

Half-yearly report of the Management Board on June 30, 2023

Date of the report: 09.08.2023

Name of the company:

SC „MECANICA CEAHLĂU” S.A. PIATRA NEAMȚ

Registered Office: Piatra Neamț, Dumbravei street, no.6, postal code 610202

Phone number/fax: 0233-21.58.20/ 0233-21.60.69

Tax Identification Number: RO 2045262

Trade Register Registration Number: J.27 / 8 / 08.01.1991

Subscribed and paid-in share capital RON 23,990,846

Regulated market in which the issued securities are traded: Bucharest Stock Exchange –
Category Standard

Trading symbol: MECF.

1. Synthesis of the financial-economic indicators on June 30, 2023

Information in the financial-economic situation of the Mecanica Ceahlau SA on the 1st semester of 2023 are presented in the Financial Statements, concluded on June 30, 2023, drafted according to the order 2844 from 2016 on the approval of the accounting regulations according to the international standards of financial reporting

The currency of the reporting is RON.

The Financial Statements, concluded on June 30, 2023 have not been audited.

The structure and the evolution of the asset, debt and equity elements of the company, compared to the same period of the previous year, is presented as:

1.a. Individual situation of the financial position

Balance Sheet Elements	Semester I 2023	Semester I 2022
Fixed assets total, out of which:	21,883,000	18,552,192
Tangible fix assets	17,922,746	16,247,436
Intangible assets	128,496	26,767
Real Estate Investments	1,047,746	458,767
Assets representing rights of use of support assets in leasing contracts	2,784,012	1,789,512
Current assets total, out of which:	47,087,284	46,396,350
Stocks	36,462,425	26,752,706
Trade receivables	8,330,470	5,694,146
Other receivables	350,999	574,896
Expenses registered in advance	322,317	262,570
Financial assets at fair value	283,229	268,143
Financial assets at amortized cost	1,032,755	5,035,555
Cash and cash equivalents	305,089	7,424,428
Assets classified as held for sale	-	383,907
TOTAL ASSETS	68,970,284	64,918,542
Own equity, of which:	53,534,043	51,472,994
Share capital	23,990,846	23,990,846
Legal reserves	2,983,701	2,890,897
Balance Sheet Elements (cont.)	Semester I 2023	Semester I 2022
Revaluation reserve	8,631,175	7,513,804
Retained earnings and other reserve	17,928,321	17,077,448
Total debts:	15,436,241	13,445,548
Long term debts, out of which:	7,115,656	3,583,413

Long term loans	2,887,886	272,216
Provisions for pensions:	2,134,436	1,420,150
Debts on deferred tax	117,887	356,468
Liabilities from leasing contracts	1,975,457	1,534,579
Current debts total, out of which:	8,320,585	9,862,135
Short term loans	273,346	296,970
Commercial debts	5,659,583	7,772,470
Other debts	1,723,972	1,332,562
Liabilities from leasing contracts	603,348	379,237
Provisions	60,335	80,895
TOTAL OWN EQUITY AND DEBTS	68,970,284	64,918,542

The equity increased to the amount of RON 53,534,043 (June 30, 2022: RON 51,472,994).
In the first semester of 2023, dividends were not distributed to shareholders.

The Total debts have increased with 15% compared to the same period of the previous year.

1.b. Individual situation of the global result

The company Mecanica Ceahlau SA ended the first semester of 2023 with a net turnover of 17,306,614 RON.

The net turnover decreased with 23% compared to the same period of the previous year.

	Semester I 2023	Semester I 2022
Sales	17,306,614	22,333,401
Costs of materials and consumables	(10,089,684)	(14,668,234)
	7,216,930	7,665,167
Other operational revenues	181,468	216,437
Expenses with utilities	(624,779)	(380,860)
Expenses with salaries and other personnel expenses	(4,215,835)	(3,464,563)
Other administrative expenses	(1,556,470)	(1,432,345)
Other operational expenses	(305,014)	(205,823)
Expenses with amortization and impairment of assets and leasing assets	(1,165,022)	(859,853)
Gain/ loss from assets sales	166,081	6,723
Adjustment of the value of current assets	488,504	83,520
Gain/Loss of provisions for risks and expenses	9,206	32,766
Total operational expenses	(7,203,328)	(6,220,435)
Result of the operational activities	195,071	1,661,168
Interest incomes	126,572	79,667
Gains from revaluation of financial assets at fair value through profit or loss	7,787	1,509
Interest expense and discounts granted	(106,426)	(168,965)
Losses from exchange rate differences	(63,780)	(14,180)
Financial net result	(35,846)	(101,970)
Result before tax	159,225	1,559,198
	(186,925)	(154,564)

Revenue/ (expenses) with current and deferred
income tax

Net profit of period

(27,700)

1,404,634

Financial-economic indicators

Indicator name	Calculation method	Semester I 2023	Semester I 2022
1. Current liquidity indicator	Current assets/ Current debts	5.66	4.60
2. Rate of debt indicator	Borrowed equity/ Own equity x 100	6.43	6.3
3. Turnover speed of fixed assets	Turnover/ Fixed assets	0.25	0.34
4. Turnover speed of total assets	Turnover/ Total assets	0.79	1.21
5. Turnover speed of days sales outstanding (No. days)	Medium balance of net trade receivables / Turnover x 181	90 days	34 days

2. Half-yearly report on June 30, 2023 – the integral version is available on www.mecanicaceahlau.ro and on the Bucharest Stock Exchange website, at the link below;

Chief Executive Officer,
Sorin Ion Molesag

Chief Financial Officer,
Gabriela Pepene

PRESIDENT OF THE BOARD OF DIRECTORS,
Trifa Aurelian Mircea Radu