



# PRELIMINARY FINANCIAL RESULTS 2022

MECANICA FINA S.A  
5-25 Strada Popa Lazar  
Sector 2, Bucurest

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## PRELIMINARY REPORT AS OF DECEMBER 31, 2022

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## EVENTS OF 2022.

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The year **2022** was heavily marked by the **effects of the war** launched by Russia against Ukraine, starting from February 24, 2022, and the **inflationary pressures** that reached a significant level both globally and locally, in the context of the **evident slowdown of the global economy**. The issuer, **Mecanica Fina SA, and the companies in the Mecanica Fina Group carried out their activity in 2022, trying to cope with these conditions.**

### About the activity of Mecanica Fina SA issuer

Trade Registry Number: J40/15010/2006 ; VAT Number: 19034870

Headquarters: Bucuresti, sector 2, str. Popa Lazar, nr. 5-25

Share capital: 9.264.890 lei

Shareholding structure:

Majority shareholder: Mol Invest SA (TRN: J40/969/2001;VAT nr13671261): 91,6 %

Individuals: 7,9 %

Legal entities: 0,5 %

Management:

Chairman of the Board - CEO Mollo Sergio

Board members: Mollo Simona and Mollo Giuseppe Alessandro

### About the activity included in the object of activity

Regarding the main activity, Mecanica Fina SA has carried out activities within the **CAEN code 6820** (renting and leasing of own or leased real estate, activities that also included the provision of services related to the supply of utilities to tenants in rented spaces). The following aspects should be highlighted:

In 2022, Mecanica Fina SA continued its "**property management**" activities, seeking and implementing viable solutions to counteract the effects caused by the termination of **rental contracts** due to unilateral termination decisions by tenants. I

n this regard, **efforts to attract new tenants** for the remaining vacant spaces have been intensified, efforts that have been materialized in new lease agreements.

At the same time, additional agreements to the lease contracts have been concluded with all tenants, **whereby the new rents were negotiated by updating them according to the evolution of the inflation rate in the Euro area (increased by 10%).**

In addition to the main activity, the company has also carried out **primary accounting activities** exclusively for the companies in which it holds, directly or indirectly, majority shareholdings, but these activities had an insignificant share in the company's total revenues.

### Other activities

The company continued, as it did in previous years, **the program of modernization of buildings**, especially of the vacant spaces for which it sought and continues to seek efficient formulas for their exploitation through rental.

In 2022, through the notarized transfer of shares contract no. 846/July 14, 2022, Mecanica Fina SA acquired, for the price of 2,000 euros (equivalent in lei), **complete control over MODERN SELF WASH S.R.L.**, a Romanian legal entity headquartered in the Modelu commune, Culture Street no. 1, Calarasi county, with registration number J51/453/07.06.2021, unique registration code 44390738, and a total share capital of 200 lei divided into 20 shares with a nominal value of 10 lei. The company is engaged in the maintenance of vehicles (automatic car wash) and has a workplace located in the immediate vicinity of the property of Mecanica Fina SA, situated on Pantelimon Street no. 1-3, Sector 2, Bucharest. After this transaction, Mecanica Fina SA, as the sole shareholder of Modern Self Wash SRL, moved the registered office of this company to Popa Lazar Street no. 5-25, Sector 2, Bucharest. The company was registered with the Trade Registry Office attached to the Bucharest Tribunal under no. J40/14041/2022.

The location where this company continues to carry out its activity (automatic car wash) is an immovable property registered in the land book of Bucharest - Sector 2 under no. 230028, with cadastral number 230028, consisting of a land surface of 398 sqm and the building built on it with the purpose of a car wash, with a built area of 206.30 sqm, including all the equipment and facilities related to an automated car wash. The property was acquired by Mecanica Fina SA from Davidex Clean SRL Calarasi (ORC J51/82/2013, CUI 31221710) for a total price of 308,000 euros (equivalent in lei) through the notarized sale-purchase contract no. 847/July 14, 2022.

We informed the capital market institutions (ASF and BVB) about these transactions through the Quarterly Report for Q3 2022.

Also, in 2022, Mecanica Fina SA **acquired control over Industrial Cefin SA** by purchasing, on December 15, 2022, a package of shares representing 50% of the total share capital of this closed-type company with headquarters in Bucharest, Sector 2, Popa Lazar Street no. 5-25, Building C16, 1st Floor, Module 6, with registration number J40/9492/1995 and unique registration code 7867787, at the total price of 1,248,210 euros, a price established through negotiation based on an evaluation report. Following this transaction, Mecanica Fina SA increased its share in the share capital of Industrial Cefin SA from 38.72789% to 88.72789%. According to the negotiated contractual clauses, the transfer of ownership rights over the shares, together with all the related corporate rights and obligations, took effect on the date of signing the contract, and the buyer has the right to vote in the general shareholders' meeting of Industrial Cefin SA according to the new shareholding percentage resulting from the acquisition, whatever the domain, nature, and purpose of the adopted resolutions.

Industrial Cefin SA carries out similar activities to the issuer Mecanica Fina SA, namely "property management" activities for the real estate portfolio held in Sector 2 of the Municipality of Bucharest, consisting of Category C.c. land with an area of 3,000 sqm on which buildings with a useful area of over 3,000 sqm are located, almost entirely rented out at Pantelimon Road no. 6-8, as well as the 3rd and 4th floors (partially) with a useful area of 400 sqm in an S+P+9E building at Pantelimon Road no. 10-12.

