2025

Half-Year Report

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

MECANICĂ FINĂ

First Half-Year Report 2025 – Mecanica Fina S.A.

prepared 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, with subsequent amendments and additions

Information about the financial report and issuer

Date of the report	August 27, 2025
Name of the issuer:	Mecanica Fina S.A.
Registered office:	Bucharest, Sector 2, Popa Lazăr Street, No. 5 – 25
Phone/Fax:	0212520085 / 0212527609
Email	office@mecanicafina.ro
Website:	www.mecanicafina.ro
Unique registration code:	655
Trade Register Number:	J40/2353/1991
Subscribed and paid-up share capital:	9,264,890 lei
Market on which the issued securities are traded:	Regulated Market, Standard category

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ABOUT MECANICA FINA S.A.

Mecanica Fina S.A., a company with a long history on the Romanian market, currently operates in the real estate sector and carries out **activities related to the leasing of real estate** owned by it, namely **property management activities**.

Real estate properties owned

Capitalized through leasing

- 5-25 Popa Lazăr Street - **7,822 sqm of office and commercial space - leased**
- Pantelimon Street, no. 1-3 - **10,296 sqm commercial and storage space - leased**
- 46 Chiristigiilor Street - **2,000 sqm Wellness Club - leased**
- Popa Lazăr Street, no. 10-12 - **4,136 sqm student campus – leased**
- Sos Pantelimon, no. 10–12 – **1,240 sq m leased area out of a total of 2,500 sq m, with the remaining area currently under development**
- Boranesti, Ialomița County - **arable land**

Undergoing rehabilitation and modernization

Pantelimon Street, no. 1-3 - **6,800 sqm of storage space, undergoing rehabilitation and modernization, 90% completed as of June 30, 2025**

Popa Lazăr Street, no. 5-25 - **development of a parking lot with a capacity of 100 spaces, works will start in Q4 2025**

Popa Lazar Street no. 5-25 - **23,500 sqm on 4 levels, works are scheduled to start in Q4 2025, with completion estimated in 2026**

Subsidiaries

Direct holdings

- 99.85% in Mollo RE SA - real estate and accommodation sector• 99.997% in Itagra SA - agricultural sector
- 88.73% in Industrial Cefin SA - property management activities

Indirect holdings

- Vera Wellness SRL - fitness center activities (Mollo Re SA holds 50%)
- Bio Valley SRL (Itagra holds 90.4%)
- Itagra Bio Terra SRL (Itagra holds 100%)

IMPORTANT EVENTS

The activity carried out mainly by Mecanica Fina S.A. during the first half of 2025 consists of **leasing the real estate it owns (**activity carried out under CAEN code 6820 included in the company's scope of activity as a secondary activity - *Leasing and subleasing of own or leased real estate)*, which also included the provision of services related to the supply of utilities to tenants in the leased premises.

The company's efforts and initiatives are aimed both at **increasing revenues from the rental of its properties** and at **developing a solid and sustainable real estate portfolio**, tailored to the requirements of current and potential customers.

At the end of the first half of 2025, the company recorded total revenues of 6.45 million lei and a net profit of 1.36 million lei **on an individual basis**, while **on a consolidated basis**, total revenues amounted to 15.97 million lei and net profit to 3.75 million lei.

In the first half of 2025, Mecanica Fina S.A. and the companies within the group continued the process of capitalizing on and modernizing their assets, in line with the strategy of functional reconversion and diversification of revenue sources.

A major objective of the period under review was to consolidate the portfolio of spaces built through refurbishment and modernization works, in parallel with the intensification of negotiations and contracting activities. As a result of these efforts, the company concluded a lease agreement for a total area of 2,224 square meters, with a contractual value of 13,344 euros/month plus VAT. This step demonstrates the company's ability to respond to market demands and attract relevant tenants, despite a competitive economic and real estate environment.

At the same time, within the Mecanica Fina S.A. Group, the agricultural activities carried out by Itagra S.A. and Itagra Bio Terra S.R.L. entered the crop harvesting phase. Although farming efforts were sustained, results were affected by unfavorable weather conditions, particularly the prolonged drought, which negatively impacted sunflower and corn yields.

At the same time, through Mollo Re S.A., procedures were initiated to contract the residential units in the student dormitories under management. These units represent an important component of recurring revenues, with potential for stability and long-term growth, given the constant demand for student accommodation.

Looking to the future, the company reaffirms its commitment to the modernization and functional conversion of its assets. A priority project is the one dedicated to the building at 5-25 Popa Lazăr Street (Hall 100), where the intention is both to transform the existing spaces for more efficient use and to implement sustainability solutions. To this end, **a project has been launched to develop a photovoltaic park on the building's terrace, with the aim of ensuring the energy independence of Mecanica Fina S.A.** and strengthening the company's role in the transition to a responsible and sustainable business model.

Thus, the first half of 2025 reflects an activity focused on capitalizing on existing resources, diversifying the portfolio, and adapting to market challenges. Through investments in modernization, strengthened commercial partnerships, and sustainability initiatives, Mecanica Fina S.A. maintains its strategic direction of long-term development , with the goal of building a solid and sustainable economic model for shareholders, partners, and the communities in which it operates.

In the first six months of 2025, Mecanica Fina S.A. capitalized on the leasing of its properties, covering an area of approximately **25,500 square meters**, with **56 lease agreements** in progress.

The area is used for various purposes, as follows:

- **RESIDENTIAL SPACE 14%;**
- **OFFICES AND COMMERCIAL SPACES 63%;**
- **STORAGE SPACES 23%.**

FINANCIAL AND ACCOUNTING STATEMENTS

Statement of Financial Position of Mecanica Fina S.A. as of 30 June 2025

Balance sheet (lei)	31.12.2024	June 30, 2025	June 30, 2025/ 31.12.2024	Share of total assets
Tangible assets	3,339,188	2,935,091	-12.10	1.24
Real estate investments	202,337,988	204,440,932	1.04	86.47
Investments in shares	24,160,919	24,160,919	-	10.22
Other fixed assets	5,174	5,174	-	-
TOTAL FIXED ASSETS	**229,843,269**	**231,542,116**	**0.74**	**97.93**
Inventories	604	604	-	-
Trade and similar receivables	2,524,704	4,557,645	80.52	1.93
Cash and cash equivalents	138,656	33,835	-75.60	0.01
TOTAL CURRENT ASSETS	**2,663,964**	**4,592,084**	**72.38**	**1.94**
Prepaid expenses	1,651	294,320	17726.77	0.12
TOTAL ASSETS	**232,508,884**	**236,428,520**	**1.69**	**100.00**
Share capital	79,152,825	79,152,825	-	33.48

Balance sheet (lei)	31.12.2024	June 30, 2025	June 30, 2025/ 31.12.2024	Share of total assets
Legal reserves	1,852,978	1,852,978	-	0.78
Other reserves	10,220,689	10,220,689	-	4.32
Retained earnings	85,431,117	87,593,678	2.53	37.05
Current result	2,162,561	1,355,409	-37.32	0.57
TOTAL EQUITY	**178,820,170**	**180,175,579**	**0.76**	**76.21**
LONG-TERM DEBTS, of which:	**48,217,804**	**48,228,380**	**0.02**	**20.40**
Amounts owed to credit institutions	17,929,647	20,004,814	11.57	8.46
Other long-term liabilities	2,279,754	626,484	-72.52	0.26
Deferred tax	28,008,403	27,597,081	-1.47	11.67
SHORT-TERM DEBTS, of which:	**5,470,910**	**8,024,561**	**46.68**	**3.39**
Current tax liabilities	1,105,446	1,221,444	10.49	0.52
Amounts owed to credit institutions	1,322,077	1,546,645	16.99	0.65
Trade and similar payables	1,953,847	1,420,643	-27.29	0.60
Other short-term liabilities	1,089,540	3,835,829	252.06	1.62
TOTAL LIABILITIES	**53,688,714**	**56,252,941**	**4.78**	**23.79**
TOTAL EQUITY AND LIABILITIES	**232,508,884**	**236,428,520**	**1.69**	**100.00**

In the first half of 2025, the financial results of MECANICA FINA S.A. confirm the stability of the business model based on real estate leasing and property management services. Despite economic challenges, the company demonstrates its resilience and continues its strategy of consolidating its real estate portfolio, with the aim of creating sustainable value for shareholders.

As of June 30, 2025, fixed assets consisting mainly of real estate investments (88.29%) remain at a similar level to that recorded at the beginning of the year (0.74%).

The category of tangible assets also includes land and buildings that do not contribute to revenue generation, as well as technical installations and machinery, furniture, and office equipment. At the end of the first six months of this year, the value of these tangible assets was 2.93 million lei, representing 1.24% of the company's total assets.

In accordance with the company's main activity, established by *CAEN* code *6420 - Holding activities*, the Issuer holds direct stakes in four companies, aiming to obtain dividend income. Thus, as of June 30, 2025, the value of investments in shares amounts to RON 24.16 million and contributes 10.54% to the Issuer's total assets.

Compared to the beginning of the year, receivables, the main category of current assets (99.25%), report an increase of 80.52% as of June 30, 2025, attributed to the 86.25% increase in amounts receivable from group entities.

The company's total assets as of June 30, 2025, amounted to RON 231.54 million, up 1.69% compared to the end of 2024.

Short-term liabilities increased by 466.68% at the end of the first six months of 2025, as a result of the increase in payables to affiliated entities. On the other hand, long-term liabilities remained constant during the same period.

With a slight positive variation of 0.76%, the company's equity stands at 180.17 million lei.

Financial Performance of Mecanica Fina S.A. for the Period Ended 30 June 2025

Profit and loss account	June 30, 2024	June 30, 2025	June 30, 2025 June 30, 2024
Net turnover	**4,730,045**	**5,643,876**	**19.32**
Production sold - services	4,717,798	5,641,231	19.57
Revenue from the sale of goods	12,247	2,645	-78.40
Revenue from the production of fixed assets and real estate investments	84,335	-	-
Production carried out by the entity for its own purposes and capitalized	-	25,645	-
Other operating income	20,363	333	-98.37%
OPERATING INCOME - TOTAL	**4,834,743**	**5,669,853**	**17.27**
Expenses with raw materials and consumables	168,270	59,527	-64.62
Other material expenses	3,287	2,296	-30.14
Other external expenses (energy and water)	892,172	1,409,003	57.93
Expenses related to goods	11,814	2,519	-78.68
Personnel expenses	915,160	1,326,827	44.98
Value adjustments on current assets	147,234	193,147	31.18
Other operating expenses	1,525,144	857,979	-43.74
Expenditure on external services	1,199,982	579,170	-51.74
Expenses related to other taxes, fees, and similar payments	283,129	246,421	-12.96
Expenses related to compensation, donations, and assets transferred	42,033	32,388	-22.95
OPERATING EXPENSES – TOTAL	**3,662,930**	**3,851,297**	**5.14**
OPERATING RESULT	**1,171,813**	**1,818,556**	**55.19**
Income from participating interests	484,843	770,417	58.90
Interest income	1	1	28.00
Other financial income	26,165	7,230	-72.37%
FINANCIAL INCOME – TOTAL	**511,009**	**777,649**	**52.18**
Interest expenses	594,745	630,219	5.96
Other financial expenses	48,964	392,025	700.64
FINANCIAL EXPENSES - TOTAL	**643,709**	**1,022,245**	**58.81**
FINANCIAL RESULT	**-132,700**	**- 244,596**	**84.32**
TOTAL REVENUE	**5,345,752**	**6,447,502**	**20.61**
TOTAL EXPENSES	**4,306,639**	**4,873,542**	**13.16**
GROSS RESULT	**1,039,113**	**1,573,960**	**51.47**
INCOME TAX	95,536	84,578	-11.47
Other taxes not included in the above items	67,690	133,973	97.92
RESULT FOR THE FINANCIAL YEAR	**875,887**	**1,355,409**	**54.75**

Mecanica Fina S.A. ended the reporting period with improved performance, reporting sales revenues of 5.6 million lei, up 19% from the same period last year. The main rental activity reconfirms its strategic importance, contributing significantly to total revenues and recording a positive evolution in the first six months of 2025. Complementary revenues from services and other activities complete this evolution, highlighting the company's stability and development potential.

On June 30, 2025, operating revenues reached RON 5.66 million, up 17.27%, reflecting the positive trend in sales revenues.

On June 30, 2025, operating expenses will increase by 5%, reaching the threshold of 5.14 million lei. The increase stems mainly from a 45% increase in personnel expenses and a 58% increase in energy and water expenses.

The accelerated growth in turnover compared to the pace of expenses led to an operating profit of RON 1.81 million, up 51.47% compared to the first half of last year. Net profit also increased by 54.75%, reaching RON

1.36 million.

The company's management remains firmly committed to the efficient management of its real estate portfolio, with the aim of improving profitability, controlling costs, and maximizing revenues, thereby enhancing long-term value for shareholders.

Economic and Financial Indicators of Mecanica Fina S.A. as of 30 June 2025

Liquidity indicators	Optimal range	31.12.2024	June 30, 2025	June 30, 2025/ 31.12.2024
Current liquidity (AC/DC)	>2	0.487	0.572	17.52
Immediate liquidity (AC-Inventories)/Current liabilities	>1	0.487	0.572	17.53
Quick liquidity (Cash and cash equivalents/Current liabilities)	>0.5	0.025	0.004	-83.36
Financial solvency (TA/TD)	>1	4.331	4.203	-2.95
Equity solvency (Equity/Equity +TD)	>30%	76.91	76.21	-0.91
Debt ratio (DTL/Equity + DTL)	<50%	21.24	21.12	-0.58
Debt ratio (TD/TA)*100	<80%	23.09	23.79	3.04

Liquidity indicators, which show the company's ability to cover its short-term obligations from current assets, remain below the optimal level, a position justified by the specific nature of the activities carried out.

As of June 30, 2025, 76.21% of Mecanica Fina S.A.'s activity is financed from its own sources, which places the solvency ratio well above the minimum risk threshold. This positioning reflects the company's solidity and management's commitment to developing a sustainable real estate portfolio, generating value for shareholders.

At the same time, the current level of debt indicators confirms the company's medium- and long-term creditworthiness and ensures easy access to external financing sources.

Summary of Individual Results Achieved by the Issuer's Subsidiaries in H1 2025

Subsidiary	Turnover (lei)	Profit/Loss (lei)
ITAGRA SA	1,188,872	2,290,216
MOLLO RE SA	1,225,569	68,836
INDUSTRIAL CEFIN SA	930,880	107,810
VERA WELLNESS SRL	892,053	49,682
ITAGRA BIO TERRA SRL	284,112	467,009

Consolidated

Financial Position as of 30 June 2025

Balance sheet (lei)	31.12.2024	June 30, 2025	June 30, 2025/ 31.12.2024
Tangible assets	60,534,724	59,828,263	-1.17
Real estate investments	211,706,056	214,228,736	1.19
Intangible assets	3,290	2,939	-10.67
Other fixed assets	11,300	11,300	0.00
TOTAL FIXED ASSETS	**272,255,370**	**274,071,238**	**0.67**
Inventories	5,190,371	13,096,932	152.33
Customers and other trade receivables	2,199,344	2,040,271	-7.23
Other investment securities	648	648	0
House and bank accounts	337,801	481,427	42.52
TOTAL CURRENT ASSETS	**7,728,164**	**15,619,278**	**102.11**
PREPAID EXPENSES	**298,816**	**597,131**	**99.83**
TOTAL ASSETS	**279,983,534**	**290,287,647**	**3.68**
Share capital	79,152,825	79,152,825	0.00
Treasury shares	-216,532	-216,532	0.00
Legal reserves	2,273,959	2,273,959	0.00
Other reserves	15,239,551	15,260,654	0.14
Revaluation reserves	13,800,393	13,800,393	0.00
Retained earnings	79,446,186	78,948,077	-0.63
Result for the year	-507,835	3,694,359	-827.47
CAPITAL – TOTAL	**189,188,547**	**192,913,735**	**1.97**
Non-controlling interests	**1,372,684**	**1,430,758**	**4.23**
Long-term bank loans	41,606,090	46,731,735	12.32
Long-term financial leasing	197,296	151,735	-23.09
Guarantees	606,983	650,245	7.13
Trade payables and other liabilities	2,329,121	37,279	-98.40
Other liabilities	31,698,821	31,784,996	0.27
LONG-TERM LIABILITIES – TOTAL	**76,438,311**	**79,355,990**	**3.82**
Short-term bank loans	5,912,739	3,501,373	-40.78
Financial leasing – current liability	207,686	215,246	3.64
Guarantees	855,513	873,326	2.08
Trade payables and other liabilities	5,834,377	11,883,668	103.68
Income tax payable	173,677	113,551	-34.62
SHORT-TERM DEBTS – TOTAL	**12,983,992**	**16,587,164**	**27.75**
TOTAL CAPITAL AND LIABILITIES	**279,983,534**	**290,287,647**	**3.68**

Financial Performance for the Period Ended 30 June 2025

Profit and loss account	June 30, 2024	June 30, 2025	June 30, 2025/ December 31, 2024
Revenue from current activities / turnover	7,878,147	8,560,565	8,66%
Other operating income	67,118	163,131	143,05%
Revenue related to the cost of production in progress	6,198,373	7,221,089	16,50%
Revenue from the production of fixed assets	84,335	25,645	-69,59%
Raw materials, consumables, and goods	3,834,639	2,813,359	-26,63%

Profit and loss account	June 30, 2024	June 30, 2025	June 30, 2025/
Personnel expenses	2,614,211	2,874,951	9,97%
Depreciation and amortization expenses	1,050,989	944,311	-10,15%
Other operating expenses	2,248,350	3,529,098	56,96%
Profit/(loss) from operating activities	**4,479,935**	**5,808,711**	29,66%
Net result from financial activities	-869,297	-1,673,242	92,48%
Profit/(loss) before tax	**3,610,638**	**4,135,468**	14,54%
Current and deferred income tax expense	255,402	383,186	50,03%
Net profit/(loss)	**3,355,236**	**3,752,282**	11,83%
Total comprehensive income	**3,355,236**	**3,752,282**	11,83%
Attributable to non-controlling interests	**126,072**	**57,923**	-54,06%
Attributable to owners of the parent company	**3,275,651**	**3,694,359**	12,78%
Number of shares	3,705,956	3,705,956	0,00%
Earnings per share attributable to owners of the parent company	**0.88**	**1.01**	14,77%

ANALYSIS OF THE ISSUER'S ACTIVITY

Trends, elements, events, and factors of uncertainty with a significant impact on the issuer's liquidity and income

The real estate rental market in Romania remains dynamic in the first half of 2025, influenced by both economic factors and social and demographic trends. Demand for housing in large cities – especially in Bucharest – remains high, supported by job opportunities and professional development. In addition, the phenomenon of urban mobility and Romania's integration into international circuits are making large cities increasingly attractive for the rental market segment. In this area, modern homes with high standards of comfort and energy efficiency are increasingly sought after, and tenants are willing to pay higher prices for additional amenities such as security, dedicated parking, or proximity to green spaces.

In terms of real estate development, data from the National Institute of Statistics show that in the first half of 2025, 17,639 building permits were issued for residential buildings, which means an increase of 4.2% compared to the same period last year. This is a significant change after a slight decline in 2024. In Romania, notable increases were recorded in the West, North-West, and Center regions, as well as in Bucharest-Ilfov, where the number of permits increased by 27%. This development confirms the high interest in new construction, especially in areas with high economic potential, and shows an intensification of development activity, with prospects for balancing the relationship between supply and demand in the coming years.

In terms of prices, the residential market has seen accelerated growth. On average, nationwide, residential property prices rose by 27.4% compared to the previous year, reaching €1,860/sq m. In large cities, the pace was even more intense: in Cluj-Napoca, prices reached €3,101/sqm, up 15%, and in Bucharest, the average price reached €1,937/sqm, 19% more than in 2024.[1]

Residential real estate investments remained solid, and in the first half of 2025, the volume of transactions reached approximately €390 million, slightly below the previous year's level. An important element is land sales, which increased by 45% and totaled over 73 hectares traded, two-thirds of which were in the Bucharest-Ilfov area. This confirms that developers are counting on the capital and its surroundings as the main growth engine for the real estate market. [2]

In the first half of 2025, **the office market** went through a recalibration phase. The central area, especially Class A and sustainable projects, came to the fore as available space declined. The vacancy rate for new Class

[1] https://market360.imobiliare.ro/wp-content/uploads/2025/08/Raport-T2_2025-WEB.pdf
[2] https://www.cbre.ro/insights/figures/romania-real-estate-market-outlook-h1-2025

A buildings in Bucharest fell to approximately 10.2%.

Despite a decrease in total leased area (112,225 m², 31% compared to H1 2024) and net new ly contracted area (62,718 m², 23% compared to H1 2025), demand for modern office solutions remained strong, and maximum rents remained at approximately EUR 22/m²/month.[3]

The retail sector is regaining momentum, fueled by a visible increase in demand. In 2024, approximately 170,000 m² were delivered, and for 2025, the threshold of 200,000 m² of retail space delivered is expected to be exceeded, a sign of a steady recovery in supply. In the first half of 2025, commercial spaces were the most attractive to investors: 44% of the total volume of investments in the commercial real estate sector was concentrated here.[4] In Bucharest, in the first six months of 2025, spaces between 70 and 150 square meters in central locations were the most sought after, with rents ranging from 20 to 45 euros per square meter per month, depending on visibility and amenities.

The storage and industrial space market saw positive developments in the first quarter of 2025. The volume of leased space increased by 31%, totaling almost 260,000 m². Rents remained stable, between EUR 4.20–4.70/m²/month, but there is pressure for slight increases due to construction and land costs.[5]

Overall, Romania's real estate market in mid-2025 is booming, marked by continued high demand and rapid price increases, especially in large cities. Developers and investors are focusing their attention on premium and sustainable projects that can meet the demands of an increasingly discerning and quality-oriented population. Bucharest-Ilfov remains the center of gravity, both in terms of construction dynamics and investment attractiveness, and in the medium term, this region will continue to be the driving force behind Romania's real estate market.

Capital expenditure

In the first six months of 2025, the company's resources were primarily directed towards financing the program for the refurbishment and modernization of its owned buildings so that they would be attractive enough to generate profitable rentals for the company.

