

ADDITIONAL INFORMATION AND RATIONALE

regarding items on the Agenda of the Ordinary and Extraordinary Meetings of Shareholders of
MECANICA FINA S.A. convened on April 25/26, 2024

1. Total Number of Issued Shares and Voting Rights

The share capital of Mecanica Fina S.A. (the Company) amounts to 9,264,890.00 lei, consisting of 3,705,956 indivisible nominative shares of equal value and dematerialized, with a nominal value of 2.5 lei, each share entitling the holder to one vote at the general meetings of shareholders. A total of 706 shares representing 0.019% of the total share capital are non-voting shares, being owned by the issuer. Therefore, at the convening date of the Ordinary and Extraordinary General Meetings of Shareholders of Mecanica Fina for April 25, 2024, first call, and April 26, 2024, second call, in case the statutory quorum is not met, the total number of issued shares is 3,705,956 shares, and the total number of voting rights that can be exercised at the Meetings is 3,705,250 voting rights.

2. Regarding Item 6 on the Agenda of the **Ordinary General Meeting** of Shareholders:

Individual Budget of Revenues and Expenses for the Year 2024

<i>Indicator</i>	<i>Guideline 2024</i>
I. Total Revenues, of which	16.334.900
1. Operating revenues	15.848.900
2. Revenues from asset disposals and other capital operations	-
3. Financial Revenues (related to participations in affiliated companies, interest, other financial investments)	486.000
II. Total Expenses, of which:	11.922.900
1. Operating Expenses	10.422.900
2. Expenses on acquisitions and other capital operations	
3. Financial Expenses (with participations in group companies, interest, and other financial investments)	1.500.000
III. Gross Profit	4.412.000
IV. Tax on Profit	730.000
V. Net Profit	3.682.000

Activity Program and Investment Plan for the financial year 2024

In 2023, Mecanica Fină SA continued its activities of real estate leasing for properties owned (activity code CAEN 6820 included in the scope of activity: leasing and subleasing of own or leased real estate), activities that also included services related to utility provision to tenants in the leased spaces.

The Management of the Company intends to continue these activities under conditions ensuring the most efficient exploitation of the real estate assets the Company owns.

We also intend to continue the program of functional conversion works, rehabilitations, modernizations, and rearrangements for buildings in the company's ownership.

The revenue and expenditure budget that is submitted for the approval of the Annual Ordinary General Meeting of Shareholders significantly relies on the implementation of the activity plan for the current year. At the group level, the investment and operational priorities for the year 2024 are:

- (i) Completion of the rehabilitation and modernization project for the building located in Bucharest, Sos. Pantelimon no. 1-3, with a total area of 6,000 square meters ("Hala 60"), in the second half of the year;
- (ii) Completion of the parking lot with a capacity of 100 spaces in the available space in Bucharest, Str. Popa Lazăr no. 2-25, where the company's management estimates related revenues starting from the second semester of 2024.

As mentioned in the draft resolution proposed by the Board of Directors, the perspective of exploiting opportunities to develop activities at the group level through acquisitions of companies that can bring a significant synergetic contribution to the potential and development capacity, or significant holdings in the share capital of such companies, is being analyzed.

Therefore, to the extent that we identify business opportunities that allow the development of the real estate leasing activity, we will also act towards the acquisition of shares and/or stakes in other companies, the acquisition of assets and/or real estate (land, buildings, etc.). The company's management will provide timely information to shareholders.

- 3.** With regard to the **item 7** on the Agenda of the Ordinary General Meeting of Shareholders of Mecanica Fină S.A.:

Guidelines for the development strategy for 2024-2026 period

Based on the market analyses conducted by the Management of the Company on the real estate sector, recent dynamics and market forecasts indicate – at least in Bucharest – a timely moment for launching investments for new development projects. In this context, the Board of Directors of Mecanica Fină S.A. proposes, for the period 2024-2026, the strategic objective of rehabilitating and modernizing the property owned by the Company located in Bucharest, at 2-25 Popa Lazăr Street ("Hall 100"). With a usable area of 24,000 square meters spread over 4 levels (ground floor + 3 floors), this asset can be

transformed into an apartment complex that the management intends to commercialize primarily through rental income, but also through sales.

The investment, estimated at a total value of 10,000,000 euros, will be carried out in several stages, with the necessary capital planned to be 3,000,000 euros for each of the years 2024 and 2025, respectively, and 4,000,000 euros for the year 2026. The development plan envisages gradual economic harnessing and the recording of the first revenues as early as 2025.

The income-generating potential of the investment is estimated at 250,000 euros/month. Regarding the sources of funding, the Management of the Company projects a **mix** structure, joining **own resources ensured through repeated operations of share capital increases with cash contribution** on one hand, and **external funding** in the form of bank loans on the other.

The company management will aim to **continuously and flexibly optimize the ratio between internal financing and external financing depending on borrowing costs and the capital market's appetite** for investments in new opportunities in the real estate sector.