By taking control of Societatea Industrial Cefin SA, the issuer Mecanica Fina SA diversifies and increases its real estate portfolio and ensures superior conditions for promoting, managing, and increasing its profitability, with 88.72789% of the profit of this company being accounted for in the consolidated financial statements of the issuer Mecanica Fina SA.

We informed the capital market institutions (ASF and BVB) about this transaction through the Current Report dated December 16, 2022.



## About the activity of the subsidiaries of Mecanica Fina SA

### Itagra SA Company

Trade Register No: J21/316/2006 ; VAT No: 18792370

Headquarters: Boranesti, C15 Birouri, Judetul Ialomita;

Share capital: 12.900.000 lei;

Issuer's stake in the subsidiary's share capital: 99,997%

Management: The sole administrator of Itagra SA Company is Mollo Sergio, President of the Board of Directors and CEO of Mecanica Fina SA.

Itagra SA Company carried out in 2022 activities - CAEN code 0111 - **Growing of cereals (excluding rice), leguminous crops, and oilseed crops**, having in exploitation, according to the single area payment request - 2022 Campaign submitted to APIA, an area of **1553 hectares of arable land** in the extraterritorial areas of Boranesti, Barcanesti, Dragoesti, and Urziceni in Ialomita County, out of which more than **900 hectares of land are owned** and the rest are leased, obtaining the following productions:

NR	CROP ESTABLISHED	SURFACE AREA (HA)	PRODUCTION AVERAGE (to / ha)	TOTAL PRODUCTION (to)	OBSERVATION
1	Wheat	746	5,82	4.340	Insiloed at harvest: 4.282 to
2	Corn /Maize	721	4,42	3.185	Insiloed at harvest: 559 to
3	Sunflowers	81	2,44	198	
4	Alfalfa	5	0,8	4	

Due to delivery difficulties during the harvesting period caused by the war in Ukraine, the company decided to silo almost the entire amount of harvested wheat and a small portion of corn production, and subsequently proceeded to gradually market the stocks created based on commodity market prices. As of the date of this report, the company has in stock a quantity of 1,388 tons of wheat, 563 tons of corn (including wheat from the previous agricultural year's harvest), and 1.3 tons of sunflower, and the company's management is monitoring the evolution of agricultural product prices in order to achieve the most profitable valorization of these stocks.

It should be noted that the 2022 yields did not meet our expectations, being affected by the national-level pedological drought.

### Mollo Re SA

Trade Register Number: J40/15010/2006 ; VAT No: 19034870

Headquarter: Bucuresti, sector 2, str. Popa Lazar, nr. 5-25, Imobil C16, Et. 1, Mdl 5

Share Capital: 200.000 lei;

Issuer's share in the subsidiary's share capital: 99.85% Administration: The sole administrator of Mollo Re SA is Mollo Sergio, Chairman of the Board of Directors - General Director of the issuer Mecanica Fina SA.

Mollo Re SA carried out activities in 2022 - CAEN code 5590 - Other accommodation activities, managing two student dormitories with a total of 145 structured and furnished accommodation units in two buildings (ground floor plus four stories), owned by the majority shareholder Mecanica Fina SA since 2015, based on rental contracts. Based on these rental contracts, the company has branch offices at the postal addresses of the two buildings, namely in Bucharest, Sector 2, Popa Lazar Street, No. 10 and No. 12.

During the academic years 2019-2020 and 2020-2021, the occupancy rate of the two student dormitories was significantly affected by the Coronavirus pandemic, as university courses were held online, resulting in a much lower number of accommodation service contracts than in previous years. For contracts that had already been signed, unilateral cancellations were recorded from students who preferred to attend online classes from home rather than in the student dormitory. Under these conditions, the occupancy rate of the two accommodation structures was 60%. The situation improved significantly in 2022, particularly during the 2021-2022 academic year when the state of alert instituted by the authorities due to the Coronavirus pandemic ended on March 8, 2022. The accommodation capacity of the two student dormitories was almost fully covered by accommodation service contracts.

### Industrial Cefin SA

Trade Register Number: J40/9492/1995 ; VAT No: 7867787

Headquarters: Bucuresti, S2, str. Popa Lazar, nr. 5-25, Imobil C16, Et. 1, Modul 6

Share Capital: 361.800 lei

Issuer's participation rate in the subsidiary's share capital: 88.72789% Administration:

The sole administrator of Industrial Cefin SA Company is Sergio Mollo, President of the Board of Directors and CEO of the issuer, Mecanica Fina SA.

Industrial Cefin SA carried out "**Property management**" activities in 2022 for the real estate portfolio it owned in sector 2 of Bucharest, which is composed of C.c. category land with an area of 3,000 square meters and buildings with a useful area of over 3,000 square meters, almost entirely leased at 6-8 Pantelimon Road, as well as floors 3 and 4 (partially) with a useful area of 400 square meters in an S+P+9E building at 10-12 Pantelimon Road. The company managed to lease all the constructed spaces at the location on 6-8 Pantelimon Road, and a program was launched to modernize the constructed spaces at the other location in order to attract customers and lease them out.

### Modern Self Wash SRL

Trade Register Number: J40/15041/2022 ; VAT No: 44390738

Headquarters Bucuresti, sectorul 2, sos. Pantelimon, nr. 1

Share Capital: 200 lei

Issuer's shareholding in the share capital of Modern Self Wash SRL: 100%

Management: The sole administrator of Modern Self Wash SRL is Mollo Sergio, Chairman of the Board of Directors and CEO of the issuer Mecanica Fina SA.

