover realized on domestic market registered a decrease of 4.7%, from RON 116,071,481 in 2023 to RON 110,654,088 in 2024.

	2024	2023
Sales (RON)	113,024,934	118,154,689
Variation compared to the previous year	-4.3%	8.3%

Source: Alumil management reporting - financial statements

In 2024 about 97.90% of the turnover was achieved on the domestic market, and the difference of 2.10% represented exports to Alumil Industry S.R.L. in Moldova, to the parent company, Alumil Aluminium Industry S.A. in Greece, and to other companies.

1. Analysis of the company activity (continued)

b) Description of the competition and the market share

The profile market for thermal insulation glass joinery in Romania is dominated by the profiles made of PVC (~ 75% of the value) and of Aluminum (~ 22% of the value), according to the market studies performed in recent years. The other types of profiles (wood, steel and Aluminum and wood) have insignificant weights in the total purchases, accumulating less than 3% of the market.

The domestic market of the aluminum systems for architectural applications is one with a pretty high degree of concentration, the first 5 competitors owning over 70% both in volume and in value. The remaining 26-27% are disputed by a number of 15 companies, which have market shares between 2 and 5%.

The 5 competitors mentioned above are as follows (in alphabetical order): Alukonigstahl, Alumil Rom Industry, Aluprof, Cortizo and Reynaers.

The Company estimates that during 2024 it has maintained its market leadership by an estimated share of about 25%, varying between 30 on the retail zone and 22-23% on the large projects zone.

c) The description of any significant reliance on a single customer or group of customers

In recent years, the total number of customers was 1,500-2,000 and they are mainly aluminum and PVC joinery firms. In 2023, the top ten clients accounted for 32.98% of the total sales, and this weight slightly increased in 2024, when the top ten customers accounted for approximately 35.00% of the total sales. Keeping a percentage as small as possible is due to the fact that the Company has permanently tried to avoid a significant reliance on a single customer or group of customers.

1.1.6 Evaluation of the matters concerning the Company's employees

The average number of employees was approximately constant in 2024 compared with 2023, the difference compared with previous year being insignificant.

The evolution of the average number of employees:

	2024	2023
Average number of employees	154	155
Change percentage during the period	-0.65%	-0.64%

Source: Management reporting – consolidated statements.

1. Analysis of the company activity (continued)

1.1.7 Evaluation of the matters related to the impact of the main activity on the environment

At the local level, ALUMIL is firmly committed to environmental protection and sustainability, through a well-defined strategy aimed at reducing greenhouse gas emissions, making the use of resources more efficient and promoting the circular economy. We fully comply with European and national legal and regulatory requirements and actively support the UN's 17 Sustainable Development Goals (SDGs), aligning our strategy with sustainable development and measurable goals.

Green strategies and initiatives

One of ALUMIL's main initiatives is the implementation of the "Net Zero" strategy, which aims to reduce the carbon footprint and offset residual emissions. By using renewable energy, optimizing production processes, and increasing the use of recycled materials, the company aims to minimize its environmental impact. In this regard, a notable example is the Loop80 product, made of 80% recycled aluminum and certified according to international standards. This approach not only reduces the consumption of primary resources, but also contributes to lowering the emissions associated with industrial production. It is important to note that aluminum recycling is a promising method, as secondary production consumes only 5% of the energy required for primary production.

In 2023, ALUMIL obtained the "OK Recycled" certification from TÜV AUSTRIA, a recognition that confirms its commitment to the use of recycled materials. Moreover, the company has been actively involved in the European RecAL project, a research initiative aimed at developing advanced technologies for aluminum recycling, thus strengthening the transition to a circular economy.

Measures to reduce environmental impact

In order to ensure a minimum impact on the environment, ALUMIL has adopted concrete measures:

- Promoting recycling – both by using recycled aluminium in production and by educating employees and the community on responsible waste management. The company is also committed to recycling wood, plastic and paper, thus contributing to the reduction of waste and saving natural resources.
- Afforestation and biodiversity protection – through reforestation programs, such as the "Adopt a tree" initiative, in which ALUMIL Romania employees contributed to the effort to plant 9,700 seedlings in Teleorman County.

Social responsibility and community involvement

At the local level, ALUMIL supports the communities in which it operates through corporate social responsibility programs. In 2023, the Green Ambassadors team was expanded to 35 members, reflecting the increase in employee involvement in green initiatives. At the same time, the company organizes annual social and environmental events and projects, in which employees and their families actively participate in recycling activities, charity marathons, blood donation campaigns and environmental education courses.

In 2024, ALUMIL strengthened these efforts by engaging in various social and ecological partnerships. For example, together with The Magic Association, the company supported the MagicEDU program, facilitating access to education for children in difficulty. Also, by collaborating with Hope and Homes for Children, ALUMIL supported the transition of institutionalized children to a family environment more conducive to their development.

Goals for the future

In 2025, the ALUMIL Group will review its decarbonization strategy and set new targets for 2030, aiming to expand the use of renewable energy and improve recycling processes. Through these measures, ALUMIL reaffirms its commitment to building a sustainable future, actively contributing to the protection of the environment and the sustainable development of the communities in which it operates.

The company continues to publish the annual Sustainability Report, a document that contains the company's efforts and achievements in terms of social responsibility, environment, corporate governance, market and human resources. It is public and can be consulted on the company's website.

ALUMIL ROM INDUSTRY S.A. holds:

- The Environmental Permit no. PH-124 of 7 December 2018, revised on 15 November 2022, issued by the Prahova National Agency for Environmental Protection;
- Water management authorization no. 165 of 23 September 2022, concerning the water supply and the discharge of waste water, valid through 30 September 2025, issued by the "Romanian Waters" National Administration, the Water Basin Administration Buzau-Ialomita, the Water Management System Prahova unit.

1. Analysis of the company activity (continued)

1.1.8 Evaluation of the research and development activity

Most research and development activities are performed at Group level, in the specialized department of the parent company in Greece. The operations in Romania include a Research & Development department and a technical support one for projects carried out with Alumil profiles. These departments operate closely with the research and development department at Group level, the teams working together to develop new series of profiles and improve existing ones to meet customer requirements.

1.1.9 The evaluation of the ALUMIL ROM INDUSTRY S.A. risk management activity

The Company's exposure to:

- i) **Price risk** - Alumil Rom Industry S.A. has in place a flexible commercial policy and is able to adapt to any price fluctuations, especially since the Aluminum price fluctuations at an international level affects all market participants to the same extent. To this effect, it is an advantage that Alumil Rom is part of a group with high power to acquire and process Aluminum on the international market.
- ii) **Interest rate risk** - The Company's exposure to the interest rate fluctuation risk mainly relates to the floating interest-bearing loans contracted by the Company. At the end of 2024, the balance of short-term loans contracted by the Company was RON 10,196,905 (2023: RON 4,179,297), and of long-term loans was RON 0 (2023: RON 0). Considering the low gearing, the interest rate risk is also low.
- iii) **Credit risk** - The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, having as a result a decrease in the exposure of the Company to bad debts.
- iv) **Liquidity /cash-flow risk** - Much of the Company's sales involve cash receipts or credits granted to customers over a period of several days to several weeks. Together with the loans for working capital, these provide for the current liquidity needs of the Company. During 2020 and 2019, the loans for the working capital were underused, the Company being in a position of financing its activities with own funds. Under these conditions the Company faces a very low liquidity risk.

1.1.10 Perspectives concerning the activity of ALUMIL ROM INDUSTRY S.A.

Alumil Rom Industry S.A. produces and offers to potential customers from Romania Aluminum profiles at international standards with excellent mechanical and physical features, while also providing assistance and advice on all technical aspects of the products.

The main objectives of **Alumil Rom Industry S.A.** are to maintain market leadership in the production and sale of Aluminum profiles in Romania and to focus both on providing innovative, internationally certified products and, from a commercial perspective, on commercial network improving and expanding. The objectives for the coming years are to increase the market share and improve profitability. Additionally to Aluminum profiles, the Company offers a wide range of products in the field, such as outdoor decorative panels, sun protection systems, interior doors, pergolas, decorative panels and accessories, an important objective being to increase the market share on the segments mentioned above. All these objectives are based on the vision of **Alumil Rom Industry S.A.** and of its parent company from Greece to maintain the leadership on the Southeastern Europe markets and to expand on other markets.

To achieve these objectives in the coming years, **Alumil Rom Industry S.A.** will focus on increasing the quality of customer service, on increased promptness in fulfilling orders and reducing delivery times. These strategic elements have been a priority in recent years, and by improving the existing processes in the coming years, we will manage to achieve new results on these lines. An important step in this regard is the investment from Filipești de Padure, a European-level investment with high efficiency equipment completed in July 2013. A new stage in this respect is rethinking of national distribution network by the creation of regional Hubs which offer an increased flexibility in carrying-out of the activities at regional level.

1. Analysis of the company activity (continued)

Thus in 2020 the Hubs in Cluj and Iasi were opened, being fully operational and serving from commercial and logistic point of view the West and East regions.

In 2022 the construction of the new HUB Slatina started, which will be inaugurated in the first part of 2023, and will serve the South-West area.

By developing B2B My Alumil platform, the Company offers to partners a tool to place online orders, in a simple and intuitive way, a source of information and access to the latest released systems, as well as other useful information which can be accessed on the platform. This automated system brings flexibility and visibility, offering an advanced set of IT functionalities, significantly improving the browsing experience for Alumil partners. The main page offers detailed information on Alumil products, technical news, general announcements, ordering policy, promotions and new products launches. The users can also download technical catalogues and brochures, check the stocks and place orders easily, a window dedicated to all orders in progress being active.

My Alumil offers also the possibility to search orders using specific criteria, as profile code or accessories. This brings a new dimension of verification and efficiency to the order management process. The benefits of using My Alumil are diverse and tangible: the ordering process becomes fast and simple, and the automated system allows placing recurring orders, saving time and effort. Users have the possibility to check accessory stocks in real time and are always up to date with all relevant technical updates, My Alumil is an essential tool for optimizing the procurement process and providing a special experience to our partners.

The loyalty program Alumilia, integrated in My Alumil platform and launched in September 2022 is already in its second edition, continuing to reward our partners for their loyalty. The basic principle of the program is represented by rewarding customers by accumulating points following purchases made online on the B2B My Alumil platform, these points can be used to obtain valuable prizes.

The prizes offered in exchange for accumulated points are divided into several levels, depending on their value. The higher the level of the award, the higher its value, but also requires a greater number of points to obtain. Our goal with this initiative is to provide our partners with a more pleasant and faster shopping experience, while rewarding them for the trust they show us every day.

Both My Alumil and Alumilia are important steps in the direction of development and modernization of acquisition process, being in the same time essential components of digitalization process. These intuitive and modern instruments are conceived to help our partners to cope with current and future challenges and to enjoy a more pleasant and efficient interaction experience with Alumil.

1.1.11 Company estate

Land and buildings

In terms of real estate properties in the Alumil Rom Industry S.A. estate, these are pieces of land located inside and outside the built-up area of localities, and also constructions, some of them ensuring the performance of the Company main activity.

Alumil Rom Industry owns a piece of land of 50,003 sq. m. located in Filipeştii de Padure acquired in 2008 from the subsidiary S.C. Alumil Extrusion S.R.L. on which the real estate property with the total area of 8,135 sq. m. was commissioned and the land of 19,102 sq. m. purchased in Filipeştii de Padure in 2009.

In December 2010 Alumil Rom Industry SA purchased in Filipeştii de Padure a hall with a built area of 3,081 square meters and the related land of 11,996 sq. m.

1. Analysis of the company activity (continued)

In July 2013, the building of the new production and storage hall as part of the project performed through SOP IEC was completed, with an area 8,135 square meters, and located in Filipestii de Padure, Minieri Village, where the production activity is currently performed.

In 2024 the buildings and land owned by the Company have been revalued to RON 26,198,127 buildings and RON 3,183,932 land.