Changes Affecting the Issuer's Capital and Management

The company did not record any arrears in the payment of tax obligations during the first half of 2025 and did not record any changes in the rights of holders of securities issued by the Issuer.

During the period 01.01.2025 - 30.06.2025, the company was managed by the Board of Directors consisting of: Mollo Sergio - Chairman of the Board of Directors; Mollo Giuseppe Alessandro - member of the Board of Directors and Mollo Simona - member of the Board of Directors.

The executive management of the company was and is provided by Mr. Mollo Sergio, Chairman of the Board of Directors, who, according to the articles of association, also holds the position of General Manager of the company. The Economic and Administrative Department of the company was and is headed by a Chief Accountant, Ms. Rogojan Maria.

Significant transactions

Information on related parties, commercial transactions and loans between these parties is presented in *Note 21* to the separate financial statements as at 30 June 2025.

The interim financial statements as of 30 June 2025, which form the basis of this half-year report, have not

[3] https://www.officerentinfo.ro/article/officemarket-news/romanias-office-market-in-h1-2025-key-insights-for-businesses-seeking-space
[4] https://www.birouinfo.ro/articol/stiri/peste-150-000-mp-din-stocul-de-real-estate-au-fost-ocupati-cererea-accelerata-scade-rata-de-neocupare-in-toate-sectoarele-imobiliare-comerciale-majore
[5] www.property-forum.eu/news/industrial-leasing-in-romania-up-31-in-q1-2025/19907

been audited.

STATEMENT

The undersigned, MOLLO SERGIO, in his capacity as Chairman of the Board of Directors and General Manager of the issuer Mecanica Fina S.A., with its registered office in Bucharest, Sector 2, Popa Lazăr Street No. 5–25, ORC: J40/2353/1991, CUI: 655, and ROGOJAN MARIA, in her capacity as Chief Accountant of the issuer Mecanica Fina S.A., with its registered office in Bucharest, Sector 2, Popa Lazăr Street No. 5–25, ORC: J40/2353/1991, CUI: 655,

hereby declare, on our own responsibility, that to the best of our knowledge, the half-year financial statements, prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets, liabilities, financial position, and profit and loss account of the issuer and its subsidiaries. Furthermore, the Report for the first half of 2025, prepared in accordance with ASF Regulation No. 5/2018, as amended and supplemented, and containing the information provided for in Annex No. 15 thereto, presents a fair analysis of the issuer's development and performance, as well as a description of the principal risks and uncertainties specific to its activity.

Mollo Sergio
Rogojan Maria

Date: 27.08.2025

MECANICA FINA S.A.

Individual Financial Statements for the Half-Year Ended 30 June 2025
Prepared in accordance with IFRS as adopted by the European Union

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Appendix I – Administrators' Report on the Financial Statements for the Financial Year 2025

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

Chief Executive Chief Accountant

Statement of financial position

	NOTE	June 30, 2025	Dec-24
FIXED ASSETS			
Tangible fixed assets	**14**	**2,935,091**	**3,339,188**
Rights to use leased assets		**-**	**-**
Intangible assets		**-**	**-**
Real estate investments	**14**	**204,440,932**	**202,337,988**
Investments in shares	**15**	**24,160,919**	**24,160,919**
Other fixed assets		**5,174**	**5,174**
TOTAL FIXED ASSETS		**231,542,116**	**229,843,269**
CURRENT ASSETS			
Inventories		**604**	**604**
Trade and similar receivables	**16**	**4,557,645**	**2,524,704**
Cash and cash equivalents	**17**	**33,835**	**138,656**
TOTAL CURRENT ASSETS		**4,592,084**	**2,663,964**
Prepaid expenses		**294,320**	**1,651**
TOTAL ASSETS		**236,428,520**	**232,508,884**
EQUITY			
Share capital	**23**	**79,152,825**	**79,152,825**
Legal reserves	**24**	**1,852,978**	**1,852,978**
Other reserves	**24**	**10,220,689**	**10,220,689**
Retained earnings	**25**	**87,593,678**	**85,431,117**
Current result		**1,355,409**	**2,162,561**
Profit distribution		**-**	**-**
TOTAL EQUITY		**180,175,579**	**178,820,170**
LONG-TERM LIABILITIES			
Amounts owed to credit institutions	**19**	**20,004,814**	**17,929,647**
Leasing	**20**	**-**	**-**
Other long-term liabilities	**18**	**626,484**	**2,279,754**
Deferred tax	**2**	**27,597,081**	**28,008,403**
TOTAL LONG-TERM LIABILITIES		**48,228,380**	**48,217,804**
SHORT-TERM LIABILITIES			
Current tax liabilities		**1,221,444**	**1,105,446**
Amounts owed to credit institutions	**19**	**1,546,645**	**1,322,077**
Leasing	**20**	**-**	**-**
Employee benefit obligations	**18**	**-**	**-**
Trade and similar payables	**18**	**1,420,643**	**1,953,847**
Provisions		**-**	**-**
Other short-term liabilities	**18**	**3,835,829**	**1,089,540**
TOTAL SHORT-TERM LIABILITIES		**8,024,561**	**5,470,910**
TOTAL LIABILITIES		**56,252,941**	**53,688,714**
TOTAL EQUITY AND LIABILITIES		**236,428,520**	**232,508,884**

Statement of financial results

	NOTE	Jun-30	Jun 30
Revenue from sales	**6**	**5,643,876**	**4,730,045**
Revenue from own production		**25,645**	**84,335**
Cost of goods sold	**8**	**(2,519)**	**(11,814)**
Expenses with raw materials and supplies	**8**	**(61,824)**	**(171,557)**
Personnel expenses	**9**	**(1,326,827)**	**(1,222,870)**
Depreciation and amortization expenses		**(193,147)**	**(147,084)**
Other expenses	**10**	**(2,266,981)**	**(2,109,606)**
Other income	**7**	**333**	**20,363**
Other gains/(losses) from changes in the fair value of investment property		**-**	**-**
Operating result – profit/(loss)		**1,818,556**	**1,171,812**
Financial income	**11**	**777,649**	**511,009**
Financial expenses	**11**	**(1,022,245)**	**(643,709)**
(Losses)/gains on foreign exchange, net	**11**	**(244,596)**	**(132,700)**
Income from equity investments held in associated companies within the group		**-**	**-**
Financial result – profit/(loss)		**(1,573,960)**	**(1,039,114)**
Profit before tax		**1,573,960**	**(1,039,114)**
Current and deferred income tax	**12**	**(218,551)**	**(163,226)**
Profit for the financial year		**1,355,409**	**875,887**
Profit/(loss) for the financial year		**1,355,409**	**875,887**
Other comprehensive income			
Gains/losses from revaluation of tangible assets		**-**	**-**
Income tax related to other comprehensive income		**-**	**-**
Total other comprehensive income, net of tax		**-**	**-**
Total comprehensive income		**1,355,409**	**875,887**
No. of shares	**13**	**3,705,956**	**3,705,946**
Earnings per share	**13**	**0.37**	**0.24**

Cash flow statement

I. Cash flows from operating activities	**Jun-30-25**	**Jun 30**
Profit/(Loss) before tax	**1,573,960**	**1,039,113**
Adjustments for:		
Depreciation and impairment losses on fixed assets	193,147	147,234
Changes in fair value	-	-
Value adjustments on receivables	-	-
Value adjustments on inventories	-	151
Value adjustments on financial assets	-	-
Exchange rate differences on financing activities, net	384,795	22,800
Loss/(gain) on disposal of assets	-	(3,550
Dividend income	(770,417)	(484,843)
Interest expenses	630,219	594,745
Profit/(Loss) before working capital changes	**2,011,704**	**1,315,547**
Decrease/(increase) in receivables	(2,517,611)	(779,175)
Decrease/(increase) in inventories	-	322
Increase/(decrease) in liabilities	2,523,019	523,902
Cash from operating activities	**2,017,113**	**1,060,396**
Income tax paid	(84,578)	-
Net cash from operating activities	**1,932,535**	**1,060,396**
II. Cash flows from investing activities		
(Payments) / Proceeds from sales of subsidiaries, net of cash	-	-
(Payments) / Proceeds from sales of tangible and intangible assets, net of cash	(226,484)	(
Payments for the acquisition of investment property	(2,102,944)	-
Collection of guarantees	79,637	
Interest collected	-	1
Dividends collected	192,000	30,599
Net cash from investing activities	**(2,057,791)**	**(1,136,466)**
III. Cash flows from financing activities		
Proceeds from bank loans	2,657,845	13,516,116
Repayments from bank loans	(692,571)	(12,824,227
Payments related to financial leasing	-	-
Interest paid	(630,219)	(594,745)
Loans from affiliated entities – received	976,709	52,662
Loans to affiliated entities – granted	(2,291,329)	(124,378
Net cash from financing activities	**20,435**	**25,427**
Net increase/(decrease) in cash	**(104,822)**	**(50,643**
Cash and cash equivalents at the beginning of the period	**138,656**	**202,282**
Cash and cash equivalents at the end of the period	**33,835**	**151,639**
Cash and cash equivalents at the end of the period include:		
Bank accounts and cash	**33,835**	**151,639**

Statement of changes in equity

	Subscribed capital	Reserves	Revaluation reserves	Other reserves	Retained earnings and current result	TOTAL
Dec-23	**79,152,825**	**1,852,978**	**-**	**10,220,689**	**85,431,117**	**176,657,609**
Current overall result	-	-	-		2,162,561	2,162,561
Total other comprehensive income	-	-	-		**2,162,561**	**2,162,561**
Error correction					-	**-**
Allocations to legal reserve	-	-	-		-	-
Allocations to other reserves		-	-		-	-
Dec 31, 24	**79,152,825**	**1,852,978**	**-**	**10,220,689**	**87,593,678**	**178,820,170**
Current overall result	-	-	-		1,355,409	**1,355,409**
Total other comprehensive income	-	-	-		1,355,409	**1,355,409**
Error correction	-	-	-	-	-	**-**
Allocation of legal reserve	-	-	-	-	-	**-**
Allocation of other reserves	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	**-**
Jun 30, 25	**79,152,825**	**1,852,978**	**-**	**10,220,689**	**88,949,087**	**180,175,579**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Company presentation

Mecanica Fina, headquartered in Bucharest, Sector 2, Popa Lazar Street, no. 5–25, unique registration code RO 655, ORC: J40/2353/1991, was established in 1991 and is traded on the regulated capital market of the Bucharest Stock Exchange.

1.2. Brief history

The company "MECANICA FINA SA" was established as a joint-stock company in 1991 and originated from the former Bucharest Mecanica Fina S.A. Enterprise, which in turn originated from a privately-owned company, "Societatea de Exploatari Tehnice" (S.E.T), founded in 1923 and nationalized in 1948, after which it was renamed "Uzina 21 Decembrie," "Uzina de Mecanica Fina," and "Intreprinderea de Mecanica Fina."

Societatea de Exploatari Tehnice (S.E.T.) was established as a private initiative by a group of engineers, being founded as a collective company with the main activity being technical, industrial, and commercial enterprises, its first operation being the concession of mechanical workshops on Popa Lazar Street in Bucharest belonging to the Satesti Cooperative Federation. Subsequently, the company changed its field of activity, carrying out aircraft repair and construction activities and producing several aircraft prototypes, of which the fourth prototype of the "SET 4" aircraft, of its own design, was a great success in 1930. In 1946, the company switched to the mass production of spare parts for rolling stock, contributing to the restoration of the C.F.R. wagon fleet, which had been destroyed during the war.

The Technical Exploitation Company (S.E.T.) was nationalized in 1948 and renamed "21 December Metallurgical Plant," specializing in the manufacture of agricultural machinery and metal structures.

Starting in 1953, the plant underwent a complete technological and organizational restructuring for the production of measuring and control devices, becoming the top company in the country. The plant was renamed Uzina Mecanica Fina Bucuresti in 1962 and Intreprinderea de Mecanica Fina in 1973, maintaining its manufacturing profile throughout this period.

The Mecanica Fina S.A. Company was split up in 1991, based on Law No. 15/1990 on the reorganization of state-owned economic units as autonomous companies and commercial companies, by Government Decision No. 157/07.03.1991, into four commercial companies structured according to the manufacturing profile of the company's departments, as follows: "Mecanica Fina" SA (measuring and control devices), "Diasfin" SA (diamond tools), "Carmesin" SA (sintered metal carbide products) and "Fapiro" SA (files and rasps), followed by the establishment of a new commercial company: "Sigma Fina" SA (the former Computing Center of the enterprise).

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%), because (after the takeover of the stake held by FPP IV), 88.77% of the total share capital belonged to shareholders who subscribed to the PPM.

Since 1997, Mecanica Fina SA has been listed on the Bucharest Stock Exchange – RASDAQ Section.

MECANICA FINA SA, as established in 1991, was privatized in 2000, and its share capital is now entirely privately owned. The majority shareholder of the company, with a 91.5993% stake in the share capital, is Mol Invest SA, based in Bucharest, Sector 2, 5-25 Popa Lazar Street, Building C16 (ORC J40/969/2001; CUI 13671261), a Romanian company with private capital, whose shareholders are two Italian citizens, of whom the majority shareholder (99.98%), Mr. Mollo Sergio, is the sole administrator of that company and, at the same time, administrator – Chairman of the Board of Directors and General Manager of Mecanica Fina SA.

In 2006, the company entered the agricultural sector by establishing 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 shares (99.85% of a total share capital of RON 200,000 – cash contribution) in the share capital of MOLLO RE SA, based in Bucharest (ORC J40/15010/2006; CUI 19034870).

The company also holds shares (88.72789% of a total share capital of 361,800 lei – cash contribution) in the share capital of INDUSTRIAL CEFIN SA, based in Bucharest (ORC J40/9492/1995; CUI 7867787).

Mecanica Fina SA was a manufacturer of measuring and control devices until 2009, when it ceased production due to the economic crisis and the obsolescence of manufacturing technologies, which had a direct impact on the company's economic profitability, as well as for environmental protection reasons, given that the production workshops were centrally located in Bucharest – in the Obor area.

The share capital of Mecanica Fina SA is over EUR 1.9 million, or RON 9,264,890, divided into 3,705,956 shares with a nominal value of RON 2.50, which are recorded on a contractual basis by Depozitarul Central SA. The company has been listed on the regulated market administered by the Bucharest Stock Exchange (BVB) – Main Segment – Standard Category – Shares, since August 12, 2015.

MECANICA FINA SA currently has 12 employees and includes in its scope of activity various activities, with the largest share of revenue currently coming from the rental of its own real estate and services related to the provision of utilities to tenants in the rented spaces.

2. BASIS FOR PREPARATION

2.1 Statement of compliance

The simplified individual financial statements for the period ended June 30, 2025, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim reporting, as applied in the European Union.

The simplified interim individual financial statements do not include all the information and items presented in the annual financial statements and should be read in conjunction with the company's annual financial statements prepared on December 31, 2024.

The simplified individual interim financial statements for the period 01.01-30.06.2025 are not audited and have not been reviewed by an external auditor.

The accounting policies and methods applied by the Company in these simplified interim financial statements are the same as those applied in the individual financial statements as of and for the financial year ended December 31, 2024.

The main accounting policies adopted in preparing the financial statements are presented in note 4. The policies have been applied consistently to all years presented, unless otherwise stated.

2.2 Basis of preparation

The simplified financial statements have been prepared on a historical cost basis, except for certain financial instruments (fixed assets) that are measured at revalued or fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The simplified financial statements have been prepared on a going concern basis, in accordance with the historical cost convention adjusted for the effects of hyperinflation until December 31, 2004, for share capital, reserves, and investments. These financial statements have been prepared on the basis of statutory accounting records in accordance with Romanian accounting principles, which have been adjusted to comply with IFRS as adopted by the EU.

Going concern principle. The company operates on a going concern basis. This principle assumes that the entity will continue to operate normally, without entering into liquidation or significantly reducing its activities.

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

3. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and assumptions

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

4. ACCOUNTING POLICIES

4.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards, Interpretations and International Accounting Standards (collectively referred to as "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS").
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 to comply with 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 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 regarding the application of accounting policies. The areas in which significant decisions and estimates were made in preparing the financial statements, as well as their effect, are shown below.

4.2 Basis of measurement

The separate financial statements are prepared on the basis of the historical cost/amortized cost convention, except for tangible assets presented at revalued cost using fair value as the deemed cost and items presented at fair value, namely financial assets and liabilities at fair value through profit and loss and available-for-sale financial assets, except for those for which fair value cannot be reliably determined.

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 in effect on the date of the transactions. Monetary assets and liabilities in foreign currencies are converted at the rates in effect on the reporting date.

4.4 Significant accounting estimates and judgments

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

An estimate may need to be revised 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, a revision of an estimate is not related 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 continually evaluated based on historical experience and other factors, including projections of future events that are considered reasonable under the circumstances.

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

***(a)* Valuation of investments in land and buildings owned**

Land and buildings owned were valued at the date of transition to IFRS using fair value as the deemed cost, and will be valued and presented using the provisions of International Accounting Standard 40 – Investment Property, with *the market value method* being *the method* chosen.

***(b)* Adjustments for impairment of receivables**

The impairment assessment of receivables is performed individually and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these cash flows, management makes certain estimates regarding the financial situation of the partners. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows.

***(c)* Legal 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.

Factors considered in making decisions regarding provisions include the nature of the litigation or claims and the potential level of damages in the jurisdiction where the litigation is being heard, 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 advisors, experience in similar cases, and any decision by the Company's management regarding how to respond to the dispute, claim, or assessment.

***(d)* Accounting estimates of expenses**

There are objective situations in which, by the end of certain fiscal periods or by the end of a financial year, the exact values of certain expenses incurred by the company are not known. For this category of expenses, preliminary expenses will be made, which will be corrected in subsequent periods when cash outflows occur. Estimates of expenses, for each category of expense, will be made by persons with experience in the type of activity that generated that expense.

***(e)* Taxation**

The Romanian tax system is currently undergoing consolidation and harmonization with European legislation. However, there are still different interpretations of tax legislation. In certain situations, the tax authorities may treat certain aspects differently, calculating additional taxes and penalties for late payment. In Romania, the fiscal 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 liquidity-based presentation in the statement of financial position and a presentation of income and expenses according to their nature in the statement of comprehensive income, considering that these presentation methods provide information that is credible and more relevant than that which would have been presented based on other methods permitted by IAS 1 "Presentation of Financial Statements."

4.6 Intangible assets acquired

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

Expenses related to the acquisition of patents, copyrights, licenses, trademarks, or factory and other intangible assets recognized for accounting purposes, except for start-up costs, goodwill, and intangible assets with an indefinite useful life, classified as such in accordance with accounting regulations, are recovered through straight-line depreciation deductions over the term of the contract or the useful life, as applicable.

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

Internally generated intangible assets (development costs)

Research expenses (or expenses incurred during the research phase of an internal project) are recognized as expenses for the period to which they relate.

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

Tangible fixed assets

Tangible 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

Recognition:

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 associated with the asset will flow to the entity; and
b) the cost of the asset can be measured reliably.

Measurement after recognition

After recognition as an asset, an item of property, plant, and equipment is carried at its cost 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 reliably measured is carried at a revalued amount, which is its fair value at the date of revaluation.

Depreciation

The depreciable amount of an asset is allocated systematically over its useful life. Depreciation 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 depreciation method used reflects the expected rate of consumption of the future economic benefits of the asset by the entity.
Land is not depreciated.

For depreciable fixed assets, the company uses the straight-line depreciation method for accounting purposes. Depreciation periods are determined by an internal specialist committee in accordance with the company's internal procedures. Below is a brief overview of the useful lives of fixed assets by major asset categories:

Category	**Lifetime**
Buildings and structures	15-50
Equipment and installations	1-20 years
Means of transport	4-6 years
Computing equipment	1-8 years
Furniture and office 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 assesses whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the asset's recoverable amount.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to 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 carried at revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in IAS 16 Property, Plant, and Equipment). Any impairment loss on a revalued asset is treated as a revaluation decrease.

4.7. Investment property

Investment property is defined as property (land or a building – or part of a building – or both) held (by the owner or by a lessee under a finance lease) for the purpose of earning rentals or capital appreciation or both, rather than for:
(a) be used in the production of goods, the provision of services, or for administrative purposes; or
(b) be sold in the ordinary course of business.

Recognition

Investment property shall be recognized as an asset when, and only when:
(a) it is probable that future economic benefits associated with the investment property will flow to the enterprise; and
(b) the cost of the investment property can be measured reliably.

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

Initial measurement

An investment property should be initially measured at cost. Transaction costs should be included in the initial measurement.

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

The cost of an investment property constructed in-house 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 property becomes an investment property and this Standard applies.
The cost of a real estate investment is not increased by start-up costs (unless these are necessary to bring the real estate property into its working condition), by initial operating losses incurred before the real estate investment reaches its planned occupancy level, or by unusual amounts of waste of materials, labor, or other resources incurred in the process of constructing or improving the real estate property.

If payment for a real estate investment is deferred, then its cost is equivalent to the cash price. The difference between this value and the total payments is recognized over the term of the loan as interest expense.

Subsequent expense

Subsequent expenditure on a property investment that has already been recognized shall be added to the carrying amount of the property investment in the month when it is probable that future economic benefits will flow to the enterprise in addition to the initial performance standard. All other subsequent expenses must be recognized in the period in which they occur.

Measurement after initial recognition

With regard to the adoption of accounting policies, an enterprise must choose either the fair value model or the cost model, and must apply this policy to all of its investment property.

Market value model

After initial measurement, an entity that chooses the market value model must measure all its investment property using appraisal 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 measurement of financial assets and financial liabilities

When a financial asset or financial liability is initially recognized, an entity measures it at its 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 measurement 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) it 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 selling or repurchasing it in the near term;
(ii) upon initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(iii) a derivative (except for a derivative that is a financial guarantee contract or an instrument designated and effective as a hedge).

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 short term, which must be classified as held for trading, and those that the entity, upon initial recognition, designates at fair value through profit or loss;
b) those that the entity, upon initial recognition, designates as available for sale; or
c) those for which the holder may not recover substantially all of its initial investment, other than for reasons of credit impairment, which shall 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 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 listed shares.

The company does not hold any held-to-maturity investments and does not hold or classify any financial assets or financial liabilities at fair value through profit or loss.