Since its acquisition by the issuer Mecanica Fina SA on July 14, 2022, Modern Self Wash SRL has carried out, at its location on Pantelimon Road No. 1, Sector 2, Bucharest, the main activity established/foreseen in its Articles of Incorporation, which is an **automated car wash**. The results obtained in the second half of 2022, which we present in the following section of this report, demonstrate that Mecanica Fina SA has made a **profitable investment** through the acquisition of the property on Pantelimon Road No. 1, Sector 2, Bucharest, consisting of a 398 sqm land and the building erected on it with the purpose of an automated car wash, with a built-up area of 206.30 sqm, equipped with all the necessary facilities and equipment for such an operation, as well as the shares in the company Modern Self Wash SRL. An important aspect in the decision to acquire was the fact that the property is located in the immediate vicinity of Mecanica Fina SA's properties in Sector 2 of Bucharest, situated on Pantelimon Road No. 1-3, Pantelimon Road No. 10-12, Popa Lazar Street No. 5-25, Popa Lazar Street No. 10, Popa Lazar Street No. 12, and Christigiilor Street No. 46.

## About the activity of other companies within the Mecanica Fina Group

### Itagra Bio Terra SRL - a subsidiary of Itagra SA

Trade Register Number: J21/35/2020 ; VAT No: 42145490

Headquarters: Boranesti, str. 1 Decembrie 1918 nr. 174, C47 – Atelier mecanic, Camera 4, Judetul Ialomita;

Share Capital 20.000 lei;

Management: The sole administrator of Itagra Bio Terra SRL is Mollo Sergio,  
Chairman of the Board of Directors - CEO of the issuer Mecanica Fina SA.

Itagra SA - a subsidiary of the issuer Mecanica Fina SA, has total control over Itagra Bio Terra SRL, a company established in 2020 to take over, from the parent company, the activities of organic agriculture.

In 2022, Itagra Bio Terra SRL, like its parent company Itagra SA, carried out activities related to the CAEN code 0111 - Growing of cereals (excluding rice), leguminous crops and oilseed plants carried out in an organic farming system, managing a total area of approximately 105 hectares of arable land in the outskirts of Boranesti and Barcanesti, located in the Ialomita county, where **alfalfa crops were established**.

Unfortunately, organic farming proves to be **very costly**, the conditions for entering the organic products market are **extremely strict**, and the results are not sufficient to continue such activities. As a result, the decision was made to **return to conventional farming** starting with the 2022-2023 agricultural year.

### Bio Valley SRL – a subsidiary of Itagra SA

Trade Register Number: J21/44/1992 ; VAT No: 2086262

Headquarters: Boranesti, str. 1 Decembrie 1918 nr. 174, C15 Birouri, Jud. Ialomita;

Share Capital: 15.000 lei;

Management: The sole administrator of Bio Valley SRL is Mollo Sergio,  
Chairman of the Board of Directors - CEO of the issuer Mecanica Fina SA.

Societatea Itagra SA – filiala a emitentului Mecanica Fina SA este asociat al societatii Bio Valley SRL cu o cota de participare de 90,4 % din capitalul social total.  
In anul 2022, societatea Bio Valley SRL nu a desfasurat activitate.

### Vera Wellness SRL – a subsidiary of Mollo Re SA

Trade Register Number: J40/15740/2017 ; VAT No: 38212175

Headquarters: Bucuresti, sectorul 2, str. Chiristigiilor nr. 46,

Share Capital: 40.000 lei;

Management by two directors: Mollo Giuseppe Alessandro and Mollo Veronica.

Mollo Re SA, a subsidiary of the issuer Mecanica Fina SA, is a shareholder of Vera Wellness SRL Valley SRL with a participation share of 50% of the total share capital and carries out fitness center activities under the CAEN code 9313. The company leases a property - owned by Mecanica Fina SA - located in Bucharest, sector 2, Chiristigiilor street no. 46, where it **manages a fitness room equipped with high-performance equipment**.

## FINANCIAL AND OPERATIONAL PERFORMANCE ANALYSIS

In 2022, the issuer Mecanica Fina SA and the companies within the Mecanica Fina Group achieved the results that we present in a summary form in this report:

### Issuer: Mecanica Fina SA

	Lei
Total fixed assets	222.582.313
Total current assets	2.219.072
Prepaid expenses	-
Total assets	224.801.385
Total liabilities	50.916.674
Deferred revenues	14.250
Total equity Total liabilities and equity	173.870.461 224.801.385
Turnover	8.346.184
Operating revenues	18.066.048
Operating expenses	6.834.202
Operating profit (loss)	11.231.846
Net financial results	93.204
Profit (loss) before taxation	11.296.840
Current and deferred income tax expenses	1.055.143
Net profit (loss)	10.241.697
Number of shares	3.705.956 shares
Earnings per share	2,76

### Issuer Mecanica Fina SA's Branch Company Itagra SA

	Lei
Total fixed assets	50.208.717
Total current assets	9.857.834
Prepaid expenses	747.912
Total assets	60.814.463
Total liabilities	29.446.525
Deferred revenue	267.861
Total equity	31.100.077
Total equity and liabilities	60.814.463
Turnover	10.078.245
Operating revenue	14.203.791
Operating expenses	11.548.494
Operating profit (loss)	2.655.297
Net financial results	(886.223)
Profit (loss) before tax	1.769.074
Income tax expenses	-
Net profit (loss)	1.769.074
Number of shares	129.000 shares
Earnings per share	13,714