Tools and machinery

The table below details the equipment, installations and other major assets of the Company. The most important movable property of the Company is the dyeing installation put into operation in 2013. Additionally the Company records various other tools and machinery of lower value.

Category	Description	Date of purchase	Purchase value (RON)
Tool	ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	25-Jun-2013	2,251,811
Tool	THERMAL BREAK PRODUCTION LINE SOP IEC 154271/18.05.2011	10-Jul-2013	1,485,683
Tool	WOOD-EFFECT ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	25-Jun-2013	1,015,542
Tool	FILIPESTI TREATMENT PLANT SOP IEC 154271/18.05.2011	12-Jul-2013	744,703
Tool	AUTOMATIC SYSTEM FOR WATER TREATMENT THROUGH FILTERING AND DEMINERALIZATION	10-Dec-2013	383,690
Tool	AUTOMATIC SYSTEM FOR STORAGE ON SHELVES SOP IEC 154271/18.05.2011	15-Jul-2013	342,886
Tool	SINGLE-BEAM TRAVELLING CRANE 154271/18.05.2011	1-Jun-2013	308,270
Tool	SINGLE-BEAM TRAVELLING CRANE 154271/18.05.2011	1-Jun-2013	308,270
Tool	FOUR-WAY LIFTING TOOL/SERIES 21719 SOP IEC 154271/18.05.2011	17-Jun-2013	221,091
Tool	FOUR-WAY LIFTING TOOL/SERIES 21720 SOP IEC 154271/18.05.2011	17-Jun-2013	221,091
Tool	ELECTRICAL AND PNEUMATIC SYSTEM FOR ELECTROSTATIC PAINTING INSTALLATION SOP IEC 154271	14-Jun-2013	126,464
Tool	LIFTING SYSTEM FOR PALLETS/BASKETS SOP IEC 154271	10-Jul-2013	122,769

In 2024 there were endownments of warehouses and office spaces of RON 272,444, equipment amounting to RON 84,320 and IT equipment amounting to RON 135,322 were purchased.

2. The market for the securities issued by the Company

2.1. The markets on which the securities issued by the Company are negotiated

The shares of ALUMIL ROM INDUSTRY S.A. are traded on the market managed by the Bucharest Stock Exchange in Category Standard, section Equity Securities and the Shareholders' Register is managed by the Central Depository SA Bucharest.

2. The market for the securities issued by the Company (continued)

2.2. Policy regarding the dividends

The table below details the dividends proposed by the Board of Directors for 2024 and 2023.

	2024	2023
Retained earnings	1,709,894	1,446,067
Retained earnings from first-time adoption of IAS 29	6,458,159	6,458,159
Net profit	5,318,595	6,513,827
Dividends proposed	5,312,500	6,250,000
Level of appropriation of profit/retained earnings	39.39%	43.35%

Source: Company.

* For 2024, the profit appropriation proposition will be subject to the approval of the SGM of 28 April 2025.

3. Management of the Company

3.1. Company administrators

The current composition of the Company Board of Directors is detailed below:

No.	Name	Position	Date of appointment	Date of expiry of the term
1.	Georgios Mylonas	President of the Board	26.04.2024	27.04.2026
2.	Evangelia Mylona	Member of the Board	28.04.2018	27.04.2026
3.	Spyridon Mavrikakis	Member of the Board	26.04.2024	27.04.2026
4.	Marius Ionita	Member of the Board/C.E.O.	28.04.2018	27.04.2026
5.	Georgios Doukidis	Member of the Board	28.04.2018	27.04.2026

a) Any agreement, understanding or family relation between the administrators and another person having influenced their appointment as an administrator:

Mrs. Evangelia Mylona is Mr. Georgios Mylonas' sister, the latter being the President of the Board of Administration of the parent company - ALUMIL ALUMINIUM INDUSTRY S.A. GREECE.

b) Administrators' contribution to the capital of S.C. ALUMIL ROM INDUSTRY S.A.

No.	Name	Position	No. of shares held	% before IPO	% after IPO
1.	Georgios Mylonas	President of the Board	5,000	0.02%	0.02%
2.	Evangelia Mylona	Member of the Board	5,000	0.02%	0.02%
3.	Spyridon Mavrikakis	Member of the Board	-	-	-
4.	Marius Ionita	Member of the Board/C.E.O.	600	0.00%	0.00%
5.	Georgios Doukidis	Member of the Board	-	-	-

3.2. Members of the executive management of S.C. ALUMIL ROM INDUSTRY S.A.

The daily operations of the Company are performed by the following managers who are employed by the Company:

- (a) Ionita Marius – C.E.O.
- (b) Duca Vitalie – Commercial Director
- (c) Balasca Ciprian – C.F.O.

3. Management of the Company (continued)

Contribution of the executive management to the capital of the company

No.	Name	Position	No. of shares held
1.	Ciprian Balasca	C.F.O.	1,000
2.	Marius Ionita	C.E.O.	600
3.	Vitalie Duca	Commercial Director	600

3.3 Information on the relations with affiliates, subsidiaries and associates

The relations with related companies and daughter companies are detailed below:

Name of entity	Nature of operation with the Company	Country of origin
Alumil EGE SA	Shareholder – Alumil Rom Industry (40.00%)	Turkey
Alumil MISR for Aluminium and Industry SA	Shareholder – Alumil Rom Industry (40.00%)	Egypt
Alumil Aluminium Industry SA	Parent and main supplier of semi-finished goods	Greece
Alumil Industry SRL	Subsidiary of the parent, Alumil Mylonas (70.00%)	Moldova
Alumil Bulgaria	Subsidiary of the parent, Alumil Mylonas (99.98%)	Bulgaria
Alumil Albania Shpk	Subsidiary of the Company – Alumil Group LTD Cyprus (99.23%)	Albania
Alumil YU Industry SA Serbia	Subsidiary of the parent, Alumil Mylonas (48.35%)	Serbia
ALPRO Vlasenica AD Bosnia	Subsidiary of the company – Alumil YU Industry SA Serbia (61.37%)	Bosnia
Alumil LLC	Subsidiary of the parent, Alumil Mylonas (100.00%)	Ukraine
Alumil Group LTD	Subsidiary of the parent, Alumil Mylonas (100.00%)	Cyprus

The individuals referred to at points 3.1.a, 3.1.b and 3.2. are also affiliates.

3.4. The Company internal control includes the following main components:

- A clear definition of responsibilities;
- Work procedures;
- Code of conduct;
- Internal dissemination of relevant information;
- Analysis of main risks and procedures for managing these risks;
- Appropriate control activities for each process;
- Outsourced contract for internal audit.

Control aims at the application of the internal rules and procedures, at all hierarchical and functional levels: approval, authorization, verification, operating performances evaluation, asset securing, and task separation.

Internal accounting and financial control is a major item of internal control and its main formalizing items relate to:

- The existence of an accounting policy manual, as well as of procedures to apply the related controls;
- Knowledge of the accounting and fiscal legislation's evolution;
- The performance of specific controls on sensitive matters;
- The identification and appropriate treatment of deviations;
- Adapting the software to the entity's needs;
- Ensuring the accuracy and exhaustiveness of the accounting records;
- Complying with the quality characteristics of the information included in the financial statements.

3.5 SGM competence and shareholders' rights

The SGM's competence and shareholders' rights are in accordance with national law.

4. Financial and accounting statement

Assets and liabilities during 2024 - 2023

RON

Balance sheet items	2024	2023
Non-current assets	45,557,891	28,175,282
Intangible assets	69,971	147,788
Tangible assets	32,005,128	17,306,459
Right of use assets from leasing agreements	6,152,563	2,982,184
Financial assets	7,330,229	7,320,857
Loans granted to related parties	-	-
Deferred tax asset	-	417,994
Current assets	53,273,592	47,048,892
Inventories	22,378,234	20,765,210
Receivables	25,561,703	21,657,742
Loans granted to related parties	2,374,673	2,474,403
Petty cash and bank accounts	2,958,982	2,151,537
TOTAL ASSETS	98,831,483	75,224,174
Equity	71,005,135	57,926,771
Long-term liabilities	9,219,136	4,101,008
Current liabilities	18,607,212	13,196,395
TOTAL LIABILITIES	98,831,483	75,224,174

Profit and loss statement for 2024 - 2023

RON

	2024	2023
Sale revenues	113,024,934	118,154,689
Cost of sales	(75,415,589)	(80,830,779)
Gross margin	37,609,345	37,323,910
Other operating income	1,306,766	959,057
Sale and distribution expenses	(25,712,878)	(22,537,231)
Administrative expenses	(6,467,999)	(7,374,478)
Operating profit	6,735,234	8,371,258
Interest and related income	183,178	198,008
Interest expense	(536,166)	(458,049)
Foreign exchange gains/(losses)	(44,041)	(134,795)
Profit before tax	6,338,205	7,976,422
Current income tax charge	(931,622)	(1,494,953)
Deferred income tax	(87,988)	32,358
Net profit for the year	5,318,595	6,513,827
Earnings per share	0.1702	0.2084

President of the Board of Directors,
Georgios Mylonas

C.E.O.
Marius Ionita

Statement of the Board of Directors
of ALUMIL ROM INDUSTRY Company

The Board of Directors of ALUMIL ROM INDUSTRY Company hereby states that they undertake the liability for the preparation of the annual financial statements as at 31 December 2024.

The Board of Directors of ALUMIL ROM INDUSTRY Company hereby confirms the following concerning the annual financial statements as at 31 December 2024:

- a) The annual financial statements are prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.
- b) The accounting policies used for the preparation of the annual financial statements are in compliance with the applicable accounting regulations;
- c) The annual financial statements give a fair view of the financial position, financial performance and of the other information regarding the activity performed;
- d) The Company performs its activity under the going concern principle.

This Statement is compliant with the provisions of Art. 30 of Accounting Law 82/1991 as republished.

PRESIDENT OF THE BOARD OF DIRECTORS,

Georgios Mylonas

ALUMIL ROM INDUSTRY S.A.
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024
(All amounts are expressed in RON, unless otherwise stated)

	Notes	2024	2023
Net revenue	23	113,024,934	118,154,689
Cost of sales	24	(75,415,589)	(80,830,779)
Gross margin		37,609,345	37,323,910
Other operating income	23	1,306,766	959,057
Sale and distribution expenses	25	(25,712,878)	(22,537,231)
Administrative expenses	26	(6,467,999)	(7,374,478)
Operating profit		6,735,234	8,371,258
Interest income		183,178	198,008
Interest expense	28	(536,166)	(458,049)
Foreign exchange gains/(losses)		(44,041)	(134,795)
Profit before tax		6,338,205	7,976,422
Current income tax charge	21	(931,622)	(1,494,953)
Deferred income tax	21	(87,988)	32,358
Net profit for the year		5,318,595	6,513,827
Other comprehensive income		-	-
Comprehensive income for the year		5,318,595	6,513,827
Earnings per share		0.1702	0.2084

Marius Ionita
C.E.O.

Ciprian Balasca
C.F.O.