Gains and losses

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

When a decrease 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 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 is no longer recognized.

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

amortization) and the current fair value, less any impairment loss on 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 objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed and the amount of the reversal is recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other highly liquid short-term investments with original maturities of three months or less, and—for cash flow statement purposes—overdrafts.

4.9. Inventories

In accordance with IAS 2, inventories are assets:
a) held for sale in the ordinary course of business;
b) in the process of production for such sale; or
c) in the form of raw materials, supplies, and other consumables to be used in the production process or for the provision of services.

Valuation of inventories:

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

Cost of inventories

The cost of inventories includes all acquisition costs, conversion costs, and other costs incurred to bring the inventories to their present location and condition.
Inventories of raw materials and supplies are stated at acquisition cost. Inventories of work in progress are stated at the cost of the raw materials and supplies incorporated therein.
Finished goods inventory is recorded at production cost at the time of completion of manufacture.

Adjustments for inventory impairment

The impairment assessment of inventories is performed on an individual basis and is based on management's best estimate of the present value of expected cash flows. To estimate these cash flows, management makes certain estimates regarding the value in use of the inventory, taking into account the expiration date, the possibility of use in the company's current activity, and other factors specific to each category of inventory. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows.

4.10 Receivables

Receivables arise mainly from the provision of goods and services to customers (e.g., trade receivables), but also include other types of contractual monetary assets. They are initially

recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently recorded at amortized cost using the effective interest method, less adjustments for impairment.

Receivables are presented in the balance sheet at historical cost less any impairment adjustments in cases where the recoverable amount is found to be less than the historical cost.

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

The impairment assessment of receivables is performed on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these cash flows, management makes certain estimates regarding the financial situation of the partners. Each impaired asset is analyzed individually.

The Company also 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 liabilities

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

4.12 Recognition of income and expenses

4.12.1.Revenue recognition

Performance obligations and timing of revenue recognition

Most of the company's revenue comes from the sale of goods with revenue recognized at the point when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control may 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 required to identify spot permits: once the physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, will usually have a right to payment at present (as a single payment upon delivery), and does not retain any of the significant risks and rewards of the products in question.

A small portion of contracts are negotiated on an invoice and allocation basis. In such arrangements, revenue is recognized, even though the company continues to hold physical ownership, only if:

- the agreement is substantial (i.e., requested by the customer);
- the finished products have been 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.

Determination of transaction price

Most of the Company's revenue derives from fixed-price contracts and, therefore, the amount of revenue to be earned from each contract is determined based on 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

The company took advantage of practical exemptions:

• not to account for significant financing components, where the time difference between receiving payment and transferring control of the goods (or services) to the customer is one year or less; and

• incur the incremental costs of obtaining a contract when the amortization period of the otherwise recognized asset would have been one year or less.

Special cases: If it is found that the income associated with a period of the current year is affected by fundamental errors, these shall 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 income accounts, but the income account carried forward from corrections of fundamental errors, if the amount of the error is considered significant.

4.12.2 Recognition of expenses

Expenses are decreases in economic benefits recorded during the accounting period in the form of outflows or decreases in the value of assets or increases in liabilities, which are reflected in reductions in equity, other than those resulting from their distribution to shareholders.

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

Assets held by the company, as specified in IAS 36 *"Impairment of Assets,"* are subject to impairment testing whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. When the carrying amount of an asset exceeds its recoverable amount (i.e., the higher of its value in use and its fair value less costs to sell), the asset is adjusted accordingly.

When 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 losses 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.

According to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," a provision must be recognized if:

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

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

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

The recognition, measurement, and updating of provisions are carried out in accordance with the provisions of IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets."

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

a) disputes;
b) guarantees granted to customers;
c) disposal of tangible assets and other similar actions related thereto;
d) restructuring;
e) employee benefits;
f) other provisions.
Previously established provisions are reviewed periodically and adjusted.

4.15 Deferred tax - IAS 12

In calculating deferred 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 its tax base.

The recognition of deferred tax assets is limited to those times when it is probable that taxable profit will be available in the future.

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 liability/(asset) is settled/(recovered).

The company offsets deferred tax assets and liabilities if, and only if:

a) it has a legally enforceable right to offset current tax assets against current tax liabilities; and
b) Deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

4.16 Dividends

The portion of profit that is paid, 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 made from profits determined on the basis of IFRS and included in the annual financial statements, are not recognized as a liability at the end of the reporting period.

The provisions of IAS 10 are taken into account when accounting for dividends.

4.17 Capital and reserves

Capital and reserves (equity) represent the shareholders' rights to the assets of an entity after deducting all liabilities. Equity includes: capital contributions, reserves, retained earnings, and profit for the financial year.
In the first set of financial statements prepared in accordance with IFRS, the company applied IAS 29 - "Financial Reporting in Hyperinflationary Economies" for shareholder contributions obtained before January 1, 2004, namely, they were adjusted by the corresponding inflation index.

4.18 **Financing** *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 they are incurred. The Company did not finance the construction of long-term assets from loans.

4.19 Earnings per share

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

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

4.20 Segment reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a particular geographical area (geographical segment) and is subject to risks and benefits that are different from those of other segments. From the point of view of business segments, the Company does not identify distinct components in terms of associated risks and benefits.

4.21 Related parties

A person or a close family member of that person is considered to be affiliated with a Company if that person:

(ι) has control or joint control over the Company;
(ιι) has significant influence over the Company; or
(ιιι) is a member of key management personnel

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 non-executive) of the entity.

Transactions with key management personnel include only the salary benefits granted to them as presented in Note 9. Personnel expenses.

An entity is affiliated with the Company if it meets any of the following conditions:

(i) The entity and the Company are members of the same group (meaning that each parent company, 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 an associate or joint venture of a member of the group to which the other entity belongs).
(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 of an affiliate of the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also affiliates of the reporting entity.
(vi) The entity is controlled or jointly controlled by an affiliate
(vii) An affiliate that controls the entity significantly influences the entity or is a member of the key management personnel of the entity (or the parent of the entity).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

- Credit risk
- Foreign exchange risk
- Liquidity risk

Like all other businesses, 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 regarding these risks is presented in these financial statements.

There have been no significant changes in the Company's exposure to risks related to financial instruments, its objectives, policies, and processes for managing these risks, or the methods used to evaluate them compared to previous periods, unless otherwise stated in this note.

Principal financial instruments

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

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

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

ASSETS	**June 30, 2025**	**Dec-31-24**
Trade receivables and similar, net	4,557,645	2,524,704
Cash and cash equivalents	33,835	138,656
Total	**4,591,480**	**2,663,360**

LIABILITIES	**June 30**	**Dec-24**
Trade and similar liabilities	5,882,957	5,323,141
Loans and leases	21,551,459	17,929,647
Total	**27,434,416**	**23,252,788**

The overall objective of the Board of Directors is to establish policies designed to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility.

Further details regarding these policies are outlined below:

Credit risk

Credit risk is the risk of financial loss to the Company arising from a customer or counterparty to a financial instrument failing to meet its contractual obligations.

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

Calculation and analysis of the net position (equity)

Indicators (LEI)	**Jun 30, 2025**	**Dec 31, 2024**
Loan liabilities	23,209,771	22,621,018
Cash and cash equivalents	33,835	138,656
Net debt	23,175,936	22,482,362
Total equity	**180,175,579**	**178,820,170**
Net debt in equity (%)	**12.8**	**12.57**

Currency risk

The company is mainly exposed to currency risk on the bank loan it has contracted.

As of June 30, 2025, the company's net exposure to currency risk by currency type was as follows:

Assets/liabilities in EUR equivalent in RON	**June 30, 2025**	**Dec 31, 2024**

Monetary financial assets	-	-
Monetary financial liabilities	16,199,763	18,740,775
Net financial assets	(16,199,763)	**(18,740,775)**
RON/EUR variation		
5% appreciation of RON against EUR	809,988	937,039
RON depreciation against EUR by 5%	(809,988)	**(937,039)**

Liquidity risk

Liquidity risk arises from the Company's management of current assets and financing expenses and principal repayments for its debt instruments.

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

The Board of Directors regularly receives cash flow forecasts and information on the Company's cash availability. At the end of the financial year, the Company has sufficient liquid resources to meet its obligations in all reasonably foreseeable circumstances.

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

June 30, 2025	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Trade and similar payables	1,420,643	-	-	**1,420,643**
Loans and borrowings	1,546,645	9,239,759	10,765,056	21,551,459
Other short-term liabilities	1,658,312	-	-	**1,658,312**
Financial leasing	-	-	-	**-**
Total	**4,625,600**	9,239,759	10,765,056	**24,630,415**

December 31, 2024	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Trade and similar payables	1,953,847	-	-	**1,953,847**
Loans and borrowings	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**

Bank liquidity

The banks where the company holds bank accounts are periodically reviewed 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 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 of the Company's operations.

The primary responsibility for developing operational risk controls lies with the unit management. This responsibility is supported by the development of the Company's general operational risk management standards in the following areas:

- Requirements for separation of responsibilities, including independent authorization of transactions
- Requirements for reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for periodic analysis of 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 that generated them
- Development of business continuity plans
- Professional development and training
- Establishment of ethical standards
- Prevention of litigation risk, including insurance, where applicable
- Risk mitigation, including the effective use of insurance, where appropriate

Capital adequacy

The management's policy regarding capital adequacy focuses on maintaining a solid capital base in order to support the Company's continued development and achieve its investment objectives.

6. SALES REVENUES

Revenue from sales includes the following items:

Description	**Jun-30**	**Jun-30**
Rental income	4,220,004	3,417,278
Sales of goods	2,645	12,247
Sales of residual products	-	4,698
Revenue from services	236,981	278,976
Revenue from miscellaneous activities - re-invoicing	1,184,246	1,016,846
Total	**5,643,876**	**4,730,045**

Revenue from sales mainly comprises revenue from the leasing of premises owned by the Company. The premises are leased on the basis of contracts concluded between the parties.

7. OTHER INCOME

Other operating income includes the following:

Description	Jun 30	Jun 30
Gains from the valuation of fixed investments	-	-
Revenue from own production	25,645	84,335
Other operating income	333	20,363
Total	**25,978**	**104,698**

8. RAW MATERIALS AND CONSUMABLES

Expenses for raw materials and consumables have the following components:

Description	Jun-30	Jun 30
Expenses for fuel and spare parts	5,072	1,391
Expenses for inventory items	1,957	3,226
Expenses for consumables and property repairs	54,795	166,940
Expenses for goods	2,519	11,814
Total	**64,343**	**183,371**

9. PERSONNEL EXPENSES

Personnel expenses consist of the following components:

Description	Jun-30	Jun 30
Salaries	937,666	839,576
Collaborator expenses	307,710	307,710
Taxes and social contributions	28,021	25,814
Other benefits (meal vouchers)	53,430	49,770
Unused vacation days	-	-
Total	**1,326,827**	**1,222,870**

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

Description	June 30	Jun 30, 24
Salaries	307,710	307,710
Taxes and social contributions	6,923	6,923
Total	**314,633**	**314,633**

10. OTHER EXPENSES

Other operating expenses include the following:

Description	Jun-30	Jun 30, 24
Utilities	1,409,003	829,172
Expenses with non-stocked materials and repairs	9,180	202
Insurance	6,388	-
Commissions, banking services, and fees	22,452	213,353
Advertising and product promotion	38,744	15,305
Travel and transportation	521	11,489
Postal and telecommunications	16,235	15,760
Other services provided by third parties	485,650	636,162
Other taxes and fees	246,421	283,192
Fines and penalties	32,387	37,821
Miscellaneous	-	67,150
Total	**2,266,981**	**2,109,606**

11. FINANCIAL INCOME AND FINANCIAL EXPENSES

Net financial income consists of the following components:

Description	Jun 30	Jun 30
Interest income	1	1
Interest expenses	(630,219)	(594,745)
Other financial income	777,649	511,008
Other financial expenses	(392,026)	(48,964)
Total	**(244,596)**	**(132,700)**

12. INCOME TAX EXPENSES

Description	**Jun-30**	**Jun 30**
Income tax	(84,578)	(95,536)
Deferred tax (expense) / income	(33,845)	(68,340)
Total	**(118,423)**	**(163,876)**

The income tax payable was calculated taking into account the impact of non-deductible expenses, non-taxable income from tax incentives, and the effects of income tax provisions. A reconciliation between the accounting profit and the taxable profit used to calculate the income tax is presented in the following table:

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

13. EARNINGS PER SHARE

Description	**Jun-30**	**Jun 30, 24**
Net profit (A)	1,355,409	875,887
Number of ordinary shares (B)	3,705,956	3,705,946
Earnings per share (A/B)	**0.**	**0.24**

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

a) Intangible and tangible fixed assets

Tangible and intangible fixed assets (IAS 16)	Land and buildings	Equipment and means of transport	Other tangible assets	Tangible assets in progress/Advances on assets	Total
Net value December 31, 2023	**1,367,680**	**710,879**	**62,644**	**547,175**	**2,688,378**
Acquisitions 2024	-	958,838	6,617	903,166	**1,868,621**
Outflows / Transfers 2024	-	-	-	(910,994)	**(910,994)**
Cost for the period / Amortization 2024	(93,707)	(200,280)	(12,830)	-	**(306,817)**
Value adjustments 2024	-	-	-	-	**-**
Net value as of December 31, 2024	**1,273,973**	**1,469,437**	**56,431**	**539,347**	**3,339,188**
Acquisitions 2025	-	66,307	36,187	149,193	**251,687**
Outflows / Transfers 2025	-	-	-	(462,637)	**(462,637)**
Cost for the period / Amortization 2025	(46,854)	(134,566)	(11,727)	-	**(193,147)**
Value adjustments 2025	-	-	-	-	**-**
Net value as of June 30, 2025	**1,227,119**	**1,401,178**	**80,891**	**225,903**	**2,935,091**

b) Investment property

Investment property (IAS 40)	Land	Buildings	Real estate investments in progress and advances for real estate investments in progress	Total real estate investments
December 31, 2023	**157,312,621**	**40,447,189**	**950,972**	**198,710,782**
Acquisitions	-	-	3,635,902	**3,635,902**
Changes in market value	-	-	-	**-**
Exits/transfers	-	-	(8,696)	**(8,696)**
Value adjustments	-	-	-	**-**
December 31, 2024	**157,312,621**	**40,447,189**	**4,578,178**	**202,337,988**
Acquisitions	-	-	2,102,944	**2,102,944**
Changes in market value	-	-	-	**-**
Exits/transfers	-	-	-	**-**
Value adjustments	-	-		
June 30, 2025	**157,312,621**	**40,447,189**	**6,681,122**	**204,440,932**

Presentation of fixed assets in accordance with IAS 16 – Property, Plant and Equipment and IAS 40 – Investment Property

In accordance with Note 2 – Accounting policies, the company's land and buildings are classified as investment property in accordance with International Accounting Standard IAS 40 – Investment property. The valuation model chosen by the Company is the market value model.
The Company's fixtures, vehicles, equipment, and furniture are measured and presented in accordance with IAS 16 – Property, Plant, and Equipment.

Fair value measurement

Based on IFRS 13 – Fair Value Measurement, the valuation levels and the manner in which the valuation is performed are presented below.

Position	Fair value	Assessment method	Level of assessment	Calculation data not directly observable
Land	**160,050,651**	The fair value of the land was derived from market comparisons. The market price for similar locations was adjusted according to the differences between the characteristics of the land analyzed. The valuation model is based on the price per square meter.	Level 2	N/A
Buildings	**37,709,159**	The fair value is determined by applying the income approach, based on the rental value of the building. The calculation elements were estimated by an expert appraiser, based on comparative data from the specific field of activity.	Level 3	- Discount rate - Residual value

Depreciation of fixed assets

Accounting depreciation is calculated using the straight-line method. For new fixed assets acquired in 2024, such as installations, machinery, and measuring and control equipment, the useful lives were determined taking into account:

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

15. INVESTMENTS IN SHARES

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

Description	June 30, 2025	% owned	31.12.2024	% held
ITAGRA S.A.	12,899,600	99.997	12,899,600	99.997
MOLLO RE	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 its holdings at acquisition cost tested for impairment. Following the impairment test, no loss in value was identified.

ITAGRA SA

ITAGRA S.A. is headquartered in Ialomita County, Boranesti. The company was established in 2006 and is registered with the Trade Register under number J21/316/2006 and has the unique code
The company was established in 2006 and is registered with the Trade Register under number J21/316/2006, with the unique registration code 18792370 and tax number RO.
The company's main activity is the cultivation of cereals (excluding rice), legumes, and oilseed crops.

MOLLO RE SA

Mollo RE SA was established in 2006 on the initiative of Mecanica Fina SA, based in Bucharest, Sector 2, 5-25 Popa Lazar Street, ORC: J40/2353/1991, CUI 655, which decided, by resolution no. 7 of 30.05.2006 of the general meeting of shareholders, to establish 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 in the share capital of at least 50%.

INDUSTRIAL CEFIN

Industrial Cefin SA was established under Law No. 15/1990 on the reorganization of state-owned economic units as autonomous administrations and commercial companies by Government Decision No. 572/ July 31, 1995, on the establishment of joint-stock companies through the partial reorganization of the Research and Design Institute for Mecanica Fina S.A. Bucharest.

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

Description	30.06.2025	% held	31.12.2024	% held
BIO VALLEY SRL	13,560	90.397	13,560	90.397
ITAGRA BIO TERRA	20,000	99.997	20,000	99.997
VERA WELLNESS SRL	20,000	49.925	20,000	49.925

BIO VALLEY S.R.L.

The company's current registered office is located in Ialomita County, Boranesti, 1 Decembrie 1918 Street, No. 174 – Building C15 Offices. The company was established in 1992 and is registered with the Trade Register under number J21/44/1992 and has the unique code
The company was established in 1992 and is registered with the Trade Register under number J21/44/1992 and has the unique registration code 2086262 and tax code RO.
The company's main activity is: Growing vegetables and melons, root vegetables and tubers.
The company did not carry out any activity in 2023.

ITAGRA BIO TERRA S.R.L.

The company's current registered office is in Ialomita County, Boranesti, 1 Decembrie 1918 Street, no. 174 – Building C47 Mechanical Workshop. The company was established in 2020 and is registered with the Trade Register under number J21/35/2020 and has the unique registration code 2086262, with the tax code RO.
The company was established in 2020 and is registered with the Trade Register under number J21/35/2020 and has the unique registration code 42145490. The company's main activity is: Cultivation of cereals (excluding rice), legumes, and oilseed crops.

VERA WELLNESS S.R.L.

On September 8, 2017, the General Meeting of Shareholders of Mollo RE S.A. decided to establish Vera Wellness, with the main activity being CAEN code 931 - Sports facilities activities. The company is registered with the Trade Register under number J40/15740/2017 and has the unique registration code 38212175.

16. COMMERCIAL AND OTHER RECEIVABLES

Description	Jun 30	Dec 31
Commercial receivables	673,826	766,004
Adjustments for trade receivables	(16,269	(16,269)
Receivables from related parties	-	9,565
Receivables from related parties	3,816,441	1,649,310
Miscellaneous debtors and other receivables	-	-
Total financial assets other than cash, classified as loans and receivables	**4,473,998**	**2,408,610**
Other receivables from the State Budget	83,647	115,067
Advance payments	-	1,027
Total	**4,557,645**	**2,524,704**

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.

As of June 30, 2025, the company has recorded adjustments for trade receivables representing customer balances that are unlikely to be collected by the company. Their value is 16,269 lei.

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

Customer adjustments	**June 30, 2025**	**Dec 31, 24**
At the beginning of the period	**16,269**	**16,269**
Constituted during the year	-	-
Cancellation of 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 2025, certain payment deferrals were granted. By the date of issuance of the financial statements, the outstanding balances had been collected.

No impairment adjustments are made for receivables from related parties.

