

Preliminary Report
31.12.2024

Preliminary Report

www.mecanicafin.ro

Issuer admitted on the Regulated Market
administered by the Bucharest Stock Exchange



Preliminary Report 2024 - Mecanica Fina S.A.

drawn up in accordance with the provisions of Law no. 24/2017, republished and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, as amended and supplemented

Financial report and issuer information

Report date	28.02.2025
Issuer name:	Mecanica Fina S.A.
Headquarters:	București, sectorul 2, Popa Lazăr street, nr. 5 - 25
Phone/Fax:	0212520085 / 0212527609
E-mail:	office@mecanicafina.ro
Website:	www.mecanicafina.ro
Unique registration code:	655
Commercial Register number: Subscribed and paid-up share capital:	J40/2353/1991
	9.264.890 lei
The market on which the issued securities are traded:	Regulated Market, Standard category

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KEY EVENTS in 2024

Mecanica Fina S.A., a company with a long history in the Romanian market, is currently active in the real estate sector and carries out rental activities of real estate assets owned by it, respectively property management activities. The company is currently developing, through the rental of its properties, an area of approximately 20,000 square meters, with a total of 40 rental contracts in progress.

By taking a proactive approach in managing its real estate portfolio in a fluctuating economic environment, Mecanica Fina S.A., as a rental property owner, has responded to these dynamics through increased adaptability, flexibility in managing costs and a prudent approach in managing its real estate portfolio.

As of the end of 2024, the company's **individual** revenue amounted to RON 9.9 million, up by 9.72%, and net profit amounted to RON 2.16 million, down by 27.7% compared to the same period last year.

At the consolidated level, Mecanica Fina S.A. recorded income from ordinary activities amounting to 20.15 million lei and a loss of 417 thousand lei.

over 41.000 sqm

Surface area of land with owned buildings
Located in Center North area Bucharest

58.700 sqm

Built surface area

202 millions lei

Property investment
2024



20.154.955 lei

Current operating income -
consolidated 2024

9.907.691 lei

Individual sales revenue 2024

417.102 lei

Consolidated loss 2024

2.162.561 lei

Individual net profit 2024

In the year 2024, Mecanica Fina S.A. has focused and engaged significant efforts in actions to develop its assets as follows:

- Roof repairs on an area of 6,000 square meters;
- Re-flooring on an area of 1300 square meters;
- Repairs to the facade structure and replacement of facade and roof glazing;
- Development of office and storage space on an area of 3,250 square meters, to be offered for rent upon completion;
- Conclusion of the sale and purchase contract for the acquisition of 88.5 hectares of forest in Coșereni - Borănești, Ialomița County, signed in August;
- Starting a project for the modernization of the office premises owned by Industrial Cefin S.A., with a useful surface of about 400 sq.m., with a view to renting them out once the improvements are completed.

The development plans assumed by Mecanica Fina S.A. undertaken in 2024 reflect the constant commitment of the company and the entire Group to strengthen the infrastructure and maximize revenues. These initiatives focus on identifying new rental sources and expanding the real estate portfolio in order to support long-term sustainable growth.

Mecanica Fina S.A. continues to invest in infrastructure development and modernization, and its plans for the coming period will contribute to the diversification and improvement of its asset portfolio. Thus, the company reaffirms its commitment to effective strategies aimed at both increasing revenues and expanding real estate capabilities.

Mecanica Fina S.A. has an extensive portfolio of properties in the Center-North area of Bucharest, with a total area of 41,000 square meters. This strategic location, close to the center of the Capital, represents a considerable advantage, turning the company's locations into a major point of interest for real estate, commercial and industrial developments. In addition, the company has the capacity to develop large-scale projects, with a potential expansion of over 150,000 square meters.

The public infrastructure modernization projects in the Obor area, sector 2, Bucharest, will contribute to increasing the accessibility and connectivity of the area, which will positively influence the market value of Mecanica Fina S.A. properties. These improvements will make the Obor area increasingly attractive, generating significant opportunities for the expansion of the customer portfolio. Thus, demand in the rental market could be reallocated, favoring the Obor area over other traditional locations.

The company's strategy focuses both on increasing rental income from existing properties and on developing a sustainable real estate portfolio that meets both current market requirements and the needs of future customers. The flexibility offered by the land owned and the ongoing projects will support this direction, strengthening Mecanica Fina S.A.'s position on the real estate market. For the year 2025, the Company maintains the following two development directions as strategic objectives:

- to start the plans for the functional reconversion and modernization of the premises located in Bucharest, sector 2, Popa Lazăr Street no. 5-25 (Hala 100), as well as to start and finalize the project for the construction of a parking lot on the land at the same address;
- the completion of the modernization works on the 6,800 sq.m. of the building located on 1-3 Pantelimon Street. More than 50% of these spaces are already rented, and the rest have a secure rental perspective.

FINANCIAL AND ACCOUNTING SITUATION

At individual level

Financial position of Mecanica Fina S.A. at 31.12.2024 - preliminary

Balance Sheet (RON)	31.12.2023	31.12.2024	2024/2023
Tangible assets	2.688.378	3.339.188	24,21%
Investment property	198.710.782	202.337.988	1,83%
Investments in shares	24.160.919	24.160.919	0,00%
Other fixed assets	5.259	5.174	-1,62%
TOTAL FIXED ASSETS	225.565.338	229.843.269	1,90%
Inventories	706	604	-14,45%
Trade and similar receivables	1.354.450	2.524.704	86,40%
Cash and cash equivalents	202.282	138.656	-31,45%
TOTAL CURRENT ASSETS	1.557.438	2.663.964	71,05%
TOTAL ASSETS	227.122.810	232.508.884	2,37%
Share capital	79.152.825	79.152.825	0,00%
Legal reserves	1.852.978	1.852.978	0,00%
Other reserves	10.220.689	10.220.689	0,00%
Retained earnings	82.439.948	85.431.117	3,63%
Current result	2.991.168	2.162.561	-27,70%
TOTAL EQUITY	176.657.608	178.820.170	1,22%
Amounts due to credit institutions	13.711.699	17.929.647	30,76%
Other long-term liabilities	2.511.853	2.279.754	-9,24%
Deferred tax	27.512.175	28.008.403	1,80%
TOTAL NON-CURRENT LIABILITIES	43.735.727	48.217.804	10,25%
Current tax liabilities	2.405.746	1.105.446	-54,05%
Amounts due to credit institutions	1.754.237	1.322.077	-24,64%
Employee benefit obligations	130.974	-	-
Trade and similar payables	1.582.518	1.953.847	23,46%
Other short-term liabilities	855.999	1.089.540	27,28%
TOTAL CURRENT LIABILITIES	6.729.474	5.470.910	-18,70%
TOTAL LIABILITIES	50.465.201	53.688.714	6,39%
TOTAL EQUITY AND LIABILITIES	227.122.810	232.508.884	2,37%

The year 2024 was a year of consolidation and expansion for Mecanica Fina S.A., marked by new investments in the development of the real estate portfolio, with the aim of diversifying and optimizing the sources of income. In a market that requires versatility, the company focused its efforts on modernizing its holdings, aiming to get closer to the highest customer standards, and on identifying new growth opportunities aimed at maximizing the value of assets and enhancing the potential for long-term profitability.

The development initiatives implemented in 2024 reconfirm Mecanica Fina S.A.'s firm commitment to create added value, under the guidance of a management anchored to the latest market trends.

The redevelopment measures of the owned premises, coupled with the steps taken to expand the real estate portfolio by signing the contract for the acquisition of an area of 88.5 hectares of forest in Ialomita County, are reflected in the balance sheet by the dynamics of real estate investments, which mark an increase of 3.6 million lei compared to the amounts reported at 31.12.2023. The 87% share of real estate investments in the

company's total assets reconfirms the assumed mission of the Company.

The acquisition of new equipment and means of transportation for the servicing of the activity imprints a 24% increase in tangible fixed assets during the reference period.

Under the specifics of the company's main object of activity, established by CAEN code 6420 - Activities of holding companies, the Issuer holds direct shareholdings in four companies, aiming to obtain dividend income. As a result, at the end of 2024, the value of investments in shares amounted to RON 24.16 million and contributed 10.39% to the Issuer's total assets.

The amount of 604 lei of stocks in the management is attributed to consumables and inventory items.

In line with the positive trend in turnover (+9.72%), accounts receivable increased by 86.4% as at 31.12.2024, due to an increase in trade receivables by 53% and receivables from related parties by 111%. The dynamics of the class of receivables, the main category of current assets (94%), lead to an increase in current assets by 71% over the reporting period.

Compared to 2023, the Company's total assets increase by MDL 5.38 million or 2.37%, reaching MDL 232.5 million at the end of 2024.

Financial support to accelerate modernization and expansion initiatives, long-term debts increased by 10.25% from one period to the next, against the background of an increase in long-term bank loans by 4.2 million lei.

As at 31.12.2024, the company's activity is only 23% financed from external sources, which keeps the company in a favorable position in terms of financial soundness.

On the other hand, short-term debts decreased by 18.7% as a result of the payment of current tax liabilities (-54%). At the same time, trade payables mainly associated with suppliers of fixed assets increased by 23.46%.

At 31.12.2024, the slight increase in the value of equity (+2.37%) reflects the capitalization of the positive results carried forward and the result for the period.

Financial performance of Mecanica Fina S.A. at 31.12.2024 - preliminary

Profit and Loss Account (RON)	31.12.2023	31.12.2024	2024/2023
Revenue from sales	9.030.367	9.907.691	9,72%
Revenue from own production	179.635	182.670	1,69%
Cost of goods sold	22.902	11.814	-48,41%
Expenses on raw materials and materials	303.183	236.113	-22,12%
Employee benefits expenses	2.516.382	2.582.570	2,63%
Depreciation and amortization expenses	303.367	306.817	1,14%
Other expenses	6.326.357	3.917.161	-38,08%
Other income	1.609.001	44.904	-97,21%
Other gains/(losses) from changes in fair value of investment property	3.205.070	151	-100,00%
Operating result – profit/(loss)	4.551.882	3.080.939	-32,32%
Financial income	412.425	529.468	28,38%
Financial expenses	1.310.226	1.333.373	1,77%
Net foreign exchange (losses)/gains	-897.801	-803.905	-10,46%
Income from participation titles held in group-associated companies	60.241	484.843	704,84%
Financial result – profit/(loss)	-897.801	-803.905	-10,46%

Profit and Loss Account (RON)	31.12.2023	31.12.2024	2024/2023
Profit before tax	3.654.081	2.277.034	-37,69%
Current and deferred income tax	662.912	114.437	-82,74%
Profit for the financial year	2.991.168	2.162.561	-27,70%
Profit/(loss) for the financial year	2.991.168	2.162.561	-27,70%
Total comprehensive income	2.991.168	2.162.561	-27,70%
Number of shares	3.705.946	3.705.956	0,00%
Earnings per share	0,81	0,58	-28,40%

At the end of 2024, Mecanica Fina S.A. recorded sales revenues amounting to 9.9 million lei, an increase of 9.72% compared to the same period of the previous year, 72.2% of which was generated from rental income, the Company's specific activity. The remaining income, amounting to RON 2.75 million, is attributable to income from re-invoicing of utilities to tenants and other miscellaneous activities. The Company provides its tenants with the utilities necessary for carrying out their activities in the rented premises (electricity, heating, natural gas, water/sewerage) as well as maintenance and repair services for the facilities in the rented premises.

The company has concluded additional deeds to the lease agreements with HORECA companies, as well as with the other tenants in the portfolio, in order to index the rents in line with the EUROzone inflation rate, as contractually stipulated. Thus, as of January 2024, the rents practiced by Mecanica Fina S.A. were increased by applying an inflation coefficient of 2.9%

The increase in sales revenues reflects both the application of the indexation of rents to inflation, the renegotiation of contracts on more advantageous terms for the company and the expansion of the rented surface area.

As of December 31, 2024, the operating expenses decrease by 25.52% compared to the same period of the previous year, reaching the threshold of 7.05 million lei. Structurally they are mainly composed of other operating expenses (55.53%), personnel expenses (36.61%) and depreciation and amortization expenses (4.35%). The other operating expenses category shows a decrease of 38.08% in the reporting period and reflects better management of operations, with administrative costs being reduced considerably.

In 2023, the fair value measurement of land and buildings resulted in fair value gains on investment property investments amounting to RON 3.2 million. The annual valuation aims to present fair market value at present value. In 2024, the revaluations of fixed assets do not change significantly, so that the operating result is directly influenced by the decrease in gains from changes in the fair value of investment property. The company records an operating profit of RON 3.08 million, down by 32.32% compared to the same period of the previous year.

The financial losses mark a slight improvement at the end of 2024, being reduced from 897 thousand lei to 803 thousand lei, a result of the optimization measures implemented by the company's management.

Mecanica Fina S.A. ends 2024 with a gross profit of 2.27 million lei, down by 37.69%, and a net profit of 2.16 million lei, 27.7% below the value recorded in the same period of 2023.

The strategy for the coming period focuses on ensuring a high return on every asset in the portfolio, strengthening the financial situation and building a sustainable and prosperous future for the company.

Economic and financial indicators of Mecanica Fina S.A. at 31.12.2024 - preliminary

Liquidity indicators	Interval Optim	31.12.2023	31.12.2024	2024/2023
Current liquidity (CA/CL)	>2	0,231	0,487	110,40%
Immediate liquidity (CA - Inventories)/Current liabilities	>1	0,231	0,487	110,44%
Quick liquidity (Cash/Current liabilities)	>0,5	0,030	0,025	-15,69%
Financial solvency (TA/TL)	>1	4,501	4,331	-3,78%
Equity solvency (Equity/Equity + TL)	>30%	77,78%	76,91%	-1,12%
Debt ratio (NCL/Equity + NCL)	<50%	19,84%	21,24%	7,02%
Debt-to-assets ratio (TL/TA)*100	<80%	22,22%	23,09%	3,92%

With an activity focused on medium and long-term real estate investments and with a portfolio of real estate investments totaling RON 202 million as at 31.12.2024, amounting to 87% of the Issuer's total assets, the liquidity indicators are positioned at a level below the level considered optimal.