ALUMIL ROM INDUSTRY S.A.
STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2024
(All amounts are expressed in RON, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
Non-current assets			
Intangible non-current assets	8	69,971	147,788
Tangible non-current assets	7	32,005,128	17,306,459
Right of use assets from leasing contracts	9	6,152,563	2,982,184
Shares in affiliates	10	7,136,564	7,136,564
Long-term receivables	11	193,665	184,293
Deferred tax asset	20	-	417,994
Total non-current assets		45,557,891	28,175,282
Current assets			
Inventories	12	22,378,234	20,765,210
Receivables	13	24,291,130	20,887,533
Other receivables and prepayments	14	1,270,573	770,209
Loans to affiliates		2,374,673	2,474,403
Cash and cash equivalents	15	2,958,982	2,151,537
Total current assets		53,273,592	47,048,892
TOTAL ASSETS		98,831,483	75,224,174
LIABILITIES AND EQUITY			
Equity			
Capital	16	10,337,676	10,337,676
Share premiums		26,693,396	26,693,396
Retained earnings		13,486,648	14,418,053
Reserves		6,477,646	6,477,646
Revaluation reserves		14,009,769	-
Total equity		71,005,135	57,926,771
Long-term liabilities			
Long-term loans	18	-	-
Investment subsidies	19	2,677,757	2,993,950
Lease liabilities	20	4,202,781	1,107,058
Deferred income tax	21	2,338,598	-
Total long-term liabilities		9,219,136	4,101,008
Current liabilities			
Suppliers and other payables	22	6,639,837	6,560,027
Lease liabilities	20	2,040,470	1,992,604
Short-term loans	18	10,196,905	4,179,297
Current income tax payable	21	-	464,467
Total current liabilities		18,607,212	13,196,395
LIABILITIES AND EQUITY – TOTAL		98,831,483	75,224,174

These financial statements and the accompanying notes were approved by the Board of Directors and signed on their behalf on 25 March 2025.

Marius Ionita
C.E.O.

Ciprian Balasca
C.F.O.

ALUMIL ROM INDUSTRY S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended 31 December 2024

(All amounts are expressed in RON, unless otherwise stated)

	Capital	Share premium	Reserves	Revaluation reserves	Retained earnings	Total equity
1 January 2023	10,337,676	26,693,396	6,477,646	-	14,154,226	57,662,944
Dividends distributed	-	-	-	-	(6,250,000)	(6,250,000)
Profit for 2023	-	-	-	-	6,513,827	6,513,827
31 December 2023	10,337,676	26,693,396	6,477,646	-	14,418,053	57,926,771
Dividends distributed	-	-	-	-	(6,250,000)	(6,250,000)
Profit for 2024	-	-	-	-	5,318,595	5,318,595
Fixed assets revaluation	-	-	-	14,009,769	-	14,009,769
31 December 2024	10,337,676	26,693,396	6,477,646	14,009,769	13,486,648	71,005,135

The legal reserves of the Company, set in accordance with the Company Law, are in an amount RON 1,250,000 as at 31 December 2024 (31 December 2023: RON 1,250,000).

The legal reserve is set in accordance with the provisions of the Romanian Company Law, which requires that 5% of the annual accounting profit is transferred to legal reserves until the balance of this reserve reaches 20% of the share capital of the Company. If this reserve is used in full or in part for covering the losses or for the distribution in any way (such as issuing of new shares according to the Companies Law), it becomes taxable.

The revaluation reserves are set as a result of the valuation of Company's buildings and land and at fair value as of 31 December 2024.

ALUMIL ROM INDUSTRY S.A.
STATEMENT OF CASH FLOWS
for the year ended 31 December 2024
(All amounts are expressed in RON, unless otherwise stated)

	2024	2023
Cash flows from operating activities		
Profit before tax	6,338,205	7,976,422
Adjustments for monetary items:		
Amortization expenses 7, 8, 9	4,596,594	4,495,737
Setting /(reversal) of provisions for doubtful customers and inventories	(1,245,916)	(1,368,468)
Setting /(reversal) of provisions, net	-	-
(Profit) /loss from sale of tangible assets	(147,094)	-
Revenues from reversal of investment subsidies	(316,193)	(328,863)
Interest (income)/expenses – net	257,025	209,177
Operating income before other changes in working capital	9,482,621	10,984,005
(Increases)/Decreases in trade and other receivables	(2,774,553)	(3,638,392)
(Increase)/decrease in inventories	(1,368,769)	3,217,366
Increases/(decreases) in suppliers and other payables	2,953,398	(1,130,551)
Net cash after changes in working capital	8,292,697	9,432,428
Income tax paid	(1,615,865)	(1,070,806)
Interest paid	(277,160)	(407,185)
Net cash generated from / (used in) operating activities	6,399,672	7,954,437
Net cash flows from investment		
Fixed assets value adjustments for from revaluation	(16,678,373)	-
Valuation reserves	14,009,769	-
Purchases of tangible, intangible and financial assets 7, 8, 10	(121,472)	(1,200,243)
Interest received	20,135	198,008
Cash advances and loans granted to affiliates	-	-
Net cash generated from / (used in) investment	(2,769,941)	(1,002,235)
Cash flows from finance activities		
Dividends paid	(6,250,000)	(6,250,000)
Loans received 18	6,017,608	1,967,713
Loans reimbursement 18	-	-
Payments for lease liabilities	(2,589,894)	(2,481,099)
Net cash (used in) finance activities	(2,822,286)	(6,763,386)
Increase/(decrease) in cash and cash equivalents	807,445	188,816
Cash and cash equivalents at beginning of period	2,151,537	1,962,721
Cash and cash equivalents at the end of period	2,958,982	2,151,537

1. GENERAL INFORMATION

ALUMIL ROM INDUSTRY S.A. is a Romanian trading company with private capital, having head office in Bucharest, Soseaua Bucuresti Ploiesti no. 42-44, Complex Baneasa Business & Technology Park, Sector 1, Romania, having a national distribution network through the warehouses from Bucharest, Alba-Iulia, Bacau, Baia-Mare, Bistrita, Brasov, Cluj-Napoca, Craiova, Constanta, Galati, Iasi, Pitesti, Ploiesti, Slatina, Targu-Mures, Timisoara, Filipestii de Padure. Alumil Rom Industry is a joint-stock company. Starting May 2007, the Company shares are listed on the Bucharest Stock Exchange.

ALUMIL ROM INDUSTRY S.A. Company is a member of a European multinational industrial group involved in Aluminum extrusion. The direct and ultimate parent of the Company is ALUMIL ALUMINIUM INDUSTRY S.A., a company with the trading name ALUMIL S.A., established in 1998, registered in Kilkis, Greece, 61100.

The main activity of the Company

ALUMIL ROM INDUSTRY S.A. sells Aluminum profiles and accessories, equipment for Aluminum joinery, interior doors and Aluminum panels.

Going concern

The financial statements have been prepared on the assumption that assuming that the Company will continue its activity without important changes in the predictable future.

2. OPERATING ENVIRONMENT

In recent years, Romania has undergone substantial political and economic changes. Romania is a market with a developing business infrastructure. The operations performed in Romania involve risks. The dynamic regarding the political, legal and tax environments could significantly affect the Company's ability to perform its commercial activity and it is not possible to estimate what changes may occur or their effect on the Company's financial conditions or future operating results.

3. BASIS FOR PREPARATION

The separate financial statements of the Company have been prepared in accordance with the provisions of Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent changes and clarifications. These provisions are aligned with the requirements of the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), with the exception of the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates regarding the functional currency. For the purposes of the preparation of these financial statements in accordance to Romanian legislative requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Romanian generally accepted accounting practice (MOF 3055/2009 as subsequently amended). Starting the year ended 31 December 2012, the Company prepares separate financial statements according to IFRS.

The financial statements are presented in RON and all amounts are rounded to the nearest RON, unless otherwise stated. The financial statements have been prepared on a historic cost basis.

The Company also prepared for the period 2007 – 2017 consolidated financial statements according to IFRS as adopted by the EU, which are available on the Company website www.alumil.com/ro.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The adopted accounting policies are consistent with those applied in the prior financial year, except the following:

Measurement of tangible assets measurement after initial recognition

In 2024, the Company decided to measure Land and Buildings, after initial recognition, based on **Revaluation Model**, where the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

Under the Revaluation Model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. If an item is revalued, the entire class of assets to which that asset belongs should be revalued. Revalued assets are depreciated in the same way as under the Cost Model.

If a revaluation results in an increase in value, it should be credited to other comprehensive income and accumulated in equity under the heading "revaluation surplus" unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it should be recognized in profit or loss. A decrease arising as a result of a revaluation should be recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings should not be made through profit or loss.

Group management has assigned certified appraisers to carry out an assessment of the fair values of Land and Buildings owned by the Company.

As a result of the revaluation, the value of the land increased by RON 1,033,851, respectively of the buildings by RON 15,644,522 and the revaluation reserve was set up in the net amount of RON 14,009,769 (the surplus from the revaluation of RON 16,678,373 minus the deferred tax resulting in the amount of RON 2,668,604).

Amended IFRS, which were adopted by the Company as of 1 January 2024:

- **International Tax Reforma – Pillar Two Model Rules – Amendments to IAS 12**

The standard came into force for annual periods beginning on or after January 1, 2024.

In May 2023, the Board issued amendments to IAS 12 *Income Tax*, which introduce a mandatory exception from recognising and disclosing deferred tax (asset or liability) related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law legislation that implements qualified domestic minimum top-up taxes.

The amendments require the entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax (asset or liability) related to Pillar Two income taxes referitor la Pilonul doi impozit pe profit, precum si prezentarea separata a impozitului pe profit curent (cheltuiala/credit) referitor la Pilonul doi impozit pe profit, in the periods when the legislation is effective.

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.

Management assessed that the impact of these amendments on the financial statements is limited.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- **Classification of Liabilities as Current or Non-Current – Amendments to IAS 1**

The amendments become effective for annual periods beginning on or after 1 January 2024. Amendments were issued to paragraphs 69 to 76 of IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer settlement must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its referral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

Management assessed that the impact of these amendments on the financial statements is limited.

- **Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines “lease payments” or “revised lease payments” in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The amendment become effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted and that fact must be disclosed.

Management assessed that the impact of these amendments on the financial statements is limited.

- **Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7**

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist the users of financial statements in understanding the effect of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity’s suppliers.

The amendments become effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

Management assessed that the impact of these amendments on the financial statements is limited.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted

- **Lack of exchangeability – Amendments to IAS 21**

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, the entity is required to estimate the spot exchange rate at the measurement date and to present this information.

The amendments become effective for annual periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

Management did not assess yet the impact of this new standard on the financial statements.

- **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7**

The amendments:

- Clarifies that a financial liability is derecognized on the “settlement date”, i.e. when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application of the amendments that relate to classification of financial assets plus related disclosures is permitted, the other amendments being adopted later.

Management did not assess yet the impact of this new standard on the financial statements.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The amendments become effective for annual periods beginning on or after 1 January 2026.

- IFRS 1 *First-time Adoption of International Financial Reporting Standards (IFRS)* - **Hedge Accounting by a First-time Adopter** – the amendments are intended to address potential confusion arising from inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9
- IFRS 7 *Financial Instruments: Disclosures* – **Gain or Loss on Derecognition** - the amendments update the language in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 *Fair Value Measurement*
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – **Introduction** - the amendments to paragraph IG1 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraph of IFRS 7, nor does it create additional requirements
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – **Disclosure of Deferred Difference between Fair Value and Transaction Price** - Paragraph IG14 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted (continued)

- **Annual Improvements to IFRS Accounting Standards – Volume 11 (continued)**

- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – **Credit Risk Disclosures** – Paragraph IG20B has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example
- IFRS 9 *Financial Instruments* – **Lessee Derecognition of Lease Liabilities** - Paragraph 2.1 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit and loss
- IFRS 9 *Financial Instruments* – **Transaction Price** – Paragraph 5.1.3 has been amended to replace the reference to “transaction price” as defined by IFRS 15 *Revenue from Contracts with Customers* with “the amount determined by applying IFRS 15”. The use of the term “transaction price” in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9
- IFRS 10 *Consolidated Financial Statements* – **Determination of a “De Facto Agent”** – Paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents
- IAS 7 *Statement of Cash Flows* – **Cost Method** – Paragraph 37 has been amended to replace the term “cost method” with “at cost”.

Management did not assess yet the impact of this new standard on the financial statements.

- **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

The amendments include:

- Clarifying the application of the “own-use” requirements
- Permitting hedge accounting if these contracts are used as hedging instruments

The amendments become effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

Management did not assess yet the impact of this new standard on the financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

The amendments became effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted and must be disclosed.