17. CASH AND CASH EQUIVALENTS

Description	**Jun-30**	**Dec 31**
Available in bank	31,304	137,948
Cash and cash equivalents	2,531	708
Total	**33,835**	**138,656**

18. COMMERCIAL AND OTHER LIABILITIES

Due within 1 year	**June 30**	**Dec-24**
Trade payables	1,209,876	892,103
Suppliers of fixed assets	210,767	1,061,744
Debts to credit institutions	1,546,645	1,322,077
Payables to related entities	3,835,829	1,185,237
Other short-term liabilities	87,094	-
Customer guarantees	465,946	473,616
Total trade payables	**7,356,157**	**4,934,777**
Liabilities to the state budget	641,032	430,310
VAT payable	27,372	105,823
Total short-term liabilities	**8,024,561**	**5,470,910**

Due in more than 1 year	**June 30, 2025**	**Dec-31**
Payables to credit institutions	20,004,814	17,929,647
Payables to related entities	-	104,436
Other long-term liabilities	27,597,082	29,638,427
Customer guarantees	626,484	545,294
Total	**48,228,380**	**48,217,804**

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

19. AMOUNTS DUE TO CREDIT INSTITUTIONS

Amounts due to credit institutions

Contract	Bank	Interest	Credit amount	Balance 30.06.2025	Short term	Long term
Contract no. 167522/08.04.2024	Libra Bank SA	EURIBOR 3M + 3.25%	2,510,000	11,350,399 Lei (2,235,342 EUR)	1,051,858 Lei (207,152 EUR)	10,298,541 Lei (2,028,190 EUR)
Contract no. 167530/08.04.2024	Patria Bank	EURIBOR 3M + 3.25%	1,000,000 EUR	4,849,364 lei (955,032 EUR)	248,052 lei (48,851 EUR)	4,601,312 Lei (906,180 EUR)
Total EUR	-	-	-	**16,199,763 lei (3,190,374 EUR)**	**1,299,910 lei (256,003 EUR)**	**14,899,853 lei (2,934,371 euros)**
Contract no. 205711/25.03.2025	Patria Bank	EURIBOR 3M + 3.25%	3,000,000 RON	2,638,823	82,103	2,556,721
Contract no. 153336/08.11.2023	Patria Bank	EURIBOR 3M + 3.05%	3,000,000	2,712,874	164,633	2,548,241
Total	-	-	-		**1,546,645**	**20,004,814**

Details regarding pledges related to credit agreements

Details regarding pledges related to credit agreements

Contract no. 167522/08.04.2024 concluded with Libra Bank SA

Purpose	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
Amount	**EUR 2,510,000**
Balance as of December 31, 2024	**EUR 2,331,941, equivalent to RON 11,599,308**
Balance as at 30 June 2025	**EUR 2,235,342, equivalent to RON 11,350,399**
Mortgages	1. Movable mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of the contract; 2. Movable mortgage on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable mortgage agreement on receivables, accessory to the Credit Agreement; 3. Real estate mortgage on industrial real estate consisting of land within the city limits with an area of 17,942 sqm and 16,808 sqm as measured, and industrial buildings, owned by Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, no. 1-3, sector 2, identified with cadastral number 229224 and CF 229224, identified in accordance with the real estate mortgage agreement 4. Assignment of compensation paid under all insurance policies concluded by the Client and the Guarantor in connection with the credit agreement

Contract no. 167530/08.04.2024 concluded with Libra Bank SA

Objective	Investment credit
Amount	**EUR 1,000,000**
Balance as of December 31, 2024	**EUR 977,406, equivalent to RON 4,861,713**
Balance as at 30 June 2025	**EUR 955,032, equivalent to RON 4,849,364**
Mortgages	1. Movable mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of the contract; 2. Movable mortgage on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable mortgage agreement on receivables, accessory to the Credit Agreement; 3. Real estate mortgage on industrial real estate consisting of urban land with a surface area of 17,942 sqm and 16,808 sqm as measured, and industrial buildings, owned by Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, no. 1-3, sector 2, identified with cadastral number 229224 and CF 229224, identified in accordance with the real estate mortgage agreement 4. Assignment of compensation paid under all insurance policies concluded by the Client and the Guarantor in connection with the credit agreement

Contract no. 205711/25.03.2025 concluded with Libra Bank SA

Objective	Investment credit
Amount	**3,000,000 RON**
Balance as of December 31, 2024	**0**
Balance as of June 30, 2025	**2,638,823**
Mortgages	1. Mortgage on the accounts opened by the Customer with the Bank as identified in Article 4 of this agreement ("Account"/"Accounts"); 2. The movable mortgage on the Client's present and future receivables resulting from the client's lease agreements as identified in the movable mortgage agreement on receivables, attached to this Agreement; 3. Real estate mortgage on industrial real estate consisting of urban land with a surface area of 17,942 sqm and 16,808 sqm as measured, and industrial buildings located at 1-3 Pantelimon Road, Sector 2, Bucharest, cadastral number 229224, Land Registry number 229224, owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement attached to this Agreement; 4. Assignment of compensation paid under all insurance policies taken out by the Client and the Guarantor in connection with this Agreement; 5. Real estate mortgage on the 504.67 sq m share of the total area of 1514 sq m — representing the access road — address Bucharest, Pantelimon Road, no. 1-3, sector 2, cadastral number 230037(old cadastral number 6644/2) Land Registry number 230037 (OLD CF 20536), owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement accessory to this Agreement.

Contract no. 153336/08.11.2023 concluded with Libra Bank SA

Purpose	Loan 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 share purchase agreement with Industrial Cefin.
Amount	**3,000,000 RON**
Balance as of December 31, 2024	**2,790,703 lei**
Balance as of June 30, 2025	**2,712,874**

Mortgages	To guarantee the fulfillment of all payment obligations assumed under this Agreement or in connection with it, regardless of 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: a) a movable mortgage on the accounts opened by the Customer with the Bank as identified in Article 10.1.3 of this Agreement ("Account"/"Accounts"); b) movable mortgage on the Client's present and future receivables resulting from the client's lease agreements as identified in the movable mortgage agreement on receivables, attached to this Agreement in Article 10.1.2; c) real estate mortgage on the industrial real estate property consisting of the building located in Sector 2, Popa Lazar Street no. 5-25, consisting of intravilan land lot 6, with an area of 1867.48 m2 and building C1 (formerly C14) - office buildings S+P+2E with a built area of 1867 m2, owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement attached to this Agreement. d) assignment of compensation paid under all insurance policies taken out by the Customer and the Guarantor in connection with this Agreement;

20. FINANCIAL LEASING OBLIGATIONS

Description	**Jun-30**	**Dec-24**
Maximum 1 year	-	-
More than one year, but less than 5 years	-	-
Less future financial costs	-	-
Current value of liabilities – finance leases	**-**	**-**

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

Current value of liabilities – financial leasing

Description	**Jun-30-25**	**Dec 31, 24**
Maximum 1 year	-	-
More than one year, but less than 5 years	-	-
Current value of liabilities – financial leasing	**-**	**-**

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

21.1. Balances with related parties

Loans received	**June 30, 25**	**Dec 31, 24**
INDUSTRIAL CEFIN SA	1,455,204	1,089,540
MOL INVEST	203,108	200,133
ITAGRA SA	-	-
ITAGRA BIO TERRA SRL	-	-
MODERN SELF WASH SRL	-	-
Total	**1,658,312**	**1,289,673**

Loans granted	**Jun 30, 25**	**Dec 31**
ITAGRA SA	2,934,198	1,428,044
MOL INVEST	175,000	-
Total	**3,109,198**	**1,428,044**

Trade receivables	**Jun 30, 25**	**Dec-31**
INDUSTRIAL CEFIN SA	8,883	-
ITAGRA SA	3,598	2,806
MOLLO RE SA	95,178	218,460
MODERN SELF WASH SRL	-	4,760
MOL INVEST	-	4,805
VERA WELLNESS SRL	21,166	-
Total	**128,825**	**230,831**

Trade payables	**Jun 30, 25**	**Dec-31**
Not applicable	**-**	**-**

Dividends	**Jun 30**	**Dec 31**
INDUSTRIAL CEFIN SA	138,602	-
MOLLO RE SA	439,815	-
Total	**578,417**	**-**

1.2. Transactions with related parties:

Commercial transactions with Group companies

Transaction type	Partner	Value 2025	Value 2024
Revenue from services rendered	Mollo Re SA	11,824	19,245
Revenue from rents	Mollo Re SA	471,212	805,012
Revenue from the sale of goods	Mollo Re SA	614	-
Revenue from other activities	Mollo Re SA	167,665	236,931
Income from shares held in affiliated entities	Mollo Re SA	481,815	173,851
Income from rents	Itagra SA	-	437
Revenue from services	Itagra SA	6,010	28,281
Revenue from the sale of goods	Itagra SA	-	-
Revenue from disposal of assets	Itagra SA	-	-
Revenue from services rendered	Industrial Cefin SA	41,187	78,745
Revenue from the sale of goods	Industrial Cefin SA	2,031	1,487
Revenue from various activities	Industrial Cefin SA	166,239	375,851
Revenue from shares held in affiliated entities	Industrial Cefin SA	288,602	310,993
Income from services rendered	Mol Invest SA	660	1,320
Revenue from rents	Mol Invest SA	3,448	6,751
Revenue from services	Vera Wellness	5,437	9,261
Revenue from rent	Vera Wellness	99,521	183,677
Revenue from the sale of goods	Vera Wellness	-	3,982
Revenue from other activities	Vera Wellness	96,220	162,962

Loans

Related parties	Payments 2025	Receipts 2025	Payments 2024	Receipts 2024
Itagra SA	1,656,696	150,541	175,9051	670,707
Industrial Cefin SA	96,500	462,165	158,500	600,936
Mollo Re SA	13,000	13,000	17,399	17,399
Mol Invest SA	525,133	351,004	495,259	201,035
Itagra Bio Terra SRL	-	-		

Dividends

Related parties	Payments 2025	Receipts 2025	Payments 2024	Receipts 2024
Mollo Re SA	-	42,000	-	173851
Industrial Cefin SA	-	150,000	-	310993

22. DEFERRED INCOME TAX

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

Description	**Jun-30-25**	**Dec-31**
Opening balance	27,463,108	27,512,175
Deferred tax expense/(income)	133,973	(49,067)
Final balance	**27,597,081**	**27,463,108**

The balance for 2024 also includes the amount related to long-term guarantees—see Note 18.

23. SHARE CAPITAL

The company's subscribed share capital as of June 31, 2025, is 9,264,890 lei, with a nominal value of 2.5 lei per share. The company has a total of 3,705,956 shares, which confer equal rights on the company's shareholders. SC Mecanica Fina SA has not issued any shares offering preferential rights to shareholders.

In accordance with the provisions of IAS 29 – Hyperinflationary Economies, the share capital was restated taking into account the inflation index communicated by the National Statistics Commission. This was applied starting with the balance determined according to Government Decision 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 December 31, 2003, the share capital was increased according to the historical amounts recorded in the Trade Register.

On 30 June 2025, the company's balance sheet shows a loss carried forward resulting from the first-time application of IAS 29 "*Financial Reporting in Hyperinflationary Economies*", which is proposed to be covered by the amount resulting from the application of IAS 29 " *Financial Reporting in Hyperinflationary Economies*" as follows:

Retained loss from the 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 the amendment and supplementation of certain accounting regulations, the accounting loss carried forward resulting from the transition to IFRS, from the first-time adoption of IAS 29, as well as that resulting from the use, at the date of transition to IFRS, of 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 decision of the General Meeting of Shareholders, in compliance with the legal provisions.

24. RESERVES

Reserves include the following components:

Description	**Jun-30-25**	**Dec-31**
Legal reserves	1,852,978	1,852,978
Other reserves	10,220,689	10,220,689
TOTAL	**12,073,667**	**12,073,667**

The nature and purpose of each reserve within equity is described below:

Reserve	**Description and purpose**
Legal reserves	According to Law 31/1990, at least 5% of the profit is transferred each year to the reserve fund until it reaches a maximum of one-fifth of the share capital.

Other reserves	Other reserves include, as of June 31, 2025, the allocation of net profit to other reserves in the amount of LEI 10,220,689.

25. REPORTED RESULT

The retained earnings include the following components:

Description	Jun-30-25	Dec-24
Retained earnings representing undistributed profit or uncovered loss	24,064,354	21,901,793
Retained earnings from accounting error corrections	(30,588	(30,588
Result carried forward from the transition to IFRS, less IAS 29	2,863,919	2,863,919
Retained earnings arising from the use, at the date of transition to IFRS, of fair value as deemed cost	130,583,928	130,583,928
Retained earnings arising from the first-time adoption of IAS 29	(69,887,935)	(69,887,935)
Total	**87,593,678**	**85,431,117**

26. PROFIT DISTRIBUTION

On June 30, 2025, the company recorded a profit of 1,355,409 lei. This will be distributed according to the decision of the General Meeting of Shareholders.

27. CONTINGENT LIABILITIES AND LITIGATION

The company is involved in the following litigation:

A. As PLAINTIFF:

1. Case No. 10787/301/2023 - Bucharest District Court, Sector 3
Subject of the case - Recovery of the principal amount of 36,242.61 lei consisting of the value of rent and utilities unpaid by the Debtor (Social Accounting Independent SRL) plus late payment penalties.
Parties - Creditor/Plaintiff - MECANICA FINA SA
Defendant/Debtor - SOCIAL ACCOUNTING INDEPENDENT SRL
Procedural status - settled on 30.05.2023.
Solution - The court accepts the exception of non-stamping of the part of the introductory application regarding the obligation of the debtor to pay late payment penalties, an exception invoked ex officio. It annuls the part of the introductory application regarding the obligation of the debtor to pay late payment penalties. Partially admits the claim, having as its object a payment order. Orders the debtor to pay the creditor the amount of 36,242.61 lei representing the debt, within 20 days from the date of communication of the payment order.
Orders the debtor to pay the creditor the sum of 200 lei, representing the legal costs incurred in the case (stamp duty). No late payment penalties were awarded.

Amounts in dispute: 36,242.61 lei principal debt (equivalent to unpaid rent and utilities).
Under enforcement by bailiff Negreanu Marius Adrian in Bucharest – file no. 512/05.09.2023. Attachments have been placed on accounts at Libra Internet Bank and ING Bank, where our claim competes with other claims attached by ANAF Sector 3. Low chances of recovering the claim.

2. Case no. 32457/3/2023 - Bucharest Court - 7th Civil Section
Subject of the case: insolvency/bankruptcy, debtor's request (Art. 66(10) – L 85/2014)
Debtor: EUROPEAN INFORMATIONAL SYSTEMS SRL
Creditor: MECANICA FINA SA
An application was filed for the admission of a claim of 141,842.49 lei (rent + utilities), Mecanica Fina SA was entered in the table of claims.
Judicial administrator, at the debtor's request, CII OANĂ AURORA.
At the previous hearing on 18.06.2024, the decision in brief: Pursuant to Art. 139(1)(B) of Law No. 85/2014, confirms the reorganization plan proposed by the debtor's judicial administrator CII Oană Aurora for the debtor European Informational Systems SRL. Sets the date for the continuation of the proceedings on 22.10.2024, at 09.00. With the right to appeal within 7 days of the communication of the decision, which will be filed with the Bucharest Court of Appeal, 7th Civil Section. Pronounced by making the solution available to the parties through the court registry, today, 18.06.2024. Document: Interim decision 3191/2024 18.06.2024.
Deadline: 09.09.2025 – for the implementation of the reorganization plan presented by the judicial administrator for the debtor.

3. Case No. 2767/3/2024 - Bucharest Court of Law - 7th Civil Division
Subject of the case: insolvency/bankruptcy, debtor's request
Debtor: TOPGENTI.RO SRL;
Creditor: MECANICA FINA SA
A request was filed on 29.03.2024 for the admission of a claim of 68,631.63 lei (rent + utilities). Judicial administrator, at the debtor's request, AKTIV-LEX INSOLVENTA S.P.R.L, with a remuneration of 3,000 lei from the debtor's assets.
At the previous hearing (June 19, 2024): The case was adjourned for the assessment and valuation of the debtor's assets.
Hearing: February 19, 2025, to allow the debtor to submit a reorganization plan.
At the hearing on 17.04.2025, the court ordered the debtor to enter into bankruptcy through the general procedure.

B. As DEFENDANT

1. Case No. 25713/3/2023 - Bucharest Court - Section VIII CMAS
Subject of the case - Issuance of a new certificate regarding salary rights for the period 1 October 1974-22 September 1975 and 1 April 1976-7 March 1991, indicating the base salary, bonuses, additional income, and the express mention of the withholding and payment of social security contributions.
Order the defendants to pay the amount of 38,117 lei calculated for the period 03.02.2021-31.07.2023 and thereafter, as the difference between the pension rights received and those due.

Order the defendants to pay jointly and severally late payment penalties of 500 lei per day from the date of the court decision on the merits until the date of issuance of the certificate.

The defendants are ordered to pay the court costs.

Parties - Plaintiff - CHIRILĂ OCTAVIAN

Defendant - MECANICĂ FINĂ SA and EURO STORAGE ARHIV SRL

Stage of proceedings - pending on the merits.

Amounts in dispute - 38.117 lei as the difference between the pension rights received and those due for the period 03.02.2021-31.07.2023 and currently, as well as late payment penalties of 500 lei per day from the date of the court decision on the merits until the date of issuance of the certificate.

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

After the deadline of 05.09.2024, given Euro Storage Arhiv's response that it does not hold the claimant's personnel file, Mecanica Fina submitted to the file meeting notes requesting that the action be dismissed as inadmissible.

Last deadline: 19.12.2024. Summary of the decision: Admits the exception of lack of passive legal capacity of the defendant Carmesin SA. Rejects the claim against the defendant Carmesin SA as being brought against a person without passive legal capacity. Partially admits the claim. Orders the defendants SC EUROSTORAGE ARHIV SRL and SC MECANICĂ FINĂ SA to issue the claimant with an employee certificate for the period 1 October 1974 to 22 September 1975 and the period 1 April 1976 to 7 March 1991, showing the position held, the working conditions, the basic salary he was paid, broken down for each income separately, as well as mentioning the bonuses he received and the additional income earned, the legal basis for granting each income, as well as mentions regarding the payment of insurance contributions, specifying in concrete terms all the income included in the calculation basis for social insurance contributions. Rejects the rest of the application as unfounded. Appealable within 10 days of notification, to be lodged with the Bucharest Court of Appeal – Section VIII. Delivered today, 19.12.2024, by making the decision available to the parties through the court registry. Document: Decision 8194/2024 19.12.2024.

The judgment of the court of first instance was appealed to the Bucharest Court of Appeal

First hearing in appeal: 08.09.2025

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

Subject of the case - Action for a declaratory judgment. The plaintiffs request the court to issue a decision declaring that they have a right to use the 87 sq m plot of land belonging to MECANICA FINĂ SA and to order the company to remove the fence made of concrete posts and slabs.

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

Procedural stage - appeal. The case was decided on its merits, and Mecanica Fina SA filed an appeal.

Summary of the decision: Pursuant to Article 480(1) of the Code of Civil Procedure, the appeal filed by the appellant SC MECANICĂ FINĂ SA (details) against civil judgment no. 56 of 19.01.2023, handed down by the Urziceni Court of First Instance, is dismissed as unfounded. Rejects the appellant's request for the award of legal costs as unfounded. Orders the appellant SC MECANICĂ FINĂ SA to pay the respondents AELENI PETRU (details) and AELENI ELENA (details) the sum of 3000 lei (including VAT) as legal costs, representing the lawyer's fees paid during the appeal phase. With the right to appeal within 30 days of notification. The appeal shall be lodged with the Ialomiţa Court of Law – Civil

Division. Delivered by making the decision available to the parties, through the court registry, today, 17.12.2024. Document: Decision 1059/2024 17.12.2024

3. Case No. 48783/3/2024 - Ilfov Court
Subject of the case – reinstatement of seniority and employment record book, request filed by a former employee of the former Mecanica Fina S.A. Enterprise during the period 03.08.1977 - 30.10.1984, 10.03.1986 – 01.07.1990.
Parties:
Petitioner – PARASCHIV COSTEL
Defendant - INTERPRINDEREA MECANICĂ FINĂ
Defendant - H&A FIRST IMPORT EXPORT PROD SRL
Defendant - SC UROGDI S IMPORT EXPORT SRL
Term: 23.09.2025

There are no criminal, administrative, or other proceedings against the issuer Mecanica Fina SA.

28. INFORMATION REGARDING THE AUDIT OF FINANCIAL STATEMENTS

The financial audit for the 2024 financial year was performed by TGS Romania

29. OTHER INFORMATION

Transfer price

In accordance with the relevant tax legislation, the tax assessment of a transaction carried out with related parties is based on the market price concept for that transaction. Based on this concept, transfer prices must be adjusted to reflect the market prices that would have been established between entities that are not affiliated and that act independently, based on "normal market conditions."

To date, no transfer pricing audits have been carried out by the tax authorities to determine whether the prices comply with the "normal market conditions" principle and whether the Romanian taxpayer's tax base is distorted. The company has not prepared a transfer pricing file.

30. SUBSEQUENT EVENTS

There are no subsequent events.

Mecanica Fina S.A.

Consolidated Financial Statements
for the First Half-Year Ended 30 June 2025
(in accordance with OMFP 2844/2016)

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Consolidated Statement of Financial Position

Consolidated Statement of Profit or Loss

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Consolidated Statement of Changes in Equity

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Mecanica Fina Group
Consolidated financial position as of June 30, 2025
(all amounts are presented in RON unless otherwise specified)

	NOTE	06-30-2025	31-12-2024
Assets			
Long-term assets			
Tangible fixed assets	**4**	59,828,263	60,534,724
Investment property	**5**	214,228,736	211,706,056
Intangible assets		2,939	3,290
Investments in associates	**6**		
Other fixed assets		11,300	11,300
Total fixed assets		**274,071,238**	**272,255,370**
Current assets			
Inventories	**7**	13,096,932	5,190,371
Customers and other trade receivables	**8**	2,040,271	2,199,344
Other investment securities		648	648
House and bank accounts	**9**	481,427	337,801
Total current assets		**15,619,278**	**7,728,164**
Advance expenses		**597,131**	**298,816**
TOTAL ASSETS		**290,287,647**	**279,983,534**
Capital and liabilities			
Share capital	**1**	79,152,825	79,152,825
Treasury shares		(216,532)	(216,532)
Legal reserves		2,273,959	2,273,959
Other reserves		15,260,654	15,239,551
Revaluation reserves		13,800,393	13,800,393
Retained earnings		78,948,077	79,446,186
Profit for the year		3,694,359	(507,835)
Profit distribution		-	-
Capital – Total		**192,913,735**	**189,188,547**
Non-controlling interests	**10**	**1,430,758**	**1,372,684**
Long-term liabilities			
Long-term bank loans	**11**	46,731,735	41,606,090
Financial leasing – long-term	**12**	151,735	197,296
Guarantees		650,245	606,983
Trade and other payables	**14**	37,279	2,329,121
Subsidies		-	-
Other liabilities	**13**	31,784,996	31,698,821
Long-term liabilities – Total		**79,355,990**	**76,438,311**
Short-term liabilities			
Short-term bank loans	**11**	3,501,373	5,912,739
Finance leases – current liability	**12**	215,246	207,686
Guarantees		873,326	855,513
Trade payables and other payables	**14**	11,883,668	5,834,377
Income tax payable	**14**	113,551	173,677
Short-term liabilities – total		**16,587,164**	**12,983,992**
TOTAL EQUITY AND LIABILITIES		**290,287,647**	**279,983,534**

Chief Executive Officer **Chief Accountant**
Mollo Sergio **Rogojan Maria**

	NOTES	June 30, 2025	06-30
Revenue from current activities / turnover	**15**	8,560,565	7,878,147
Other operating income	**16**	163,131	67,118
Income from changes in the market value of real estate investments	**16**	-	-
Income related to the cost of production in progress	**15**	7,221,089	6,198,373
Revenue from the production of fixed assets	**15**	25,645	84,335
Raw materials, consumables, and goods	**17**	(2,813,359)	(3,834,639)
Personnel expenses	**18**	(2,874,951)	(2,614,211)
Amortization and depreciation expenses		(944,311)	(1,050,989)
Other operating expenses	**19**	(3,529,098)	(2,248,350)
Exchange rate differences		-	-
Profit/(loss) from operating activities		**5,808,711**	**4,479,935**
Net result from financial activities	**20**	(1,673,242)	(869,297)
Profit/(loss) before tax		**4,135,468**	**3,610,638**
Current and deferred income tax expense	**21**	(383,186	(255,402)
Net profit/(loss)		**3,752,282**	**3,355,236**
Other comprehensive income		**-**	**-**
Increase/(decrease) in revaluation reserves of companies with significant influence		-	-
Net increase in revaluation reserve		-	-
Total overall result		**3,752,282**	**3,355,236**
Attributable to non-controlling interests		**57,923**	**126,072**
Attributable to owners of the parent company		**3,694,359**	**3,275,651**
Number of shares		3,705,956	3,705,956
Earnings per share attributable to owners of the parent company		**1.01**	**0.88**