On the other hand, the Issuer's financial creditworthiness is reflected by solvency ratios that successfully meet the conditions of financial security. As at 31.12.2024, 77% of the company's activity is financed from its own sources, which ensures easy access to external sources of financing for the prompt capitalization of existing market opportunities.

Although the alternative bank establishment played a key role in kick-starting the Issuer's expansion initiatives in 2024, leverage ratios remain in ranges considered safe at year-end.

At consolidated level

Financial position at 31.12.2024 - preliminary

Balance Sheet (RON)	31.12.2023	31.12.2024	2024/2023
Tangible assets	59.826.998	60.534.724	1,18%
Investment property	207.531.501	211.706.056	2,01%
Intangible assets	4.888	3.290	-32,69%
Other fixed assets	11.385	11.300	-0,75%
Total fixed assets	267.374.772	272.255.370	1,83%
Inventories	5.809.879	5.190.371	-10,66%
Clients and other trade receivables	2.953.737	2.235.924	-24,30%
Other investment securities	648	648	
Cash and bank accounts	840.729	337.801	-59,82%
Total current assets	9.604.993	7.764.744	-19,16%
TOTAL ASSETS	276.979.765	280.020.115	1,10%
Share capital	79.152.825	78.936.293	-0,27%
Treasury shares	(216.532)	(216.532)	0,00%
Legal reserves	2.273.959	2.273.959	0,00%
Other reserves	15.239.551	15.239.551	0,00%
Revaluation reserves	13.800.393	13.800.393	0,00%
Retained earnings	78.700.944	79.625.514	1,17%
Current year result	1.061.171	(417.103)	-139,31%
Profit distribution	-	-	
Total equity	190.012.311	189.242.075	-0,41%
Non-controlling interests	1.229.936	1.139.204	-7,38%
Long-term bank loans	39.318.264	41.625.276	5,87%
Finance lease – long-term	519.317	197.296	-62,01%
Guarantees	210.956	606.983	187,73%
Trade payables and other liabilities	2.340.078	6.448.078	175,55%
Deferred tax liability	31.653.964	27.579.865	-12,87%
Total long-term liabilities	74.042.579	76.438.311	3,24%
Short-term bank loans	3.879.529	5.912.739	52,41%
Finance lease – current liability	519.118	207.686	-59,99%
Guarantees	455.126	855.513	87,97%
Trade payables and other liabilities	6.742.829	5.834.377	-13,47%
Income tax payable	98.338	173.677	76,61%
Total short-term liabilities	11.694.940	12.983.992	11,02%
TOTAL EQUITY AND LIABILITIES	276.979.684	280.020.115	1,10%

Financial performance at 31.12.2024 - preliminary

Profit and Loss Account (RON)	31.12.2023	31.12.2024	2024/2023
Revenue from current activities / turnover	23.196.078	20.154.955	-13,11%
Other operating income	3.487.130	1.927.209	-44,73%
Revenue from changes in the fair value of investment property	3.205.070	-	
Revenue related to the cost of work in progress	1.269.273	-	
Revenue from the production of fixed assets	179.635	-	
Raw materials, consumables, and merchandise	5.305.842	-4.126.380	-22,23%
Employee benefits expenses	5.379.751	-5.492.641	2,10%
Depreciation and amortization expenses	2.653.693	-2.009.509	-24,28%
Other operating expenses	10.211.345		-100,00%
Impairment adjustments on fixed assets	(140.562)	(4.118)	-97,07%
Operating result – profit/(loss)	5.107.446	3.266.896	-36,04%
Net result from financial activity	-3.227.517	-3.093.145	-4,16%
Profit/(loss) before tax	1.829.929	173.751	-90,51%
Current and deferred income tax expenses	641.528	507.835	-20,84%
Profit/(loss) net	1.188.401	(417.102)	-135,10%
Other comprehensive income items			
Increase/(decrease) in revaluation reserves of entities with significant influence	-	-	
Net increase in revaluation reserve	-	-	
Total comprehensive income	1.188.401	(417.102)	-117,61%
Attributable to non-controlling interests	127.230	90.732	-28,69%
Attributable to parent company shareholders	1.061.171	-507.835	-147,86%
Number of shares	3.705.956	3.705.956	0,00%
Earnings per share attributable to parent company shareholders	0,28	0,06	-78,57%

The financial statements as of 12/31/2024 on which this preliminary report is based are being audited.

Mecanica Fina SA

Consolidated financial
statements
for the financial year
ending December 31, 2024
(In compliance with OMFP 2844/2016)

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Mecanica Fina Group

Consolidated statement of financial position at December 31, 2024

(all amounts are in RON unless otherwise specified)

	NOTE	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Active			
Long-term assets			
Tangible fixed assets	4	60.534.724	59.826.998
Real estate investment	5	211.706.056	207.531.501
Intangible fixed assets		3.290	4.888
Investments in associated entities	6		
Other assets		11.300	11.385
Total fixed assets		272.255.370	267.374.772
Current assets			
Stocks	7	5.190.371	5.809.879
Customers and other trade receivables	8	2.235.924	2.953.737
Other investment securities		648	648
Home and bank accounts	9	337.801	840.729
Total current assets		7.764.744	9.604.993
TOTAL ACTIVE		280.020.115	276.979.765
Capital and debt			
Share capital	1	78.936.293	79.152.825
Own shares		(216.532)	(216.532)
Legal reserves		2.273.959	2.273.959
Other reserve		15.239.551	15.239.551
Revaluation reserves		13.800.393	13.800.393
Result carried forward		79.625.514	78.700.944
Outcome of the exercise		(417.103)	1.061.171
Profit distribution		-	-
Capital Assets - Total		189.242.075	190.012.311
Non-controlling interests	10	1.139.204	1.229.936
Long-term debts			
Long-term bank loans	11	41.625.276	39.318.264
Financial leasing - long-term	12	197.296	519.317
Guarantees		606.983	210.956
Trade and other payables	14	6.448.078	2.340.078
Grants		-	-
Tax postponed	13	27.579.865	31.653.964
Long-term liabilities - Total		76.438.311	74.042.579
Short-term debts			
Short-term bank loans	11	5.912.739	3.879.529
Financial leasing - current debt	12	207.686	519.118
Guarantees		855.513	455.126
Trade and other payables	14	5.834.377	6.742.829
Income tax due	14	173.677	98.338
Short-term liabilities - total		12.983.992	11.694.940
TOTAL EQUITY AND LIABILITIES		280.020.115	276.979.684

Director General
Mollo Sergio**Chief Accountant**
Rogojan Maria

Fine Mechanics Group

Consolidated statement of comprehensive income at December 31, 2024

(all amounts are in RON unless otherwise specified)

	NOTE S	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Income from current activities / turnover	15	20.154.955	23.196.078
Other operating income	16	1.927.209	3.487.130
Income from changes in the market value of investment property	16	-	3.205.070
Revenue related to the cost of work in progress	15	-	(1.269.273)
Income from production of fixed assets	15	-	179.635
Raw materials, consumables and commodities	17	(4.126.380)	(5.305.842)
Staff expenditure	18	(5.492.641)	(5.379.751)
Amortization and depreciation expenses		(2.009.509)	(2.653.693)
Other operating expenditure	19		(10.211.345)
Value adjustments on fixed assets		(4.118)	(140.562)
Profit / (loss) from operating activities		3.266.896	5.107.446
Net result from activity	20	(3.093.145)	(3.227.517)
Profit / (loss) before tax		173.751	1.829.929
Current and deferred income tax expenses	21	(507.835)	(641.528)
Net profit / (loss)(a)		(417.102)	1.188.401
Other comprehensive income		-	-
Increase/(decrease) revaluation reserves companies with significant influence		-	-
Net increase in reserve		-	-
Total overall result		(209.270)	1.188.401
Attributable to non-controlling interests		90.732	127.230
Attributable to owners of the parent company		(507.835)	1.061.171
Number of shares		3.705.956	3.705.956
Earnings per share attributable to owners of the parent company		0.06	0,28

Director General
Mollo Sergio**Chief Accountant**
Rogojan Maria

Fine Mechanics Group

Consolidated Cash Flow Statement as at December 31, 2024 (all amounts are presented in RON unless otherwise specified)

Cash flows from operating activities	<u>31-Dec-24</u>	<u>31-Dec-23</u>
(Profit) / Loss before tax	173.751	(1.829.829)
Adjust for:		
Amortization expenses	2.009.509	2.653.693
Provisions	-	-
Eliminate funds commercial	-	-
Value adjustments on receivables	(9.000)	(16.383)
Value adjustments on stocks	(151)	(25.961)
Exchange rate differences financing activity, net	(17.508)	93.740
Reversal of grant income	-	-
Real estate investment	-	(3.066.814)
Income from investments in associates	-	-
Investment income	-	-
Loss/(gain) on disposal of assets	(92.528)	938.571
Other financial income	-	-
Financial costs	<u>3.523.050</u>	<u>3.071.349</u>
Profit before changes in working capital	5.586.409	1.818.347
Decrease / (increase) in receivables	489.830	(235.864)
Decrease / (increase) in stocks	619.659	1.670.048
Increase / (decrease) in debt	<u>22.754</u>	<u>1.271.756</u>
Cash from operating activities	6.718.652	4.524.205
Income tax paid	<u>(358.326)</u>	<u>(379.799)</u>
Net cash from operating activities	6.333.326	4.144.405
Flows from investing activities		
(Payments) / Proceeds from sales of subsidiaries, net	-	10.000
(Payments) / Proceeds from sales of real estate, net	(6.788.579)	(2.095.297)
(Payments) / Proceeds from sales of fixed assets, net	-	267.250
Interest collected	1.366	1.638
Dividends received	227.331	172.324
Net flows from investing activities	(6.559.882)	(1.644.085)
Flows from financing activities		
Collections / (repayments) bank loans	4.321.035	(302.273)
Acquisition of own shares	-	-
Finance lease payments	(361.922)	(386.583)
Dividends paid	(712.435)	(126.358)
Interest paid	(3.523.050)	(3.071.349)
Net flows from financing activities	(276.371)	(3.886.563)
Net cash increase / (decrease)	(502.928)	(1.386.242)
Cash and cash equivalents at beginning of period	840.729	2.226.971
Cash and cash equivalents at the end of the period	337.801	840.729
of which:		
Bank accounts and cash	337.801	840.729
Credit lines	-	-

Director General
Mollo Sergio

Chief Accountant
Rogojan Maria

Fine Mechanics Group

Statement of changes in consolidated equity at December 31, 2024

(all amounts are in RON unless otherwise specified)

	Subscribed capital	Own shares	Book Legal	Other reserves	Revaluation reserves	Retained and current result	Result first-time application of IAS/IFRS	Total equity	Non-controlling interests	TOTAL
31-Dec-22	79.152.825	(222.838)	1.766.113	3.888.935	13.951.100	27.111.515	63.559.912	189.207.560	1.102.594	190.310.155
Current overall result reserves	-	-	-	-	-	1.061.171	-	1.061.171	127.230	1.188.401
Error correction	-	-	88.454	-	-	(351.187)	-	(262.733)	-	(262.733)
Legal reserve allocations	-	-	419.395	-	-	(419.395)	-	-	-	-
Allocations other reserves	-	-	-	11.350.666	-	(11.350.666)	-	-	-	-
Profit tax postponed	-	-	-	-	-	-	-	-	112	112
Adjust NCI	-	-	(3)	(50)	5	54	-	6	-	6
Revaluation of own shares	-	6.306	-	-	-	-	-	6.306	-	6.306
31-dec-2023	79.152.825	(216.532)	2.273.959	15.239.551	13.800.393	16.202.204	63.559.912	189.875.709	1.229.936	191.105.645
Current overall result reserves	-	-	-	-	-	-	-	(417.102)	(90.732)	(507.834)
Error correction	-	-	-	-	-	-	-	-	-	-
Legal reserve allocations	-	-	-	-	-	-	-	-	-	-
Allocations other reserves	-	-	-	-	-	-	-	-	-	-
Profit tax postponed	-	-	-	-	-	-	-	-	-	-
Adjust NCI	-	-	-	-	-	-	-	-	-	-
Revaluation of own shares	-	-	-	-	-	-	-	-	-	-
31-dec-2024	79.152.825	(216.532)	2.273.959	15.239.551	13.800.393	15.648.500	63.559.912	189.458.607	1.139.204	190.597.811

The following describes the nature and purpose of each equity reserve:

- Statutory reserves: mode of constitution: 5% of the accounting profit, up to 20% of the share capital; no decisions have been taken by the AGM or the Directors on the use of these reserves; Cefin was included in the consolidation on 30.06.2023
- Other reserves: they have been constituted from tax facilities on tax exemption on reinvested profits: if utilized, these reserves will be taxed according to the law; so far no decisions have been taken in this respect.
- Revaluation reserves: represent the gains resulting from the revaluation of assets in relation to the previous book value: decreasing with the negative difference resulting from revaluations in subsequent periods and increasing with the positive differences; there have been changes in both directions.
- Retained earnings represent unappropriated retained earnings / effect of IFRS restatement. The companies' individual current result will be appropriated in accordance with the AGM.

Director General
Mollo Sergio

Chief Accountant
Rogojan Maria

Fine Mechanics Group

Statement of changes in consolidated equity at December 31, 2024

(all amounts are in RON unless otherwise specified)

MECANICA FINA SA
Financial Statements
for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

MECANICA FINA S.A.