### **Mollo Re SA**

	<b>Lei</b>
Total fixed assets	586.147
Total current assets	1.516.207
Prepaid expenses	-
Total assets	2.102.354
Total liabilities	1.431.968
Deferred revenue	8.864
Total equity	661.522
Total equity and liabilities	2.102.354
Turnover	1.928.671
Operating revenue	2.020.571
Operating expenses	1.591.364
Operating profit (loss)	429.207
Net financial results	2.662
Profit (loss) before tax	431.829
Income tax expenses	21.072
Net profit (loss)	410.757
Number of shares	2.000 shares
Earnings per share	205,3785

### **Industrial Cefin SA**

	<b>Lei</b>
Total fixed assets	16.086.831
Total current assets	402.539
Total assets	16.489.370
Total liabilities	2.597.544
Total equity	13.891.826
Total equity and liabilities	16.489.370
Turnover	1.519.3524
Operating revenue	1.526.291
Operating expenses	1.326.835
Operating profit (loss)	289.456
Net financial results	(87.300)
Profit (loss) before tax	202.156
Income tax expenses	14.942
Net profit (loss)	187.214
Number of shares	144.720 shares
Earnings per share	0,0013

### **Modern Self Wash SRL**

	<b>Lei</b>
Total fixed assets	10.192
Total current assets	266.424
Total assets	276.616
Total liabilities	19.197
Total equity	257.419
Total equity and liabilities	276.616

Turnover	394.947
Operating revenue	394.947
Operating expenses	126.116
Operating profit (loss)	268.831
Net financial results	-
Profit (loss) before tax	268.831
Income tax expenses	11.612
Profit (loss)	257.219

#### **Other companies in the Mecanica Fina SA Group (indirect holdings of the issuer)**

##### **Itagra Bio Terra SRL - Branch of Itagra SA**

	<b>Lei</b>
Total fixed assets	297
Total current assets	532.070
Total assets	532.367
Total liabilities	567.011
Total equity	(34.644)
Total equity and liabilities	532.367
Turnover	254.339
Operating revenue	400.242
Operating expenses	593.657
Operating profit (loss)	(193.415)
Net financial results	(16.878)
Profit (loss) before tax	(210.293)
Income tax expenses	612
Profit (loss)	(210.905)

##### **Vera Wellness SRL - Branch of Mollo Re SA**

	<b>Lei</b>
Total fixed assets	297
Total current assets	532.070
Total assets	532.367
Total liabilities	567.011
Total equity	(34.644)
Total equity and liabilities	532.367
Turnover	1.448.385
Operating revenue	1.448.385
Operating expenses	1.347.183
Operating profit (loss)	101.202
Net financial results	(5.549)
Profit (loss) before tax	95.653
Income tax expenses	11.588
Profit (loss)	84.065

**MECANICA FINA SA**

**PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR  
ENDED DECEMBER 31, 2022**

**UNAUDITED FINANCIAL STATEMENTS PREPARED  
ACCORDING TO IFRS.**

## MECANICA FINA SA PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(all amounts are expressed in lei unless otherwise stated)

	31-Dec-22	31-Dec-21
Continuing operations		
Sales revenue	6.401.524	5.516.169
Cost of goods sold	(86.855)	(36.558)
Expenses for raw materials and supplies	(166.073)	(208.193)
Employee benefits expenses	(2.314.799)	(1.900.649)
Depreciation and amortization expenses	(269.433)	(338.466)
Other expenses	(3.491.520)	(2.500.073)
Other revenues	2.038.798	1.420.088
Other gains/losses from fair value changes of real estate investments	9.120.204	3.410.205
<b>Operating profit</b>	<b>11.231.846</b>	<b>5.399.081</b>
Financial revenues	1.106	7
Financial expenses	(508.422)	(519.513)
Foreign exchange gains/(losses), net	(13.701)	( 319.062)
Income from equity interests in associated companies within the group	614.221	476.661
<b>Financial result</b>	<b>93.204</b>	<b>(361.907)</b>
Profit before tax from continuing operations	11.296.840	5.037.174
Income tax expense	1.055.143	658.198
<b>Profit from continuing operations for the year</b>	<b>10.241.697</b>	<b>4.378.976</b>
<b>Profit/(loss) for the financial year</b>	<b>10.241.697</b>	<b>4.459.024</b>
Other elements of comprehensive income		
Gains/losses from revaluation of property, plant and equipment	-	-
Income tax expense related to other comprehensive income	-	-
Total other comprehensive income, net of tax	-	-
<b>Total comprehensive income</b>	<b>10.241.696</b>	<b>4.459.024</b>
<b>Number of shares</b>	<b>3.705.946</b>	<b>3.705.946</b>
<b>Earnings per share</b>	<b>2,76</b>	<b>1,18</b>

## MECANICA FINA SA PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31.12.2022 STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(all amounts are expressed in lei unless otherwise stated)