Chief Executive
Mollo Sergio

Chief Accountant
Rogojan Maria

Mecanica Fina Group
Consolidated cash flow statement as of June 30, 2025 (all amounts are presented in RON unless otherwise specified)

Cash flows from operating activities	**June 30, 2025**	**06-30**
(Profit) / Loss before tax	**(4,135,468)**	**(3,610,638)**
Adjustments for:		
Depreciation expenses	944,311	1,046,252
Provisions	-	-
Elimination of goodwill	-	-
Value adjustments on receivables	(4,182)	-
Value adjustments on inventories	-	(151)
Net exchange rate differences	790,016	(28
Reversal of subsidy income	-	-
Real estate investments	-	-
Income from investments in associates	-	-
Investment income	-	-
Loss/(gain) on disposal of assets	-	(4,601)
Other financial income	-	-
Financial expenses	883,227	844,398
Profit before working capital change	**(1,522,096)**	**(1,725,023)**
Decrease/(increase) in receivables	(433,905)	631,233
Decrease / (increase) in inventories	(7,906,561)	(6,138,272
Increase/(decrease) in liabilities	11,108,062	8,787,736
Cash from operating activities	**1,245,500**	**1,555,673**
Income tax paid	(195,822)	(47,476
Net cash from operating activities	**1,049,678**	**1,508,197**
Cash flows from investing activities		
(Payments) / Proceeds from sales of subsidiaries, net	-	-
(Payments) / Proceeds from sales of fixed assets, net	(237,499)	(1,677,682)
(Payments) / Proceeds from sales of fixed assets, net	(2,522,680)	-
Interest received	29	1
Dividends received	-	-
Net cash flows from investing activities	**(2,760,150)**	**(1,677,682)**
Cash flows from financing activities		
Proceeds / (repayments) of bank loans	2,714,280	1,978,609
Acquisition of own shares	-	-
Receipts/ (repayments) related to finance leases	23,074	(55,203
Dividends paid	-	(31,192)
Interest paid	(883,256)	(844,398)
Net cash flows from financing activities	**1,854,098**	**1,047,816**
Net increase/(decrease) in cash	**143,625**	**878,333**
Cash and cash equivalents at the beginning of the period	**337,801**	**840,729**
Cash and cash equivalents at the end of the period	**481,426**	**1,719,062**
of which:		
Bank accounts and cash	**481,426**	**1,719,062**
Credit lines	-	-

Chief Executive
Mollo Sergio

Chief Accountant
Rogojan Maria

	Subscribed capital	Own shares	Legal Legal	Other reserves	Revaluation reserves	Retained earnings and current result	Result from first-time application of IAS/IFRS	Total equity	Non-controlling interests	TOTAL
Dec 31, 2023	**79,152,825**	**(216,532)**	**2,273,959**	**15,239,551**	**13,800,393**	**16,202,204**	**63,559,912**	**190,012,310**	**1,229,936**	**191,242,246**
Current overall result	-	-	-	-	-	(507,835)	-	**(507,835)**	**90,781**	**(417,054)**
Revaluation reserves	-	-	-	-	-	-	-	-	-	-
Error correction	-	-	-	-	-	(315,928)	-	**(315,928)**	-	**(315,928)**
Allocation to legal reserve	-	-	-	-	-	-	-	-	-	-
Allocation of other reserves	-	-	-	-	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-	-	-	**374**	**374**
NCI adjustment	-	-	-	-	-	-	-	-	**51,593**	**51,593**
Revaluation of treasury shares	-	-	-	-	-	-	-	-	-	-
Dec 31, 2024	**79,152,825**	**(216,532)**	**2,273,959**	**15,239,551**	**13,800,393**	**15,378,441**	**63,559,912**	**189,188,547**	**1,372,684**	**190,561,231**
Current overall result	-	-	-	-	-	3,694,359	-	3,694,359	**57,923**	**3,752,282**
Revaluation reserves	-	-	-	-	-	-	-	-	-	-
Error correction	-	-	-	-	-	30,830	-	30,830	-	**30,830**
Allocations to legal reserve	-	-	-	-	-	-	-	-	-	-
Allocation of other reserves	-	-	-	21,103	-	(21,103)	-	-	-	-
Deferred income tax	-	-	-	-	-	-	-	-	-	-
NCI adjustment	-	-	-	-	-	-	-	-	**150**	**150**
Revaluation of treasury shares	-	-	-	-	-	-	-	-	-	-
June 30, 2025	**79,152,825**	**(216,532)**	**2,273,959**	**15,260,654**	**13,800,393**	**19,082,527**	**63,559,912**	**192,913,736**	**1,430,757**	**194,344,493**

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

a) Legal reserves: method of creation: 5% of accounting profit, up to 20% of share capital; no decisions have been taken by the GSM or the Directors regarding the use of these reserves;
b) Other reserves: these were created from tax breaks on reinvested profits: if these reserves are used, they'll be taxed according to the law; so far, no decisions have been made on this.
c) Revaluation reserves: these represent the increases in value resulting from the revaluation of assets compared to their previous book value: they are reduced by the negative difference resulting from revaluations in subsequent periods and increased by the positive differences; there have been changes in both directions.
d) Retained earnings represent undistributed profits/the effect of IFRS restatement. The current individual results of the companies will be distributed according to the AGM.

Chief Executive Officer
Mollo Sergio

Chief Accountant
Rogojan Maria

Note 1. ORGANIZATION AND PRESENTATION

MECANICA FINA S.A.

Mecanica Fina, headquartered in Bucharest, Sector 2, Popa Lazar Street, No. 5–25, unique registration code RO 655, ORC: J40/2353/1991, was established in 1991 and is traded on the regulated capital market of the Bucharest Stock Exchange.

The share capital of Mecanica Fina SA is approximately EUR 1.9 million, or RON 9,264,890, divided into 3,705,956 shares with a nominal value of RON 2.50, which are recorded, on a contractual basis, by Depozitarul Central SA. MF is traded on the regulated market administered by the Bucharest Stock Exchange S.A..

MECANICA FINA SA currently has 12 employees and its business activities include various activities, with the largest share currently being the leasing of its own real estate.

The shareholding structure is presented below:

Shareholders	**% held on June 30, 2025**	**% held on December 31, 2024**
Mol Invest	91.5993	91.5993
Other shareholders	8.4007	8.4007
Total	**100**	**100**

As of June 30, 2025, Mecanica Fina SA directly and indirectly controls the following companies included in this consolidation:

Company	**% held on June 30, 2025**	**% held on December 31, 2024**
ITAGRA SA	99.997	99.997
MOLLO RE SA	99.850	99.850
INDUSTRIAL CEFIN	88.728	88.728
BIO VALLEY SRL	90.397	90.397
ITAGRA BIO TERRA	99.997	99.997
MODERN SELF WASH SRL	0	0
VERA WELLNESS SRL	49.925	49.925

ITAGRA SA

ITAGRA S.A. is headquartered in Ialomita County. Boranesti. The company was founded in 2006 and is registered with the Trade Register under number 21/316/2006, with the unique registration code 18792370 and tax code RO.

The company's main activity is the cultivation of cereals (excluding rice), legumes, and oilseed crops.

The shareholding structure is presented below:

Shareholders	**% held on June 30, 2025**	**% held on December 31, 2024**
Mecanica Fina SA	99.9970	99.9970
Mollo Sergio	0.00150	0.00150
Rogojan Maria	0.00075	0.00075
Sandru Nicolae	0.00075	0.00075
Total	**100**	**100**

MOLLO RE SA

Mollo RE SA was established in 2006 on the initiative of Mecanica Fina SA, headquartered in Bucharest, Sector 2, 5-25 Popa Lazar Street, ORC: J40/2353/1991, CUI 655. Actual activity: CAEN code 5590 – Other accommodation services.
Actual activity: CAEN code 5590 – Other accommodation services.

Shareholders	% held on June 30, 2025	% held on December 31, 2024
Mecanica Fina SA	99.85	99.85
Mollo Sergio	0.05	0.05
Rogojan Maria	0.05	0.05
Sandru Nicolae	0.05	0.05
Total	**100**	**100**

INDUSTRIAL CEFIN

Industrial Cefin SA was established under Law No. 15/1990 on the reorganization of state-owned economic units as autonomous companies and commercial companies by Government Decision No. 572/ July 31, 1995, on the establishment of joint-stock companies through the partial reorganization of the Research and Design Institute for Mecanica Fina S.A. in Bucharest.

The shareholding structure is presented below:

Shareholders	% held on June 30, 2025	% held on December 31, 2024
Mecanica Fina SA	88.73	88.73
MOL Invest S.A.	11.27	11.27
Total	**10**	**100**

BIO VALLEY SRL

ITAGRA S.A. holds shares in the capital of BIO VALLEY S.R.L. The value of the investments is presented in the following table:

Description	June 30	% held	Dec 31	% held
BIO VALLEY S.R.L	13,560 lei	90.40	13,560	90.40
Others	1,440 lei	9.60	1,440 lei	9.60
Total	**15,000 lei**	**100**	**15,000 lei**	**100**

BIO VALLEY S.R.L. has its current registered office in Ialomita County, Boranesti, 1 Decembrie 1918 Street, No. 174 – Building C15 Offices. The company was established in 1992 and is registered with the Trade Register under number J21/44/1992 and has the unique code RO2000040.

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

The company's main activity is: Growing vegetables and melons, root vegetables and tubers. The company did not carry out any activity in 2023.

ITAGRA BIO TERRA SRL

ITAGRA S.A. established ITAGRA BIO TERRA SRL in 2020. The value of the investments is presented in the following table:

Description	June 30, 2025	% owned	Dec 31	% owned
ITAGRA BIO TERRA	20,000 lei	100	20,000 lei	100
Total	**20,000 lei**	**100**	**20,000 lei**	**100**

ITAGRA BIO TERRA. has its current registered office in Ialomita County, Boranesti, 1 Decembrie 1918 Street, no. 174 – Building C47 Mechanical Workshop.

The company was established in 2020 and is registered with the Trade Register under number J21/35/2020 and has the unique registration code 42145490.

The company's main activity is: Cultivation of cereals (excluding rice), legumes, and oilseed crops.

VERA WELLNESS

MOLLO RE S.A. holds shares in the capital of VERA WELLNESS. The value of the investments is presented in the following table:

Description	Jun 30	% held	Dec 31	% held
VERA WELLNESS	20,000 lei	50	20,000 lei	50
Mollo Giusseppe	10,000 lei	25	10,000 lei	25
Stefan Veronica	10,000 lei	25	10,000 lei	25
Total	**40,000 lei**	**100**	**40,000 lei**	**100**

On September 8, 2017, the General Meeting of Shareholders of Mollo RE S.A. decided to establish Vera Wellness, with its main activity being CAEN code 931 – Sports facilities activities.

The company is registered with the Trade Register under number J40/15740/2017 and has the unique registration code 38212175 and tax code RO.

Note 2. ACCOUNTING POLICIES

Share capital

As of June 30, 2025, the Group's share capital consists of the share capital of Mecanica Fina SA (9,264,890 Lei). All issued shares have been paid in full. The shares have equal voting rights.

2.1 Statement of compliance

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

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 to comply with 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 Romanian Accounting Regulations ("RCR").

The main accounting policies applied in preparing the financial statements are set out below. The policies have been applied consistently to all years presented, except where otherwise stated.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It is also necessary for the Company's management to make decisions regarding the application of accounting policies. The areas in which significant decisions and estimates were made in the preparation of the financial statements and their effect are shown below.

2.2 Basis of measurement

The separate financial statements are prepared on the basis of the historical cost/amortized cost convention, except for tangible assets presented at revalued cost using fair value as the deemed cost and items presented at fair value, namely financial assets and liabilities at fair value through profit and loss and available-for-sale financial assets, except for those for which fair value cannot be reliably determined.

2.3 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 in effect on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates in effect on the reporting date.

2.4 Significant accounting estimates and judgments

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

An estimate may need to be revised 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, a 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 continually evaluated based on historical experience and other factors, including the projection of future events that are considered reasonable under the circumstances.

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

(a) Valuation of investments in land and buildings owned
Land and buildings owned were valued at the date of transition to IFRS, using fair value as the deemed cost, and will be valued and presented in accordance with the provisions of International Accounting Standard 40 – Investment Property. Subsequent to initial recognition, revaluations of investment property are recognized in accordance with IAS 40, through income or expense items, using the fair value model ( ).

(b) Adjustments for impairment of receivables

The assessment for impairment of receivables is performed individually and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these cash flows, management makes certain estimates regarding the financial situation of the partners. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows.

(c) Legal 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. Factors considered in making decisions about provisions include the nature of the dispute or claims and the potential level of damages in the jurisdiction where the dispute 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 advisors, experience in similar cases, and any decision by the Company's management regarding how it will respond to the dispute, claim, or assessment.

(d) Accounting estimates of expenses

There are objective situations in which, by the end of certain fiscal periods or by the end of a financial year, the exact values of certain expenses incurred by the company are not known. For this category of expenses, preliminary expenses will be made, which will be corrected in subsequent periods when cash outflows occur. Estimates of expenses, for each category of expense, will be made by persons with experience in the type of activity that generated that expense.

(e) **Taxation**

The Romanian tax system is currently undergoing consolidation and harmonization with European legislation. However, there are still different interpretations of tax legislation. In certain situations, the tax authorities may treat certain aspects differently, calculating additional taxes and penalties for late payment. In Romania, the fiscal 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.

2.5 Presentation of financial statements

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

2.6 Intangible assets

Intangible assets are accounted for in accordance with IAS 38 "Intangible Assets" and IAS 36 "Impairment of Assets." Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic life.
Expenses related to the acquisition of patents, copyrights, licenses, trademarks, or factory and other intangible assets recognized for accounting purposes, except for start-up costs, goodwill, and intangible assets with an indefinite useful life, classified as such in accordance with accounting regulations, are recovered through straight-line depreciation deductions over the term of the contract or the useful life, as applicable. Expenses related to the purchase or production of computer software are recovered through straight-line depreciation deductions over a period of 3 years.

Internally generated intangible assets (development costs)

Research expenses (or expenses incurred during the research phase of an internal project) are recognized as expenses for the period to which they relate. Development expenses related to new product projects are recognized as intangible assets.

2.7 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

Recognition:

The cost of an item of property, plant, and equipment should be recognized as an asset if, and only if:
a) it is probable that future economic benefits associated with the asset will flow to the entity, and
b) the cost of the asset can be measured reliably.

Measurement after recognition

After recognition as an asset, an item of property, plant, and equipment is carried at its cost 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 reliably measured is carried at a revalued amount, which is its fair value at the date of revaluation.

Revaluations are performed regularly enough to ensure that the carrying amount does not differ significantly from what would have been determined using fair value at the end of the reporting period.

The fair value of land and buildings is generally determined on the basis of market evidence, through a valuation normally carried out by qualified professional valuers. The fair value of items of property, plant, and equipment is generally their market value as determined by valuation.

When an item of property, plant, and equipment in category I is revalued, any accumulated depreciation at the date of revaluation is removed from the gross carrying amount of the asset, and the net carrying amount is recalculated at the revalued amount of the asset.

If an item of property, plant, and equipment is revalued, then the entire class of property, plant, and equipment to which that item belongs is revalued.

If the carrying amount of an item of property, plant, and equipment is increased as a result of revaluation, the increase is recognized in other comprehensive income and accumulated in equity as revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it offsets a decrease in the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is reduced as a result of a revaluation, this reduction must be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent that the revaluation surplus has a credit balance for that asset. The decrease

recognized in other comprehensive income reduces the amount accumulated in equity as revaluation surplus.

The revaluation surplus included in equity for an item of property, plant, and equipment is transferred directly to retained earnings when the asset is recognized. Transfers from the revaluation surplus to retained earnings are not made through profit or loss.

If any, the income tax effects of the revaluation of property, plant, and equipment are recognized and presented in accordance with IAS 12 Income Taxes.

Depreciation

The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation 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 depreciation method used reflects the expected rate of consumption of the future economic benefits of the asset by the entity.

Land is not depreciated.

For depreciable fixed assets, the company uses the straight-line depreciation method for accounting purposes. Depreciation periods are determined by an internal specialist committee in accordance with the company's internal procedures. Below is a brief overview of the useful lives of fixed assets by major asset categories:

Category	**Lifetime**
Buildings and structures	15-50
Equipment and installations	1-20 years
Means of transport	4-6 years
Computing equipment	1-8 years
Furniture and office 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 assesses whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the asset's recoverable amount.

If and only if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to 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 carried at a revalued amount in accordance with 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 treated as a revaluation decrease.

2.8 Investment property

Real estate investments are defined as real estate properties (land or buildings—or parts of buildings—or both) owned (by the owner or by the tenant under a lease or financial leasing agreement) for the purpose of renting or increasing capital value, or both, rather than for:
(a) use in the production of goods, provision of services, or for administrative purposes; or
(b) be sold in the ordinary course of business.

Recognition

Investment property shall be recognized as an asset when, and only when:

(a) it is probable that future economic benefits associated with the investment property will flow to the enterprise; and
(b) the cost of the investment property can be measured reliably.

To determine whether an item meets the first recognition criterion, an entity must assess the degree of certainty of the future economic benefits, based on the evidence available at the time of initial recognition. The second recognition criterion is usually easily met, as the exchange transaction that highlights the purchase of the asset also identifies its cost.

Initial measurement

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

The cost of a real estate investment purchased consists of its purchase price plus any directly attributable expenses. Directly attributable expenses include, for example, professional fees for 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 property becomes an investment property and IAS 40 applies.

The cost of a real estate investment is not increased by start-up costs (unless these are necessary to bring the real estate property into working order), by initial operating losses incurred before the real estate investment reaches its planned occupancy level, or by unusual amounts of waste of materials, labor, or other resources incurred in the process of constructing or improving the real estate property.

If payment for a real estate investment is deferred, then its cost is equivalent to the cash price. The difference between this value and the total payments is recognized over the term of the loan as interest expense.

Subsequent expense

Subsequent expenditure relating to a property investment that has already been recognized should be added to the carrying amount of the property investment in the month in which it is probable that future economic benefits will flow to the enterprise in excess of the initial performance standard. All other subsequent expenditure should be recognized in the period in which it is incurred.

Measurement after initial recognition

With regard to the adoption of accounting policies, an entity must choose either the fair value model or the cost model, and must apply this policy to all of its investment property. The Mecanica Fina Group uses the fair value model.

Fair value model

After initial measurement, an entity that chooses the market value model must measure all its investment property using appraisal reports, with any changes in value reflected in the statement of comprehensive income.

2.9 Financial assets

Initial measurement of financial assets and financial liabilities

When a financial asset or financial liability is initially recognized, an entity measures it at its 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 measurement of financial assets

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

I. 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) it 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 selling or repurchasing it in the near term;
(ii) upon initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(iii) a derivative (except for a derivative that is a financial guarantee contract or an instrument designated and effective as a hedge).

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 short term, which must be classified as held for trading, and those that the entity, upon initial recognition, designates at fair value through profit or loss;
b) those that the entity, upon initial recognition, designates as available for sale; or
c) those for which the holder may not recover substantially all of its initial investment, other than for reasons of credit impairment, which shall be classified as available for sale.

This category includes trade and other receivables.
s ***available for sale*** are those non-derivative financial assets that are designated as available for sale or that are not classified as financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity investments.
This category includes investments in listed shares.

The company does not hold any held-to-maturity investments and does not hold or classify any financial assets or financial liabilities at fair value through profit or loss.

Gains and losses

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

When a decrease in the fair value of a financial asset available for sale has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the 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 has not been 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 amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, at a later date, the fair value of a debt instrument classified as available for sale increases and that increase can be objectively linked to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed and the amount of the reversal is recognized in profit or loss.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, demand deposits with banks, other highly liquid short-term investments with original maturities of three months or less, and—for the purpose of the cash flow statement—overdrafts.

2.10 Inventories

In accordance with IAS 2, inventories are assets:
a) held for sale in the ordinary course of business;
b) in the process of 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.

Valuation of inventories

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

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

Inventories of raw materials and supplies are recorded at acquisition cost. Inventories of work in progress are recorded at the value of the raw materials and supplies incorporated therein.

Finished goods inventory is recorded at production cost at the time of completion of manufacture.
Adjustments for inventory impairment

The impairment assessment of inventories is performed on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these flows, management makes certain estimates regarding the useful value of the inventory, taking into account the expiration date, the possibility of use in the company's current activity, and other factors specific to each category of inventory. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows.

2.11 Receivables

Receivables arise mainly from 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 issue and are subsequently recorded at amortized cost using the effective interest method, less adjustments for impairment.

Receivables are presented in the balance sheet at historical cost less any impairment adjustments in cases where the recoverable amount is less than the historical cost.

Impairment adjustments are recognized when there is objective evidence (such as significant financial difficulties on the part of partners or failure to meet payment obligations or significant delay in payment) that the Company will not be able to collect all amounts due under the terms of the receivables, the amount of the adjustment being the difference between the net carrying amount and the present value of the receivables.

significant delay in payment) that the Company will not be able to collect all amounts due under the terms of the receivables, the amount of the adjustment being the difference between the net carrying amount and the present value of the expected future cash flows associated with the impaired receivable.

The impairment assessment of receivables is performed on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these cash flows, management makes certain estimates regarding the financial situation of the partners. Each impaired asset is analyzed individually. The Company also 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.

2.12 Financial liabilities

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

2.13 Recognition of income and expenses

2.13.1. Revenue recognition

Revenue represents, according to IFRS 15, the gross inflow of economic benefits during the period, generated in the course of an entity's normal activities, when these inflows result in increases in equity, other than increases related to contributions from equity participants.