Individual financial statements for the
year ended December 31, 2024
prepared in accordance with IFRS as
adopted by the European Union

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The explanatory notes numbered 1 to 43 are an integral part of the financial statements

Approved by the A.G.A, on and signed on its behalf by:

Director General
Accountant

Chief

MECANICA FINA SA
Financial Statements
for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

Statement of financial position

	NOTE	31-Dec-24	31-Dec-23
FIXED ASSETS			
Tangible fixed assets	14	3.339.188	2.688.378
Rights to use leased assets		-	-
Intangible fixed assets		-	-
Real estate investment	14	202.337.988	198.710.782
Investing in shares	15	24.160.919	24.160.919
Other fixed assets		5.	5.259
TOTAL FIXED ASSETS		229.843.	225.565.338
CURRENT ASSETS			
Stocks		604	706
Trade and similar receivables	16	2.524.704	1.354.450
Cash and cash equivalents	17	138.656	202.282
TOTAL CURRENT ASSETS		2.663.964	1.557.438
TOTAL ACTIVE		232.508.884	227.122.810
EQUITY			
Share capital	23	79.152.825	79.152.825
Legal advice	24	1.852.978	1.852.978
Other reserves	24	10.220.689	10.220.689
Result carried forward	25	85.431.117	82.439.948
Current result		2.162.561	2.991.168
Profit distribution			-
TOTAL EQUITY		178.820.170	176.657.608
LONG-TERM DEBTS			
Amounts owed to credit institutions	19	17.929.647	13.711.699
Leasing		-	-
Other long-term debts		2.279.754	2.511.853
Tax postponed	22	28.008.403	27.512.175
TOTAL LONG-TERM DEBT		48.217.804	43.735.727
SHORT-TERM DEBTS			
Current tax liabilities		1.105.446	2.405.746
Amounts owed to credit institutions	19	1.322.077	1.754.237
Leasing			-
Employee benefit obligations	18	-	130.
Trade and similar debts	18	1.953.847	1.582.518
Provisions			-
Other short-term liabilities		1.089.540	855.999
TOTAL SHORT-TERM LIABILITIES		5.470.910	6.729.474
TOTAL DEBTS		53.688.714	50.465.201
TOTAL EQUITY AND DEBT		232.508.884	227.122.810

MECANICA FINA SA
Financial Statements
for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

Statement of financial result

	NOTE	31-Dec-24	31-Dec-23
Income from sales	5	9.907.691	9.030.367
Income from own production		182.670	179.635
Cost of goods sold		(11.814)	(22.902)
Expenditure on raw materials and materials	7	(236.113)	(303.183)
Expenditure on employee benefits	8	(2.582.570)	(2.516.382)
Amortization and depreciation expenses		(306.817)	(303.367)
Other expenditure	9	(3.917.161)	(6.326.357)
Other revenue	6	44.904	1.609.001
Other gains/(losses) from changes in fair value of investment property		151	3.205.070
Operating result - profit / (loss)		3.080.939	4.551.882
Financial income	10	529.468	412.425
Financial expenses	10	(1.333.373)	(1.310.226)
Foreign exchange (losses)/gains, net		(803.905)	(897.801)
Income from investments in associates within the group		484.843	60.241
Financial result - profit / (loss)		(803.905)	(897.801)
profit		2.277.034	3.654.081
Current and deferred corporate income tax	11	114.437	662.912
Profit for the year		2.162.561	2.991.168
Profit/(loss) for the financial year		2.162.561	2.991.168
Other comprehensive income			
Gains/losses on revaluation of tangible fixed assets		-	-
Income tax related to other comprehensive income		-	-
Total other comprehensive income, net of tax		-	-
Total overall result		2.162.561	2.991.168
No. Actions	12	3.705.956	3.705.946
Earnings per share		0.58	0.81

Cash flow situation

MECANICA FINA SA
Financial Statements
for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

	31-Dec-2024	31-Dec-2023
I. Cash flows from operating activities		
Profit/(Loss) before tax	(2.277.034)	(3.654.081)
Adjust for:		
Depreciation and value adjustments on fixed assets	306.817	303.366
Changes in fair value	-	(3.066.815)
Value adjustments on receivables	-	-
Value adjustments on stocks	(151)	(1.637)
Value adjustments on financial fixed assets	-	-
Exchange rate differences financing activity, net	0	93.740
Loss/(gain) on disposal of assets	(3.550)	672.556
Interest income	-	-
Interest expenses	1.253.785	849.803
Profit/(Loss) before changes in working capital	3.833.935	4.803.068
Decrease/(increase) in receivables	(1.886.048)	525.605
Decrease/(increase) in stocks	252	1.946
Increase/(decrease) in debt	515.891	7.841.312
Cash from operating activities	2.464.031	3.205.795
Income tax paid	(242.159)	(330.707)
Net cash from operating activities	2.221.872	2.875.088
II. Cash flows from investing activities		
(Payments) / Proceeds from sales of subsidiaries, net of cash	2.000	10.000
(Payments) / Proceeds from sales of tangible and intangible fixed assets, net of cash	(4.581.198)	(892.132)
Payments for the purchase of real estate investments	-	267.250
Interest collected	3	4
Dividends received	712.174	127.932
Net cash from investing activities	(3.867.021)	(486.946)
III. Cash flows from financing activities		
Proceeds from bank loans	17.274.723	2.945.419
Repayments of bank loans	(13.490.606)	(1.559.728)
Finance lease payments	-	-
Interest paid	(1.253.785)	(849.803)
Loans to affiliated entities - received	1.486.849	2.706.386
Loans to affiliated entities - granted	(2.435.658)	(5.628.167)
Net cash from financing activities	1.581.523	(2.385.893)
Net cash increase / (decrease)	(63.625)	2.248
Cash and cash equivalents at beginning of period	202.282	200.034
Cash and cash equivalents at end of period	138.656	202.282
Cash and cash equivalents at the end of the period include:		
Bank accounts and cash	138.656	202.282

MECANICA FINA S.A.
STATEMENT OF CHANGES IN EQUITY
for the year ending December 31, 2023
(all amounts are in LEI, unless otherwise stated)

Statement of changes in equity

	Subscribe d capital	Book	Revaluatio n reserves	Other reserves	Retained and current result	TOTAL
31-Dec-22	79.152.825	1.433.583	-	718.677	92.391.942	173.697.027
Current overall result	-	-	-		2.991.168	2.991.168
Total other comprehensive income	-	-	-		2.991.168	2.991.168
Error correction					(30.587)	(30.587)
Legal reserve allocations	-	-	-		(419.395)	-
Other reserve allocations		-	9.502.012		(9.502.021)	-
31-Dec-23	79.152.825	1.852.978	-	10.220.689	85.431.117	176.657.608
Current overall result	-	-	-		2.162.561	2.162.561
Total other comprehensive income	-	-	-		2.162.561	2.562.561
Error correction	-	-	-		-	-
Legal reserve allocations	-	-	-		-	-
Other reserve allocations	-	-	-		-	-
31-Dec-24	79.152.825	1.852.978	-	10.220.689	87.593.678	178.820.169

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Presentation of the company

Societatea Mecanica Fina, with its registered office in Bucharest, sector 2, Popa Lazar Street, no. 5 - 25, unique registration code RO 655, ORC: J40/2353/1991 was founded in 1991 and is traded on the regulated market on the Bucharest Stock Exchange.

1.2. Brief

The company "MECANICA FINA SA" was founded as a joint-stock company in 1991 and originates from the former Bucharest Fine Mechanics Enterprise which, in its turn, originated from a privately owned commercial company, "Societatea de Exploatari Tehnice" (S.E.T) founded in 1923 and nationalized in 1948, after nationalization taking - one after the other - the names of "Uzina 21 Decembrie", "Uzina de Mecanica Fina" and "Intreprinderea de Mecanica Fina".

Societatea de Exploatari Tehnice (S.E.T.) was established from a private initiative of a group of engineers, being founded as a general partnership and having as its object of activity technical, industrial and commercial enterprises, the first operation being the taking in concession of some mechanical workshops in Popa Lazar street in Bucharest belonging to Federalei Cooperativelor Satesti. Subsequently, the company changed its object of activity, carrying out airplane repair and construction activities, executing several airplane prototypes, among which, in 1930, the fourth prototype of the airplane "SET 4" of its own conception, recorded a great success. In 1946, the company started the mass production of spare parts for rolling stock, contributing to the restoration of the C.F.R. wagons destroyed by the war.

The Technical Exploitations Company (S.E.T.) was nationalized in 1948 and was renamed "21 Decembrie (metallurgical) Plant", the manufacturing profile being the construction of agricultural machinery and metal constructions.

Beginning with 1953, the plant was completely restructured technologically and organizationally for the production of measuring and control devices, becoming the first among the top enterprises in the country. The plant was renamed Uzina Mecanica Fina Bucuresti in 1962 and Intreprinderea de Mecanica Fina in 1973, throughout this period keeping its manufacturing profile.

The Fine Mechanics Enterprise was divided, in 1991, pursuant to Law no. 15 / 1990 on the reorganization of state economic units as autonomous regii and commercial companies, by HG no. 157 / 07.03.1991, into four commercial companies structured on the manufacturing profile of the sections of the enterprise as follows: "Mecanica Fina" SA (measuring and control devices), "Diasfin" SA (diamond tools), "Carmesin" SA (sintered metal carbide products) and "Fapiro" SA (batteries and rasps), later a new commercial company was established: "Sigma Fina" SA (the former Computer Center of the enterprise).

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

Initially, the share capital of Mecanica Fina SA belonged entirely to the state, after which it was owned by the State Property Fund (70%) and the Private Property Fund IV Muntenia (30%), so that, (after the takeover of the stake held by FPP IV), 88.77% of the total share capital, the remaining 88.77% belonging to the shareholders who subscribed within the PPM.

Since 1997, Mecanica Fina SA is listed on the Bucharest Stock Exchange - RASDAQ Section.

MECANICA FINA SA, as it was founded in 1991, was privatized in 2000, its share capital being, at present, entirely private. The majority shareholder of the company, with a share capital of 91.59933% is Mol Invest SA with headquarters in Bucharest, sector 2, Popa Lazar Street no. 5 - 25, Imobil C16, (ORC J40/969/2001; CUI 13671261), a Romanian company with private capital with two Italian citizens as shareholders, of which the majority shareholder (99.98%), Mr. Mollo Sergio Mollo, is the sole director of the company and, at the same time, director - Chairman of the Board of Directors and General Manager of Mecanica Fina SA.

In 2006, the company enters the agricultural sector by establishing the company ITAGRA SA based in Boranesti - Ialomita (ORC J21/316/2006; CUI 18792370) in which "Mecanica Fina" SA currently holds 99.997% of a share capital of 12.900.000 lei (contribution in kind consisting of buildings and agricultural land and cash contribution).

The company also holds participations (99.85% of a total share capital of 200,000 lei - cash contribution) in the share capital of MOLLO RE SA with registered office in Bucharest (ORC J40/15010/2006; CUI 19034870).

The company also holds participations (88,72789% of a total share capital of 361.800 lei - cash contribution) in the share capital of INDUSTRIAL CEFIN SA with registered office in Bucharest (ORC J40/9492/1995; CUI 7867787).

Mecanica Fina SA was a manufacturer of measuring and control devices until 2009 when it stopped its production activity for reasons related to the economic crisis but also due to the level of moral wear of the manufacturing technologies with direct effect on the company's economic profitability, as well as for reasons related to environmental protection, as the production workshops were centrally located in Bucharest - Obor area.

The value of the share capital of Mecanica Fina SA is over 1.9 million EURO, i.e. 9.264.890 lei divided into 3.705.956 shares with a nominal value of 2,50 lei, whose records are kept, on the basis of contract, by the Central Depository SA, the company being listed on the regulated market administered by BVB - Main Segment - Standard Category - Shares, starting with 12.08.2015.

MECANICA FINA SA currently has a total of 12 employees and includes in its object of activity various activities, the largest share in income, currently holding the rental of own real estate and services in connection with the provision of utilities to tenants in rented premises.

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

2. BASICS

The principal accounting policies adopted in the preparation of the financial statements are set out in note 4. The policies have been applied consistently to all current years unless otherwise stated.

The financial statements are presented in RON, which is also the functional currency. Amounts are rounded to the nearest unit unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as adopted by the European Union, as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS).

The preparation of financial statements in accordance with adopted IFRS requires the use of critical accounting estimates. It also requires management to assess the application of accounting policies. The areas where significant judgments and estimates have been made in the preparation of the financial statements and the effect of these are disclosed in note 3.

Evaluation basics

The financial statements have been prepared on the historical cost basis, except for revalued tangible fixed assets (see accounting policies for details).

STANDARDS AND AMENDMENTS IN FORCE FROM JANUARY 1, 2021

1. IBOR reform and its effects on financial reporting - Phase 2 - In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. These amendments complement those made in 2019 ('IBOR - Phase 1') and focus on the effects on entities when an existing benchmark interest rate is replaced by a new benchmark rate as a result of the reform.
2. Covid-19 related leases after June 30, 2021 (Amendments to IFRS 16) - In May 2020, the IASB issued an amendment to IFRS 16 Leases related to COVID-19. This amendment provided a practical opportunity in accounting for the reduction in lease payments on account of COVID-19. The 2020 practical opportunity was available for lease payment reductions affecting only payments initially due on or before June 30, 2021. On March 31, 2021, the IASB issued the amendment "COVID 19-Related Lease Concessions after June 30, 2021," which extended the eligibility period for the practical expedient from June 30, 2021 through June 30, 2022. This amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted, including in financial statements not authorized for issue as of March 31, 2021.

STANDARDS AND AMENDMENTS IN FORCE FROM JANUARY 1, 2022

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024

(all amounts are in LEI, unless otherwise stated)

1. IFRS Annual Improvements: 2018-2020 cycle - In May 2020, the IASB issued minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the illustrative examples accompanying IFRS 16 Leases.
2. Conceptual Framework for Financial Reporting (Amendments to IFRS 3) - In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.
3. IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment - Onerous Contracts - The Cost of Performing a Contract) - In May 2020, the IASB issued amendments to IAS 37, which specify the costs that a company includes when assessing whether a contract will result in a loss and is therefore recognized as an onerous contract. It is expected that these amendments will result in more contracts being accounted for as onerous contracts as they increase the scope of costs that are included in the measurement of the onerous contract.
4. IAS 16 Property, Plant and Equipment (Amendment - Proceeds before Intended Use) - In May 2020, the IASB issued amendments to IAS 16 that prohibit a company from deducting amounts received from the sale of items produced while the company prepares the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognize such sales proceeds and any related costs in profit or loss.