	31-Dec-22	31-Dec-21
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2.313.163	2.058.424
Leasehold rights	-	-
Intangible assets	-	-
Investment properties	196.093.089	185.327.894
Investments in equity instruments	24.170.801	17.914.889
Other non-current assets	5.259	5.259
<b>TOTAL NON-CURRENT</b>	<b>222.582.313</b>	<b>205.306.466</b>
<b>ASSETS CURRENT</b>		
Assets	1.014	11.557
Inventories Trade and other receivables	2.018.024	2.309.839
Cash and cash equivalents	200.034	86.625
<b>TOTAL CURRENT</b>	<b>2.219.072</b>	<b>2.408.021</b>
<b>ASSETS TOTAL</b>	<b>224.801.385</b>	<b>207.714.487</b>
<b>ASSETS EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	79.152.825	79.152.825
Legal reserves	1.433.583	1.433.583
Other reserves	718.677	718.677
Retained earnings	82.323.679	77.944.702
Current period earnings	10.241.697	4.378.976
<b>TOTAL EQUITY</b>	<b>173.870.461</b>	<b>163.628.763</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Amounts due to credit institutions	12.465.382	14.014.956
Trade and other payables	3.849.522	-
Other non-current liabilities	95.764	184.816
Deferred tax liabilities	26.847.788	25.982.954
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>43.258.456</b>	<b>40.182.726</b>
<b>CURRENT LIABILITIES</b>		
Current tax liabilities	719.518	601.958
Amounts due to credit institutions	1.547.592	1.484.555
Trade and other payables	-	7.974
Employee benefit obligations	77.609	60.716
Current commercial and similar liabilities	4.887.952	1.453.615
Provisions	-	-
Other current liabilities	425.547	294.180
<b>TOTAL CURRENT LIABILITIES</b>	<b>7.658.218</b>	<b>3.902.998</b>
<b>TOTAL LIABILITIES</b>	<b>50.916.674</b>	<b>44.085.724</b>
<b>ADVANCES RECEIVED</b>	<b>14.250</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>224.801.385</b>	<b>207.714.487</b>



**MECANICA FINA SA**  
**PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED**  
**DECEMBER 31, 2022 CASH FLOW STATEMENT (UNAUDITED)**

(all amounts are expressed in lei unless otherwise stated)

	31-Dec-22	31-Dec-21
<b>I. Cash flows from operating activities</b>		
<b>Profit/(Loss) before taxation</b>	<b>11.325.050</b>	<b>5.037.174</b>
Adjustments for:		
Depreciation and impairment charges related to fixed assets	271.372	249.289
Fair value adjustments	(8.396.034)	(3.410.205)
Impairment charges related to receivables	-	96.930
Impairment charges related to inventories	(18.200)	(110.491)
Impairment charges related to financial assets	(98.845)	(180.283)
Foreign exchange differences - net financing activity	-	319.062
Expenses related to the disposal of assets	-	-
Interest income	-	(4)
Interest expenses	508.022	518.983
Profit before working capital changes	<b>3.591.364</b>	<b>2.520.455</b>
Decrease/(increase) in receivables	617.424	2.164.384
Decrease/(increase) in inventories	28.743	(9.100)
Increase/(decrease) in liabilities	6.700.335	(4.083.617)
Cash flows from operating activities	<b>10.937.866</b>	<b>592.122</b>
<b>Income tax paid</b>	<b>(87.148)</b>	<b>-</b>
Net cash from operating activities	<b>10.850.718</b>	<b>592.122</b>
<b>II. Cash flows from investing activities</b>		
<b>Acquisitions of subsidiaries, net of cash acquired</b>	<b>(6.255.912)</b>	<b>-</b>
Payments for the purchase of tangible and intangible assets	(526.111)	(99.516)
Payments for the purchase of investment properties	(2.369.161)	(240.588)
Interest received	3	4
Dividends received	325.609	193.639
Net cash from investing activities	<b>(8.825.572)</b>	<b>(146.461)</b>
<b>Net cash from investing activities III.</b>		
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	367.623	-
Repayments of bank borrowings	(1.854.160)	(1.162.175)
Payments for finance lease liabilities	(7.974)	(27.878)
Interest paid	(508.022)	(518.983)
Borrowings from related parties - received	(299.034)	6.429.935
Borrowings to related parties - granted	389.829	(5.349.474)
Net cash from financing activities	<b>(1.911.738)</b>	<b>(628.574)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>133.409</b>	<b>(182.913)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>86.625</b>	<b>269.538</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>200.034</b>	<b>86.625</b>
<b>Cash and cash equivalents at the end of the period include:</b>		
Bank accounts and cash.	200.034	86.625

**MECANICA FINA SA**  
**PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED**  
**DECEMBER 31, 2022 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

(all amounts are expressed in **lei** unless otherwise stated)

	<b>Capital subscribed</b>	<b>Reserves</b>	<b>Reserves from revaluation</b>	<b>Other reserves</b>	<b>Carried forward and current year results</b>	<b>TOTAL</b>
<b>31-Dec-20</b>	<b>79.152.825</b>	<b>1.181.724</b>	-	<b>718.677</b>	<b>78.196.561</b>	<b>159.249.787</b>
Current year comprehensive income	-	-	-		4.378.976	4.378.976
Total other comprehensive income	-	-	-		4.378.976	4.378.976
Allocation to legal reserve	-	251.859	-		-251.859	-
<b>31-Dec-21</b>	<b>79.152.825</b>	<b>1.433.583</b>	-	<b>718.677</b>	<b>82.323.678</b>	<b>163.628.763</b>
Current year comprehensive income	-	-	-		10.269.909	10.269.909
Total other comprehensive income	-	-	-		10.269.909	10.269.909
Allocation to legal reserve	-	-	-		-	-
<b>31-Dec-22</b>	<b>79.152.825</b>	<b>1.433.583</b>	-	<b>718.677</b>	<b>92.593.587</b>	<b>173.898.672</b>

Chairman of the Board of Directors - CEO  
Sergio Mollo

Chief Accountant  
Maria Rogojan

# PRELIMINARY ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022

## EXPLANATORY NOTES

(all amounts are expressed in lei unless otherwise stated)

### 1. GENERAL INFORMATION

Mecanica Fina SA, headquartered in Bucharest, Sector 2, Popa Lazar Street, no. 5-25, with a unique registration code RO 655, registration number J40/2353/1991, was established in 1991 and is listed on the regulated capital market at the Bucharest Stock Exchange.