IFRS 18 replaces IAS 1, introducing new categories and subtotals in the statements of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for “operating profit or loss”, “profit or loss before financing and income taxes” and “profit or loss”.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) and requires disclosure of information of all of an entity’s MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted (continued)

- **IFRS 18 – Presentation and Disclosure in Financial Statements (continued)**

IFRS 18 differentiates between “presenting” information in the primary financial statements and “disclosing” it in the notes. IFRS 18 requires aggregation or disaggregation of information to be performed with reference to similar or dissimilar characteristics.

IFRS 18 determined amendments to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*.

Management did not assess yet the impact of this new standard on the financial statements.

- **IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

The amendments became effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements of other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement.

An entity is eligible to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 disclosures exclude IFRS 8 *Operating Segments*, IFRS 17 *Insurance Contracts* and IAS 22 *Earnings per Share*.

Management did not assess yet the impact of this new standard on the financial statements.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFR 10 and IAS 28**

The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Management did not assess yet the impact of this new standard on the financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies adopted for the preparation of the financial statements are detailed below:

a) *Estimates and assumptions*

The preparation of the IFRS financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and related information, and the disclosure of contingent liabilities, at the end of the reporting period. Real results may be different from these estimates. These estimates are reviewed periodically and, where adjustments are required, they are reported in income statement in the periods when they occur.

Uncertainty about these assumptions and estimates could result in material adjustments in the future to the amounts disclosed on the financial statements.

The Company makes estimates concerning the capacity to cash in the invoices having overdue maturities and set provisions for that portion of the receivables for which the receipt becomes uncertain. Specific provisions are set for the clients against which legal procedures were opened, regardless of their age. For invoices older than one year, the Company sets provisions covering 100% of their value. For determining this percentage, the Company is analyzing the history of receipts and the current economic conditions. If recent information shows that it is necessary to adjust the provision, the Company will register an adjustment of it in the period when the conditions leading to the discounting of the provision were identified. Since the Company cannot foresee the changes in the clients' future financial stability, it is possible that, in the future, the setting of additional provisions will be necessary.

b) *Shares in affiliates*

The investments held in affiliates are disclosed on the Company separate financial statements at cost, minus potential impairment losses. The dividends receivable from the affiliates are recognized when the Company right to receive the payment is established. The impairment losses identified are recognized in profit and loss (Note 5f).

c) *Tangible assets*

Tangible assets are measured at cost, as adjusted for the effect of hyperinflation until 31 December 2003.

The initial cost of tangible assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

In 2024 the Company decided to change the valuation policy for land and buildings using Revaluation Model, where the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

Under the Revaluation Model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. If an item is revalued, the entire class of assets to which that asset belongs should be revalued. Revalued assets are depreciated in the same way as under the Cost Model.

If a revaluation results in an increase in value, it should be credited to other comprehensive income and accumulated in equity under the heading "revaluation surplus" unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it should be recognized in profit or loss.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

c) Tangible assets (continued)

A decrease arising as a result of a revaluation should be recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings should not be made through profit or loss.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance costs, are normally charged to the statement of comprehensive income in the period when they are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the asset beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost.

Depreciation is charged on a straight-line basis, using the economic useful lives estimated by the management and considered to be representative from the perspective of the use Company using the future economic benefits generated by the assets. The subsequent improvement costs are capitalized and amortized over the remaining useful life of the asset. No depreciation is computed for land.

The estimated useful lives are as follows:

Category	Useful live (years)
Buildings and special constructions	20 – 60
Tools and machinery	5 – 15
Motor vehicles	4 – 6
Furniture	3 – 15

The estimated useful lives and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from tangible assets.

The Company management assesses on an annual basis whether there is an indication that the net value of assets may be impaired. If any indication exists, the Company estimates the asset's recoverable amount and, where appropriate, it records impairment expenses for the difference between the recoverable amount and the net book value.

Tangible assets are eliminated from the balance sheet when the asset is disposed or when no benefits are expected from its use. Gains or losses on the retirement/sale of non-current assets are recognized in the statement of comprehensive income.

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

e) Intangible assets

Intangible assets are measured at cost and are amortized on a straight-line basis over 3 to 5 years.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

f) Impairment of non-financial assets

According to IAS 36 *Impairment of Assets*, the value of the tangible, intangible and financial assets is assessed annually for identifying the circumstances indicating their impairment. Whenever the net value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income for tangible and intangible assets.

The recoverable amount of an asset is the higher of the fair value less the costs generated by the asset's sale and the value in use.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and the value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The recoverable amounts are estimated for individual assets, and when this is not possible, for cash flow generating units. The reversal of impairment losses recognized in prior years may only occur when there is an indication that the impairment loss previously recorded for that asset may no longer exist or may have decreased, the reversal is charged as income.

g) Financial assets

In accordance with IFRS 9 *Financial Instruments*, when the Company first recognizes a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual cash flow characteristics as follows:

- Amortised cost – a financial asset is measured at amortised cost if both of the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets in order to collect individual cash flows; and
 - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income – financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- Fair value through profit and loss – any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit and loss.

When, and only when, an entity changes its business model for managing financial assets it must reclassify all affected financial assets.

Receivables and loans are the most relevant for the Company. Receivables and loans are non-derivative financial instruments with fixed determinable payments that are not quoted on an active market. After initial recognition, these financial assets are recognized at depreciated cost using the effective interest rate method. The depreciated cost is computed by taking into account any discount, premium or purchase costs that form the effective interest rate. The depreciation based on the effective interest rate is included in profit and loss under financial result. The losses resulted from depreciation are recognized in profit and loss under financial result, in case of loans, and under operating expenses, in case of receivables.

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each reporting period.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

g) Financial assets (continued)

Financial assets are considered impaired when there is objective proof that, following one or several events that took place after the initial recognition of the financial asset, the estimated future cash flows of the investment were affected.

Objective proof of impairment could include:

- Significant financial difficulties of the issuer or partner; or
- Breaching the contract, such as the failure to comply with the financial obligations or deviations from the payments of interest or principal; or
- It becomes likely that the debtor will become insolvent or subject to financial reorganization; or
- The disappearance of an active market for the financial asset because of the financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed as individually impaired are, in addition, assessed for impairment collectively. The objective proof of an asset's impairment could include the Company's past experience in collecting payments, an increase in the portfolio's number of late payments above the average credit period, as well as the noticeable changes in the national or local economic conditions that are correlated with the failure to comply with the financial obligations related to receivables.

The carrying amount of the financial asset is decreased by impairment losses directly for all financial assets, except for trade receivables, where the book value is decreased by using an allowance for impairment account. Subsequent recoveries of values canceled previously are credited to the allowance for impairment account. Changes in the carrying amount of the allowance for impairment account are recognized in profit and loss.

Impairment of financial assets is recognised in stages:

Stage 1 – as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This Serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (ie without deduction for expected credit losses);

Stage 2 – if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1;

Stage 3 – if the credit risk of a financial assets increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (ie the gross carrying amount less the loss allowance). Financial assets at this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

The financial assets are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset (either directly or under a "pass-through" arrangement). The Company has no financial assets at fair value through profit and loss or financial assets available for sale.

h) Financial liabilities

In accordance with IFRS 9 *Financial Instruments*, the Company's financial liabilities are measured at amortized cost, except for the financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designed and effective hedging instruments), other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss (see "fair value option" below). After initial recognition, an entity cannot reclassify any financial liability.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

h) Financial liabilities (continued)

Fair value approach

The entity may, at the time of initial recognition, irrevocably designate a financial asset or financial liability that would otherwise be measured at amortized cost or fair value through other income to be measured at fair value through profit or loss if this approach would eliminate or would significantly reduce inconsistencies in measurement or recognition (sometimes referred to as “accounting mismatch”) or results in any other way in more relevant information.

The Company’s financial liabilities classified as: loans, trade and other payables. These financial liabilities are recognized initially at fair value net of the transaction costs directly attributable and are subsequently measured at amortized cost or based on the effective interest rate method.

Gains and losses are charged to the statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

The financial liabilities are derecognized when the obligation is met or cancelled or expires.

The financial assets and liabilities are offset only when the Company has an enforceable legal right to offset and the intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

i) Foreign currency transactions

The functional and presentation currency: the financial statements of the Company are prepared in the currency of the economic environment in which it operates. The functional and presentation currency for the financial statements is the Romanian Leu (“RON”).

Transactions arising in foreign currencies are translated into RON at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are re-measured in RON at the exchange rate prevailing at the balance sheet date. Foreign exchange gains or losses, either realized or unrealized, are charged to the statement of comprehensive income. The RON/USD and RON/EUR as at 31 December 2024 and 2023 are detailed below:

Currency	31 December 2024	31 December 2023
RON/EUR	4.9741	4.9746
RON/USD	4.7768	4.4958

j) Inventories

Inventories are valued at the lower of cost and net realizable value, using the weighted average cost method.

The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, impairment is recorded for excess, obsolete or defective inventory.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

k) Receivables

Receivables are initially carried at the fair value of the consideration receivable and subsequently measured at amortized cost, after allowance for impairment estimated based on factors relevant for their collectability. Evidence of impairment include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter in bankruptcy or other financial reorganization. Actual losses may differ from current estimates.

l) Cash and cash equivalents

Cash includes petty cash and bank accounts. Cash equivalents are highly liquid short-term investments that can be quickly transformed into a known amount, with original maturity of at most three months and have an insignificant risk of change in value.

m) Payables

Liabilities are initially carried at the fair value of the consideration payable and subsequently measured at amortized cost, and include amounts payable, whether or not invoiced, for goods, works and services.

n) Loans

The Company classified the loans in short and long-term loans, according to the maturity provided by the loan agreement.

The loans are initially carried at the amount of the drawings, net of transaction costs. Subsequently, they are reflected at amortized cost using the effective interest rate, the difference between the amount of the drawings and the amount reimbursable being carried in the net profit for the period, over the loan period. The transaction cost includes commissions and fees paid to agents, brokers or dealers.

o) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grants.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

p) Employee benefits

Short-term benefits:

Short-term employee benefits include salaries and social security contributions. They are recognized as expenses as services are rendered.

Post-employment benefits – pension plan:

Both the Company and its employees have the obligation to pay monthly contributions (including social security contributions) to the National Pension Fund administered by the Social Insurance of the Romanian State and to private pension funds (starting 2008). Therefore, the Company has no legal obligation to pay future amounts, other than these contributions related to pensions. If the Company no longer employs new personnel who are members of the Social Insurance of the Romanian State, it will have no obligation to pay the benefits obtained by its employees in prior years. The Company contributions to the pension plan are charged to the statement of comprehensive income in the year to which they relate.

Compensation benefits – pension plan:

As provided by the Romanian Law, the Company makes compensation payments in cases of downsizing, whether or not related to reorganization. The expenses with these payments are recognized when the management decides to adopt a plan that will result in future compensation payments and, until the balance sheet date, it either starts to implement the restructuring plan or provided information about the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation that the Company will carry out the restructuring.

q) Profit tax

The tax on the profit or loss for the year comprises the current tax and the deferred tax. Current tax assets and liabilities for the current and prior periods are carried at the amount expected to be recovered from or paid to the taxation authorities.

The current income tax is computed according to the fiscal legislation in force in Romania and is based on the results reported on the statement of comprehensive income of the Company, prepared in accordance with the local accounting standards, following any adjustments for fiscal purposes. The current income tax is applied on the accounting profit adjusted according to the fiscal legislation in a rate 16% (2023: 16%). The fiscal losses may be carried forward for seven years.

The deferred income tax reflects the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the fiscal amounts used for current income tax purposes. The deferred income tax recoverable or payable is determined using the tax rate expected to be applicable in the year when the temporary differences will be recovered or settled. The assessment of the deferred tax payable or recoverable reflects the tax consequences that would result from the manner in which the Company expects to realize or settle the carrying amount of its assets and liabilities as at the balance sheet date.