STANDARDS AND AMENDMENTS IN FORCE FROM JANUARY 1, 2023

1. IFRS 17 Insurance Contracts - IFRS 17 introduces an internationally consistent approach to accounting for insurance contracts. Prior to IFRS 17, globally there was significant diversity in the accounting and presentation of insurance contracts, with IFRS 4 allowing many previous (non-IFRS) accounting approaches to continue to be followed. IFRS 17 will result in significant changes for many insurers, requiring adjustments to existing systems and processes. In December 2021, the IASB amended IFRS 17 to add a transition option to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative disclosures presented on initial application of IFRS 17 and IFRS 9, thereby improving the usefulness of comparative information for users of financial statements.
2. IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current) - In January 2020, the IASB issued amendments to IAS 1 that clarify how an entity classifies liabilities as current or non-current. The amendments originally had an effective date of January 1, 2022, however, in July 2020, this was delayed until January 1, 2023 due to the COVID-19 pandemic. These changes are expected to have a significant impact on many entities, with several liabilities being classified as current, particularly those with loan-related conditionalities.
3. Presentation of accounting policies (Amendment to IAS 1 and IFRS Practice Statement 2) - In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements for accounting policies from 'significant accounting policies' to 'material accounting policy disclosures'. The amendments provide guidance on when accounting policy disclosures can be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. Because IFRS Statements of Practice are non-binding guidance, no mandatory effective date has been specified for amendments to IFRS Statement of Practice 2.

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024

(all amounts are in LEI, unless otherwise stated)

4. Definition of Accounting Estimates (amendment to IAS 8) - In February 2021, the IASB issued amendments to IAS 8 that added to the definition of accounting estimates in IAS 8. The amendments also clarified that the effects of a change in an input or a measurement technique are changes in accounting estimates, unless they result from the correction of prior period errors.

5. Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12) - In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability recognized simultaneously (for example, a lease within the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability that, at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

Sustainability reporting

On September 30, 2020, the Trustees of the IFRS Foundation published a consultation paper on Sustainability Reporting ("the Paper"). The Paper solicited feedback on the IFRS Foundation Trustees' views on how the IFRS Foundation could contribute to the development of consistent global requirements that would enhance the usefulness and comparability of information provided to stakeholders (e.g. investors, the corporate sector, central banks and the market, regulators). The approach proposed in the consultation paper is the creation of an International Sustainability Standards Board ("ISSB") within the IFRS Foundation's governance structure to sit alongside the IASB and develop global sustainability standards, with an initial focus on climate risks. In April 2021, the IFRS Foundation Trustees published an Exposure Draft describing proposed changes to the IFRS Foundation Constitution to align with the ISSB. Comments were due by July 31, 2021. After considering the feedback received on the consultation paper, the IFRS Foundation established the International Sustainability Standards Board ("ISSB") on November 3, 2021, in conjunction with the issuance of two prototype sustainability standards on climate and general disclosure requirements. These prototype standards were developed by the Technical Readiness Working Group (TRWG) prior to the formation of the ISSB.

Content of Prototypes - General Requirements

The general requirements prototype sets out general requirements for the presentation of sustainability-related financial information relevant to an entity's sustainability risks and opportunities. The prototype includes:

1. A requirement to present a complete, neutral and accurate description of an entity's significant sustainability risks and opportunities;
2. A definition of meaning, aligned with the Conceptual Framework for Financial Reporting, focused on information that serves the needs of users and drives enterprise value;
3. A consistent approach to disclosing information about significant sustainability risks and opportunities, based on consideration of an entity's governance, strategy and risk management and supported by indicators and targets; and
4. Additional requirements and guidance that support comparable and linked disclosures.

An important point to consider is that an entity should make disclosures about all significant sustainability risks and opportunities, regardless of whether there is a specific IFRS standard on sustainability disclosure for the topic or issue. This is because the prototype includes an equivalent to the IFRS Accounting Standards hierarchy, which includes requirements that apply in the absence of a specific IFRS Sustainability Presentation Standard. These include disclosures that are relevant, faithfully represent the entity's risks and opportunities and are

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

neutral. In making the necessary judgments and developing those disclosures, there is first a requirement to consider the requirements in the General Requirements Standard and IFRS Sustainability Presentation Standards that address similar risks and opportunities. An entity's management may also consider the most recent pronouncements of other standard-setting bodies to the extent that they do not conflict with any IFRS Sustainability Presentation Standard issued.

3. ESTIMATES AND ESSENTIAL ACCOUNTING RATIONALE

The Company makes certain estimates and assumptions about the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual future experience may differ from these estimates and assumptions. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

Estimates and assumptions

Except for the valuation of investment property, the Company does not have any assets and liabilities included in the financial statements that require fair value measurement and/or disclosure.

4. ACCOUNTING POLICIES

4.1 Declaration of conformity

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Financial Reporting Interpretations and International Accounting Standards (collectively "IFRSs") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs").

The separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Company has prepared these separate financial statements in order to comply with the requirements of Order No 881/2012 on the application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards.

The Company's accounting records are maintained in LEI, in accordance with the Romanian Accounting Regulations ("RCR"). The preparation of financial statements in accordance with adopted IFRS requires the use of certain critical accounting estimates. It is also necessary for the Company's management to make decisions related to the application of accounting policies. The areas in which significant judgments and estimates have been made in the preparation of the financial statements and the effect of these judgments and estimates are set out below.

4.2 Basis of evaluation

The separate financial statements are prepared on the historical cost/depreciated cost convention except for property, plant and equipment presented at revalued cost using fair value as deemed cost and items presented at fair value, i.e. financial assets and financial

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

for the year ending December 31, 2024
(all amounts are in LEI, unless otherwise stated)

liabilities at fair value through profit and loss and available-for-sale financial assets, except those for which fair value cannot be reliably measured.

4.3 Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 "The Effects of Changes in Foreign Exchange Rates", is the Romanian leu (LEI). The separate financial statements are presented in LEI.

Transactions carried out by the Company in a currency other than the functional currency are recorded at the rates prevailing on the date on which the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date.

4.4 accounting valuations and estimates

As a result of the uncertainties inherent in business activities, many items in the financial statements cannot be measured with precision but can only be estimated. Estimation involves judgment based on the most recent reliable information available. The use of reasonable estimates, an essential part of the preparation of financial statements, does not undermine their reliability

An estimate may require revision if there are changes in the circumstances on which the estimate was based or as a result of new information or subsequent experience. By its nature, the revision of an estimate is unrelated to prior periods and does not represent the correction of an error in the current period. If any, the effect on future periods is recognized as income or expense in those future periods.

The Company makes certain estimates and assumptions about the future. Estimates and judgments are evaluated on an ongoing basis based on historical experience and other factors, including forecasts of future events that are believed to be reasonable under the existing circumstances.

In the future, actual experience may differ from the present estimates and assumptions. The following are examples of valuation, estimation, assumptions applied within the company:

(a) Valuation of investments in owned land and buildings

Assets in the nature of land and buildings owned have been measured at the date of transition from IFRS to IFRS, using fair value as deemed cost, and subsequently measured and disclosed using the provisions of International Reporting Standard "IAS 40 - Investment Property", the method chosen being *the fair value method*.

(b) Adjustments for impairment of receivables

Impairment assessments of receivables are performed on an individual basis and are based on management's best estimate of the present value of the cash flows expected to be received. In estimating these cash flows, management makes certain estimates regarding the financial condition of the partners. Each impaired asset is analyzed individually. The accuracy of the

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adjustments depends on the estimated future cash flows.

(c) proceedings

The Company reviews unresolved legal cases by monitoring developments in legal proceedings and the situation at each reporting date in order to assess the provisions and disclosures in its financial statements.

Among the factors considered in making provision decisions are the nature of the litigation or claim and the potential level of damages in the jurisdiction in which the litigation is being litigated, the progress of the case (including progress after the date of the financial statements but before those statements are issued), the opinions or views of legal counsel, experience in similar cases and any decision by the Company's management as to how it will respond to the litigation, claim or assessment.

(d) Accounting estimates of expenditure

There are objective situations in which the exact amounts of some expenses incurred by the company are not known until the closing date of some fiscal periods or until the closing date of a financial year. For this category of expenses, preliminary expense estimates will be made, which will be corrected in subsequent periods when cash outflows occur. Expense estimates, by each expense category, will be made by persons experienced in the type of activity that generated that expense.

(e) Taxation

The Romanian tax system is in a phase of consolidation and harmonization with European legislation. However, there are still different interpretations of tax laws. In certain situations, the tax authorities may treat certain aspects differently, by calculating additional taxes and late payment penalties. In Romania, the tax year remains open for tax audit for 5/7 years. The Company's management considers that the tax liabilities included in the financial statements are adequate.

4.5 Presentation of separate financial statements

The Company has adopted a cash-based presentation in the statement of financial position and a presentation of income and expenses by nature of expense in the statement of comprehensive income, believing that these methods of presentation provide information that is reliable and more relevant than would have been presented under other methods permitted by IAS 1 "Presentation of Financial Statements".

4.6 Intangible fixed assets acquired

Intangible assets are accounted for in accordance with IAS 38 "Intangible assets" and IAS 36 "Impairment of assets". Intangible assets acquired externally are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives.

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Expenditures related to the acquisition of patents, copyrights, licenses, trademarks or trademarks and other intangible assets recognized for accounting purposes, except for the formation expenses, goodwill, intangible assets with indefinite useful life, classified as such according to accounting regulations, are recovered through straight-line depreciation deductions over the contract period or the useful life, as appropriate.

Expenses related to the purchase or production of software are recovered through straight-line depreciation deductions over a period of 3 years.

Internally generated intangible assets (development costs)

Expenditure on research (or on the research phase of an internal project) is recognized as an expense in the year to which it relates.

Development expenses related to new product projects are recognized as intangible assets.

Tangible fixed assets

Tangible fixed assets are tangible items that:

- a) are held for use in the production or supply of goods or services, for rental to third parties or for administrative purposes; and
- b) are expected to be used over several financial years

Recognize

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- a) it is probable that future economic benefits relating to the asset will flow to the entity;
and
- b) the cost of the asset can be measured reliably.

Evaluation after recognition

After recognition as an asset, an item of property, plant and equipment is carried at cost or less any accumulated depreciation and any accumulated impairment losses.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is carried at revalued amount, being its fair value at the date of revaluation.

Amortization

The depreciable amount of an asset is allocated on a systematic basis over its useful life. Amortization of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortization method used reflects the expected pattern in which the future economic benefits of the asset are expected to be consumed by the entity.

Land does not depreciate.

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For depreciable fixed assets, the company uses, from an accounting point of view, the straight-line depreciation method. The depreciation periods are determined by a specialized internal committee according to the company's internal procedures. Below is a brief overview of the useful lives of fixed assets by major categories of assets:

Categories	Life expectancy
Buildings and construction	15-50 years
Equipment and installations	1-20 years
Means of transportation	4- 6 years
Calculation technique	1-8 years
Office furniture and equipment	3- 10 years

Depreciation

To determine whether an item of property, plant and equipment is impaired, an entity applies IAS 36 Impairment of Assets. At the end of each reporting period, the entity estimates whether there is any indication that an asset is impaired. If such indications are identified, the entity estimates the recoverable amount of the asset.

If and only if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset will be reduced to equal its recoverable amount. Such a reduction is an impairment loss. An impairment loss is recognized immediately in profit or loss for the period, except when the asset is reported at revalued amount in accordance with the requirements of another Standard (for example, in accordance with the revaluation model in IAS 16 Property, Plant and Equipment). Any impairment loss on a revalued asset is regarded as a revaluation decrease.

4.7. Real estate investments

Investment real estate is defined as real estate (land or building - or part of a building - or both) held (by the owner or by the lessee under a financial lease) for rental purposes or for capital appreciation or both, rather than for:

- (a) for use in the production of goods, the provision of services or for administrative purposes;
- (b) to be sold in the ordinary course of business.

Recognition

Investment property should be recognized as an asset when, and only when

- (a) it is probable that future economic benefits associated with the real estate investment will flow to the enterprise;
- (b) the cost of the real estate investment can be reliably assessed.

To determine whether an item meets the first recognition criterion, an enterprise needs to determine the certainty of the stream of future economic benefits based on the evidence available at the time of initial recognition. The second recognition criterion is usually easily met because the exchange transaction that evidences the purchase of the asset also identifies its cost.

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assessment

A real estate investment should initially be valued at cost. Transaction costs should be included in the initial valuation.

The cost of a purchased investment property consists of its purchase price plus any directly attributable expenses. Directly attributable expenses include, for example, professional fees for the provision of legal services, property transfer taxes and other transaction costs.

The cost of a self-constructed investment property is the cost at the date when the construction or improvement is completed. Until that date, an enterprise applies IAS 16 Property, Plant and Equipment. At that date, the real estate becomes investment property and this Standard is applied.

The cost of an investment property shall not be increased by start-up costs (except to the extent necessary to bring the property to its operating condition), initial operating losses incurred before the investment property reaches the planned level of occupancy, or unusual amounts of wasted materials, labor, or other resources incurred in constructing or improving the property.

If payment on an investment property is deferred, then its cost is the cash price equivalent. The difference between this amount and the total payments is recognized over the period of the loan as interest expense.

expenditure

Subsequent expenditure on an investment property that has already been recognized should be added to the carrying amount of the investment property in the month in which it is probable that future economic benefits will flow to the enterprise in excess of the initial performance standard.