Mecanica Fina SA, as established in 1991, was privatized in 2000, and its share capital is now entirely private. The majority shareholder of the company, with a stake in the share capital of 91.5993%, is Mol Invest SA, headquartered in Bucharest, Sector 2, Popa Lazar Street, no. 5-25, Building C16, (Registration number J40/969/2001; VAT number 13671261).

Until 2009, Mecanica Fina SA was a manufacturer of measuring and control equipment. However, the production activity was discontinued due to the moral wear and tear of the manufacturing technologies, which directly affected the company's economic profitability, as well as environmental protection reasons, given that the production workshops were located centrally in Bucharest - Obor area.

The value of Mecanica Fina SA's share capital is over 2 million EURO, equivalent to 9,264,890 lei, divided into 3,705,956 shares with a nominal value of 2.50 lei, the records of which are kept by the Central Depository SA based on a contract. The company has been listed on the regulated market administered by BVB - Main Segment - Standard Category - Shares since August 12, 2015.

The company is managed in a unitary system by a Board of Directors composed of 3 directors, with the Chairman of the Board of Directors appointed by the general meeting of shareholders, who also serves as the CEO of the company, as established by decision no. 12 of December 10, 2007 of the general meeting of shareholders, which appointed Mollo Sergio as the Chairman of the Board of Directors and CEO, Mollo Simona and Mollo Giuseppe Alessandro as members of the Board of Directors for a first term of 4 years starting from December 10, 2007. The three members of the Board of Directors were subsequently re-elected by the general meeting of shareholders for new terms of 4 years, through resolutions no. 7/07.12.2011, no. 9/07.12.2015, and no. 6/09.12.2019.

In 2022, the company carried out "property management" activities for its real estate assets owned in full, with an average number of 14 employees, including leasing and subleasing its own or leased real estate, and providing utility services to tenants in the leased spaces.

### 2. ACCOUNTING POLICIES

The calculation methods and accounting policies used in these simplified consolidated financial statements are the same as those used in the most recent annual financial statements prepared for the financial year ended December 31, 2021.

### 3. RISK MANAGEMENT

The Company is exposed to the following financial risks through its operations: credit risk, foreign exchange risk, and liquidity risk. There have been no major changes in the Company's exposure to risks regarding financial instruments, its objectives, policies, and processes for managing these risks, or the methods used to evaluate them compared to previous periods.

The main financial instruments used by the Company, which give rise to the risk regarding financial instruments, are:

- Trade receivables and other receivables
- Cash and cash equivalents
- Trade payables and other payables

### 4. SALES REVENUE

Sales revenue includes the following elements:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Rental revenues	5.984.556	5.153.655
Sales of goods	91.315	37.616
Service revenues	325.653	324.898
<b>Total</b>	<b>6.401.524</b>	<b>5.516.169</b>

Sales revenues mainly include revenues from renting spaces owned by the company. The spaces are rented based on annual contracts between the parties.

### 5. OTHER INCOME

Other operating income includes the following:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Income from utility re-billing Other	1.944.661	1.339.422
operating income	94.138	80.666
<b>Total</b>	<b>2.038.798</b>	<b>1.420.088</b>

### 6. RAW MATERIALS AND CONSUMABLES

Expenses for raw materials and consumables have the following components:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Expenses for fuel and spare parts	10.874	8.884
Expenses for inventory items	11.189	7.398
Expenses for consumable materials	144.010	155.353
Real estate repairs		
<b>Total</b>	<b>166.073</b>	<b>171.635</b>

## 7. PERSONNEL EXPENSES

Personnel expenses have the following components:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Wages	1.579.018	1.372.405
Expenses with collaborators	615.420	430.812
Social taxes and contributions	49.111	40.572
Other benefits (meal vouchers)	71.250	56.860
<b>Total</b>	<b>2.314.719</b>	<b>1.900.649</b>

The remuneration granted to the Board of Directors and the Executive Management is presented in the following table:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Salaries	615.420	430.812
Social taxes and contributions	13.847	9.696
<b>Total</b>	<b>629.267</b>	<b>440.508</b>

## 8. OTHER EXPENSES

Other operating expenses include the following:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Utilities	1.867.063	1.236.933
Expenses with non-inventory materials	-	748
Insurance	34.019	20.754
Commissions, bank services and fees	120.556	98.445
Advertising and product promotion	22.002	15.939
Travel and transportation	25.040	22.320
Postal and telecommunications	26.783	22.541
Other third-party services	652.677	509.946
Other taxes and levies	507.791	429.283
Fines and penalties	142.885	131.703
Miscellaneous	92.634	11.460
<b>Total</b>	<b>3.491.520</b>	<b>2.500.073</b>

## 9. FINANCIAL INCOME AND EXPENSES

Net financial income has the following components:

Description	For the year ended on	
	31-Dec-22	31-Dec-21
Interest income	4	4
Interest expense	(508.022)	(518.983)
Other financial income	1.102	3
Other financial expenses	(400)	(530)
<b>Total</b>	<b>(507.316)</b>	<b>(519.506)</b>



## 10. PROFIT TAX EXPENSE

For the year ended on

Description	31-Dec-22	31-Dec-21
IProfit tax	190.308)	(134.206)
Deferred tax (expense) / income	(864.834)	(523.992)
<b>Total</b>	<b>(1.055.142)</b>	<b>(658.198)</b>

The profit tax payable was calculated taking into account the influences of non-deductible expenses, as well as non-taxable income from tax facilities, and the effects of profit tax provisions.