The deferred tax assets and liabilities are recognized regardless of the time when is probable to realize the temporary differences. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognized when it is probable that future taxable profit will be available against which the deferred tax can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

r) Value Added Tax (VAT)

The revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and liabilities are stated with the amount including VAT.

The net VAT amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

s) Revenue recognition

The revenue is recognized in accordance with IFRS 15 *Revenues from Contracts with Customers*, which establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry

The sales, which exclude taxes and discounts, are recognized on delivery of the goods or the rendering of the services and when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on their delivery.

Interest income is recognized when the interest becomes due (using the effective interest rate, being the rate that equalizes the estimated future cash flows over the life of the financial instrument with the net carrying amount of the financial asset).

The revenues from dividends are recognized when the Company's right to receive the payment is established.

t) Fair value of financial instruments

The company is valuing the financial instruments at the fair value as the balance sheet date. Presentations related to the fair value of financial instruments are presented in Note 17. Fair value is the price the company would receive for the sale of an asset or for transferring a liability within a transaction between two market participants at the date of measuring. The fair value is determined based on the assumption that the transaction to sell the asset or transfer the liability takes place:

- On the main market of assets and liabilities, or
- In the absence of a main market, on the most advantageous market for that asset or liability

The fair value of an asset or of a liability is determined based on the assumptions the market participants would use, assuming that the market participants were acting to their best economic interests.

All assets and liabilities for which the fair value is determined or presented in the financial statements are included in the fair value hierarchy, presented below, based on the lowest input that is significant for determining the fair value:

- Level 1 — Unadjusted market prices for similar assets or liabilities
- Level 2 — Valuation techniques for which the lowest input value, significant for the fair value, is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest material input value is not observable

For assets and liabilities recognized in the financial statements at fair value based on a recurrent basis, the Company determines whether there were transfers between hierarchy categories by assessing the categorization at the end of each reporting period. In order to present the fair value, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the assets and liabilities, as well as on the fair value hierarchy, as presented above.

5. SUMMARY OF ACCOUNTING POLICIES (continued)

u) Provisions

The provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and if it is probable (is more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at the end of each financial year as adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of the provisions is the discounted amount of the expenses necessary to settle the obligation.

v) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes when an inflow of economic benefits is probable.

w) Subsequent events

The events after the balance sheet date are those events, favorable or unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue.

The events after the balance sheet date that provide additional information on the Company position at the balance sheet date are adjusting events after the balance sheet date.

The events after the balance sheet date that are indicative of the conditions that arose after the balance sheet date are non-adjusting events after the balance sheet date.

x) Affiliates

A party is considered an affiliate when, through ownership, by contract, family relations or otherwise, has the ability to control, directly or indirectly, or to have a significant influence over the other party. Affiliates also include individuals such as the main owners, the management, and members of the Company's Board of Directors and members of their families.

6. SEGMENT REPORTING

Alumil Rom Industry offers a wide range of Aluminum profiles and accessories and tools used for Aluminum profiles processing. The Company has a single operating segment according to IFRS 8.

The sale detailing by value for the main categories of products is as follows:

Product category	2024	2023
Profiles	78,453,898	82,903,030
Accessories	33,186,211	34,480,365
Composite Aluminum panels	307,851	345,569
Systems for automation applications	952,039	356,691
Painting services, waste, and other	124,935	69,034
Total	113,024,934	118,154,689

The value structure of the sales on the domestic and foreign market, respectively, is shown below:

Market	2024	2023
Domestic	110,654,088	116,071,481
Foreign	2,370,846	2,083,208
Total	113,024,934	118,154,689

ALUMIL ROM INDUSTRY S.A.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(All amounts are expressed in RON, unless otherwise stated)

7. TANGIBLE ASSETS - NET

As at 31 December 2024 and 2023, the tangible assets – net, are as follows:

	31 December 2024	31 December 2023
Land and buildings	29,854,345	14,292,846
Equipment and motor vehicles	1,662,243	2,419,066
Furniture	453,540	447,175
Advances and tangible assets in progress	35,000	147,372
Total tangible assets	32,005,128	17,306,459

The evolution of the tangible assets during the period 31 December 2023 to 31 December 2024 is shown below:

	Land and Buildings	Tools and motor vehicles	Furniture	Advances and tangible assets in progress	Total
Cost					
01 January 2023	20,836,841	21,151,226	2,637,912	61,708	44,687,687
Additions 2023	-	52,233	40,031	1,094,955	1,187,219
Disposals 2023	-	(36,555)	(6,116)	-	(42,671)
Transfers 2023	516,198	465,988	27,105	(1,009,291)	-
31 December 2023	21,353,039	21,632,892	2,698,932	147,372	45,832,235
Additions 2024	-	-	107,270	-	107,270
Disposals 2024	(239,421)	-	-	-	(239,421)
Transfers 2024	-	84,320	28,052	(112,372)	-
Revaluation at fair value	16,678,373	-	-	-	16,678,373
Compensation of depreciation due to revaluation at fair value	(6,081,092)	-	-	-	(6,081,092)
31 December 2024	31,710,899	21,717,212	2,834,254	35,000	56,297,365
Accumulated depreciation					
01 January 2023	6,159,260	18,368,135	2,129,303	-	26,656,698
Expense for 2023	900,933	880,962	128,570	-	1,910,465
Accumulated depreciation related to disposals 2023	-	(35,271)	(6,116)	-	(41,387)
31 December 2023	7,060,193	19,213,826	2,251,757	-	28,525,776
Expense for 2024	969,780	841,143	128,957	-	1,930,880
Accumulated depreciation related to disposals 2024	(92,327)	-	-	-	(92,327)
Compensation of depreciation due to revaluation at fair value	(6,081,092)	-	-	-	(6,081,092)
31 December 2024	1,856,554	20,054,969	2,380,714	-	24,292,237
Remaining value					
31 December 2023	14,292,846	2,419,066	447,175	147,372	17,306,459
31 December 2024	29,854,345	1,662,243	453,540	35,000	32,005,128

As at 31 December 2024 and 31 December 2023, the Company management verified whether indication that assets may be impaired exists and concluded no such indication, from external or internal sources, existed.

7. TANGIBLE ASSETS – NET (continued)

In 2024 the Company decided to change the valuation policy for land and buildings using Revaluation Model, where the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

Group management has assigned certified appraisers to carry out an assessment of the fair values of Land and Buildings for the Company.

As a result of revaluation, the value increased with RON 1,033,851 for land, respectively with RON 15,644,522 for buildings and the revaluation reserves were set up for a net value of RON 14,009,769 (revaluation surplus of RON 16,678,373 less deferred tax of RON 2,668,604).

Borrowing costs capitalized

The Company signed in May 2011 the funding agreement with the Managing Authority within the Ministry of Economy, Trade and Business Environment, as part of the “Sectoral Operational Program Increasing Economic Competitiveness”. The project was implemented over 26 months and consisted in the building of the industrial hall and of the office area, and the purchase of state-of-the-art tools and equipment. The main equipment purchased under the project are: thermal break profile production line, wood-effect electrostatic painting, wood-effect horizontal electrostatic painting, treatment plant, lifting system for pallets, travelling cranes, automatic system for storage on shelves, etc.

The project was finalized in 2013, and the value of the investment, VAT excluded, as at 31 December 2013 was RON 20,085,466, out of which, non-reimbursable funding RON 5,963,721. The building was funded in part under a financing contract “Investment facility” signed in 2012 with Millennium Bank. Consequently, in 2024 and 2023, no interest was capitalized. The non-amortized value of the investment as at 31 December 2024 is RON 13,241,489 (31 December 2023: RON 10,738,963). Details on the pledged fixed assets are presented in Note 18.

The net value of the non-current assets set as guarantees as of 31 December 2024 is of RON 11,099,000 (for the credit line for current needs in amount of EUR 4,000,000 (31 December 2023: RON 14,079,895).

The gross value of the fixed assets fully depreciated as of 31 December 2024 is of RON 22,877,918 (31 December 2023: RON 21,348,874).

8. INTANGIBLE ASSETS - NET

As at 31 December 2024 and 2023, the intangible assets include:

	31 December 2024	31 December 2023
Software	69,971	147,788
Advances and intangible assets in progress	-	-
Total intangibles	69,971	147,788

The software licenses used by the Company are Oracle Standard, Windows XP and Bitdefender.

8. INTANGIBLE ASSETS – NET (continued)

The evolution of the intangible assets during the period is as follows:

	Software	Other intangible assets	Advances and intangible assets in progress	Total
<u>Cost</u>				
01 January 2023	6,269,186	-	1,252	6,270,438
Additions 2023	13,023	-	-	13,023
Disposals 2023	-	-	-	-
Transfers 2023	1,252	-	(1,252)	-
31 December 2023	6,283,461	-	-	6,283,461
Additions 2024	14,202	-	-	14,202
Disposals 2024	-	-	-	-
Transfers 2024	-	-	-	-
31 December 2024	6,297,663	-	-	6,297,663
<u>Accumulated amortization</u>				
01 January 2023	6,003,439	-	-	6,003,439
Expense for 2023	132,234	-	-	132,234
Disposals 2023	-	-	-	-
31 December 2023	6,135,673	-	-	6,135,673
Expense for 2024	92,019	-	-	92,019
Disposals 2024	-	-	-	-
31 December 2024	6,227,692	-	-	6,227,692
<u>Remaining value</u>				
31 December 2023	147,788	-	-	147,788
31 December 2024	69,971	-	-	69,971

During the year, software was acquired: Windows XP.

As at 31 December 2024 and 31 December 2023 no indication of impairment for intangible assets was identified.

9. RIGHT OF USE ASSETS FROM LEASE CONTRACTS – NET

As at 31 December 2024 and 31 December 2023 the right of use assets – net, are as follows:

	31 December 2024	31 December 2023
Buildings	4,783,748	2,822,729
Motor vehicles	1,368,815	159,455
Total right of use assets	6,152,563	2,982,184

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9. RIGHT OF USE ASSETS FROM LEASE CONTRACTS – NET (continued)

The evolution of the right of use assets during the period is as follows:

	Land and buildings	Equipment and motor vehicles	Furniture	Total
<u>Cost</u>				
01 January 2023	6,189,002	1,869,896	-	8,058,898
Additions 2023	130,085	-	-	130,085
Changes 2023	1,110,617	(75,137)	-	1,035,480
Disposals 2023	(253,306)	(302,364)	-	(555,670)
Exchange differences 2023	32,608	8,584	-	41,192
31 December 2023	7,209,006	1,500,979	-	8,709,985
Additions 2024	271,493	1,593,252	-	1,864,745
Changes 2024	4,025,780	-	-	4,025,780
Disposals 2024	(514,939)	(1,405,065)	-	(1,920,004)
Exchange differences 2024	(671)	(5)	-	(676)
31 December 2024	10,990,669	1,689,161	-	12,679,830
<u>Accumulated amortization</u>				
01 January 2023	2,483,092	1,225,101	-	3,708,193
Expense for 2023	2,059,295	393,743	-	2,453,038
Disposals 2023	(180,307)	(284,667)	-	(464,974)
Exchange differences 2023	24,197	7,347	-	31,544
31 December 2023	4,386,277	1,341,524	-	5,727,801
Expense for 2024	2,180,780	383,915	-	2,564,695
Disposals 2024	(359,507)	(1,405,065)	-	(1,764,572)
Exchange differences 2024	(629)	(28)	-	(657)
31 December 2024	6,206,921	320,346	-	6,527,267
<u>Remaining value</u>				
31 December 2023	2,822,729	159,455	-	2,982,184
31 December 2024	4,783,748	1,368,815	-	6,152,563

10. SHARES IN AFFILIATES

	31 December 2024	31 December 2023
Shares in Alumil EGE SA Turcia	1,970,482	1,970,482
Shares in Alumil MISR Egypt	5,166,082	5,166,082
Impairment adjustments	-	-
Total shares in affiliates	7,136,564	7,136,564

In 2015, the Company has participated in the establishment of ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ ("ALUMİL EGE"), with the head office in Turkey, by a cash contribution of RON equivalent at subscription date of 538,890, the equivalent value of TRY 380,000. As of 31 December 2016, following the share capital increase, the Company has subscribed the amount RON 1,107,152, the equivalent value of TRY 760,000, representing 40% of ALUMİL EGE's shares. In October 2019, the share capital increase was decided for the ALUMİL EGE ALÜMİNYUM SANAYİ VE TİCARET ANONİM ŞİRKETİ, to the total value of 4,900,000 Turkish Lira, representing 4,900 shares having a nominal value of 1,000 Turkish Lira each, of which ALUMIL ROM INDUSTRY S.A. holds 40%, namely 1,960 shares at the nominal value of 1,000 Turkish Lira each.