Assessment following recognition

In adopting accounting policies, an enterprise should choose either the fair value model or the cost model, and should apply this policy to all of its investment property.

The market value model

After initial valuation, an enterprise that opts for the market value model must value all of its investment property using valuation reports, with any changes in value reflected in the statement of comprehensive income.

4.8 Financial assets - IAS 39 Financial instruments: recognition and measurement

Initial valuation of financial assets and financial liabilities

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When a financial asset or financial liability is initially recognized, an entity measures it at fair value plus, in the case of a financial asset or financial liability that is not at fair value through profit or loss, transaction costs that are directly *attributable* to the acquisition or issue of the financial asset or financial liability.

Subsequent valuation of financial assets

In terms of measuring a financial asset after initial recognition, the Company classifies its financial assets into the following categories

A financial asset or financial liability measured at fair value through profit or loss is a financial asset or financial liability that meets any of the following conditions

(a) is classified as held for trading. A financial asset or financial liability is classified as held for trading if it is

- (i) acquired or incurred principally for the purpose of sale or repurchase at the earliest terms;
- (ii) on initial recognition is part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit chasing;
- (iii) a derivative (except a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than

- a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity, on initial recognition, designates as at fair value through profit or loss;
- b) those that the entity, on initial recognition, designates as available for sale; or
- c) those for which the holder may not recover substantially all of the initial investment, other than because of credit deterioration, which are to be classified as available for sale.

This category includes trade and other receivables.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

This category includes investments in quoted shares.

The Company does not hold Held-to-Maturity Investments and does not hold or has not classified financial assets or financial liabilities at fair value through profit or loss.

Gains and

A gain or loss on an available-for-sale financial asset is recognized in other comprehensive income, except for impairment losses. Dividends on an available-for-sale equity instrument are recognized in profit or loss when the entity's right to receive payment is established.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the

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cumulative loss that has been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment, even if the financial asset was not derecognized.

The amount of the cumulative loss that is removed from equity and recognized in profit or loss shall be the difference between the acquisition cost (net of any principal payments and depreciation) and the current fair value less any impairment loss for that financial asset previously recognized in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and that increase can be related objectively to an event occurring after the impairment loss has been recognized in profit or loss, the impairment loss is reversed and the amount of the reversal recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks, other short-term highly liquid investments with original maturity dates of three months or less, and - for the purposes of the cash flow statement - overdrafts.

4.9.

According to IAS 2, inventories are assets:

- a) held for sale in the normal course of business;
- b) in production for such sale; or
- c) in the form of raw materials, materials and other consumables to be used in the production process or for the provision of services.

Stock valuation:

Inventories are valued at the lower of cost and net realizable value.

Cost of stocks

The cost of inventories comprises all acquisition costs, conversion costs, and other costs incurred to bring inventories to their present condition and location.

Stocks of raw materials and materials are stated at acquisition value. Stocks of work in progress are stated at the value of the raw materials and materials incorporated therein.

The inventory of finished goods is recorded at production cost at the time of completion of manufacture.

Adjustments for stock depreciation

Inventories are assessed for impairment on an individual basis and are based on management's best estimate of the present value of the cash flows expected to be received. In estimating these cash flows, management makes certain estimates as to the inventory's value in use,

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taking into account the expiration date, the possibility of use in the company's current operations and other factors specific to each category of inventory. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on estimates of future cash flows.

4.10

Receivables arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issuance, and are subsequently carried at amortized cost using the effective interest rate method, less impairment adjustments.

Receivables are shown in the balance sheet at historical value less adjustments for impairment in cases where the realizable value is determined to be less than the historical value.

Impairment adjustments are recognized when there is objective evidence (such as significant financial difficulty on the part of counterparties or failure to meet payment obligations or significant delay in payment) that the Company will not be able to collect all amounts due according to the terms of the receivables, the amount of the impairment adjustment being the difference between the net carrying amount and the present value of the expected future cash flows associated with the impaired receivable.

Impairment of receivables is assessed for impairment on an individual receivable basis and is based on management's best estimate of the present value of the cash flows expected to be received. In estimating these cash flows, management makes certain estimates about the financial condition of the partners. Each impaired asset is analyzed individually.

In addition, the Company records impairment of receivables for all invoices outstanding at the reporting date for which the due date has been exceeded by more than 360 days.

4.11 Financial debts

Financial liabilities mainly include trade and other short-term financial liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

4.12 Revenue and expenditure recognition

4.12.1. Revenue recognition

Enforcement obligations and time of revenue recognition

The majority of the company's revenue comes from the sale of goods with revenue recognized at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control could also be transferred when delivered to either the port of departure or the port of arrival, depending on the specific terms of the contract with a customer.

There is limited judgment necessary to identify point-in-time control licenses: once physical delivery of the goods to the agreed location has occurred, the company no longer has physical

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possession, will typically have a present right to payment (as a single payment on delivery), and retains none of the significant risks and rewards of the goods in question.

A small proportion of contracts are negotiated on the basis of invoices and allocations. In such arrangements, revenue is recognized even though the company still owns the physical property only if:

- the agreement is substantial (i.e. requested by the customer);
- the finished products were separately identified as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- The company does not have the ability to use the product to direct it to another customer.

Determining the transaction price

The majority of the company's revenues derive from fixed price contracts and, therefore, the amount of revenue to be earned from each contract is determined by these fixed prices.

Allocation of amounts to performance obligations

For most contracts, there is a fixed price. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered).

Practical exceptions

Society has taken advantage of practical exemptions:

- not to account for significant financing components where the time difference between receipt of consideration and transfer of control of the goods (or services) to the customer is one year or less; and
- to expense the incremental costs of obtaining a contract when the amortization period of the otherwise recognized asset would have one year or less.

Special cases: If it is found that the revenue associated with a period of the current year is affected by fundamental errors, the error will be corrected in the period in which the error is discovered. If the error is discovered in subsequent years, its correction will no longer affect the revenue accounts, but the retained profit and loss account from corrections of fundamental errors, if the amount of the error is considered material.

4.12.2 Expense recognition

Expenses represent decreases in economic benefits recognized during the accounting period in the form of decreases in the value of assets or increases in liabilities, which result in reductions in equity, other than those resulting from the distribution of equity to shareholders.

4.13 Impairment of non-financial assets (excluding inventories, investment property and deferred tax assets) - IAS 36 Impairment of assets

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Company-owned assets, as specified in IAS 36 "*Impairment of Assets*", are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable in full. When the carrying amount of an asset exceeds the recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is adjusted accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash-generating units ('CGUs').

Impairment charges are included in the income statement unless they reduce gains previously recognized in other comprehensive income.

4.14 Provisions - IAS 37 "*Provisions, contingent liabilities and contingent assets*"

The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Under IAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*", a provision shall be recognized if

- A) The company has a present obligation (legal or constructive) arising from a past event;
- B) an outflow of resources embodying economic benefits is likely to be required to settle the obligation; and
- C) a reliable estimate of the value of the obligation can be made.

If these conditions are not met, a provision should not be recognized.

Provisions shall be recorded in the accounts using the accounts of group 15 "*Provisions*" and shall be charged to expenses, except for those related to the decommissioning of tangible fixed assets and other similar actions related to them, for which the provisions of IFRIC 1 shall be taken into account.

The recognition, measurement and discounting of provisions shall be made in accordance with IAS 37 "*Provisions, contingent liabilities and contingent assets*".

Provisions are grouped in the accounts by category and are established for:

- a) litigation;
- b) guarantees given to clients;
- c) decommissioning of tangible fixed assets and other similar related actions;
- (d) restructuring;
- e) employee benefits;
- (f) other provisions.

Provisions previously set aside are periodically reviewed and regularized.

4.15 Deferred tax-IAS 12

In calculating the withholding tax, the company will take into account the provisions of IAS 12.

Deferred tax assets and liabilities are recognized when the carrying amount of an asset or liability in the statement of financial position differs from the tax base.

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The recognition of deferred tax assets is limited to those times when the taxable profit of the following period is likely to be available.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

The company offsets deferred tax claims and liabilities if and only if:

- a)* is legally entitled to set off current tax receivables against current tax liabilities; and
- b)* deferred tax receivables and payables are related to income taxes levied by the same tax authority.

4.16 Dividends

The portion of the profit that is payable, according to the law, to each shareholder constitutes a dividend. Dividends distributed to shareholders proposed or declared after the reporting period, as well as other similar distributions out of the profit determined under IFRS and included in the annual financial statements, are not recognized as a liability at the end of the reporting period.

IAS 10 is taken into account when accounting for dividends.

4.17 Capital and reserves

Capital and reserves (equity) represent the shareholders' interest in the assets of an entity after deducting all liabilities. Equity comprises: capital contributions, reserves, retained earnings, profit for the financial year.

In the first set of financial statements prepared under IFRS, the company applied IAS 29 - "Financial Reporting in Hyperinflationary Economies" for shareholder contributions obtained before January 1, 2004, i.e. they were adjusted by the corresponding inflation index.

4.18 costs

An entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognize other borrowing costs as an expense in the period in which it incurs them.

The company did not finance the construction of long-term assets from borrowings.

4.19 Earnings per share

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares for the reporting period.

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Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the dilutive effects of dilutive potential ordinary shares.

4.20 Segment reporting

A segment is a distinct component of the Company that provides particular products or services (business segment) or provides products and services in a particular geographic environment (geographic segment) and is subject to risks and rewards that are different from those of the other segments. In terms of business segments, the Company does not identify distinct components in terms of associated risks and rewards.

4.21 Related parties

A person or a close member of that person's family is considered to be affiliated to a Society if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a key member of staff in the management

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Company directly or indirectly, including any director (executive or otherwise) of the entity.

Transactions with key personnel include exclusively the salary benefits granted to them as disclosed in Note 9. Personnel expenses.

An entity is affiliated to the Society if it meets any of the following conditions:

- (i) The Entity and the Company are members of the same group (meaning that each parent, subsidiary and affiliate in the same group is related to the others).
- (ii) An entity is an associate or joint venture of the other entity (or associate or joint venture of a member of the group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also affiliated with the reporting entity.
- (vi) The entity is controlled or jointly controlled by a related person
- (vii) A controlling related person has significant influence over the entity or is a member of key management personnel of the entity (or the entity's parent).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Credit risk
- exchange risk
- risk

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Like all other activities, the Company is exposed to risks arising from the use of financial instruments. This note describes the Company's objectives, policies and processes for managing these risks and the methods used to assess them. Additional quantitative information about these risks is disclosed in these financial statements.

There have been no major changes in the Company's exposure to risks related to financial instruments, its objectives, policies and processes for managing those risks or the methods used to measure them compared with prior periods unless otherwise disclosed in this note.

Main financial instruments

The main financial instruments used by the Company, from which the risk on financial instruments arises, are as follows

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

A summary of financial instruments held by category is provided below:

ACTIVE	31-Dec-24	31-Dec-23
Trade and similar receivables, net	2.524.704	1.354.450
Cash and cash equivalents	138.656	202.282
Total	2.663.360	1.556.732

DEBTS	31-Dec-24	31-Dec-23
Trade and similar debts	5.323.141	6.302.413
Loans and leasing	17.929.647	15.465.935
Total	23.252.788	21.768.348

The overall objective of the Board of Directors is to establish policies designed to reduce risk as far as possible without unduly impairing the competitiveness and flexibility of the Company.

Further details on these policies are detailed below:

Credit risk

Credit risk is the risk of financial loss to the Company that arises if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations.

The company is mainly exposed to credit risk arising from sales to customers.

Calculation and analysis of net worth (equity)

Indicators (LEI)	31-Dec-24	31-Dec-23
Loan debts	22.621.018	20.185.830
Cash and cash equivalents	138.656	202.282
Net debt	22.482.361	19.983.549

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Total equity	178.820.169	176.657.608
Net debt to equity (%)	11.31	11.31

Foreign exchange risk

The company is mainly exposed to currency risk on the bank loan taken out.

At December 31, the company's net exposure to foreign exchange risk by type of currency was as follows:

Assets/liabilities in EURO equivalent LEI	31-Dec-24	31-Dec-23
Monetary financial assets	-	-
Monetary financial liabilities	18.740.775	18.544.212
Net financial assets	(18.740.775)	(18.544.212)

Change RON/EUR

RON appreciation against EUR by 5%	937.039	927.211
5% depreciation of RON against EUR	(937.039)	(927.211)

Liquidity risk

Liquidity risk arises from the Company's management of working capital and borrowing costs and principal repayments on its debt instruments.

The Company's policy is to ensure that it will always have sufficient cash to enable it to meet its obligations as they fall due. To achieve this objective, it seeks to maintain cash balances (or agreed facilities) to meet payment needs.

The Board of Directors periodically receives cash flow forecasts, as well as information on the Company's cash on hand. At the end of the financial year, the Company has sufficient liquid resources to meet its obligations in all reasonably expected circumstances.

The following tables show the contractual maturities (representing contractual undiscounted cash flows) of financial liabilities:

	Under 1 year	Between 1 and 5 years	Over 5 years	Total
December 31, 2024				
Trade and similar debts	1.953.847		-	1.953.847
Credits and loans	1.322.077	8.190.157	9.739.490	19.251.724
Financial leasing	-	-	-	-
Total	3.275.924	8.190.157	9.739.490	21.205.571

	Under 1 year	Between 1 and 5 years	Over 5 years	Total
December 31, 2023				
Trade and similar debts	1.582.518		-	1.582.518
Credits and loans	4.173.235	10.391.011	5.621.584	20.185.830
Financial leasing	-	-	-	-
Total	5.755.753	10.391.011	5.621.584	21.768.348

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Bank Liquidities

The banks where the company has bank accounts are periodically analyzed by the company's management.

Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide range of causes associated with the Company's processes, personnel, technology and infrastructure, as well as from external factors other than credit, market and liquidity risk, such as those arising from legal and regulatory requirements and generally accepted standards of organizational behavior. '

Operational risks arise from all the Company's operations.