Revenue is an increase in economic benefits during the accounting period in the form of inflows or increases in assets or decreases in liabilities that result in increases in equity, other than those resulting from contributions by shareholders.
Fair value is the amount at which an asset could be traded or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Revenue measurement

Revenue is measured at the fair value of the consideration received or receivable, net of discounts or rebates.

Revenue from the sale of goods is recognized when all of the following conditions have been met:
(a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the entity no longer manages the goods sold to the extent that it would have done if it had retained ownership, nor does it retain effective control over them;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is recognized when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the agreed consideration. The transfer of risks and rewards of ownership is considered to be achieved upon transfer of legal title or upon the goods passing into the buyer's possession. If the entity retains significant risks of ownership, the transaction does not constitute a sale and revenue is not recognized. The company considers that the collection terms do not generate a financial component of the invoiced revenue.

Special cases: If it is found that the income associated with a period of the current year is affected by fundamental errors, these shall be corrected during the period in which the error is discovered. If the error is discovered in subsequent years, its correction will no longer affect the income accounts, but the income account carried forward from corrections of fundamental errors, if the value of the error is considered significant.

2.13.2 Recognition of expenses

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

2.14 Impairment of non-financial assets (excluding inventories, investment property, and deferred tax assets) – IAS 36 "Impairment of Assets"

Assets held by the company, as specified in IAS 36 *"Impairment of Assets,"* are subject to impairment testing whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. When the carrying amount of an asset exceeds its recoverable amount (i.e., the higher of its value in use and its fair value less costs to sell), the asset is adjusted accordingly.

When 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 losses are included in the income statement, unless they reduce gains previously recognized in other comprehensive income.

2.15 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.

According to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," a provision must be recognized if:

a) The company has a present obligation (legal or constructive) arising from a past event;
b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c) a reliable estimate of the amount of the obligation can be made.

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

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

The recognition, measurement, and updating of provisions are carried out in accordance with the provisions of IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets."

Provisions are grouped in accounting by category and are established for:
a) litigation;
b) guarantees given to customers;
c) disposal of tangible assets and other similar actions related to them;
d) restructuring;
e) employee benefits;
f) other provisions.
Provisions previously established are reviewed periodically and adjusted.

2.16 Deferred tax - IAS 12

In calculating deferred 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 its tax base.

The recognition of deferred tax assets is limited to those times when it is probable that taxable profit will be available in the future.

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 assets and liabilities if and only if:
a) it has a legally enforceable right to offset current tax assets against current tax liabilities; and
b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

2.17 Dividends

The share of profit paid, 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 made from profits determined on the basis of IFRS and included in the annual financial statements, are not recognized as a liability at the end of the reporting period.
The provisions of IAS 10 are taken into account when accounting for dividends.

2.18 Capital and reserves

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

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

2.19 **Financing *costs***

An entity must capitalize borrowing costs that are directly attributable to the acquisition, construction, or production of a long-term asset as part of the cost of that asset. An entity must recognize other borrowing costs as expenses in the period in which they are incurred.

The Company did not finance the construction of long-term assets from loans.

2.20 Earnings per share

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are determined by dividing the profit or loss attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares for the reporting period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the dilutive effects of potential ordinary shares.

2.21 Segment reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a particular geographical area (geographical segment) and is subject to risks and benefits that are different from those of other segments. From the point of view of business segments, the Company does not identify distinct components in terms of associated risks and benefits.

2.22 Related parties

A person or a close family member of that person is considered to be affiliated with a Company if that person:

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

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 non-executive) of the entity. Transactions with key personnel include only the salary benefits granted to them as presented in Note 18 Personnel expenses.
An entity is affiliated with the Company if it meets any of the following conditions:

(i) The entity and the Company are members of the same group (meaning that each parent company, 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 an associate or joint venture of a member of the group to which the other entity belongs).
(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 of an affiliate of the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also affiliates of the reporting entity.
(vi) The entity is controlled or jointly controlled by an affiliate
(vii) An affiliate that controls the entity significantly influences the entity or is a member of the key management personnel of the entity (or of the parent of the entity).

2.23 Consolidation

As of June 30, 2025, the Group's consolidated financial statements include MECANICA FINA SA, ITAGRA SA, MOLLO RE SA, BIO VALLEY SRL, ITAGRA BIO TERRA SRL, VERA WELLNESS SRL, and INDUSTRIAL CEFIN SA, which it controls, directly and/or indirectly.

This control is normally evident when an entity directly or indirectly holds more than 50% of the voting rights in the share capital of another company and has the ability to govern the financial and operating policies of that entity so as to benefit from its activities.

The accounting principles adopted in combining these consolidated financial statements are described below:

Consolidated statement of financial position

On June 30, 2025, the consolidated financial position of MECANICA FINA SA, ITAGRA SA, MOLLO RE SA, BIO VALLEY SRL, ITAGRA BIO TERRA SRL, VERA WELLNESS SRL, and INDUSTRIAL CEFIN SA is combined 100%, on a line-by-line basis, by adding up all items, such as all assets, liabilities, and equity.
Intra-group balances between the aggregated entities are eliminated in full.

Consolidated statement of comprehensive income

The consolidated statement of comprehensive income of MECANICA FINA SA, CEFIN SA ITAGRA SA, MOLLO RE SA, BIO VALLEY SRL, ITAGRA BIO TERRA SRL, VERA WELLNESS SRL, and INDUSTRIAL CEFIN SA is combined 100% on a line-by-line basis by adding up all items, such as: all income and expenses. Intra-group balances and transactions between the aggregated entities are eliminated in full.

Any unrealized gains resulting from intra-group transactions that are included in the carrying amount of assets, such as inventories and fixed assets, are eliminated in full. Any unrealized losses arising from intra-group transactions that are deducted from the carrying amount of assets are also eliminated unless the cost cannot be recovered.

Consolidation of associates

On July 30, 2025, the Group consolidated 100% of CEFIN SA following the acquisition of a majority stake.
Movements in other comprehensive income of companies where the group exercises significant influence are reflected in comprehensive income, under Other comprehensive income.

These investments are subsequently tested for impairment.

Note 3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value of interest - rate risk, interest rate on cash flow), credit risk, and liquidity risk.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. However, the Group does not use derivative financial instruments to hedge certain risk exposures.

The Group has no formal agreements to reduce financial risks; therefore, the Group does not enter into derivative transactions. Despite the absence of formal policies, management is actively involved in the business through regular meetings with the finance department, thereby monitoring financial risks and enabling immediate decisions to be taken to address the risks generated by the impact of the financial crisis.

Financial risks are monitored at a high level, taking into account the financial needs of the business, in order to ensure that opportunities and threats are effectively correlated.

The financial instruments for each category are presented below:

	June 30, 2025	Dec 31, 2024
Trade and other receivables, net	2,040,271	1,900,528
Cash and cash equivalents	481,427	337,801
Total	**2,521,698**	**2,238,329**

	June 30, 2025	Dec 31, 2024
Loans	50,233,108	47,518,829
Leasing	366,981	404,982
Suppliers and other trade payables	10,520,200	7,165,352
Liabilities related to employees	214,478	220,717
Guarantees	1,523,571	1,462,496
Total	**62,858,338**	**56,772,376**

Interest rate risk

Cash flow and fair value of interest rate risk

The Group's operating cash flows are affected by interest rate fluctuations mainly due to borrowings. The Group has borrowings with a variable interest rate. The Group does not use financial instruments to hedge against interest rate fluctuations.

A 1 percentage point change in the interest rate for the reporting period would increase/decrease the gross result by RON 411 thousand (RON 442 thousand in 2024). This analysis assumes that all other variables, in particular the exchange rate, remain constant.

Credit risk

The general economic recession is expected to increase the Group's exposure to credit risk for the following financial periods.

The Group is exposed to credit risk in the course of its business, particularly due to trade receivables and cash in bank.

The Group's management regularly monitors its exposure to credit risk. Management estimates that credit risk is not significant. The Group has implemented policies and procedures to reduce this risk to an acceptable level.

The financial assets that could expose the Group to credit risk are mainly receivables. The value of receivables, less impairment adjustments, represents the maximum amount of exposure to credit risk.

The maximum exposure to credit risk at the reporting date is:

	June 30, 2025	Dec 31, 2024
Trade receivables	1,423,168	1,100,674
Other debtors	612,855	400,368

Subsidies	4,248	432,956
Other receivables related to personnel	-	3,110
Other financial investments	648	648
Cash and cash equivalents	481,427	337,801
Total	**2,522,346**	**2,275,557**

The age of trade receivables , and other receivables at the reporting date is as follows:

	June 30, 2025	**Dec 31, 2024**
	Gross carrying amount	**Gross carrying amount**
Between 0 and 365 days	1799441	1598033
Over 365 days	240830	339,723
Total	**2,040,271**	**1,937,756**

Liquidity risk

Prudent management of liquidity risk involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close positions in the market.

June 30, 2025	**Less than 1 year**	**Between 1 - 5 years**	**Over 5 years**	**Total**
Trade and similar payables	8,025,169	-	-	8,025,169
Bank loans/credits(*)	3,501,373	22,086,295	24,645,440	**50,233,108**
Leasing (*)	215,247	151,734	-	**366,981**
Guarantees	873,325	650,245	-	**1,523,571**
Total	**13,372,776**	**22,888,274**	**24,645,440**	**59,483,135**

December 31, 2024	**Less than 1 year**	**Between 1 - 5 years**	**Over 5**	**Total**
Trade and similar payables	5,834,377	2,338,121	-	**8,172,498**
Bank loans/credits(*)	5,912,739	18,277,269	23,328,821	**47,518,829**
Leasing (*)	207,686	197,296	-	**404,982**
Guarantees	855,513	606,983	-	**1,462,496**
Total	**12,810,315**	**21,419,669**	**23,328,821**	**57,558,805**

(*) Cash flow including interest.

3.2 Risk management capital

The Group's objectives when managing capital are to maintain the Group's ability to operate on a going concern basis, with the aim of providing benefits to shareholders and other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure. The Group may adjust the amount of dividends paid to shareholders, capital returned to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital based on the interest coverage ratio and the debt-to-EBIT ratio.

The main indicators calculated are as follows:	June 30, 2025	Dec 31, 2024
Earnings before interest and income tax (EBIT)	5,018,724	3,696,801
Interest expense	883,256	3,523,050
Interest coverage ratio (number of times)	**5.6**	**1.05**
Debts:		
Loans and leases	50,600,089	47,923,811
Suppliers and other liabilities	13,394,811	9,693,581
Income tax payable	113,551	48,660
Subsidies	30,000	33,215
Deferred tax	31,774,704	31,689,821
Total liabilities	**95,913,155**	**89,389,088**
Earnings before interest and income tax (EBIT)	5,018,724	3,696,801
Total debt / EBIT	**19.1**	**24.18**

3.3. Fair value estimation

It is assumed that the carrying amount of the provision for impairment of trade receivables and liabilities approximates fair value. The fair value of financial liabilities for presentation purposes is estimated by discounting future contractual cash flows at the Group's current interest rate available for similar financial instruments.

	June 30, 2025 Carrying amounts	June 30, 2025 Fair values	Dec 31, 2024 Carrying amounts	Dec 31, 2024 Fair values
Trade and other receivables, net	2,040,271	2,040,271	2,199,344	2,199,344
Other financial investments	648	648	648	648
Cash and cash equivalents	481,427	481,427	337,801	337,801
Total	**2,522,346**	**2,522,346**	**2,537,793**	**2,537,793**

	June 30, 2025 Carrying amounts	June 30, 2025 Fair values	Dec 31, 2024 Carrying amounts	Dec 31, 2024 Fair values
Loans	50,233,108	50,233,108	47,518,829	47,518,829
Leasing	366,981	366,981	404,982	404,982
Suppliers, trade payables	10,520,200	10,520,200	7,165,352	7,165,352
Payables to employees	214,478	214,478	220,717	220,717
Guarantees	1,523,571	1,523,571	1,462,496	1,462,496
Total	**62,858,338**	**62,858,338**	**56,772,375**	**56,772,375**

Currency risk

The Company is exposed to currency risk mainly due to loans that are contracted in a currency other than the Company's functional currency. The main currency that gives rise to this risk is the Euro.

The Company's exposure to currency risk was as follows. In notional amounts:

June 30, 2025	Total	Thousands of LEI	Thousand LEI (converted from EUR)
Monetary assets			
Trade receivables and other receivables	2,040	2,040	-
Other investments	0.6	0.6	-
Cash and cash equivalents	481	481	-
Monetary liabilities			
Loans and leases	(50,233)	(9,481)	(40,752)
Leasing	(366)	-	(366)
Trade payables and other payables	(10,520)	(10,520)	-
Guarantees	(1,523)	(1,523)	-
Net exposure	**(60,120.4)**	**(19,002.4)**	**(41,118)**

December 31, 2024	Total	Thousands of LEI	Thousands of LEI (converted from EUR)
Monetary assets			
Trade receivables and other receivables	2,199	2,199	-
Other investments	0.648	0.648	-
Cash and cash equivalents	338	338	-
Monetary liabilities			
Loans and leases	(47,519)	(25,806)	(21,713)
Leasing	(405)	-	(405)
Trade payables and other payables	(7,165)	(7,165)	-
Guarantees	(1,462)	(1,462)	(74)
Net exposure	**(54,013)**	**(31,821)**	**(22,192)**

During the period 01.01.2025 – 30.06.2025, the average exchange rates during the period and the spot rates at the end of the reporting period were as follows:

	Average rate	Spot rate
LEI/EUR	5.0037	5.0777

Sensitivity analysis

A 10% appreciation of the Romanian leu against the euro on June 30, 2025 would result in an increase/decrease in profit by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Increase in profit for the period as a result of the depreciation of the EUR (thousand lei)
2025	4,111
2024	2,219

Note 4. TANGIBLE ASSETS

The changes in the balances of tangible assets and accumulated depreciation are presented below:

TANGIBLE ASSETS	Land and buildings	Equipment and means of transport	Other tangible assets	Tangible assets in progress	Advances for tangible assets	Total
Net value as of Dec. 31, 2023	**51,471,577**	**6,627,743**	**462,972**	**700,298**	**564,408**	**59,826,998**
Acquisitions 2024	1,846,505	962,565	19,683	395,108	1,042,776	**4,266,638**
Outflows / Transfers 2024	(470,475)	3,049	-	(910,994)	(296,437)	**(1,674,856)**
Depreciation 2024	(231,977)	(1,573,136)	(204,953)	-	-	**(2,010,066)**
Income / Transfers 2024	-	-	-	-	-	**-**
Value adjustments 2024	-	-	-	-	9,000	**9,000**
Net value as of December 31, 2024	**52,615,630**	**6,019,233**	**395,701**	**184,412**	**1,319,747**	**60,534,724**
Acquisitions 2025	151,482	454,029	40,809	149,192	51,028	**846,540**
Outflows / Transfers 2025	-	-	-	(25,203)	(588,916)	**(614,119)**
Amortization 2025	(111,919)	(750,846)	(80,299)	-	-	**(943,064)**
Inflows / Transfers 2025						**-**
Value adjustments 2025	-	-	-	-	4,182	**4,182**
Net value as of June 30, 2025	**52,655,193**	**5,722,416**	**356,211**	**308,401**	**786,041**	**59,828,263**

Tangible assets representing land and buildings were recognized at fair value based on the conclusions of the valuation report prepared by an authorized appraiser on December 31, 2021, for its subsidiary Itagra SA and on December 31, 2022, for its subsidiary CEFIN S.A.

Note 5. REAL ESTATE INVESTMENTS

In accordance with Note 2 – Accounting Policies, the land and buildings of the **Mecanica Fina SA** group are classified as investment property in accordance with International Accounting Standard IAS 40 – Investment Property. Investment property has been revalued, with the company adopting the revaluation model for reporting purposes. Plant, vehicles, equipment, and furniture owned by the company are valued and presented in accordance with IAS 16 – Property, Plant, and Equipment.

	Land *(IAS 40)*	Buildings *(IAS 40)*	Real estate investments in progress and advances	Total investment property
December 31, 2023	**157,312,621**	**49,267,908**	**950,972**	**207,531,501**
Acquisitions	-	-	4,183,252	**4,183,252**
Changes in market value	-	-	-	**-**
Exits/transfers	-	-	(8,697)	**(8,697)**
Value adjustments	-	-	-	**-**
December 31, 2024	**157,312,621**	**49,267,908**	**5,125,527**	**211,706,056**
Acquisitions	-	-	2,522,680	2,522,680
Changes in market value	-	-	-	-
Exits/transfers	-	-	-	-
Value adjustments	-	-	-	-
June 30, 2025	**157,312,621**	**49,267,908**	**7,648,207**	**214,228,736**

Real estate investments representing land and buildings were recognized at fair value based on the conclusions of the valuation report prepared by an authorized appraiser on December 31, 2024.

Note 5. REAL ESTATE INVESTMENTS

Presentation of fixed assets in accordance with IAS 16 – Property, Plant and Equipment and IAS 40 – Investment Property

In accordance with Note 2 – Accounting policies, the company's land and buildings are classified as investment property in accordance with International Accounting Standard IAS 40 – Investment Property. The valuation model chosen by the Group is the market value model. The Group's facilities, means of transport, equipment, and furniture are valued and presented in accordance with IAS 16 – Property, Plant, and Equipment.

Fair value measurement

Based on IFRS 13 – Fair Value Measurement, the following sections present the measurement levels and the manner in which the measurement is performed.

Position	Fair value	Valuation method	Valuation level	Directly unobservable calculation data
Land	**160,050,651**	The fair value of the land was derived from market comparisons. The market price for similar locations was adjusted according to the differences between the characteristics of the land analyzed. The valuation model is based on the price per square meter.	Level 2	N/A
Buildings	**37,709,159**	The fair value is determined by applying the income approach based on the rental value of the building. The calculation elements were estimated by an expert appraiser based on comparative data from the specific field of activity.	Level 3	Discount rate Residual value

Note 6. INVESTMENTS IN ASSOCIATED ENTITIES

We have no investments in associates.

Note 7. INVENTORIES

	June 30, 2025	December 31, 2024
Raw materials and consumables	1,239,893	542,853
Adjustments for depreciation of raw materials/consumables	-	-
Work in progress	9,600,011	4,130,984
Finished products, semi-finished products, and goods	2,247,264	502,564
Adjustments for depreciation of goods	-	-
Advances for inventory purchases	9,764	13,971
Total	**13,096,932**	**5,190,372**

Production in progress refers to agricultural production recorded by the subsidiary Itagra SA. The information available on the market did not allow for the valuation of agricultural products at market value. The Group used the provisions of IAS 41, recognizing production in progress at production cost.

Note 8. CUSTOMERS AND OTHER RECEIVABLES

The structure of receivables is as follows:

	June 30, 2025	December 31, 2024
Trade receivables, net	1,423,168	1,100,674
Receivables related to employees	-	3,110
Subsidies receivable	4,248	432,956
Other receivables	342,045	235,738
Total financial assets	**1,769,461**	**1,772,478**
Receivables from the state budget	270,810	164,631
Advances paid to suppliers	-	-
Total	**2,040,271**	**1,937,108**

Note 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are presented as follows:

	June 30, 2025	December 31, 2024
Bank accounts	425,623	294,991
Cash on hand and other valuables	55,804	42,809
Total	**481,427**	**337,801**

Note 10. NON-CONTROLLING INTERESTS

Non-controlling interests represent the share of net assets and earnings of subsidiaries that are not owned by the parent company. Minority interests consist of the following:

Company	ITAGRA	Mollo RE	Bio Valley	Vera Wellness	Itagra Bio Terra	CEFIN	Total
December 31, 2023	**797**	**1,253**	**(127,755)**	**(173,732)**	**(8)**	**1,529,382**	**1,229,936**
Non-controlling interest (%)	0.003	0.15	9.6	50,075	0.003	11.27	-
Result December 31	(3,368,520)	71,781	(46)	25,191	221,164	691,301	(2,359,129)
Non-controlling interests – result for the year	(101	108	(4	12,614	7	77,924	90,548
Dividend payment	-	-	-	51,825	-	-	51,825
Minority interest adjustment	1	-	(1)	-	-	-	0
December 31, 2024	**697**	**1,361**	**(127,760)**	**(109,293)**	**(2)**	**1,607,306**	**1,372,309**
Non-controlling interest (%)	0.003	0.15	9.6	50,075	0.003	11.27	-
Result June 30, 2025	2,290,216	68,836	(46)	49,682	467,009	291,547	**3,167,244**
Non-controlling interests – result for the year	69	103	(4)	24,878	14	32,863	**57,923**
Minority interest adjustment	23	-	9	257	776	(915)	**150**
June 30, 2025	**789**	**1,464**	**(127,755)**	**(84,158)**	**788**	**1,639,254**	**1,430,382**

Note 11. LOANS

Details of the loan agreements are presented below:

Contract	Bank	Interest	Loan amount	Balance as of 12/31/2024	Balance 30.06.2025	Short term	Long term
Contract no. 77799 /22.01.2021	Libra Bank	EURIBOR 3M + 3.99%	1,350,000	5,305,650	5,416,156 RON	333,220 RON	5,082,936 RON
Contract 80532 /8.03.2021	Libra Bank	EURIBOR 3M + 3.99%	2,452,487 EUR	9,454,718 RON	9,651,640 RON	593,802 RON	9,057,837
Contract 80545 /8.03.2021	Libra Bank	3M EURIBOR + 3.99%	307,556 EUR	697,566 RON	712,095 RON	220,217 RON	491,878 RON