10. SHARES IN AFFILIATES (continued)

As at 31 December 2024, the net asset of ALUMIL EGE is RON 19,579,929, the equivalent of TRY 144,608,041 (2023: RON 26,294,742, the equivalent value of TRY 172,597,789). As part of the economic activity performed in 2024, the Company's turnover was of TRY 425,417,835, the equivalent of RON 57,601,574 (2023: TRY 396,843,573, the equivalent of RON 60,457,898), obtaining net profit of TRY 1,033,910, the equivalent of RON 139,991 (2023: TRY 29,892,284, the equivalent of RON 4,553,998).

In 2016, the Company participated in the establishment of ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, having head office in Egypt, Cairo, with cash contribution in RON equivalent at subscription date amounting to RON 178,640, the equivalent of 400,000 Egyptian Lira, representing 40% of ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC's shares.

In November 2016, the first share capital increase was decided for ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, up to the value of 16,000,000 Egyptian Lira, representing 16,000 shares having a nominal value of 1,000 Egyptian Lira each, out of which Alumil Rom Industry holds 40%, namely 6,400 shares at the nominal value of 1,000 Egyptian Lira each.

In December 2016 a second share capital increase was decided for the company ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC and, therefore the Company's capital reached 30,000,000 Egyptian Lira, representing 30,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 12,000 shares having a nominal value of 1,000 Egyptian Lira each, the RON equivalent of RON 2,947,320.

In February 2019, the third share capital increase was decided for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 20,600,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 8,240,000. The increase will be done in stages, so as of 31.12.2019 the share capital of the company amounted to Egyptian Lira 33,000,000 representing 33,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 13,200 shares at the nominal value of 1,000 Egyptian Lira each.

In July 2020, the third share capital increase was performed for the ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, with a total value of 3,000,000 Egyptian Lira, out of which the contribution of the Company is Egyptian Lira 1,200,000. The increase is done in stages, so as of 31.12.2020 the share capital of the company amounted to Egyptian Lira 36,000,000 representing 36,000 shares having a nominal value of 1,000 Egyptian Lira each, of which Alumil Rom Industry holds 40%, namely 14,400 shares at the nominal value of 1,000 Egyptian Lira each.

During 2021 there were 3 successive share capital increases for ALUMIL MISR FOR ALUMINIUM AND ACCESORIES INDUSTRY JSC, in a total amount of EGP 14,600,000, out of which Company's contribution is EGP 5,840,000. Consequently the share capital as at 31.12.2021 reached the value of 50,600,000 Egyptian Lira representing 50,600 shares at the nominal value of Egyptian Lira 1,000 lire egiptene each, out of which Alumil Rom Industry holds 40%, namely 20,240 shares at the nominal value of 1,000 Egyptian Lira each.

During the financial years 2023 and 2024, the Company performed no commercial activities, the only transactions relating its establishment.

11. LONG-TERM RECEIVABLES

As at 31 December 2024 and 2023, the long-term receivables are as follows:

	31 December 2024	31 December 2023
Guarantees for rent	189,271	180,241
Other long-term receivables	4,394	4,052
Long-term receivables – total	193,665	184,293

As at 31 December 2024, the long-term receivables mainly comprise guarantees for the locations rented: RON 189,271 (31 December 2023: 180,241), and other guarantees: RON 4,394 (31 December 2023: RON 4,502).

12. INVENTORIES

	31 December 2024	31 December 2023
Raw materials and materials at cost and spare parts	5,257,353	5,437,497
Finished goods and merchandise at cost	18,354,079	16,899,091
Work in-progress	93,925	-
Impairment adjustments	(1,327,123)	(1,571,378)
Total inventories, net	22,378,234	20,765,210

The Company policy for inventory valuation provides that no provision is set for the inventories to be returned to the suppliers. For non-returnable items, provisions are set based on the accounting policy detailed in Note 5. The amount of the non-usable inventories is adjusted to the level of the recoverable value from aluminum waste. The amount of the inventories recognized as an expense during 2024 is RON 70,653,298 (2023: RON 75,405,816), being included in the statement of comprehensive income, in the cost of sales (and, as part of these, in the cost of inventory).

The Company set provisions for the impairment of merchandise inventories as follows:

	31 December 2024	31 December 2023
Balance as at 31 December	1,571,378	1,637,518
Provisions set during the year	-	23,663
Provisions reversed during the year	(244,255)	(89,803)
Balance as at 31 December	1,327,123	1,571,378

The amount of the provisions set or reversed is included in the statement of comprehensive income in the “cost of sales”.

As of 31 December 2024, the value of inventories pledged as part of the short-term loan contracted by Banca Transilvania S.A. (Note 18) for a period of 1 year amounts to RON 0 (2023: RON 20,765,210).

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13. RECEIVABLES

As at 31 December 2024 and 2023, the receivables were as follows:

	31 December 2024	31 December 2023
Outstanding receivables from customers	24,172,081	20,810,800
Receivables outstanding, but for which no provision was set	119,049	76,733
Receivables outstanding, and for which provisions were set	3,044,517	4,039,102
Provisions	(3,044,517)	(4,039,102)
Total receivables	24,291,130	20,887,533

As at 31 December 2024 and 2023, the statement of the age of outstanding receivables for which no provision was set is as follows:

	31 December 2024	31 December 2023
Outstanding one to 60 days	34,211	649
Outstanding 61 to 180 days	26,431	696
Outstanding above 180 days	58,407	75,388
Total outstanding receivables	119,049	76,733

The Company trading policy allows client crediting for zero to 180 days and provides the setting of allowances based on the receivable age as at balance sheet date and on specific factors related to receivable collectability from certain customers. When determining the recoverability of a receivable, the Company analyzes the client creditworthiness, payment history and current economic conditions. When recent information show the discount of the allowances is needed, the Company will record its change in the period when the conditions triggering the allowance discount are identified. Because the Company cannot foresee the changes in the clients' future financial stability, there is a possibility that additional allowances are needed in the future.

The Company set allowances for the impairment of trade receivables as follows:

	31 December 2024	31 December 2023
Balance as at 31 December	4,039,102	3,774,078
Provisions set during the year (IAS 39)	230,141	198,996
Provisions used during the year (IAS 39)	(825,199)	-
Provisions set during the year (IFRS 9)	142,659	317,175
Provisions reversed during the year (IAS 39)	(219,961)	(39,969)
Provisions reversed during the year (IFRS 9)	(322,225)	(211,178)
Balance as at 31 December	3,044,517	4,039,102

The allowances reversed in 2024 include amounts reversed following the collection of receivables in an amount of RON 542,186 (2023: RON 251,147) and amounts reversed following the written-off of receivables in amount of RON 825,199 (2023: RON 0). The amount of the allowances set or reversed, and of the receivables disposed, is included on the statement of comprehensive income on line "Sale and distribution expenses".

As at 31 December 2024, the amount of the receivables mortgaged as part of the short-term loan contracted from Banca Transilvania S.A. (Note 18) for one year is RON 24,191,130 (2023: RON 20,887,533).

Details on the balances of receivables from affiliates are presented in Note 32.

14. OTHER RECEIVABLES AND PREPAYMENTS

As at 31 December 2024 and 2023, other receivables and prepayments are as follows:

	31 December 2024	31 December 2023
Taxes and duties paid in excess	599,349	236,727
Sundry debtors and cash advances and other amounts	7,650	14,431
Sundry debtors	214,351	54,208
Provisions for sundry debtors and other receivables	(16,065)	(23,141)
Advances paid to suppliers	26,624	61,656
Prepayments	296,267	284,065
Other receivables	142,397	142,263
Total other receivables and prepayments	<u>1,270,573</u>	<u>770,209</u>

The details on the balances of the receivables with affiliates are presented in Note 32.

The Company set provisions for the impairment of receivables related to sundry debtors as follows:

	31 December 2024	31 December 2023
Balance as at 31 December	23,141	70,386
Provisions set during the year	-	295
Provisions reversed during the year	(7,076)	(47,540)
Balance as at 31 December	<u>16,065</u>	<u>23,141</u>

The amount of the provisions set and reversed is included on the statement of comprehensive income on line "Administrative expenses".

15. CASH AND CASH EQUIVALENTS

As at 31 December 2024 and 2023, the cash availabilities and cash equivalents consisted in the following:

	31 December 2024	31 December 2023
Bank accounts in RON	2,921,196	2,051,424
Bank accounts in foreign currency	18,352	70,581
Short-term deposits	-	-
Petty cash in RON	15,995	28,051
Petty cash in foreign currency	3,439	1,481
Cash equivalents	-	-
Total cash and cash equivalents	2,958,982	2,151,537

The details regarding the restrictions on cash availability accounts are presented in Note 18.

16. SHARE CAPITAL

The shareholding structure as at 31 December 2024 and 31 December 2023 is as follows:

Shareholder	% of shareholding	No. of shares	Restated amount	Historical amount
Alumil Mylonas S.A.	55.90%	17,470,150	5,778,760	3,493,750
Sotiriou Michail	23.95%	7,485,150	2,475,873	1,496,875
Milonas George	0.02%	5,000	2,068	1,250
Milona Evangelina	0.02%	5,000	2,068	1,250
Korda Despina	0.02%	5,000	2,068	1,250
Other	20.09%	6,279,700	2,076,839	1,255,625
Total share capital	100.00%	31,250,000	10,337,676	6,250,000

The shares of the Company have a nominal value RON 0.2/share. Starting April 2007, the Company shares are traded on the Bucharest Stock Exchange.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Interest rate risk

The interest rate risk is the risk that the interest rate will fluctuate in time. The Company has short- and long-term loans bearing floating interest rates, which exposes the Company to cash risks.

The table below shows the sensitivity of the interest rate variation with all the other variables held constant and an impact on the gross profit.

2024	Increase / (Decrease)	Impact on profit before tax	
		RON	EUR
EUR	1%	(101,969)	(20,500)
EUR	(1)%	101,969	20,500
RON	1%	-	-
RON	(1)%	-	-

2023	Increase / (Decrease)	Impact on profit before tax	
		RON	EUR
EUR	1%	(41,793)	(8,401)
EUR	(1)%	41,793	8,401
RON	1%	-	-
RON	(1)%	-	-

b) Foreign exchange risk

The functional currency of the Company is RON, while the loans and most of the trade liabilities are denominated in foreign currency (EUR). As a result, the Company may be affected by changes in exchange rates. The Company uses no derivative instruments to hedge the currency risk.