The primary responsibility for the development of operational risk controls rests with the management of the unit. The responsibility is supported by the development of the Society's overall operational risk management standards in the following areas:

- Requirements for separation of responsibilities, including independent authorization of transactions
- Transaction reconciliation and monitoring requirements
- Alignment with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements to periodically analyze the operational risk to which the Company is exposed and the adequacy of controls and procedures to prevent identified risks
- Requirements for reporting operational losses and proposals for remedying the causes of these losses
- Developing operational continuity plans
- Professional development and training
- Setting ethical standards
- Litigation risk prevention, including insurance where applicable
- Risk mitigation, including efficient use of insurance, where appropriate

Capital adequacy

Management's capital adequacy policy is focused on maintaining a strong capital base in order to support the continued development of the Company and the achievement of its investment objectives.

6. SALES REVENUES

Sales revenues include the following items:

Description	31-Dec-24	31-Dec-23
Rental income	7.153.591	6.458.169
Sale of goods	12.247	24.507
Sales of products	4.698	-
Income from services	525.378	419.007
Total	7.695.914	6.901.683

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Income from sales mainly comprises income from the rental of space held in the Company's assets. The spaces are rented on the basis of contracts entered into between the parties.

7. OTHER REVENUE

Other operating income includes the following:

Description	31-Dec-24	31-Dec-23
Revenues from utility rebills	2.211.777	2.128.685
Gains from the valuation of fixed investments	-	3.205.070
Income from own production	182.670	179.635
Other operating income	44.904	1.609.001
Total	2.439.351	7.122.391

8. RAW MATERIALS AND CONSUMABLES

Expenditures for raw materials and consumables have the following components:

Description	31-Dec-24	31-Dec-23
Expenditure on fuel and spare parts	2.022	7.689
Expenditure on inventory	4.297	38.554
Expenditure on consumables for building repairs	229.794	256.939
Expenditure on goods	11.814	22.902
Total	247.927	326.084

9. STAFF EXPENDITURE

Staff costs have the following components:

Description	31-Dec-24	31-Dec-23
Salarie	1.816.141	1.744.572
Expenditure with collaborators	615.420	615.420
Taxes and contributions	54.709	53.100
Other benefits (meal vouchers)	96.300	103.290
Untaken leave	-	-
Total	2.582.570	2.516.382

The remuneration of the Board of Directors and Executive Management is set out in the table below:

Description	31-Dec-24	31-Dec-23
Salarie	615.420	615.420
Taxes and contributions	13.847	13.847
Total	629.267	629.267

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10. OTHER EXPENDITURE

Other operating expenses include the following:

Description	31-Dec-24	31-Dec-23
Utilitie	1.158.847	2.093.362
Expenditure on materials and repairs	13.064	3.961
Insurance	17.037	43.583
Expenditure with collaborators	615.420	615.420
Commissions, banking services and fees	225.974	44.701
advertising and promotion	63.962	26.036
Travel and transportation	11.839	7.543
Post and	36.451	30.543
Other services provided by parties	1.209.094	1.132.321
Other	546.413	513.067
Fines and penalties	79.377	54.007
Miscellaneous	555.104	2.240.618
Total	4.532.581	6.805.162

11. FINANCIAL INCOME AND FINANCIAL EXPENDITURE

Net financial income has the following components:

Description	31-Dec-24	31-Dec-23
Interest income	3	4
Interest expenses	(1.253.785)	(849.803)
Other financial income	529.465	412.421
Other financial charges	(79.588)	(460.422)
Total	(803.905)	(897.801)

12. CORPORATE TAX EXPENDITURE

Description	31-Dec-24	31-Dec-23
Corporate income tax	(163.540)	(171.960)
Deferred tax (expense)	(49.067)	(490.952)
Total	(114.473)	(662.912)

The corporate income tax payable has been calculated taking into account the influences of non-deductible expenses, i.e. non-taxable income from tax facilities, as well as the effects of provisions for corporate income tax. A reconciliation between the accounting profit and the tax profit on which the calculation of the corporate income tax is based is presented in the following table:

Description	31-Dec-24	31-Dec-23
Total revenue	10.664.883	14.438.135
expenditure	(8.734.132)	(11.446.967)
Gross accounting result	1.930.751	2.991.168
Items similar to income	-	-

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Deduction	-	-
Non-taxable income	(484.843)	(3.313.130)
Non-deductible expenses	426.357	1.529.551
Tax loss to be	-	-
Tax result	<u>1.872.265</u>	<u>1.207.589</u>
Legal reserve		
Taxable profit	<u>1.872.265</u>	<u>1.207.589</u>
Corporate income tax (tax result x 16%)	(299.562)	(193.214)
Tax cuts	20.969	21.254
Current profit tax	(278.593)	(171.960)

The company has not been subject to a substantive tax audit in the last 5 years. Regarding deferred income tax, see note 20.

13. RESULT PER SHARE

Description	31-Dec-24	31-Dec-23
Net profit (A)	2.162.561	2.991.168
Number of ordinary shares (B)	3.705.956	3.705.946
Result per action (A/B)	0.58	0.81

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14. FIXED ASSETS (In accordance with IAS 16 - Property, Plant and Equipment and IAS 40 - Investment Property)

a) Intangible and tangible fixed assets

Intangible intangible property, plant and equipment (IAS 16)	Land and	Equipment and means of transportation	Other fixed assets	Tangible fixed assets in progress	Total
Net value December 31, 2022	1.417.538	378.777	47.874	468.974	2.313.163
Procurement 2023	42.434	532.380	27.239	498.340	1.100.392
Exits / Transfers 2023	-	(1.672)	-	(420.139)	(421.811)
Period cost / Amortization 2023	(92.293)	(198.606)	(12.468)	-	(303.367)
Value adjustments 2023	-	-	-	-	-
Net value at December 31, 2023	1.367.680	710.879	62.644	547.175	2.688.378
Procurement 2024	-	958.	6.	903.	1.868.
Exits / Transfers 2024	-	-	-	(910.994)	(910.994)
Period cost / Amortization 2024	(93.707)	(200.281)	(12.830)	-	(306.817)
Value adjustments 2024	-	-	-	-	-
Net value at December 31, 2024	1.273.	1.469.	56.	539.	3.339.

b) Real estate investment

Investment property (IAS 40)	Lan	Building	Real estate investments in progress and advances for real estate investments in progress	Total estate investments
December 31, 2022	157.312.621	38.321.870	459.271	196.093.089
Procurement	-	1.287.545	648.200	1.935.745
Changes in market value / Revaluations	-	3.066.814	-	3.066.814
Exits/transfers	-	(2.229.040)	(155.826)	(2.384.866)
Value adjustments	-	-	-	-
December 31, 2023	157.312.621	40.447.189	951.645	198.710.782
Procurement	-	-	3.635.	3.635.
Changes in market value	-	-	-	-
Exits/transfers	-	-	(8.697)	(8.697)
Value adjustments	-	-	-	-
December 31, 2024	157.312.621	40.447.189	4.578.	202.337.

MECANICA FINA S.A.
NOTES TO THE FINANCIAL STATEMENTS

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Presentation of fixed assets in accordance with IAS 16 - Property, plant and equipment and IAS 40 - Investment property

As mentioned in Note 2 - Accounting policies, the company's land and buildings are classified as investment property in accordance with International Reporting Standard IAS 40 - Investment Property. The valuation model chosen by the Company is the market value model. Plant, means of transportation, equipment and furniture of the company's assets are valued and presented in accordance with IAS 16 - Property, plant and equipment.

Fair valuation

In accordance with IFRS 13 - Fair Value Measurement, the measurement levels and the manner of measurement are set out below.

Position	Fair value	Manner of assessment	Evaluati on level	Calculation data not directly observable
Land	160.050.651	The fair value of the land was inferred from the use of market comparisons. The market price for similar locations has been adjusted for differences in the characteristics of the land analyzed. The valuation model is based on price per square meter.	Level 2	N/A
Building s	37.709.159	Fair value is determined by applying the income method, based on the rental value of the building. The calculation elements have been estimated by an expert evaluator, based on comparative data from the specific activity domain.	Level 3	rate - Residual value

Depreciation of fixed assets

Accounting depreciation is calculated using the straight-line method. For new fixed assets, entering 2021, in the nature of plant, machinery and measuring and control equipment, useful lives have been determined taking into account:

- the estimated level of utilization based on the capacity utilization of the asset;
- the repair and maintenance program practiced by MECANICA FINA SA on the installations and machinery;

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15. INVESTMENTS IN SHARES

The company holds direct participations in the capital of ITAGRA SA, MOLLO RE SA and INDUSTRIAL CEFIN SA. The value of investments is presented in the following table:

Description	31.12.2024	% detained	31.12.2023	% detained
ITAGRA S.A.	12.899.600	99,997%	12.899.600	99,997%
RE SPRING	199.700	99,85%	199.700	99,85%
INDUSTRIAL CEFIN	321.018	88,73%	321.018	88,73%

The company has opted, in accordance with IAS 27, to present investments held at cost tested for impairment. No impairment test has identified any impairment loss.

ITAGRA SA

ITAGRA S.A. is located in Jud. Ialomita, Loc. Boranesti.

The company was established in 2006 and is registered at the Trade Register under the number J21/316/2006 has the unique registration code 18792370 tax attribute RO.

The company's main activity is: Growing of cereals (excluding rice), leguminous plants and oilseed crops.

MOLLO RE SA

Mollo RE SA was established in 2006 at the initiative of Mecanica Fina SA with headquarters in Bucharest, sector 2, Popa Lazar str. 5-25, ORC: J40/2353/1991, CUI 655 which decided, by decision no. 7 dated 30.05.2006 of the general meeting of the shareholders, the establishment of a commercial company in the field of real estate promotion/development and the participation of Mecanica Fina SA in the share capital of the new company with cash contributions for a share of at least 50% of the share capital.

INDUSTRIAL CEFIN

Industrial Cefin SA was established on the basis of the law no 15/1990 on the reorganization of state economic units as autonomous regii and commercial companies by HG no. 572/ 31 July 1995 on the establishment of joint stock companies through the partial reorganization of the Institute of Research and Design for Fine Mechanics Bucharest.

The company holds indirect participations in the share capital of Bio Valley SRL, Vera Wellnes SRL and Itagra Bio Terra SRL.

Description	31.12.2024	% detained	31.12.2023	% detained
BIO VALLEY	13.560	90,397%	13.560	90,397%
ITAGRA BIO	20.000	99,997%	20.000	99,997%
VERA WELLNESS	20.000	49,925%	20.000	49,925%

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BIO VALLEY S.R.L.

The company has its current registered office in Jud. Ialomita, loc. Boranesti, str. 1 Decembrie 1918 nr. 174 - Cladirea C15 Birouri.

The company was established in 1992 and is registered at the Trade Register under the number J21/44/1992 and has the unique registration code 2086262 with tax attribute RO.

The main activity of the company is: Growing of vegetables and melons, root and tuber crops. The company was not active in 2023.

ITAGRA BIO TERRA S.R.L.

The company has its current registered office in Jud. Ialomita, loc. Boranesti, str. 1 Decembrie 1918 nr. 174 - Cladirea C47 Atelier Mecanic.

The company was established in 2020 and is registered with the Trade Register under the number J21/35/2020 and has the unique registration code 42145490. The company's main activity is to grow cereals (excluding rice), leguminous plants and oilseed producing plants.

VERA WELLNESS S.R.L.

On 08.09.2017, the General Meeting of the Shareholders of Mollo RE S.A. decided to establish Vera Wellness, having as its main object of activity CAEN code 931 - Activities of sports facilities. The company is registered with the Trade Register under the number J40/15740/2017 and has the unique registration code 38212175.

16. TRADE AND OTHER RECEIVABLES

Description	31-Dec-24	31-Dec-23
Commercial creditor	766.004	500.009
Adjustments for trade receivables	(16.269)	(16.269)
Receivables with related parties	9.565	29.504
Related party claims	1.649.310	780.511
Sundry debtors and other receivables	-	-
Total non-cash financial assets classified as loans and receivables	2.408.610	1.293.755
Other receivables from the State Budget payments	115.067 1.026	60.686 9
Total	2.524.704	1.354.450

The fair values of trade and other receivables classified as loans and receivables do not differ significantly from their carrying amounts.

Balances relating to related parties are detailed in Note 19 - Balances and transactions with related parties.

At December 31, 2024, the Company has recorded adjustments for trade accounts receivable representing trade accounts receivable balances that are unlikely to be collected by the Company.

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Fluctuations in the Company's adjustments for impairment of trade receivables:

Customer adjustments	31-Dec-24	31-Dec-23
At the beginning of the period	16.269	16.269
Set up during the year	-	-
Cancel adjustments	-	-
At the end of the period	16.269	16.269

Given the small number of customers, the Company analyzes each customer individually to determine potential losses. During 2024, certain deferrals were granted. As of the date of issuance of the financial statements, the amante balances have been collected.

No impairment adjustments are recognized for receivables from related parties.

17. CASH AND CASH EQUIVALENTS

Description	31-Dec-24	31-Dec-23
Available in the bank	137.948	201.725
Cash and cash equivalents	708	557
Total	138.656	202.282

18. COMMERCIAL AND OTHER DEBTS

Due within up to 1 year	31-Dec-24
debts	892.103
providers	1.061.744
Amounts owed to credit institutions	1.322.077
Amounts owed to related entities	1.185.237
Other short-term liabilities	-
Customer guarantees	473.616
Total trade debts	-
Debts to the state budget	430.310
VAT payable	105.823
Total Short-term liabilities	5.470.910

Due after more than 1 year	31-Dec-24
Amounts owed to credit institutions	17.929.647
Amounts owed to related entities	104.436
Other long-term debts	29.638.427
Customer guarantees	545.294
Total	48.217.804

Balances relating to related parties are detailed in Note 19 - Balances and transactions with related parties.