A reconciliation between the accounting and fiscal profits that formed the basis of the profit tax calculation is presented in the following table:

Description	31-Dec-22	31-Dec-21
Total revenues	18.959.387	12.945.987
Total expenses	(7.662.547)	(8.567.011)
Gross accounting profit	11.296.840	4.378.976
Items similar to revenues	-	-
Deductions	-	(251.859)
Non-taxable income	(10.141.103)	(5.528.924)
Non-deductible expenses	851.560	2.716.327
<b>Recoverable tax loss</b>	<b>(804.021)</b>	<b>(452.039)</b>
<b>Fiscal profit</b>	<b>1.278.947</b>	<b>(862.482)</b>
<b>Profit tax (fiscal profit x 16%)</b>	<b>(204.632)</b>	<b>(137.997)</b>
Tax reductions	14.324	3.791
<b>Current profit tax</b>	<b>(190.308)</b>	<b>(134.206)</b>
Deferred profit tax	(864.835)	(523.992)
<b>Total current and deferred profit tax</b>	<b>(1.055.143)</b>	<b>658.198)</b>

## 11. EARNINGS PER SHARE

Description	31-Dec-22	31-Dec-21
<b>Net profit (A)</b>	<b>10.261.697</b>	<b>4.378.976</b>
Number of ordinary shares (B)	3.705.946	3.705.946
Earnings per share (A/B)	2.76	1.18

## 12. INVESTMENTS IN SHARES

The Company holds direct stakes in the capital of ITAGRA SA, MOLLO RE, INDUSTRIAL CEFIN SA, and MODERN SELF WASH SRL.

The value of investments is as follows:

Description	31-Dec-22	% held	31-Dec-21	%held
ITAGRA S.A.	12.899.600	99,997%	12.899.600	99,997%
MOLLO RE	588.530	99,85%	588.530	99,85%
INDUSTRIAL CEFIN SA	4.525.604	88,73%	4.525.604	38,73%
MODERN SELF WASH SRL	9.883	100%	-	-
<b>Total</b>	<b>24.170.801</b>	<b>-</b>	<b>18.013.734</b>	<b>-</b>

#### **ITAGRA SA**

The company is based in Jud. Ialomita, Loc. Boranesti, registered with the Trade Register under number J21/316/2006 and has the unique registration code 18792370.

The main activity of the company is: Cultivation of cereals (excluding rice), leguminous plants, and oilseed plants.

#### **MOLLO RE SA**

The company is based in Bucharest and is registered with the Trade Register under number J40/15010/2006 with the unique registration code 19034870. The main activity of the company is: CAEN 5590 - Other accommodation activities.

#### **INDUSTRIAL CEFIN SA**

The company was established under Law no. 15/1990 on the reorganization of state economic units as autonomous regies and commercial companies by HG no. 572/July 31, 1995, regarding the establishment of joint-stock commercial companies by partial reorganization of the Institute of Research and Design for Fine Mechanics. The company carries out property management activities.

#### **MODERN SELF WASH SRL**

The company is based in Bucharest, sector 2, Popa Lazar street no. 5-25 and is registered with the Trade Register under number J40/15041/2022 with the unique registration code RO44390738.

The main activity of the company is:

Maintenance and repair of motor vehicles (car wash).

### **13. SUME DATORATE INSTITUTIILOR DE CREDIT**

<b>Contract</b>	<b>Banca</b>	<b>Interest</b>	<b>Credit amount-eur</b>	<b>Balance 31.12.2022</b>	<b>Balance 31.12.2022</b>	<b>Short-term</b>	<b>Long-term</b>
Contract 173/2018	Patria Bank	EURIBOR 3M + 3,25%	1.497.647	4.868.209	4.868.209	713.686	4.154.5223
Contract 174/2018	Patria Bank	EURIBOR 3M + 3,25%	645.700	2.206.946	2.206.946	323.541	1.883.405
Contract 70/2019	Patria Bank	EURIBOR 3M + 3,25%	110.000	412.118	412.118	52.563	359.555
Contract 153/2019	Patria Bank	EURIBOR 3M + 3,25%	1.000.000	4.305.225	4.305.225	306.811	3.998.414
Contract 18/2020	Patria Bank	EURIBOR 3M + 3,25%	510.188	2.220.475	2.220.475	150.991	2.069.483
<b>Total</b>	-	-	-	<b>14.012.974</b>	<b>14.012.974</b>	<b>1.547.592</b>	<b>12.465.381</b>

#### 14. FINANCIAL LEASE LIABILITIES

Description	31-Dec-22	31-Dec-21
Up to 1 year	-	7.974
More than 1 year but less than 5 years	-	-
Less future financial costs	-	-
<b>Present value of financial lease liabilities</b>	-	<b>7.974</b>

The annual interest rate is EURIBOR 3 months + 0.001%.

#### Present value of financial lease liabilities

Description	31-Dec-22	31-Dec-21
Up to 1 year	-	7.974
More than 1 year but less than 5 years	-	-
<b>Present value of financial lease liabilities</b>	-	<b>7.974</b>

#### 15. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

##### 15.1 Balances with related parties

<b>Borrowings received</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
INDUSTRIAL CEFIN SA	13.500	322.000
MOLLO RE SA	-	-
MOL INVEST	443.395	1.069.401
ITAGRA SA	399.900	-
ITAGRA BIO TERRA SRL	195.000	-
MODERN SELF WASH SRL	40.573	-
<b>Total</b>	<b>1.092.367</b>	<b>1.391.401</b>

<b>Borrowings granted</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
ITAGRA SA	-	60.400
MOL INVEST SA	-	-
MOLLO RE SA	-	329.429
<b>Total</b>	-	<b>389.829</b>