Contract	Bank	Interest	Loan amount	Balance as of 12/31/2024	Balance 30.06.2025	Short term	Long term
C10002022029912 /May 16, 2021	OTP Bank	ROBOR at 3M+2.5%	3,000,000 RON	2,700,000 RON	2,700,000 RON	300,000	2,400,000 RON
C10002023031789 /12.06.2023	OTP Bank	ROBOR at 6M+2%/year	213,069	122,725 RON	100,524	0	100,524 RON
APIA 2024 /May 26, 2023	OTO Bank	ROBOR at 6M+2%/year	2141906 RON	1,197,346	937,084	0	937,084 RON
Contract no. 147513 /21.08.2023	Libra Bank	ROBOR at 3M+2%/year	4,496,236 RON	4,007,416 RON	4,007,416 RON	179,768	3,827,648 RON
Contract no. 147494/21.08.2023	Libra Bank	ROBOR at 3M+2.5%/year	2,000,000	1,836,505	1,836,505 RON	81,779	1,754,726 RON
Contract 167345/08.04.2024	Libra Bank		**402,000**	**1,873,133**	**1,833,038**	**169,870**	**1,663,168**
Contract 167350/0/8.04.2024	Libra Bank		**301,000**	**1,072,047**	**1,487,191**	**76,072**	**1,411,119**
Contract 205711/25.03.2025	Libra Bank		**3,000,000**	**0**	**2,638,823**	**82,103**	**2,556,721**
Contract 167530/08.04.2024	Libra Bank		**1,000,000**	**4,861,713**	**484,936**	**248,052**	**4,601,312**
Contract 1Contract 67522/08.04.2024	Libra Bank		**2,510,000**	**11,599,308**	**11,350,399**	**1,051,858**	**10,298,541**
Contract 153336/08.11.2023	Libra Bank		**3,000,000 RON**	**2,790,703**	**2,712,874**	**164,633**	**2,548,241**
Total	-	-	**-**				

MECANICA FINA S.A.
Details regarding pledges related to credit agreements

Contract no. 167522/08.04.2024 concluded with Libra Bank SA

Object	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
Amount	**EUR 2,510,000**
Balance as of December 31, 2024	**EUR 2,331,941, equivalent to RON 11,599,308**
Balance as of June 30, 2025	**EUR 2,235,342, equivalent to RON 11,350,399**
Mortgages	1. Movable mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of the contract; 2. Movable mortgage on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable mortgage agreement on receivables, accessory to the Credit Agreement; 3. Real estate mortgage on industrial real estate consisting of land within the city limits with an area of 17,942 sqm and 16,808 sqm as measured, and industrial buildings, owned by Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, no. 1-3, sector 2,

	identified with cadastral number 229224 and CF 229224, identified in accordance with the real estate mortgage agreement 4. Assignment of compensation paid under all insurance policies concluded by the Client and the Guarantor in connection with the credit agreement

Contract no. 167530/08.04.2024 concluded with Libra Bank SA

Objective	Investment credit
Amount	**EUR 1,000,000**
Balance as of December 31, 2024	**EUR 977,406, equivalent to RON 4,861,713**
Balance as at 30 June 2025	**EUR 955,032, equivalent to RON 4,849,364**
Mortgages	1. Movable mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of the contract; 2. Movable mortgage on the Client's present and future receivables resulting from the Lease Agreements as identified in the movable mortgage agreement on receivables, accessory to the Credit Agreement; 3. Mortgage on industrial real estate consisting of land within the city limits with a documented area of 17,942 sq m and a measured area of 16,808 sq m, and industrial buildings, owned by Mecanica Fina SA, located in Bucharest, Soseaua Pantelimon, no. 1-3, sector 2, identified with cadastral number 229224 and CF 229224, identified in accordance with the real estate mortgage agreement 4. Assignment of compensation paid under all insurance policies concluded by the Client and the Guarantor in connection with the credit agreement

Contract no. 205711/25.03.2025 concluded with Libra Bank SA

Objective	Investment credit
Amount	**3,000,000 RON**
Balance as of December 31, 2024	**0**
Balance as of June 30, 2025	**2,638,823**
Mortgages	1. Movable mortgage on the accounts opened by the Customer with the Bank as identified in Article 4 of this agreement ("Account"/"Accounts"); 2. Movable mortgage on the Client's present and future receivables resulting from the Client's lease agreements as

	identified in the movable mortgage agreement on receivables, accessory to this Agreement; 3. Real estate mortgage on industrial real estate consisting of urban land with a surface area of 17,942 sqm according to the documents and 16,808 sqm as measured, and industrial buildings located at 1-3 Pantelimon Road, Sector 2, Bucharest, cadastral number 229224, Land Registry number 229224, owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement attached to this Agreement; 4. Assignment of compensation paid under all insurance policies taken out by the Client and the Guarantor in connection with this Agreement; 5. Real estate mortgage on the 504.67 sq m share of the total area of 1514 sq m — representing the access road — address: Bucharest, Pantelimon Road, no. 1-3, sector 2, cadastral number 230037(old cadastral number 6644/2) Land Registry number 230037 (OLD CF 20536), owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement accessory to this Agreement.

Contract no. 153336/08.11.2023 concluded with Libra Bank SA

Object	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 share purchase agreement with Industrial Cefin.
Amount	**3,000,000 RON**
Balance as of December 31, 2024	**2,790,703**
Balance as of June 30, 2025	**2,712,874**
Mortgages	To guarantee the fulfillment of all payment obligations assumed under this Agreement or in connection with it, regardless of 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: a) a movable mortgage on the accounts opened by the Customer with the Bank as identified in Article 10.1.3 of this Agreement ("Account"/"Accounts"); b) the movable mortgage on the Client's present and future receivables resulting from the Client's lease agreements, as

	identified in the movable mortgage agreement on receivables, attached to this Agreement in Article 10.1.2; c) real estate mortgage on the industrial real estate property consisting of the building located in Sector 2, Popa Lazar Street no. 5-25, consisting of intravilan land lot 6, with an area of 1867.48 m2, and building C1 (formerly C14) - office buildings S+P+2E with a built area of 1867 m2, owned by MECANICA FINA, identified in accordance with the real estate mortgage agreement attached to this Agreement. d) the assignment of compensation paid under all insurance policies taken out by the Customer and the Guarantor in connection with this Agreement;

ITAGRA S.A.

Credit agreement no. 77799/22.01.2021 concluded with LIBRA INTERNET BANK SA

Object	Credit for real estate investments, consisting of financing the purchase of agricultural land from third parties, whether natural or legal persons.
Amount	**1,350,000 EURO**
Balance as of December 31, 2024	**1,066,655 EURO. equivalent to 5,305,650 LEI**
Balance as of June 30, 2025	**1,066,655 EURO. equivalent to 5,416,156 LEI**
Mortgages	Real estate mortgage on properties – agricultural land with a total area of 312,018 sqm located outside the built-up areas of Barcanesti and Boranesti, Ialomita County. Movable mortgage on ITAGRA's bank accounts

Credit agreement no. 80545/8.03.2021 concluded with LIBRA INTERNET BANK SA

Purpose	Credit for the full refinancing of Contract No. 29011/4.09.2018
Amount	**307,556 EURO**
Balance as of December 31, 2024	**140,240 EURO. equivalent to 697,564 LEI**
Balance as of June 30, 2025	**140,240 EURO. equivalent to 712,095 LEI**
Guarantees	Real estate mortgage on properties - agricultural land with a total area of 559,194 square meters located outside the town of Barcanesti, Ialomita County; Movable mortgage on bank accounts

Credit agreement no. CH80532/08.03.2021 concluded with Libra Internet Bank

Object	Credit for refinancing loans (credit agreement no. 28829/30.08.2018; 663/15.09.2017; 28848/30.08.2018 and Framework agreement for granting credit limit no. CH31/12.04.2016) and refinancing investments related to loans and leases
Amount	**2,452,487 EURO**

Balance as of 31.12.24	**EUR 1,900,790, equivalent to RON 9,454,718**
Balance 06.30.25	**1,900,790 EUR, equivalent to 9,651,640 LEI**
Guarantees	Mortgage on real estate - agricultural land with a total area of 2,130,719.75 square meters; located outside the built-up areas of Barcanesti and Boranesti, Ialomita County Mortgage on the bank accounts of ITAGRA SA.

Credit agreement no. C10002022029912/16.05.2021 concluded with OTP BANK

Purpose	Non-committal credit facility for working capital financing
Amount	**3,000,000 LEI**
Maturity	May 15, 2025
Balance as of December 31, 2024	**2,700,000** LEI
Balance as of June 30, 2025	**2,700,000** LEI
Guarantees	Legal mortgage on the credit balances of all accounts opened by the customer with the bank, both present and future. But not limited to accounts with IBAN code: RO64OTPV110001452903EU01 10OTPV110001452903 RO01. Respectively, all present and future receipts in accounts opened at the bank. State guarantee. Irrevocable. Unconditional. Direct and express. Issued by the National Credit Guarantee Fund for SMEs – IFN. For the amount of 2,400,000 lei.

Contract no. 147513/21.08.2023 (investment loans) concluded with LIBRA BANK

Objective	Refinancing of SME investment loan Invest OTP Bank
Amount	**4,469,095 LEI**
Maturity	November 15, 2037
Balance as of December 31, 2024	**4,007,416**
Balance as of June 30, 2025	**4,007,416 LEI**
Guarantees	Real estate mortgage on agricultural land located in Barcanesti, Ialomita County (84 ha) Movable mortgage on credit balances of accounts opened with the Bank, present and future

C10002023031768/26.05.2023 concluded with OTP BANK

Objective	Non-revolving cash credit facility for financing the working capital necessary to carry out current activities, as pre-financing of the amounts due to the client from the subsidies related to the campaign according to the Single Area Payment Scheme, for the distributive payment for agricultural practices beneficial to the climate and the environment.
Amount	**2,005,282 LEI**
Maturity	July 15, 2025
Balance as of December 31, 2024	**1,197,346**
Balance as of June 30, 2025	**937,084**
Guarantees	Mortgage on receivables related to the SAPS subsidy pre-financed according to the contract, including the total amounts due to the

	customer for the current year plus the year following the granting of the financing plus 1 year. Mortgage on accounts opened by the customer at the Bank, including the SAPS subsidy account.

Contract no. 147494/21.08.2023 (investment loans) concluded with LIBRA BANK

Objective	Investment loan
Amount	**2,000,000 LEI**
Maturity	November 15, 2037
Balance as of December 31, 2024	**1,836,505**
Balance as of June 30, 2025	**1,836,505 LEI**
Guarantees	Real estate mortgage on agricultural land located in Boranesti, Ialomita County (84 ha) Movable mortgage on credit balances of accounts opened with the Bank, present and future

INDUSTRIAL CEFIN S.A.

Credit agreement no. 167345/08.04.2024 concluded with LIBRA Bank

Purpose	Credit for real estate investments, for the purpose of refinancing the credit contracted from PATRIA BANK SA
Amount	a) 402,000 EURO: balance on 31.12.2024 376,577 euro, 1,873,132 ron
	Balance on 30.06.2025: 360,998 EUR, 1,833,038 RON

1. mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of the contract;
2. movable mortgage on the Client's present and future receivables resulting from lease agreements concluded between INDUSTRIAL CEFIN as lessor and lessees as identified in the movable mortgage agreement on receivables, accessory to this Agreement, guarantee to be established within a maximum of 45 days from the date of drawdown;
3. the senior real estate mortgage on the real estate property represented by buildings and land intended for administrative space, owned by Industrial Cefin SA, located in Bucharest, Sos. Pantelimon no. 6-8, lot 8, sector 2, CF 212392, identified in accordance with the real estate mortgage agreement attached to this Agreement;
4. a movable mortgage on the funds available in the collateral deposit account ("Collateral Account") opened with the Bank, as identified in the Movable Mortgage Agreement on the funds available in the collateral deposit account. The collateral deposit shall be released after the registration of the first-rank mortgage on the property in favor of Patria Bank, i.e. within a maximum of 45 days from the date of drawdown; assignment of indemnities paid under all insurance policies concluded by the Customer and the Guarantor in connection with this Agreement.

Credit agreement no. 167350/08.04.2024 concluded with LIBRA Bank

Objective	Investment credit
Amount	301,000

Balance as of January 1, 2025	**EUR 215,526, equivalent to RON 1,072,047**
Balance as of June 30, 2025	**292,887 EUR, equivalent to 1,487,191 LEI**
Mortgages	1. mortgage on the accounts opened by the Client with the Bank as identified in Article 4 of this agreement; 2. a movable mortgage on the Client's present and future receivables resulting from lease agreements concluded between INDUSTRIAL CEFIN as lessor and lessees as identified in the movable mortgage agreement on receivables, accessory to this Agreement, a guarantee to be established within a maximum of 45 days from the date of drawing; 3. the senior mortgage on the real estate property represented by buildings and land intended for administrative space, owned by Industrial Cefin SA, located in Bucharest, Sos. Pantelimon no. 6-8, lot 8, sector 2, CF 212392, identified in accordance with the real estate mortgage agreement attached to this Agreement; 4. a movable mortgage on the funds in the collateral deposit account ("Collateral Account") opened with the Bank, as identified in the Movable Mortgage Agreement on the funds in the collateral deposit account. The collateral deposit shall be released after the registration of the first-rank mortgage on the property in favor of Patria Bank, respectively within a maximum of 45 days from the date of drawdown, the assignment of the indemnities paid under all insurance policies concluded by the Client and the Guarantor in connection with this Agreement. 5.

ITAGRA BIO TERRA

Credit agreement no. C10002023031789/12.06.2023 concluded with OTP BANK-APIA SAPS

Object	Non-revolving, unsecured cash credit facility for financing the working capital necessary to carry out current activities. As pre-financing of the amounts due to the client from the subsidies related to the 2022 Campaign and the 2023 Campaign, to be collected from APIA.
Amount	**213,069 LEI**
Maturity	July 15, 2025
Balance as of December 31, 2024	**100,524 LEI**
Balance as of June 30, 2025	**100,524 LEI**
Guarantees	Mortgage on receivables related to the SAPS subsidy pre-financed according to the contract. including the total amounts due to the customer for the current year plus the year following the granting of the financing plus 1 year, based on the movable mortgage contract on receivables C1000202203023854538/17.06.2022, with subsequent amendments and additions. Movable mortgage on the accounts opened by the customer with the Bank. including the SAPS subsidy account.

Note 12. FINANCE LEASE LIABILITIES

Description	30.06.2025	31.12.2024
Maximum 1 year	215,246	207,686
More than one year but less than 5 years	151,734	197,296
Less future financial costs	-	-
Present value of liabilities – finance leases	**366,981**	**404,982**

The status of leasing contracts as of June 30, 2025 is presented below:

	Mecanica Fina		Itagra SA		Mollore SA		Cefin	
Description	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Up to 1 year	-	-	118,028	115,621	97,218	92,065	-	-
Between 1 and 5 years	-	-	-	-	151,734	197,296	-	-
Total	**-**	**-**	**118,028**	**115,621**	**248,952**	**289,361**	**-**	**-**

Note 13. DEFERRED TAX

The differences between Romanian tax regulations and IFRS regulations give rise to temporary differences between the carrying amount of certain assets and liabilities for financial reporting and tax purposes. Deferred income tax has been calculated for all temporary differences using the liability method and a tax rate of 16%.

The movement in deferred tax liability is as follows:

Description	2025	2024
At January 1	**31,689,822**	**31,653,964**
Expense for the year/(Income) for the year	174,196	35,858
Other comprehensive income	-	-
As of June 30	**31,784,996**	**31,689,822**

The deferred tax component mainly represents the deferred tax related to the revaluation of fixed assets in the period 2003–2024.

Note 14. SUPPLIERS AND OTHER SIMILAR LIABILITIES

The item "Suppliers of fixed assets" does not include amounts that will become due in more than one year.

The item "Guarantees" includes amounts withheld in the amount of 1,523,571 lei, of which 650,245 lei will become due in more than one year (December 31, 2024: 855,513 lei).

The structure of liabilities as of June 30, 2025 is as follows:

	June 30, 2025	December 31, 2024
Suppliers	7,207,460	3,604,831
Suppliers of fixed assets	817,709	1,245,627
Affiliated suppliers	2,457,751	2,317,033
Payables to employees	214,478	220,717
Other creditors (excluding retained guarantees)	87	75,893
Total financial liabilities	**10,697,485**	**7,464,101**
Liabilities to the state budget	1,155,011	643,710

Other liabilities	147,560	-
VAT payable	34,442	229,364
Total	**12,034,498**	**8,337,175**

Note 15. OPERATING INCOME

Revenue from sales for the year ended June 30, 2025 comprises the following items:

	June 30, 2025	June 30, 2024
Revenue from the sale of finished products	936,147	1,194,281
Revenue from the sale of goods	69,791	86,431
Revenue from services rendered	1,054,430	1,156,366
Revenue from rents	5,563,147	4,614,948
Revenue from other activities (utility re-invoicing)	937,050	826,120
Discounts granted	-	84,335
Revenue from own production	25,645	
Variation in inventories	7,221,089	-
Total	**15,807,299**	**6,198,373**

Note 16. OTHER OPERATING INCOME

	June 30, 2025	June 30, 2025
Other income	15,595	20,482
Income from the sale of fixed assets	-	4,601
Income from revaluation of fixed investments	-	-
Income from subsidies	133,120	31,554
Revenue from penalties	14,416	10,481
Total	**163,131**	**67,118**

Note 17. EXPENSES FOR RAW MATERIALS / CONSUMABLES

	June 30, 2025	June 30, 2024
Spare parts	83,013	112,163
Fuel	226,906	299,090
Goods	254,473	64,097
Inventory items	17,133	15,046
Other consumables	2,541,699	3,600,580
Discounts received	(309,865)	(256,337)
Subsidies related to expenses	-	-
Total	**2,813,359**	**3,834,639**

Note 18. PERSONNEL EXPENSES

	June 30, 2025	June 30, 2024
Salary expenses	2,268,935	2,008,672
Expenses related to civil contracts	403,302	403,302
Social security expenses	68,164	64,807
Expenses related to meal vouchers	134,550	137,430
Total	**2,874,951**	**2,614,211**

Remuneration granted to the Board of Directors and Executive Management of the parent company:

Description	**June 30, 2025**	**June 30, 2025**
Salaries	403,302	403,302
Total	**403,302**	**403,302**

The company's employees are part of the pension program organized by the Romanian state. There are no private pension funds managed by the group or to which the group contributes on behalf of its employees.

Note 19. OTHER OPERATING EXPENSES

	June 30, 2025	**Jun 30, 2024**
Energy and water expenses	1,412,843	
Maintenance and repair expenses	67,048	72,229
Rental expenses	277,441	271,994
Insurance expenses	226,378	64,352
Expenses related to commissions	85,454	294,523
Protocol and advertising expenses	63,611	41,466
Expenses for the transport of goods and persons	14,389	14,490
Travel expenses	26,044	10,175
Postal and telecommunications expenses	39,837	36,721
Expenses for services performed by third parties	880,268	937,196
Other taxes to the State Budget	380,751	430,385
Expenses related to fines and penalties	-	40,213
Subsidies and other expenses	55,034	34,606
Total	**3,529,098**	**2,248,350**

Note 20. FINANCIAL INCOME / EXPENSES

Financial expenses include the following items:

	June 30, 2025	**June 30, 2024**
Interest expenses	(883,256)	(844,398)
Interest income	29	1
Other financial income	8,684	49,055
Other financial expenses	(798,699)	(73,955)
Income from discounts	-	-
Total income / (expenses)	**(1,673,242)**	**(869,297)**

Note 21. INCOME TAX EXPENSES

The Romanian tax system has just undergone a process of consolidation and harmonization with European Union legislation. However, there are still different interpretations of tax legislation. In certain situations, the tax authorities may treat certain aspects differently and impose additional

tax obligations, together with late payment interest and accumulated penalties. In Romania, tax periods remain open for 5 years.

The Group's management considers that the tax obligations included in these financial statements are true and fair, and they are not aware of any other circumstances that could give rise to potential material liability in this regard.

The companies within the Group have not been subject to a substantive tax audit in the last 5 years, with the exception of Itagra SA, which was audited for VAT and income tax for 2019.

Income tax expenses are as follows:	**June 30, 2025**	**June 30, 2024**
Deferred tax expense / (income)	133,973	84,728
Income/profit tax	249,213	170,674
Profit tax expense/(income)	**383,186**	**255,402**

Note 22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances with related parties are presented below:

Entity	**Receivables from affiliated entities**	**Payables to affiliated entities**	**Net Receivables / (Payables)**
Mol Invest SRL	175,000	2,495,030	**2,245,472**
Grand Total	175,000	2,495,030	**2,245,472**

Note 23. COMMITMENTS

The companies included in this consolidation have entered into contracts of a commitment nature, within the Group or with third parties, representing the following:

a) Mecanica Fina SA

- lease agreements concluded with third parties for periods ranging from 1 to 5 years for built spaces located in buildings owned by the company in which the tenants carry out office activities and/or activities in line with their business purpose (40 lease agreements for a total area of 20,000 square meters of built space). The contracts contain clauses requiring the lessor to provide, at a cost, the utilities necessary for the operation of the leased spaces.

- Two lease agreements for two properties owned by the company, concluded with the subsidiary Mollo Re SA for a period of one year, but with the possibility of extension under conditions to be established annually by an addendum. The agreements contain clauses requiring the lessor to insure, at its own expense, the utilities necessary for the operation of the leased premises.

- Lease agreement concluded with the subsidiary Modern Self Wash SRL for a property where vehicle maintenance activities (car wash) are carried out.

- Lease agreement for a property – land and building concluded with Vera Wellness SRL – a subsidiary of the company's subsidiary Mollo RE SA.

- contracts for primary accounting services, legal services, or other services for group companies.

b) Industrial Cefin SA

- Lease agreements concluded with third parties for built spaces located in buildings owned by this company, in which the tenants carry out office activities and/or activities in line with their business purpose (4 lease agreements for a total area of 3,000 square meters of built space).

c) Mollo Re SA

- contracts for the provision of accommodation services in residential units located in buildings leased from the parent company Mecanica Fina SA, concluded exclusively with students, usually for the duration of the academic year.

d) Itagra SA

- Lease agreements for land owned by third parties, concluded for a period ranging from 1 to 10 years and with an automatic renewal clause for the same period initially agreed upon if neither party communicates in writing to the other party its refusal to extend the term of the agreement, and with the rent payable exclusively in cash in an amount differentiated according to the time of payment (after harvest or in advance, at the beginning of the lease year).

- lease agreement concluded as lessor with its subsidiary Itagra Bio Terra SRL for land on which organic farming activities were carried out in 2022.

Note 24. CONTINGENT LIABILITIES AND LITIGATION

Transfer prices

The Romanian legislative framework on transfer pricing provides for the principle of full competition, the definition of related parties, and methods for determining transfer prices based on market value.

It also details the purpose and scope of the transfer pricing rules for transactions with related parties. The burden of this provision falls on taxpayers who
conduct transactions with related parties, who are required to prepare a transfer pricing file to be presented at the request of the tax authorities during a tax inspection.