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19. AMOUNTS OWED TO CREDIT INSTITUTIONS

Amounts owed to credit institutions

Contract	Bank	Interest	Credit value	Sold 31.12.2024	Short deadline	Long term
Contract 167522/08.04.2024	Libra Bank	EURIBOR 3M + 2.8%	2 510 000 EUR	2.331.941 EUR	193.097 EUR	2.138.844 EUR
Contract 167530/08.04.2024	Libra Bank	EURIBOR 3M + 2.8%	1.000.000 EUR	977.406 EUR	44.245 EUR	933,161 EUR
Total EUR	-	-	EUR 7 273 535	3.309.347 EUR	237,342 EUR	3.072.005 EUR
Contract 153336 /08.11.2023	Libra Bank	ROBOR 3M+ 3%	3.000.000 RON	2.790.703 RON	160.698 RON	2.630.005 RON

Details of pledges relating to credit agreements

Contract no. 167522/08.04.2024 signed with Libra Bank SA

Objective	Full refinancing of contracts 18/20.02.2020,70/20.05.2019, 73/06.07.2018, 174/06.07.2018, 153/27.09.2019 PATRIA BANK
Credit value:	2.510.000 €
Sold on January 01, 2024	0 EUR, equivalent to 0 LEI
Balance at December 31, 2024	2.331.941 EUR, equivalent to 11.599.308 LEI
Guarantees	<ol style="list-style-type: none"> 1. Movable pledge on the accounts opened by the Client with the Bank as identified in art. 4 of the contract; 2. Movable hypothec on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable hypothec on receivables, accessory to the Credit Agreement; 3. Real estate mortgage on the industrial real estate property composed of 17.942 sq.m. of land and 16.808 sq.m. measured and industrial buildings, owner Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, nr. 1-3, sector 2, identified with cadastral no. 229224 and CF 229224, identified according to the real estate mortgage contract 4. Assignment of indemnities paid under all insurance policies taken out by the Client and the Guarantor in connection with the credit agreement

Contract no. 167530/08.04.2024 signed with Libra Bank SA

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Objectiv	Investment credit
Credit value:	1.000.000 €
Sold on January 01, 2024	0 EUR, equivalent to 0 LEI
Balance at December 31, 2024	977.406 EUR, equivalent to 4.861.713 LEI
Guarantees	<ol style="list-style-type: none"> 1. Movable pledge on the accounts opened by the Client with the Bank as identified in art. 4 of the contract; 2. Movable hypothec on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable hypothec on receivables, accessory to the Credit Agreement; 3. Real estate mortgage on the industrial real estate property composed of 17.942 sq.m. of land and 16.808 sq.m. measured and industrial buildings, owner Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, nr. 1-3, sector 2, identified with cadastral no. 229224 and CF 229224, identified according to the real estate mortgage contract 4. Assignment of indemnities paid under all insurance policies taken out by the Client and the Guarantor in connection with the credit agreement

Contract no. 153336/08.11.2023 signed with Libra Bank SA

Objective	Credit for the repayment of loans to Itagra SA in the amount of 1.000.000 lei and payment of installments no. 4,5,6 and 7 to Motta Severino according to the contract of sale-purchase of shares with Industrial Cefin.
Sum	3.000.000 LEI
Sold on January 01, 2024	0 LEI
Balance at December 31, 2024	2.790.703 LEI
Assumptions	<p>In order to guarantee the fulfillment of all payment obligations undertaken by or in connection with this Contract, whether they are reflected in the Current Account or in any other account of the Customer, the Customer shall provide the Bank with the following guarantees:</p> <ol style="list-style-type: none"> a) chattel mortgage on the accounts opened by the Client with the Bank as they are identified in art. 10.1.3 of this Agreement ("Account"/"Accounts"); b) a chattel mortgage on the Client's present and future receivables resulting from the Client's lease contracts as identified in the chattel mortgage on receivables agreement, accessory to this Agreement at art.10.1.2; c) real estate mortgage on the industrial real estate property consisting of the real estate located in sector 2, Popa Lazar str. 5-25, consisting of land lot 6, 1867,48 m2 and building C1 (former C14)- office building S+P+2E with a built area of 1867m2,

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	property of MECANICA FINA, identified according to the real estate mortgage contract accessory to this Contract. d) the assignment of indemnities paid under all insurance policies taken out by the Client and the Guarantor in connection with this Contract;
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20. FINANCIAL LEASING DEBTS

Description	31-Dec-24	31-Dec-23
Maximum 1 year	-	-
More than one year but less than 5 years	-	-
Less future financial costs	-	-
Present value of debt - financial leasing	-	-

The annual interest rate is 3-month EURIBOR + 0.001%.

Present value of debt - financial leasing

Description	31-Dec-24	31-Dec-23
Maximum 1 year	-	-
More than one year but less than 5 years	-	-
Present value of debt - financial leasing	-	-

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

21.1. Balances with related parties

Loans received	31-Dec-24	31-Dec-23
INDUSTRIAL CEFIN SA	1.089.540	647.104
MOL INVEST	200.133	494.358
ITAGRA SA	-	-
ITAGRA BIO TERRA SRL	-	-
MODERN SELF WASH SRL	-	-
Total	1.289.673	1.141.462

Loans granted	31-Dec-24	31-Dec-23
ITAGRA SA	1.428.044	339.700
Total	1.428.044	339.700

Commercial creditor	31-Dec-24	31-Dec-23
INDUSTRIAL CEFIN SA	-	68.561
ITAGRA SA	2.806	1.184
MOLLO RE SA	218.460	83.663
MODERN SELF WASH SRL	4.760	4.913
MOL INVEST	4.805	4.692
VERA WELLNESS SRL	-	79.971
Total	230.831	242.984

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Trade debts	31-Dec-24	31-Dec-23
Not the case	-	-
Dividends	31-Dec-24	31-Dec-23
INDUSTRIAL CEFIN SA	-	-
MOLLO RE SA	-	227.331
Total	-	227.331

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1.2. Related party transactions:

Commercial transactions with Group companies

Transaction type	Partner	Value 2024	Value 2023
Income from services rendered	Mollo Re SA	19.245	28.230,33
Rental income	Mollo Re SA	805.012	705.774,34
Revenue from the sale of goods	Mollo Re SA	0	3.611,13
Income from miscellaneous activities	Mollo Re SA	236.931	198.793,64
Income from shares in affiliated entities	Mollo Re SA	173.851	239.295,88
Rental income	Itagra SA	437	764
Income from services rendered	Itagra SA	28.281	11.840,62
Revenue from the sale of goods	Itagra SA	0	3.762,78
Income from miscellaneous activities	Itagra SA	2.552	
Income from services rendered	Industrial Cefin SA	78.745	48.076,11
Revenue from the sale of goods	Industrial Cefin SA	1.487	10.418,10
Income from miscellaneous activities	Industrial Cefin SA	375.851	286.819,91
Income from shares in affiliated entities	Industrial Cefin SA	310.993	276.080,26
Income from services rendered	Mol Invest SA	1.320	1.200
Rental income	Mol Invest SA	6.751	5.937,36
Income from services rendered	Vera Wellness	9.261	12.150,71
Rental income	Vera Wellness	183.677	141.781,95
Revenue from the sale of goods	Vera Wellness	3.982	12.059,07
Income from miscellaneous activities	Vera Wellness	163.962	103.356,14
Income from services rendered	Modern Self Wash	0	5.955,14
Rental income	Modern Self Wash	0	49.321
Revenue from the sale of goods	Modern Self Wash	0	34.432,49
Income from miscellaneous activities	Modern Self Wash	0	6.751,42

Loans

Related parties	Plati 2024	Receipts 2024	Payments 2023	Receipts 2023
Itagra SA	1.759.051	670.707	2.149.600	1.410.000
Industrial Cefin SA	158.500	600.936	190.196	823.800
Mollo Re SA	17.399	17.399	38.804	38.804
Mol Invest SA	495.259	201.035	323.727	374.690
Itagra Bio Terra SRL	-	-	195.000	0

Dividends

Related parties	Plati 2024	Receipts 2024	Payments 2023	Receipts 2023
Mollo Re SA	-	-	-	11.965
Industrial Cefin SA	-	227.331	13.804	100.118

22. DEFERRED CORPORATE TAX

The change in deferred income tax liabilities is shown in the following table:

Description	31-Dec-24	31-Dec-23
Sold initial	27.512.175	27.021.223
Costs / (revenues) deferred tax	496.228	490.952

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Sold final	28.008.403	27.512.175
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23. SOCIAL CAPITAL

The subscribed share capital of the company on December 31, 2022 is 9,264,890 lei, the nominal value of a share being 2.5 lei/share. The company has a total of 3,705,956 shares conferring equal rights to the company's shareholders. SC Mecanica Fina SA has not issued any shares giving preferential rights to the shareholders.

In accordance with IAS 29 - hyperinflationary economies, the share capital has been restated taking into account the inflation index communicated by the National Statistics Commission. This was applied starting with the balance determined in accordance with HG 500/1994, from the date of contribution until December 31, 2003, the date on which the national economy was considered to have ceased to be hyperinflationary. After 31.12.2003 the share capital increased according to the historical amounts registered at the Trade Register.

As at 31.12.2023, in the balance sheet of the company there is a deferred result loss 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:

Retained result loss from first-time application of IAS 29	69.887.935
Share capital adjustments - first-time application of IFRS	(69.887.935)

According to Order 1690/2012 on amending and supplementing some accounting regulations, the accounting loss carried forward arising from the transition to IFRS, from the adoption for the first time of IAS 29, as well as that resulting from the use, at the date of transition to IFRS, of the fair value as deemed cost is covered from equity (including the amounts reflected in the credit of account 1028 "Adjustments to share capital"), according to the AGM resolution, in compliance with the legal provisions.

24. RESERVE

Reserves include the following components:

Description	31-Dec-24	31-Dec-23
Legal reserves	1.852.978	1.852.978
Other	10.220.689	10.220.689
TOTAL	12.073.667	12.073.667

The following describes the nature and purpose of each equity reserve

Boo	Description and purpose
Legal reserves	According to Law 31/1990 at least 5% of the profit is taken each year to form the reserve fund, until it reaches a maximum of one fifth of the share capital
Other reserves	

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Other reserves include at Dec 31, 2024 the allocation of net profit to other reserves of LEI 10,220,689.

25. RETAINED RESULT

The reported result includes the following components:

Description	31-Dec-24	31-Dec-23
Retained result representing the unappropriated retained profit or loss	21.901.794	18.910.624
Result carried forward from correction of accounting errors	(30.588)	(30.588)
Retained result arising from transition to IFRS less IAS 29	2.863.919	2.863.919
Retained result arising from the use of fair value as deemed cost at the date of transition to IFRSs	130.583.928	130.583.928
Retained result arising from first-time adoption of IAS 29	(69.887.935)	(69.887.935)
Total	85.431.118	82.439.948

26. PROFIT DISTRIBUTION

On December 31, 2024, the company records a profit of 2.162.561 lei. It will be distributed in accordance with the AGM resolution.

27. CONTINGENT LIABILITIES AND LITIGATION

IMECANICĂ FINĂ FINĂ SA (CUI: 655 ; ORC: J40/2353/1991)

A. As COMPLAINANT:

1. Case no. 10787/301/2023 - Sector 3 District Court Bucharest

Object of the case - Recovery of the amount of 36.242,61 lei principal debt consisting of the amount of rent and utilities not paid by the Debtor (Social Accounting Independent SRL) plus late payment penalties.

Parties - Creditor / Claimant -MECANICA FINA SA

Defendant / Debtor - SOCIAL ACCOUNTING INDEPEDENT SRL

Procedural status - settled on 30.05.2023.

The Court of First Instance accepts the plea of the Court of its own motion that the part of the application initiating the proceedings relating to the order that the debtor pay default interest is out of time. Annuls the part of the application initiating the proceedings seeking an order that the debtor pay default interest. The application for an order for payment is granted in part. Orders the debtor to pay to the creditor the sum of EUR 36 242,61, representing the debt, within 20 days of the date of communication of the order for payment. Orders the debtor to pay the creditor the sum of 200 lei, representing costs incurred in the proceedings (stamp duty).

Amounts in dispute: 36.242,61 lei principal debt (unpaid rent and utilities).

In forced execution at BEJ Negreanu Marius Adrian Marius Negreanu from Bucharest - file no.512/05.09.2023. There are seizures on accounts at Libra Internet Bank, ING Bank, where our claim competes with other claims seized by ANAF Sector 3. Low chances of debt recovery.

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2. Case no. 32457/3/2023 - Bucharest Tribunal - Civil Section VII
Subject of the case: insolvency / bankruptcy debtor's application (art.66 paragraph 10 - L 85/2014)

Debtor: EUROPEAN INFORMATIONAL SYSTEMS SRL

Creditor MECANICA FINA SA

A claim for 141.842,49 lei (rent+utilities) has been submitted,
Mecanica Fina SA was entered in the table of claims.

Judicial administrator, at the request of the debtor, CII OANĂ AURORA OANĂ.

At the previous term of 18.06.2024, the solution in brief. 1 lit. B of Law no. 85/2014, confirms the reorganization plan proposed by the debtor insolvency administrator CII Oană Aurora for the debtor European Informational Systems SRL. Sets the deadline for the continuation of the proceedings on 22.10.2024, at 09.00 a.m. With the right to appeal within 7 days from the communication of the judgment, to be filed with the Bucharest Tribunal, 7th Civil Section. Pronounced by making the solution available to the parties through the court clerk's office, today 18.06.2024. Document: Intermediate judgment 3191/2024 18.06.2024.