<b>Trade receivables</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
INDUSTRIAL CEFIN SA	42.531	33.837
ITAGRA SA	1.177	20.284
MOLLO RE SA	364.910	960.245
MODERN SELF WASH SRL	6.506	-
VERA WELLNESS SRL	10.390	13.785
<b>Total</b>	<b>425.514</b>	<b>1.028.151</b>

<b>Dividends</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
INDUSTRIAL CEFIN SA	86.313	193.639
MOLLO RE SA	239.296	-
<b>Total</b>	<b>325.609</b>	<b>193.639</b>

## 15.2. Transactions with related parties:

Commercial transactions with Group companies are presented in the following table:

Type of transaction	Partner	Value 2022	Value 2021
Revenue from services rendered	Mollo Re SA	28.230,33	56.209,84
Rental income	Mollo Re SA	705.774,34	702.630,95
Sales revenue	Mollo Re SA	3.611,13	17.944,63
Revenue from other activities	Mollo Re SA	198.793,64	113.869,28
Revenue from shares held in affiliated entities	Mollo Re SA	239.295,88	-
Rental income	Itagra SA	764	410
Revenue from services rendered	Itagra SA	11.840,62	32.442,95
Sales revenue	Itagra SA	3.762,78	3.985,65
Revenue from the disposal of assets	Itagra SA		
Revenue from services rendered	Industrial Cefin SA	48.076,11	29.993,35
Sales revenue	Industrial Cefin SA	10.418,10	1.391,75
Revenue from other activities	Industrial Cefin SA	286.819,91	214.770,56
Revenue from shares held in affiliated entities	Industrial Cefin SA	276.080,26	193.639,45
Revenue from services rendered	Mol Invest SA	1.200	1.200
Rental income	Mol Invest SA	5.937,36	5.915,76
Revenue from services rendered	Vera Wellness	12.150,71	6.595,23
Rental income	Vera Wellness	141.781,95	90.188,41
Sales revenue	Vera Wellness	12.059,07	6.787,32
Revenue from other activities	Vera Wellness	103.356,14	110.182,76
Revenue from services rendered	Modern Self Wash	5.955,14	-
Rental income	Modern Self Wash	49.321	-
Sales revenue	Modern Self Wash	34.432,49	-
Revenue from other activities	Modern Self Wash	6.751,42	-

## Loans

Related parties	Payments 2022	Receipts 2022	Payments 2021	Receipts 2021
Itagra SA	2.241.700	2.702.000	2.066.500	3.958.883,81
Industrial Cefin SA	1.103.000	794.500	1.800.700	834.805,36
Mollo Re SA	22.137	351.566	350.704,30	240.500
Mol Invest SA	879.448	53.736	1.131.570,05	1.453.570,05
MODERN SELF WASH SRL	61.246	101.818	-	-
ITAGRA BIO TERRA SRL	165.000	360.000	-	-

## Dividends

Related parties	Payments 2022	Receipts 2022	Payments 2021	Receipts 2021
Industrial Cefin SA	-	189.767	-	193.639,45

## 16. DEFERRED INCOME TAX

The variation of deferred income tax liabilities is presented in the following table:

Description	31-Dec-22	31-Dec-21
Initial balance	25.982.954	25.458.962
Deferred income tax (expenses)/income	864.835	523.992
<b>Final balance</b>	<b>26.847.788</b>	<b>25.982.954</b>

## 17. SHARE CAPITAL

The subscribed share capital of the company as of December 31, 2021, is 9,264,890 lei, with a nominal value of 2.5 lei per share. The company has a total of 3,705,956 shares that grant equal rights to the shareholders. SC Mecanica Fina SA has not issued any shares that offer preferential rights to the shareholders.

In accordance with IAS 29 - Hyperinflationary Economies, the share capital has been restated considering the inflation rate communicated by the National Statistics Commission. This rate has been applied starting from the balance determined according to HG 500/1994, from the contribution date until December 31, 2003, the date on which the national economy was considered no longer hyperinflationary. After December 31, 2003, the share capital was increased according to the historical amounts recorded in the Trade Register.

As of December 31, 2022, the company has a reported loss resulting from the first-time application of IAS 29 "Financial Reporting in Hyperinflationary Economies," which is proposed to be covered by the amount resulting from the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" as follows:

Reported loss from the first-time application of IAS 29.	69.887.935
Adjustments to share capital- first-time application of IFRS	(69.887.935)

According to Order 1690/2012 on the modification and completion of certain accounting regulations, the reported accounting loss resulting from the transition to the application of IFRS, from the first-time adoption of IAS 29, as well as that resulting from the use, at the time of the transition to the application of IFRS, of the fair value as the deemed cost, are covered from equity (including the amounts reflected in the credit balance of account 1028 "Adjustments to share capital"), according to the decision of the General Meeting of Shareholders, in compliance with legal provisions.

### 1.18. RETAINED EARNINGS

Description	31-Dec-22	31-Dec-21	31-Dec-20
Retained earnings representing undistributed profit or uncovered loss	18.763.767	14.636.649	13.068.460
Retained earnings resulting from the transition to the application of IFRS, less IAS 29	2.863.919	2.863.919	2.863.919
Retained earnings resulting from the use, at the time of the transition to the application of IFRS, of the fair value as the deemed cost	130.583.928	130.583.928	130.583.928
Retained earnings resulting from the first-time adoption of IAS 29	(69.887.935)	(69.887.935)	(69.887.935)
<b>Total</b>	<b>82.323.678</b>	<b>78.196.561</b>	<b>76.628.372</b>

Chairman of the Board of Directors - CEO  
Sergio Mollo

Chief Accountant  
Maria Rogojan