The table below shows the sensitivity of the exchange rate (EUR vs RON) variation with all the other variables held constant and an impact on the gross profit:

2024	Increase / (Decrease)	Impact on profit before tax	
		RON	EUR
EUR	5%	118,443	23,812
EUR	(5)%	(118,443)	(23,812)

2023	Increase / (Decrease)	Impact on profit before tax	
		RON	EUR
EUR	5%	(89,286)	(17,948)
EUR	(5)%	89,286	17,948

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The tables below detail the balances in foreign currencies and in the functional currency as at 31 December 2024 and an analysis of the sensitivity of the evolution in the exchange rate differences:

Assets	USD	EUR	RON
Monetary non-current assets:			
Customers and other receivables	-	-	-
Shares held at affiliates	-	-	-
Long-term receivables	-	-	193,665
Monetary current assets:			
Customers and other receivables	-	2,619,960	12,529,762
Cash and cash equivalents	437	3,949	2,937,253
Total monetary assets	437	2,623,909	15,660,680
Liabilities	USD	EUR	RON
Monetary long-term liabilities:			
Loans	-	-	-
Suppliers and other payables	-	-	9,219,136
Monetary short-term liabilities:			
Loans	-	2,050,000	-
Suppliers and other payables	-	98,089	7,922,402
Total monetary liabilities	-	2,148,089	17,141,538
Ratio	USD	EUR	RON
Net position, in the initial currency	437	475,820	(1,480,858)
Exchange rates	4.7768	4.9741	1
Net position, in the functional currency	2,087	2,366,775	(1,480,858)
Possible reasonable variation in exchange rates (+), %	5%	5%	0%
Effect on the comprehensive income, in the functional currency	104	118,339	-
Possible reasonable variation in exchange rates (-), %	-5%	-5%	0%
Effect on the comprehensive income, in the functional currency	(104)	(118,339)	-
Effect on the comprehensive income, in the functional currency, for each currency	USD	104	(104)
	EUR	118,339	(118,339)
	RON	-	-
	Total	118,443	(118,443)

c) Credit risk

The maximum exposure of the Company to the credit risk is reflected in the amount of the receivables from customers and of other current assets, net of the provisions for impairment recognized at the balance sheet date, as disclosed on the related Notes (13 and 14). In regard to the exposure to the financial institutions through the current accounts and bank deposits (Note 15), the Company closely monitors the financial condition of the banks where it holds bank accounts and, to the date of these financial statements approval, it did not identify any deterioration indicator for the financial condition of these banks.

In recent years, the total number of customers was 1,500-2,000 and they are mainly aluminum and PVC joinery firms. In 2023, the top ten clients accounted for 32.98% of the total sales, and this weight slightly increased in 2024 when the top ten customers accounted for approximately 35.00% of the total sales. Keeping this percentage as low as possible is due to the fact the Company permanently tried to avoid a significant dependence on a customer or group of customers.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Liquidity risk

The liquidity risk results from the possibility of not collecting the receivables related to the Company under regular commercial terms, from potential issues in the recovery of long-term receivables, and from negative operating cash-flows. In order to control this risk, the Company periodically assesses the financial solvency of its clients.

The Company's policy is to maintain sufficient liquidity to cover the liabilities having reached maturity. The information on the Company liabilities as at 31 December 2024 and 2023 based on undiscounted future payments (including future interest) is shown below.

As at 31 December 2024

	Short-term loans	Suppliers and other payables	Balances with affiliates	Long-term loans	Total
Payments in a period below 3 months	10,196,905	6,369,837	-	-	16,566,743
Payments in a period of 3 to 12 months	-	2,040,470	-	-	2,040,470
Payments in a period of 1 to 5 years	-	4,202,781	-	-	4,202,781
Total	10,196,905	12,613,088	-	-	22,809,993

As at 31 December 2023

	Short-term loans	Suppliers and other payables	Balances with affiliates	Long-term loans	Total
Payments in a period below 3 months	4,179,297	7,024,494	-	-	11,203,791
Payments in a period of 3 to 12 months	-	1,992,604	-	-	1,992,604
Payments in a period of 1 to 5 years	-	1,107,058	-	-	1,107,058
Total	4,179,297	10,124,156	-	-	14,303,453

e) Fair value of financial instruments

The best estimate of the fair value is the market value on an active market. If the market for the financial instruments is not active, the Company determines the fair value by using valuation techniques. The valuation techniques include the use of transactions with knowledgeable affiliates, performed by agreement of the parties at arm's length, if possible, by reference to another similar instrument, the analysis of discounted cash-flows.

As at 31 December 2024 and 2023, the carrying amounts of the financial instruments approximated their fair values as at the same dates.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

f) Equity management

Equity includes ordinary shares, equity attributable to the shareholders.

The main objective of the Company in terms of equity management is to ensure and maintain a favorable credit rating and performing equity ratios.

In terms of the indebtedness ratio, the Company aimed at not exceeding 50%.

	31 December 2024	31 December 2023
Total loans	10,196,905	4,179,297
Less: Cash and cash equivalents	(2,958,982)	(2,151,537)
Net liabilities/(assets)	7,237,923	2,027,760
Equity	71,005,135	57,926,771
TOTAL CAPITAL EMPLOYED	78,243,058	59,954,531
Indebtedness ratio	9.25%	3.39%

18. LOANS

Short-term loans

As at 31 December 2024, the company Alumil Rom Industry SA had the following credit facilities granted by local commercial banks:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2024	Balance 31 December 2024
B. Transilvania	Short-term facilities	14.03.2014	03.04.2026	EURIBOR 3M + 2%	EUR	4,000,000	-	2,050,000*

* Total equivalent of RON 10,196,905

The Company has set in favor of Banca Transilvania Bank the following securities:

- a security interest in personal property over the Company's accounts opened with Banca Transilvania Bank;
- a first rank mortgage on the land and production building located in Filipestii de Padure;
- a mortgage over all of the Company's present and future (trade) receivables;
- a mortgage over all the receivables related to the insurance contracts concluded in order to insure the goods that are the subject matter of the guarantees related to the loan contract to be concluded with Banca Transilvania Bank;
- a Corporate Guarantee issued by Alumil Industria Aluminiului S.A., Greece;

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18. LOANS (continued)

As at 31 December 2023, the Alumil Rom Industry SA had the following credit facilities granted by local commercial banks:

Description	Type of loan	Contract date	Maturity	Interest rate	Currency	Principal	Interest 31 December 2023	Balance 31 December 2023
B. Transilvania	Short-term facilities	14.03.2014	05.04.2024	EURIBOR 3M + 2.5%	EUR	2,000,000	-	710,434*
OTP Bank	Short-term facilities	13.03.2014	08.09.2024	ROBOR 3M + 2.5%	RON	1,600,000	-	129,693*

* Equivalent of RON 4,197,297

Long-term loans

The Company did not have long-term bank loans as of 31 December 2024 and 2023.

19. INVESTMENT SUBSIDIES

The evolution of the investment subsidies as at 31 December 2023 and 2022 is shown below:

	2024	2023
As at 1 January	2,993,950	3,322,813
Subsidies recognized during the year	-	-
Depreciation in the profit and loss account during the year	(316,193)	(328,863)
Balance as at 31 December	2,677,757	2,993,950
Short-term portion	317,779	327,160
Long-term portion	2,359,978	2,666,790

Under the Financing Contract SOP IEC 154271/18.05.2011, the Company undertook the fulfillment of the indicators below:

Result indicators	Determined reference value		Indicator value under the contract	
	Description	Value	MU	Quantity
Turnover increase compared to the 2013 balance sheet (%)		71,164,470	%	49%
Number of jobs created		N/A	No.	45
Number of jobs maintained (existing on the contract signing date)		166	No.	166
Increase in exports compared to the 2013 balance sheet (%)*		3,523,005	%	100 %

19. INVESTMENT SUBSIDIES (continued)

Under the above-mentioned Financing Contract, the Company is subject to a five year monitoring period starting the implementation finalization, i.e., 2018.

In 2019, the sustainability period ended and after the analysis of data and information presented in the Sustainability Report, as well as based on the conclusions of the monitoring mission, the project was closed without financial corrections.

20. LEASE LIABILITIES

As at 31 December 2024, the lease liabilities were as follows:

	31 December 2024	31 December 2023
Long term	4,202,781	1,107,058
Current	2,040,470	1,992,604
Total lease liabilities	6,243,251	3,099,662

Lease liabilities maturity analysis

	31 December 2024	31 December 2023
Not later than 1 year	2,040,470	1,992,604
Later than 1 year and not later than 5 years	4,202,781	1,107,058
Later than 5 years	-	-
Total lease liabilities	6,243,251	3,099,662

21. INCOME TAX

The current tax of the Company is determined based on the statutory income, adjusted with the non-deductible expenses and taxable revenues at a rate 16% for 2024 and 2023.

For 2024 and 2023, the income tax consists in:

	2024	2023
Current income tax charge	931,622	1,494,953
Deferred income tax expense /(credit)	87,988	(32,358)
Total income tax	1,019,610	1,462,595

The numerical reconciliation between the income tax expense and the result of the multiplication between the accounting result and the taxation percentage in effect is shown below:

	2024	2023
Result before tax – profit/(loss)	6,338,205	7,976,422
Income tax 16%	1,014,113	1,276,228
Effect of non-deductible expenses	5,497	186,367
Total income tax expense / (revenue)	1,019,610	1,462,595
Actual income tax rate	16.09%	18.34%

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21. INCOME TAX (continued)

The significant components of the deferred income tax payable included on the financial statements, in a rate 16%, are as follows:

	2024		2023	
	Cumulated temporary differences	Deferred income tax asset/ (liability)	Cumulated temporary differences	Deferred income tax asset/ (liability)
Non-current assets	(68,623)	(10,980)	(214,906)	(34,385)
Fixed assets revaluation	(16,678,777)	(2,668,604)	-	-
Provisions for receivables	2,131,162	340,986	2,827,371	452,379
Total	(14,616,238)	(2,338,598)	2,612,465	417,994

The changes in deferred tax have been as follows:

	Deferred income tax - effect on the statement of financial position		Deferred income tax - effect on the statement of comprehensive income	
	2024	2023	2024	2023
Non-current assets	10,980	34,385	(23,405)	(2,676)
Fixed assets revaluation	2,668,604	-	-	-
Provisions for receivables	(340,996)	(452,379)	111,393	(29,682)
Total	2,338,598	(417,994)	87,988	(32,358)

22. SUPPLIERS AND OTHER PAYABLES

The suppliers and other payables as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Suppliers	1,881,402	2,188,471
Advance payments from clients	1,488,952	1,338,425
Salaries	426,143	410,955
Taxes and duties on salaries	618,246	500,660
VAT payable	624,920	1,007,578
Dividends payable	796,093	771,823
Payables to affiliates	-	-
Other employee payables	533,970	342,004
Other	111	111
Total suppliers and other payables	6,369,837	6,560,027

The details on the balances of the payables to affiliates are presented in Note 32.

23. OPERATING INCOME

Operating income for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
Sale revenues	114,955,734	119,856,772
Commercial discounts granted	(1,930,800)	(1,702,083)
Total sale revenues	113,024,934	118,154,689
Other operating income	1,306,766	959,057
Total operating income	114,331,700	119,113,746

Other operating income consists of:

	2024	2023
Subsidies received	316,193	328,863
Gain from sale of fixed assets	272,799	10,644
Provisions written-off	549,262	438,364
Others	168,512	181,186
Total other operating income	1,306,766	959,057

As detailed in Note 17 c), the Company has no client accounting for more than 10% of the sales or outstanding as at 31 December 2024 and 31 December 2023.

Operating income from subsidies received represent the financing transferred to income for the expenses made in 2024 and the financing reversed to income during the life of the equivalent value of the financing received under the financing contracts, as follows:

	2024	2023
Income from reversing investment subsidies		
Motor vehicles scrapping premium	-	-
Financing under SOP HRD 125/5.1/S/129742	36,656	40,350
Financing under SOP IEC 154271/18.05.2011	279,075	279,075
Financing under SOP HRD /106/5.1/G/76086	462	9,438
Total operating income	316,193	328,863

24. COST OF SALES

The cost of sales for the years ended as of 31 December 2024 and 2023 is as follows:

	2024	2023
Cost of inventories	69,631,866	75,740,236
Wages	2,717,659	2,452,791
Salary contributions	152,561	136,869
Amortization	578,582	564,891
Utilities	1,039,190	1,027,184
Other expenses included in the cost of sales	1,295,731	908,808
Total cost of sales	75,415,589	80,830,779

In 2024 and 2023, Other expenses included in the cost of sales comprise the management, insurance, security expenses, expenses with taxes and the expenses with the consumables related to the production activity of Filipestii de Padure.