Deadline: 22.10.2024; Adjournment for further proceedings;

Deadline: 25.02.2025

3. Case no. 2767/3/2024 - Bucharest Tribunal - Civil Section VII

Subject matter: insolvency/bankruptcy debtor's application

Debtor: TOPGENTI.RO SRL;

Creditor: MECANICA FINA SA

An application for admission of the claim of 68.631,63 lei (rent + utilities) was filed on 29.03.2024. At the debtor's request, AKTIV-LEX INSOLVENTA S.P.R.L. was appointed as insolvency administrator, with a remuneration of 3,000 lei from the debtor's assets.

At the previous term (19.06.2024): adjourn the case for the evaluation and valuation of the debtor's assets.

Deadline: 19.02.2025, in order to give the debtor the opportunity to submit the reorganization plan

B. As a PARENT

1. Case no.25713/3/2023 - Bucharest Tribunal - Section a-VIII-a CMAS

Object of the file - Issuance of a new certificate regarding the salary rights for the period 01.10.1974-22.09.1975 and 01.04.1976-07.03.1991 indicating the basic salary, bonuses, additional income and the express mention of withholding and payment of social security contributions.

Obliging the defendants to pay the amount of 38117 lei calculated for the period 03.02.2021-31.07.2023 and further, with the difference between the pension rights received and those due.

Obliging the defendants jointly and severally to pay a late payment penalty of 500 lei per day from the date of the judgment on the merits until the date of issuance of the certificate.

Order the defendants to pay the costs.

Parties - Claimant - CHIRILĂ OCTAVIAN

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Defendants - MECANICĂ FINĂ SA and EURO STORAGE ARHIV SRL

Procedural status - pending.

Amounts in dispute - 38,117 lei with the difference between the pension rights received and those due for the period 03.02.2021-31.07.2023 and at present, as well as late payment penalties of 500 lei per day from the date of the judgment on the merits until the date of issuance of the certificate.

Deadline: 05.09.2024 - postponement for submission of documents (personnel file) by the defendant Euro Storage Arhiv.

After the deadline of 05.09.2024, in response to the Euro Storage Arhiv's response that it does not have the plaintiff's personnel file), Mecanica Fina filed Court Notes requesting dismissal of the action as inadmissible.

Last date: 19.12.2024. Summary judgment: The plea that the defendant Carmesin SA lacks locus standi to bring proceedings is upheld. The claim brought against the defendant Carmesin SA is dismissed as being brought against a person without locus standi. The application is allowed in part. Requires the defendants SC EUROSTORAGE ARHIV SRL and SC MECANICĂ FINĂ SA to issue the plaintiff with a certificate of employment for the period 01.10.1974-22.09.1975 and the period 01.04.1976-07.03.1991, showing the position held, the working conditions in which he worked, the basic salary on which he was paid, broken down by each individual income and specifying the bonuses received and the additional income received, the legal basis on which each income was granted and the details concerning the payment of social security contributions, specifying in detail all the income included in the basis for calculating social security contributions. Dismisses the remainder of the application as unfounded. With appeal within 10 days of notification, to be lodged with the Bucharest Tribunal - Section VIII. Pronounced today, 19.12.2024, by making the solution available to the parties through the court registry. Document: Decision 8194/2024 19.12.2024.

We are awaiting the judgment of the trial court to identify the grounds of appeal.

2. Case no.5292/330/2020 - Urziceni District Court

Re - Action for a declaration. The plaintiffs ask the court to pronounce a judgment declaring that they have a right of use over the 87 square meters of land belonging to MECANICA FINĂ SA and to oblige the company to dismantle the fence made of concrete pillars and slabs.

Parties : Applicants - AELENI PETRU and AELENI ELENA; Appellant-Defendant - MECANICĂ FINĂ SA

Procedural stage - appeal. The case was decided on the merits and Mecanica Fina SA appealed.

Last deadline : 17.12.2024

Summary Decision. 1 of the Code of Civil Procedure, dismisses, as unfounded, the appeal filed by the appellant SC MECANICĂ FINĂ SA (date), against civil judgment no. 56 of January 19, 2023, delivered by the Urziceni District Court. Dismisses the appellant's claim for costs as unfounded. Orders the appellant SC MECANICĂ FINĂ SA to pay to the respondents AELENI PETRU (dates) and AELENI ELENA (dates) the sum of 3,000 lei (including VAT), by way of costs, representing the lawyer's fees paid during the appeal. With a right of appeal within 30 days of notification. The notice of appeal shall be lodged with the Tribunalul Ialomița - Civil Division. Pronounced by making the judgment available to the parties, through the court registry, today, 17.12.2024. Document: Decision 1059/2024 17.12.2024

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The communication of the judgment of the Court of Appeal is awaited to identify the grounds of appeal.

3. Case no. 48783/3/2024 - Bucharest Tribunal - Section VIII of CMAS

The subject of the file - reconstitution of working seniority and work card, request formulated by a former employee of the former Fine Mechanics Enterprises in the period 03.08.1977 - 30.10.1984, 10.03.1986 - 01.07.1990.

Parts :

Petent - PARASCHIV COSTEL

Defendant - INTERPRINDEREA MECANICĂ FINĂ

Defendant - H&A FIRST IMPORT EXPORT PROD PROD SRL

Defendant - SC UROGDI S IMPORT EXPORT SRL

Procedural stage - in the merits, no first deadline has been set.

II. ITAGRA SA (CUI: 18792370 ; ORC: J21/316/2006)

A. As FATHER

1. File: 1303/98/2021

Instanta de fond: Tribunal Ialomita

Re: 1. To declare the total absolute nullity of the act of adjudication in favor of ITAGRA SA signed on 25.01.2017 by the Executor Mihăilescu Adriana Emanuela Adriana, based in Cornetu, Ilfov County. 2. Rectification of the land register entries in the Land Register in order to register the land that was sold under the act of adjudication, in the name of the plaintiff, the following lands: CF 21657 UAT Sinesti, IL (23,918 sq.m) and CF 21659 UAT Sinesti, IL (5,000 sq.m).

Parties: Plaintiff: CHRISTOU LOIZOS
 Defendants: DULMAN GHEORGHE, BRD GROUPE
 GENERALE, ITAGRA SA

Procedural stage - settled, on the merits, on 18.07.2023.

Decision - The Court dismissed the plea of inadmissibility raised by the defendant BRD - Groupe Societe Generale SA in its pleading as unfounded. Dismisses the claim brought by the applicant CHRISTOU LOIZOS against the defendants DULMAN GHEORGHE, BRD - GROUPE SOCIETE GENERALE SA and ITAGRA S.A. as unfounded. Takes note of the fact that the applicant's lawyer has stated that he will apply separately for costs. Dismisses as unfounded the defendant ITAGRA S.A.'s application for an order that the applicant pay the costs. Notes that the other defendants have not applied for costs. Appeal within 30 days of notification.

Appeals: On January 16, 2024, the judgment was appealed by the plaintiff. An appeal was filed by Itagra SA against the plaintiff's appeal.

Court of Appeal - Bucharest Court of Appeal, Third Civil Section for Juvenile and Family Cases

Last deadline: 13.01.2025

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Summary judgment: The appeal is allowed. Amends the appealed civil judgment in part to the following effect: Admits in part the application. Declares null and void the contract of sale and purchase authenticated under No(...) by BNP R. J. Declares the mortgage contract authenticated under No(...) by BNP R. J. to be partially null and void, only as regards the mortgage of the land referred to in points 1 and 2 of the mortgage contract, which was the subject-matter of the contract of sale and purchase authenticated under No (...) by BNP R. J. Dismisses the remainder of the claims set out in the application as unfounded Upholds the judgment under appeal as regards the plea of inadmissibility and the costs. Dismisses as unfounded the defendant's claim for costs of the appeal. With appeal within 30 days from the communication; the appeal shall be filed at the Bucharest Court of Appeal. Pronounced today, 13.01.2025, by making the solution available to the parties through the court registry. Document: Decision 9/2025 13.01.2025.

The communication of the judgment of the Court of Appeal is awaited to identify the grounds of appeal.

C. As COMPLAINANT:

1. Case: 8981/3/2024 - Bucharest Tribunal, Section VI - Civil Section

Procedural stage - substance.

Subject matter:

1. Order the Defendants to pay the amount of 238,906.13 lei, representing the equivalent of the subsidized interest for the period of 8 months from the date of conclusion of the credit agreement
2. To order the Defendants to pay the amount of 547.724,64 lei, representing the equivalent value of the non-reimbursable component of 10% of the financed amount, according to the contractual and legal provisions;
3. Order the Defendants to pay the statutory penalty interest between professionals, calculated on the above amounts, from the date of the claim until the date of actual payment.

Parties: Plaintiff: ITAGRA SA

Defendants: OTP BANK ROMANIA SA, NATIONAL CREDIT GUARANTEE FUND FOR SMALL AND MEDIUM-SIZED ENTERPRISES SA.

Deadline: 17.02.2025, Subsequent postponement of the judgment

2. File: 1649/98/2024 - Tribunal Ialomita, Civil Section

Procedural status : merits.

Subject of the case: claims - order the defendant to settle the amounts paid by the plaintiff to its employees as sick leave allowance in the amount of 22,444 lei, in the period 01.06.2023 - 22.11.2023.

Parties: Plaintiff: ITAGRA SA, Defendant: COUNTY HOUSE OF HEALTH INSURANCE IALOMITA.

First deadline: 12.03.2025

III. BIO VALLEY SRL (CUI: 2086262 ; ORC: J21/44/1992)

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1. Case no.963/98/2023 - Ialomita Court, Civil Section - bankruptcy
Object of the file - Bankruptcy - opening of the procedure at the request of the creditor CARNICOM SRL for a debt in the amount of 567.820 lei representing loans (plus 1000 lei court costs).
Parties - Claimant - CARNICOM SRL (registered office at CII Enache Marilena Mariana Enache) - Creditor
Defendant - BIO VALLEY SRL
Procedural status - pending on the merits. Appoints C.I.I. CUȚOV ALINA CUȚOV, Constanta as provisional liquidator.
Amounts in dispute - 567,820 lei representing loans (plus 1000 lei court costs).
Deadline: 11.02.2025 - postponed for further proceedings

IV. MOLLO RE SA (CUI: 19034870 ; ORC: J40/15010/2006)

1. Case no.12957/200/2023 - Buzău District Court, Civil Section
Object of the case - Request for reduced value - recovery of a debt in the amount of 4117,86 lei representing the amount of rent
Parties - Plaintiff - MOLLO RE SA; Defendant - VLAD MARIA SIMONA MARIA VLAD
Procedural status - pending on the merits. Solution - Request admitted.
File in forced execution at BEJ ISOFACHE MARIUS NICUSOR, Buzau

2. Case no. 19051/231/2024 - Focsani District Court, Civil Section
Object of the case - Request for reduced value - recovery of a debt in the amount of 1,423.9 lei representing the amount of rent
Parties: Plaintiff - MOLLO RE SA, Defendant - VLAD GEORGE OCTAVIAN GEORGE (former student tenant in Campus Est)
Procedural status - settled on the merits. The defendant paid the debt before the first term of judgment.
Last deadline 14.01.2025
In summary: Pursuant to Article 406, paragraphs (1) and (6) of the Civil Procedure Code, takes note of the discontinuance of the action brought by the plaintiff MOLLO RE SA against the defendant VLAD GEORGE OCTAVIAN GEORGE OCTAVIAN, regarding the claim for reduced value. Pursuant to art. 45 paragraph (1) letter d) sentence II of GEO 80/2013, dismisses the claim for reimbursement of the court stamp duty, filed by the plaintiff, as unfounded. Orders the defendant to pay to the applicant the sum of 50 lei by way of costs, representing the court stamp duty. With a right of appeal within 30 days of notification, to be lodged with the Focșani District Court. Pronounced by making the solution available to the parties through the court registry today, January 14, 2025. Document: Decision 285/2025 14.01.2025.

28. INFORMATION ON THE AUDIT OF FINANCIAL STATEMENTS

The financial audit for the financial year 2024 was carried out by TGS Romania

29. OTHER INFORMATION

Transfer price

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According to the relevant tax legislation, the tax assessment of a related party transaction is based on the concept of arm's length pricing of the transaction. Under this concept, transfer prices must be adjusted to reflect market prices that would have been determined between unrelated entities acting independently on the basis of "arm's length".

To date, no transfer pricing verifications have been carried out by the tax authorities to determine whether the transfer prices comply with the principle of "arm's length conditions" and that the Romanian taxpayer's tax base is not distorted. The company has no transfer pricing file.

30. SUBSEQUENT EVENTS

Mecanica Fina SA carried out, in 2024, rental activities of real estate owned (activity code CAEN 6820 included in the object of activity: renting and subletting of own or leased real estate) activities that included also the provision of services related to the supply of utilities to tenants in the rented premises.

The company currently capitalizes, by renting out its properties, an area of approximately 20,000 sq.m. with a total of 40 rental contracts in progress.

The company provides its tenants with the utilities necessary for the activity in the rented premises (electricity, thermal energy, natural gas, water/canal) as well as maintenance and repair services for the installations in the rented premises.

The current geopolitical tensions (the conflict between Russia and Ukraine that started in February 2022 and the Israeli-Palestinian conflict that broke out in October 2023) have led to increased volatility in financial markets and pressure on exchange rate depreciation. These events are expected to affect activity in many sectors of the economy, and may lead to a further increase in energy prices in Europe and a high risk of delays in the supply chain.

The Company has no direct exposure to related parties and/or key customers or suppliers in these countries. The Company considers these events to be non-adjusting events occurring after the balance sheet date, the effect of which cannot be estimated at this time.

In 2023, event organizers who are, as tenants, under a rental contract with Mecanica Fina SA as lessor have resumed their activities, which were severely affected during the Coronavirus pandemic, the situation returning to normal.

The company has signed with the companies that operate in the Horeca sector as well as with the other tenants in the portfolio, additional deeds to the rental contracts for the indexation of the rent with the inflation rate in the Euro zone, as provided for in the contractual clauses.

As a consequence, starting with January 2024 the rents of Mecanica Fina SA were increased by applying an inflation coefficient of 2.9%.