4. With reference to **item 8** on the agenda of the **Ordinary General Meeting of Shareholders** of the Company:

The Board of Directors of Mecanica Fină S.A. closely monitors the activities of the companies where it holds, directly or indirectly, shares in their share capital, pursuing their development through investments.

The companies in which Mecanica Fina SA holds, directly or indirectly, holdings in their share capital and which will continue their activities in the following period are listed below:

- Itagra SA, registration no with Trade Registry J21/316/2006, CUI 18792370 – NACE code 0111,
- Mollo Re SA, registration no with Trade Registry J40/15010, CUI 19034870,- NACE code 5590,
- Industrial Cefin SA, registration no with Trade Registry J40/9492/1995, CUI 7867787 – NACE Code 6820

Indirect holdings:

- Itagra Bio Terra SRL, registration no with Trade Registry J21/35/2010, CUI 42145490 – NACE Code 0111 (Itagra Bio terra SRL is a daughter company for Itagra SA) and
- Vera Wellness SRL, registration no with Trade Registry J40/15740/2017, CUI 38212175 – NACE Code 9313 (Vera Wellness SRL is a daughter company of Mollo Re SA).

In order to efficiently support the activities and investments in these companies, the Board of Directors proposes granting a mandate to the Chairman of the Board - General Manager of Mecanica Fina SA to:

- ✓ select / decide on immovable or movable property belonging to Mecanica Fina SA that can / will be mortgaged to guarantee the repayment of loans / borrowings contracted by companies in which Mecanica Fina SA holds equity stakes or their subsidiaries;
 - ✓ negotiate and conclude / sign, in the name and on behalf of Mecanica Fina SA in its capacity as guarantor, the credit contracts contracted by the above-mentioned companies and the accessory contracts (real estate and/or movable collateral contracts and/or other legal forms of guarantee, in compliance with the relevant legal provisions) guaranteeing the repayment of the loans contracted by those companies (investment loans, loans to finance current activity, refinancing loans, other credit products);
 - ✓ represent the Company at general meetings of shareholders/associates of companies in which Mecanica Fină SA holds equity stakes for the approval of measures necessary for the continuation and development of their activities and for the approval of investments in these companies.
4. In relation to **items 1-3** on the Extraordinary General Meeting of Shareholders of Mecanica Fină S.A., namely the approval of the delegation of powers to the Board of Directors regarding the resolution on the increase of the share capital with the possibility of waiving pre-emptive rights, and the updating of the Articles of Association accordingly.

As stated in item no. 3 of this information note, the period 2024-2026 is intended to be a reference period for the development strategy, the implementation of which requires significant investments estimated at €10 million.

In view of (i) the principle of constructing a financing mix that is constantly optimised in order to maintain a balanced financial position and a cost/benefit ratio that is advantageous in the long term for the Company and, at the same time,

(ii) the imperative of flexibility and promptness in the strategic decision-making process, enabling the Company to seize opportunities quickly in terms of both financing and investment strategy,

in accordance with the statutory and legal provisions, the management of Mecanica Fina S.A. proposes to the shareholders **to approve the delegation to the Board of Directors of the decision on the timing of the initiation and on the coordinates of the operations to attract financing from the capital market by increasing the share capital with cash contribution**, within the limit of the authorised capital, i.e. half of the nominal value of the share capital on the date of the General Meeting.

At the same time, given that, according to the analysis of the Company's management, **up to 98% of the total number of shareholders of Mecanica Fina S.A. are passive shareholders** as coupon holders following privatisation, in order for the Company to be able to capitalise on capital market instruments, **it is imperative to increase the liquidity of the Company's shares (symbol MECE) by**

creating a real "free-float", which is also critical for the successful financing of investments through the capital market.

In order to attract new investors to the community of Mecanica Fină shareholders and, in so far as the amounts to be attracted will be significant, and in view of the need for swiftly carrying out capital raising operations through share capital increase with cash contribution, the Board of Directors **proposes to the shareholders to delegate its powers also with regard to the decision to waive preemptive rights in the operation**, so that all investors who understand the investment opportunity and share management's vision of the prospects and potential of the development projects can participate in the public offering of newly issued shares without restrictions and on equally attractive terms.

This mandate will **shorten by up to 2 months** the period for completion of the increase operations. Decisions on the initiation of any share capital increase, its amount, the issue price, the manner of offering the newly issued shares and other parameters of the operation will be taken in accordance with the investors' interest in investing in Mecanica Fină S.A. reflected in the evolution of the Company's share price and liquidity on the capital market, as well as the situation on the capital market as a whole and at macroeconomic level.

The Company's management intends to organise meetings with investors to present in detail the strategic and investment plan prior to any decision on increasing the share capital, in order to provide all the information necessary to evaluate and make the investment decision.

Moreover, questions and inquiries from shareholders and potential investors in Mecanica Fină S.A. are welcome on a continuous basis at the email address: office@mecanicafina.ro, and the management will respond on the Investor Relations section of the website.

Sergio Mollo

President of the Board