25. SALE AND DISTRIBUTION EXPENSES

For 2024 and 2023, the sale and distribution expenses consisted in:

	2024	2023
Wages	12,012,551	10,372,360
Salary contributions	504,443	447,479
Amortization	3,364,831	3,159,849
Rental fees	286,748	212,510
Advertising costs	1,765,188	1,686,280
Insurances	189,786	184,228
Other taxes and charges	417,426	210,737
Transport costs	1,826,112	1,938,277
Utilities	250,164	270,276
Other sale and distribution expenses	5,095,629	4,055,235
Total sale and distribution expenses	25,712,878	22,537,231

In 2024, other sale and distribution expenses included the management, security expenses, expenses with consumables, and the provisions for clients set in 2024 amounting to RON 230,141 (2023: RON 198,996) in accordance with IAS 39 and RON 142,659 (2023: RON 317,175) computed in accordance with IFRS 9. Details regarding the provisions for clients and sundry debtors are disclosed in Notes 13 and 14.

26. ADMINISTRATIVE EXPENSES

For 2024 and 2023, administrative expenses consisted in:

	2024	2023
Amortization	653,182	770,995
Wages	3,117,988	3,169,440
Salary contributions	125,579	107,019
Other third party suppliers	553,158	1,192,323
Rental fees	333,587	65,153
Insurances	915	1,032
Taxes and charges	93,226	47,647
Utilities	44,324	35,256
Other administrative expenses	1,546,040	1,985,613
Total administrative expenses	6,467,999	7,374,478

In 2024 and 2023, Other administrative expenses include management, audit and security expenses.

27. DEPRECIATION AND AMORTIZATION EXPENSES

For 2024 and 2023, the depreciation and amortization expenses consisted in:

	2024	2023
Tangible assets depreciation	1,939,880	1,910,465
Intangible assets amortization	92,019	132,234
Right of use assets depreciation	2,564,695	2,453,038
Total salary expenses	4,596,594	4,495,737

28. INTEREST EXPENSES

For 2024 and 2023, the interest expenses consisted in:

	2024	2023
Interest expense on bank loans	277,160	267,069
Interest expense on lease liabilities	193,666	140,117
Other finance cost	65,340	50,863
Total interest expenses	536,166	458,049

29. SALARY EXPENSES

For 2024 and 2023, the salary expenses consisted in:

	2024	2023
Gross salaries related to the year	18,726,158	16,576,881
Social security expenses	119,229	107,423
Health insurance expenses	-	-
Unemployment fund contribution expenses	-	-
Labor security contribution	401,581	359,868
Other contributions	261,773	224,076
Total salary expenses	19,508,741	17,268,248

30. EMPLOYEES, ADMINISTRATORS AND DIRECTORS

As of 31 December 2024 and 31 December 2023, the employees' structure is as follows:

	2024	2023
Production	41	37
Sales & marketing	102	95
Administrative personnel	21	22
Total employees	164	154

Details on the members of the Board of Directors and the executive directors are presented in Note 32.

The Company has no payables to administrators or directors in the analyzed period. There were no advance payments or loans granted to administrators or directors.

31. DECLARED DIVIDENDS

	2024	2023
Dividends declared during the year	5,312,500	6,250,000

In the SGM of 26 April 2024, the distribution of dividends from the profit of 2023 and the retained earnings amounting to RON 6,250,000 were approved.

The Board of Administration's proposal for the appropriation of the profit for 2024 is to be subject to the approval of the SGM of 28 April 2025.

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32. AFFILIATES

a) The main affiliates and a short description of their activity and of the major transactions with the Company during the years 2024 and 2023 are presented in the table below:

Entity name	Nature of the operations with the Company	Country of origin
Alumil EGE SA	Associate of the Company – Alumil Rom Industry (40.00%)	Turkey
Alumil MISR for Aluminium and Accesories Industry SA	Associate of the Company – Alumil Rom Industry (40.00%)	Egypt
Alumil Aluminium Industry SA	The parent-entity and the main provider of semi-manufactured goods	Greece
Alumil Industry SRL	Subsidiary of the parent-entity, Alumil Mylonas (70.00%)	Moldova
Alumil Bulgaria	Subsidiary of the parent-entity, Alumil Mylonas (99.98%)	Bulgaria
Alumil Albania Shpk	Subsidiary of the Company – Alumil Group LTD Cyprus (99.23%)	Albania
Alumil YU Industry SA Serbia	Subsidiary of the parent-entity, Alumil Mylonas (48.35%)	Serbia
ALPRO Vlasenica AD Bosnia	Associate of the Company – Alumil YU Industry SA Serbia (61.37%)	Bosnia
Alumil LLC	Subsidiary of the parent-entity, Alumil Mylonas (100.00%)	Ukraine
Alumil Group LTD	Subsidiary of the parent-entity, Alumil Mylonas (100.00%)	Cyprus

Receivables from affiliates are the following:

	31 December 2024	31 December 2023
Clients		
Alumil Industry (Chisinau)	273,575	273,633
Alumil Aluminium Industry (Greece)*	12,653,953	2,518,772
Total	12,927,528	2,792,405

Payables to affiliates are the following:

	31 December 2024	31 December 2023
Alumil Aluminium Industry (Greece)	-	-
Total	-	-

The advances to suppliers as of December 31, 2024 include the amount of EUR 2,389,716, equivalent of RON 11,886,685 (2023: EUR 358,066, equivalent of RON 1,812,778), advance paid to ALUMIL SA Greece, based on the framework agreement, advance settled by the acquisitions from January 2025.

The Company had the following transactions with affiliates:

	2024			
	Sales	Purchases of materials and merchandise	Purchases of fixed assets	Others
Alumil Aluminium Industry (Greece)	769,185	64,494,056	-	1,559,980
Alumil Industry (Chisinau)	1,574,325	-	-	-
Alpro Vlasenica Bosnia	-	1,264,938	-	-
Alumil Bulgaria SRL	7,395	-	-	-
	2,350,905	65,758,994	359,146	1,559,980

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32. AFFILIATES (continued)

	2023			
	Sales	Purchases of materials and merchandise	Purchases of fixed assets	Others
Alumil Aluminium Industry (Greece)	710,101	65,023,800	359,146	1,350,816
Alumil Industry (Chisinau)	1,085,962	-	-	-
Alumil LLC Ukraine	195,647	-	-	-
Alpro Vlasenica Bosnia	-	3,035,677	-	-
Alumil Bulgaria SRL	-	365	-	-
Alumil Group LTD Cyprus	-	-	-	-
	1,991,710	68,060,042	359,146	1,350,816

b) The current members of the Company's Board of Administration are the following:

No.	Name	Position	Date of appointment	Date of mandate expiry
1.	Georgios Mylonas	President of the Board of Directors	26.04.2024	27.04.2026
2.	Evangelia Mylona	Board member	28.04.2018	27.04.2026
3.	Spyridon Mavrikakis	Board member	26.04.2024	27.04.2026
4.	Marius Ionita	Board member/C.E.O.	28.04.2018	27.04.2026
5.	Georgios Doukidis	Board member	28.04.2018	27.04.2026

Mrs. Evangelia Mylona is the sister of Mr. Georgios Mylonas, President of the parent entity's Board of Administration Alumil Milonas Industria Aluminului SA Greece.

Administrators' investments in the parent entity's capital are the following:

No.	Name	Position	No. of shares held	% prior to IPO	% after IPO
1.	Georgios Mylonas	President of the Board	5,000	0.02%	0.02%
2.	Evangelia Mylona	Board member	5,000	0.02%	0.02%
3.	Marius Ionita	Board member/C.E.O.	600	0.00%	0.00%
4.	Spyridon Mavrikakis	Board member	-	-	-
5.	Georgios Doukidis	Board member	-	-	-

c) The performance of the daily operations of Alumil Rom Industry S.A. is entrusted to the following directors:

- Ionita Marius – C.E.O.
- Duca Vitalie – Commercial Director
- Balasca Ciprian – C.F.O.

The executive management's participation in the Company's capital as of 31 December 2024 is the following:

No.	Name	Position	No. of shares held
1.	Ciprian Balasca	C.F.O.	1,000
2.	Marius Ionita	C.E.O.	600
3.	Vitalie Duca	Commercial Director	600

In 2024, the expense with the remuneration of the executive management and of the directors amounted to RON 1,403,357 (2023: RON 1,802,215).

32. AFFILIATES (continued)

d) The conditions and terms of transactions with affiliates:

Overdue balances are not secured, non-interest bearing and discounts take place in cash. No guarantees were set and no guarantees were received for the receivables or payables from/to affiliates.

33. PROVISIONS, CONTINGENT EVENTS AND COMMITMENTS

The Company did not set any provisions as of 31 December 2024 and 2023.

The Romanian tax system is in process of consolidation and harmonization with the European legislation and different interpretations may exist by authorities concerning the tax legislation, which may generate additional taxes, charges and penalties. If the state authorities discover breaches of the Romanian legal provisions, these may lead, as applicable, to the confiscation of the amounts in case, imposing additional tax obligations, applying fines, applying late payment penalties (applied to the amounts actually payable). Consequently, the tax sanctions resulted from breaches of the legal provisions can be significant amounts payable to the State.

The Company considers it has registered and presented in the financial statements all its tax obligations. In Romania, the tax position is open to further verification for 5 years.

S.C. ALUMIL ROM INDUSTRY S.A. conducted, starting 18.05.2011 the project "Eco efficient and innovative investment in a modern Aluminum processing facility", co-financed by the **European Regional Development Fund** under the financing contract signed with the Ministry of Economy, Trade and Business Environment, as the Managing Authority for the Operational Sectorial Program "Increase of Economic Competitiveness. The project objective was to increase the productivity of the company by creating a modern, eco-efficient Aluminum profiles production and processing facility. The project, implemented in Filipestii de Padure, Minieri village no. 149, Prahova County, was completed in July 2013 and resulted in the building of a production hall of 8,835 square meters and the purchase of 11 state-of-the-art pieces of equipment, creating over 45 new jobs.

By the financing contract mentioned above, the Company was in the monitoring period for 5 years from the date of implementation completion, respectively 2018.

In 2019, the sustainability period of the project was finalized and based on the data and information presented in the Sustainability Report, as well as on the conclusions of the monitoring mission, the project was closed without financial adjustments.

The Company does not have any commitments concerning tangible and intangible assets as of 31 December 2024 and 31 December 2023.

The Company is a part of operating lease agreements for cars, on 1 to 4 year periods.

The minimum payments under the operating lease agreements are as follows:

	31 December 2024	31 December 2023
Below one year	481,697	121,520
Between one to two years	475,385	25,251
Between two to three years	456,449	18,938
Between three to four years	152,150	-
Total	1,565,681	165,709

33. PROVISIONS, CONTINGENT EVENTS AND COMMITMENTS (continued)

The Company is a party to rent agreements for commercial areas and warehouses, signed for 1 to 3 year periods. The Company has the option, according to certain agreements, to extend the rent agreement by another year.

The minimum payments according to rent agreements for commercial areas are as follows:

	31 December 2024	31 December 2023
Below one year	1,778,318	1,941,461
One to five years	3,830,005	1,091,659
Total	<u>5,158,323</u>	<u>3,033,120</u>

Starting with 2019, the Company applies IFRS 16 *Lease agreements* (Note 9). This standards treats all lease commitments (finance or operating) as conferring the right of use on the leased assets, except those with small value or leased for a period of 12 months or less, in exchange for subsequent payments.

34. SUBSEQUENT EVENTS

The Company did not record any subsequent events.

These financial statements together with the explanatory notes were approved by the Board of Administration and signed on its behalf on 25 March 2025.

Marius Ionita
C.E.O.

Ciprian Balasca
C.F.O.