Thus, it is possible for tax authorities to conduct in-depth transfer pricing inspections to ensure that taxable profit and/or the customs value of imported goods are not distorted by the effects of transfer pricing between related parties.

Management has not prepared the transfer pricing file and cannot assess the outcome of such a verification.

Environmental issues

The implementation of environmental regulations in Romania is evolving, with the enforcement stance of government authorities being continually reconsidered. The Group periodically assesses

its obligations under environmental regulations. Obligations that are identified are recognized immediately.

Potential liabilities that may arise as a result of changes in existing regulations, civil litigation, or legislation cannot be estimated but are not expected to be significant. In the current climate, the management considers that there are no significant liabilities for environmental damages, in accordance with the applicable legislation and en .

The Group's operating environment

Through its operations, the Group has significant exposure to the Romanian economy and financial markets. Romania exhibits certain characteristics of an emerging market, including relatively high inflation and a significant current account deficit.

The Romanian banking sector is sensitive to unfavorable fluctuations and economic conditions and may occasionally experience reductions in liquidity and increased levels of market price volatility, as witnessed in 2008.

Management is unable to anticipate all developments that could have an impact on real estate and/or the banking sector and, as a result, on the Group's financial position, if applicable.

Currency and customs tax legislation in Romania is subject to different interpretations and frequent changes. The direction of Romania's economic future is largely dependent on the effectiveness of the economic, financial, and monetary measures taken by the government, together with taxation, regulatory legislative developments, and politics.

Recent volatility in global and Romanian financial markets

While the Group has no exposure to the foreign real estate market, the ongoing global liquidity crisis may lead, among other things, to lower capital market financing, low liquidity levels in the Romanian banking sector, and higher lending rates.

Such circumstances could affect the Group's ability to obtain new loans and refinance existing loans on terms and conditions similar to those applicable to previous transactions.

The Group's debtors may also be affected by lower liquidity levels, which would have a direct impact on their ability to repay outstanding loans or trade payables.

The deterioration of operating conditions for debtors may also have an impact on management's forecasts regarding cash flow and the assessment of impairment of financial and non-financial assets.

Management is unable to reliably estimate the effects on the Group's financial position, the continued deterioration of financial market liquidity, and the increased volatility of currency and credit markets. Management believes that it is taking all necessary measures to support the sustainability and development of the Group's business in the current circumstances.

Litigation

The issuer's litigation, as well as that of the companies in the group, is as follows:

MECANICA FINA SA

I. MECANICĂ FINĂ SA (CUI: 655 ; ORC: J40/2353/1991)

A. As PLAINTIFF:

1. Case No. 10787/301/2023 - Bucharest District Court, Sector 3
Subject matter of the case - Recovery of the principal amount of 36,242.61 lei consisting of the value of rent and utilities unpaid by the Debtor (Social Accounting Independent SRL), plus late payment penalties.
Parties - Creditor/Claimant - MECANICA FINA SA
Defendant/Debtor - SOCIAL ACCOUNTING INDEPENDENT SRL
Procedural stage - settled on 30.05.2023.
Solution - The court accepts the exception of non-stamping of the part of the introductory application regarding the obligation of the debtor to pay late payment penalties, an exception invoked ex officio. It annuls the part of the introductory application regarding the obligation of the debtor to pay late payment penalties. Partially admits the claim, having as its object a payment order. Orders the debtor to pay the creditor the amount of 36,242.61 lei representing the debt, within 20 days from the date of communication of the payment order.
Orders the debtor to pay the creditor the sum of 200 lei, representing the legal costs incurred in the case (stamp duty). No late payment penalties were awarded.
Amounts in dispute: 36,242.61 lei principal debt (equivalent to unpaid rent and utilities).
Under enforcement by bailiff Negreanu Marius Adrian in Bucharest – case no. 512/05.09.2023.
Attachments have been placed on accounts at Libra Internet Bank and ING Bank, where our claim competes with other claims attached by ANAF Sector 3. Low chances of recovering the claim.

2. Case no. 32457/3/2023 - Bucharest Court - 7th Civil Section
Subject of the case: insolvency/bankruptcy, debtor's request (Art. 66(10) – L 85/2014)
Debtor: EUROPEAN INFORMATIONAL SYSTEMS SRL
Creditor: MECANICA FINA SA
An application was filed for the admission of a claim of 141,842.49 lei (rent + utilities),
Mecanica Fina SA was entered in the table of claims.
Judicial administrator, at the request of the debtor, CII OANĂ AURORA.
At the previous hearing on 18.06.2024, the decision in brief: Pursuant to Article 139(1)(B) of Law No. 85/2014, confirms the reorganization plan proposed by the debtor's judicial administrator CII Oană Aurora for the debtor European Informational Systems SRL. Sets the date for the continuation of the proceedings on 22.10.2024, at 09.00. With the right to appeal within 7 days of the communication of the decision, which will be filed with the Bucharest Court of Appeal, 7th Civil Section. Pronounced by making the solution available to the parties through the court registry, today, 18.06.2024. Document: Interim decision 3191/2024 18.06.2024.
Deadline: September 9, 2025 – for the implementation of the reorganization plan presented by the judicial administrator for the debtor.

3. Case No. 2767/3/2024 – Bucharest Court of Law – 7th Civil Division
Subject of the case: insolvency/bankruptcy, debtor's request
Debtor: TOPGENTI.RO SRL;
Creditor: MECANICA FINA SA
An application was filed on 29.03.2024 for the admission of a claim of 68,631.63 lei (rent + utilities). Judicial administrator, at the debtor's request, AKTIV-LEX INSOLVENTA S.P.R.L, with a remuneration of 3,000 lei from the debtor's assets.
At the previous hearing (June 19, 2024): The case was adjourned for the assessment and valuation of the debtor's assets.
Hearing: February 19, 2025, to allow the debtor to submit a reorganization plan.
On April 17, 2025, the court ordered the debtor to enter into bankruptcy through general proceedings.

B. As DEFENDANT

1. Case No. 25713/3/2023 - Bucharest Court of Appeal ( ) - Section VIII CMAS
Subject of the case - Issuance of a new certificate regarding salary rights for the period 1 October 1974-22 September 1975 and 1 April 1976-7 March 1991, indicating the base salary, bonuses, additional income, and the express mention of the withholding and payment of social security contributions.
Order the defendants to pay the amount of 38,117 lei calculated for the period 03.02.2021-31.07.2023 and thereafter, as the difference between the pension rights received and those due.
Ordering the defendants to jointly pay late penalties of 500 lei per day from the date of the court decision on the merits until the date of issuance of the certificate.
Ordering the defendants to pay the court costs.
Parties - Plaintiff - CHIRILĂ OCTAVIAN
Defendant - MECANICĂ FINĂ SA and EURO STORAGE ARHIV SRL
Procedural stage - pending resolution on the merits.
Amounts in dispute - 38.117 lei as the difference between the pension rights received and those due for the period 03.02.2021-31.07.2023 and currently, as well as late payment penalties of 500 lei per day from the date of the court decision on the merits until the date of issue of the certificate.
Deadline: September 5, 2024 - postponement for the submission of documents (personnel file) by the defendant Euro Storage Arhiv.
After the deadline of 05.09.2024, given Euro Storage Arhiv's response that it does not hold the claimant's personnel file, Mecanica Fina submitted meeting notes to the file requesting that the action be dismissed as inadmissible.
Final deadline: 19.12.2024. Summary of the decision: Accepts the objection regarding the lack of passive legal standing of the defendant Carmesin SA. Rejects the claim filed against the defendant Carmesin SA as being filed against a person without passive legal standing. Partially admits the claim. Orders the defendants SC EUROSTORAGE ARHIV SRL and SC MECANICĂ FINĂ SA to issue the claimant with an employee certificate for the period 1 October 1974 to 22 September 1975 and the period 1 April 1976 to 7 March 1991, showing the position held, the working conditions, the basic salary he was paid, broken down for each income separately, as well as mentioning the bonuses he received and the additional income earned, the legal basis for granting each income, as well as mentions regarding the payment of insurance contributions, specifying in concrete terms all the income included in the calculation basis for social insurance contributions. Rejects the rest of the application as unfounded. Appealable within 10 days of notification, to be lodged with the Bucharest Court of Appeal – Section VIII. Delivered today, 19.12.2024, by making the decision available to the parties through the court registry. Document: Decision 8194/2024 19.12.2024.
The judgment of the court of first instance was appealed to the Bucharest Court of Appeal
First hearing in appeal: 08.09.2025

2. Case No. 5292/330/2020 - Urziceni District Court
Subject of the case - Action for a declaratory judgment. The plaintiffs request the court to issue a decision declaring that they have a right to use the 87 sq m plot of land belonging to MECANICA FINĂ SA and to order the company to remove the fence made of concrete posts and slabs.
Parties: Plaintiffs - AELENI PETRU and AELENI ELENA; Appellant-Defendant - MECANICĂ FINĂ SA
Procedural stage - appeal. The case was decided on its merits, and Mecanica Fina SA filed an appeal.
Solution in brief: Pursuant to Article 480(1) of the Code of Civil Procedure, the appeal lodged by the appellant SC MECANICĂ FINĂ SA (details) against civil judgment no. 56 of 19 January 2023, handed down by the Urziceni Court of First Instance, is dismissed as unfounded. Rejects the appellant's request for the award of court costs as unfounded. Orders the appellant SC MECANICĂ FINĂ SA to pay the respondents AELENI PETRU (details) and AELENI ELENA

(details) the sum of 3000 lei (including VAT) as legal costs, representing the lawyer's fees paid during the appeal phase. With the right to appeal within 30 days of notification. The appeal shall be lodged with the Ialomiţa Court of Law – Civil Division. Delivered by putting the decision at the disposal of the parties, through the court registry, today, 17.12.2024. Document: Decision 1059/2024 17.12.2024

3. Case No. 48783/3/2024 - Ilfov Court
Subject of the case – reinstatement of seniority and work record book, request filed by a former employee of the former Mecanica Fina S.A. Company during the period 03.08.1977 - 30.10.1984, 10.03.1986 – 01.07.1990.
Parties:
Petitioner – PARASCHIV COSTEL
Defendant - INTERPRINDEREA MECANICĂ FINĂ
Defendant - H&A FIRST IMPORT EXPORT PROD SRL
Defendant - SC UROGDI S IMPORT EXPORT SRL
Deadline: 23.09.2025

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

A. As DEFENDANT

1 Case: 1303/98/2021 - Ialomița County Court

Subject of the case: 1. Declaration of the absolute nullity of the award in favor of ITAGRA SA concluded on January 25, 2017, by Bailiff Mihăilescu Adriana Emanuela, based in Cornetu, Ilfov County. 2. Rectification of the Land Registry entries in order to register the land sold on the basis of the award document in the name of the claimant, namely the following plots of land: CF 21657 UAT Sinesti, IL (23,918 sq m) and CF 21659 UAT Sinesti, IL (5,000 sq m).
Parties: Claimant: CHRISTOU LOIZOS
Defendants: DULMAN GHEORGHE, BRD GROUPE GENERALE, ITAGRA SA
Procedural stage – settled, in the first instance, on 18.07.2023.
Solution - The court rejected the objection of inadmissibility of the claim, raised by the defendant BRD – Groupe Societe Generale SA in its response, as unfounded. Rejects the claim filed by the plaintiff CHRISTOU LOIZOS against the defendants DULMAN GHEORGHE, BRD – GROUPE SOCIETE GENERALE SA, and ITAGRA S.A. as unfounded. Takes note that the plaintiff's counsel has stated that he will request court costs separately. Rejects as unfounded the request of the defendant ITAGRA S.A. to order the claimant to pay court costs. Takes note that the other defendants did not request court costs. With the right to appeal within 30 days of notification.

Appeals: On January 16, 2024, the judgment was appealed by the plaintiff. Itagra SA filed a response to the plaintiff's appeal.
Appeal court - Bucharest Court of Appeal, Third Civil Division for Juvenile and Family Cases
Solution in brief: Admits the appeal. Partially changes the civil judgment appealed, as follows: Partially admits the summons. Declares the nullity of the sale and purchase agreement authenticated under no. (...) by BNP R. J.. Declares the partial nullity of the mortgage agreement authenticated under no. (...) by BNP R. J., only in relation to the mortgaging of the land referred to in points 1 and 2 of the mortgage contract, which land was the subject of the sale and purchase

agreement authenticated under no. (...) by BNP R. J.. Rejects the rest of the claims made in the summons as unfounded. Upholds the provisions of the appealed judgment, in ly with regard to the plea of inadmissibility and court costs. Rejects the request of the respondent BRD — Groupe Societe Generale S.A. regarding the court costs of the appeal as unfounded. Appealable within 30 days of notification; the appeal shall be lodged with the Bucharest Court of Appeal. Delivered today, 13.01.2025, by making the decision available to the parties through the court registry. Document: Decision 9/2025 13.01.2025.

The appeal court's ruling is awaited in order to identify the grounds for appeal.

B. As PLAINTIFF

1. Case: 8981/3/2024 - Bucharest Court, Sixth Civil Division
Procedural stage – first instance.
Subject matter of the case:
1. Ordering the Defendants to pay the amount of 238,906.13 lei, representing the equivalent of subsidized interest for the period of 8 months from the date of conclusion of the credit agreement
2. Ordering the Defendants to pay the amount of 547,724.64 lei, representing the equivalent of the non-reimbursable component of 10% of the financed amount, in accordance with 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 summons to 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.
Decision of the court of first instance: Admits the action brought by the claimant Itagra SA
The judgment of the court of first instance has not yet been communicated.

2. Case file: 1649/98/2024 - Ialomița County Court , Civil Division
Procedural stage: first instance.
Subject matter of the case: claims - ordering the defendant to reimburse the amounts paid by the plaintiff to its employees as sick leave compensation in the amount of 22,444 lei, during the period 01.06.2023 - 22.11.2023.
Parties: Plaintiff: ITAGRA SA,
Defendant: IALOMIŢA COUNTY HEALTH INSURANCE HOUSE.
The decision of the court of first instance: Admits the action brought by the plaintiff Itagra SA
The judgment was appealed by the Ialomita County Health Insurance House
Appeal date: October 21, 2025

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

1. Case No. 963/98/2023 - Ialomita County Court , Civil Division - bankruptcy
Subject of the case - Bankruptcy - opening of proceedings at the request of the creditor CARNICOM SRL for a debt in the amount of 567,820 lei representing loans (plus 1,000 lei court costs).
Parties - Plaintiff - CARNICOM SRL (registered office at CII Enache Marilena Mariana) - Creditor
Defendant - BIO VALLEY SRL

Procedural stage - pending resolution on the merits. Appoints C.I.I. CUŢOV ALINA, Constanta, as provisional liquidator.
Amounts in dispute - 567,820 lei representing loans (plus 1,000 lei court costs). Deadline: 23.09.2025 - postponed for continuation of proceedings

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

1. Case No. 12957/200/2023 - Buzău Court, Civil Division
Subject of the case - Small claims - recovery of debt in the amount of 4117.86 lei representing the equivalent value of rent
Parties - Plaintiff - MOLLO RE SA; Defendant - VLAD MARIA SIMONA
Procedural stage - pending resolution on the merits. Solution - Claim admitted.
Case under enforcement by BEJ ISOFACHE MARIUS NICUSOR, Buzau

The other companies in the group have no ongoing litigation before the courts or arbitration tribunals.

Note 25. BALANCES AND TRANSACTIONS WITH COMPANIES IN THE GROUP THAT HAVE BEEN ELIMINATED

Entity	Receivables from affiliated entities	Payables to affiliated entities	Net receivables/(payables)
Verra Wellness SRL		906,166	-906,166
Bio Valley SRL		1,261,175	-1,261,175
Itagra SA	1,929,335	2,937,797	-1,008,462
Mollo RE SA	885,000	534,993	350,007
Mecanica Fina SA	3,641,441	1,455,204	2,186,237
Itagra Bio Terra SRL		668,160	-668,160
Industrial Cefin SA	1,455,204	147,485	1,307,719
Total	**7,910,980**	**7,910,980**	**-**

Commercial transactions with Group companies

Transaction type	Partner	Value 2025	Value 2024
Revenue from services rendered	**Mollo Re SA**	11,824	19,245
Revenue from rents	**Mollo Re SA**	471,212	805,012
Revenue from the sale of goods	**Mollo Re SA**	614	-
Revenue from various activities	**Mollo Re SA**	167,665	236,931
Income from shares held in affiliated entities	**Mollo Re SA**	481,815	173,851
Income from rents	**Itagra SA**	-	437
Revenue from services	**Itagra SA**	6,010	28,281
Revenue from the sale of goods	**Itagra SA**	-	-
Revenue from disposal of assets	**Itagra SA**	-	-
Revenue from services rendered	**Industrial Cefin SA**	41,187	78,745

Revenue from the sale of goods	**Industrial Cefin SA**	2,031	1,487
Revenue from other activities	**Industrial Cefin SA**	166,239	375,851
Revenue from shares held in affiliated entities	**Industrial Cefin SA**	288,602	310,993
Income from services rendered	**Mol Invest SA**	660	1,320
Revenue from rents	**Mol Invest SA**	3,448	6,751
Revenue from services	**Vera Wellness**	5,437	9,261
Revenue from rent	**Vera Wellness**	99,521	183,677
Revenue from the sale of goods	**Vera Wellness**	-	3,982
Revenue from other activities	**Vera Wellness**	96,220	162,962

Loans

Related parties	Payments 2025	Receipts 2025	Payments 2024	Receipts 2024
Itagra SA	1,656,696	150,541	1,759,051	670,707
Industrial Cefin SA	96,500	462,165	158,500	600,936
Mollo Re SA	13,000	13,000	17,399	17,399
Mol Invest SA	525,133	351,004	495,259	201,035
Itagra Bio Terra SRL	-	-	-	-

Dividends

Related parties	Payments 2025	Receipts 2025	Payments 2024	Receipts 2024
Mollo Re SA	-	42,000		173,851
Industrial Cefin SA	-	150,000		310,993

Note 26. SEGMENT INFORMATION

The reporting segments are determined based on the nature of the activities carried out by the company: leasing, agriculture, and other activities.

	Leasing	Agriculture	Other	Total
Revenue from sales - 30 2024				
Revenue from production	6.729 .388	1.067 .581	953.196	**8.750 .165**
Variation in inventories	-	6.198 .373	-	**6.198 .373**
Variation in real estate investments	84.335	-	-	**84.335**
Other operating income	37.499	354.724	-	**392.223**
Raw materials and consumables	(1.407 .102)	(2.694 .612)	(215.052)	**(4.316 766)**
Personnel expenses	(1.159 .208)	(860.085)	(191.616)	**(2.210 .909)**
Depreciation and amortization expenses	(276.333)	(659.799)	(110.120)	**(1.046 252)**
Other operating expenses	(2.361 .199)	(671.162)	(334.205)	**(3.366 .566)**
Exchange rate differences net)	(26.180)	3.365	(2.086)	**(24.901)**
Interest income/(expenses) (net)	(679.850)	(164.546)	-	**(844.396)**
Interest income/(costs) from participating interests	-	-	-	-
Gross profit/(loss	**941.351**	**2573 839**	**100.117**	**3615 307**
Income tax	(235 .124)	(20 .278)	(4 .737)	(260.139)
Net profit (loss	**706.226**	**2.553 .561**	**95.380**	**3355 167**
Minority interests	(31.718)	(72)	(47.796)	(79.586)
Net profit (lossparent entity	**674.508**	**2553 489**	**47.584**	**3.275 .582**
Segment assets 30 June 2024	**220.355 .641**	**62.821 .806**	**811.006**	**283988 453**
Liabilities by segment 30 2024	**(56.000 .978)**	**(33.306 .573)**	**(101.498)**	**(89409 049)**

	Rental	Agriculture	Other	Total
Revenue from sales - June 30, 2025				
Revenue from production	6,732,365	936,147	892,053	8,560,565
Change in inventories	-	7,221,089	-	7,221,089
Change in real estate investments	25,645	-	-	25,645
Other operating income	33,226	252,280	-	285,506
Raw materials and consumables	(1,512,243)	(2,642,350)	(75,791)	(4,230,384)
Personnel expenses	(1,280,386)	(978,035)	(213,228)	(2,471,649)
Depreciation and amortization expenses	(313,895)	(548,151)	(82,265)	(944,311)
Other operating expenses	(1,582,998)	(861,460)	(251,215)	(2,695,674)
Exchange rate differences (net)	(464,382)	(323,660)	(1,973)	(790,016)
Interest income/(expenses) (net)	(730,248)	(152,978)	-	(883,227)
Gross profit / (loss)	**972,136**	**2,846,217**	**66,463**	**3,884,815**
Income tax	(177,286)	(88,991)	(16,781)	(283,058)
Net profit (loss) (a)	907,083	2,902,882	267,580	4,077,545
Minority interests	(277,414)	(88,991)	(16,781)	(383,186)
Net profit (loss) (a) parent entity	629,668	2,813,891	250,799	3,694,358

All of the Company's assets are located in Romania.

NOTE 27. EARNINGS PER SHARE

The Group presents both basic earnings per share and diluted earnings per share:

- basic earnings per share are calculated by dividing the net profit attributable to the Group's shareholders by the weighted average number of shares during the period;

- diluted earnings per share are calculated based on net profit adjusted for dilutive effects.

Earnings per share are adjusted retroactively at the beginning of the first reporting period for the increase in the number of shares resulting from capitalization.

The calculation of earnings per share is presented in the following table:

	June 30, 2025	June 30, 2024
Net profit attributable to the parent company (A)	3,752,282	**3,275,651**
Number of shares – beginning of period	**3,707,956**	**3,707,956**
Capitalization of bonuses/retained earnings	-	-
Shares issued during the period against cash	-	-
Number of shares – end of period (B)	3,707,956	**3,707,956**
Average number of ordinary shares during the period (B)	3,707,956	**3,707,956**
Dilutive shares	-	-
Total average (C)	3,707,956	**3,707,956**
Earnings per share		
Basic (A/B)	1.01	**0.88**
Diluted (A/C)	**1.01**	**0.88**

Note 28. SUBSEQUENT EVENTS

There are no subsequent events.

Chief Executive
Mollo Sergio

Chief Accountant
Rogojan Maria