TURBOMECANICA
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European Unique Identifier (EUID) ROONRC.J40/533/1991
Commerce Registry Code J40/533/1991
Tax Code RO3156315 Unique Registration Code 3156315
Subscribed share fully paid capital 36,944,247.50 RON
www.turbomecanica.ro; e-mail: office@turbomecanica.ro

Current Report
No. 2 of 28.02.2023

Under the provisions of ASF Regulation no. 5 / 2018 on the issuers of financial instruments and market operations and of the Law no. 24 / 2017 on the issuers of financial instruments and market operations

Reporting date: 28.02.2023
Name issuing entity: TURBOMECANICA SA
Headquarters: Bucharest, 244 Iuliu Maniu Blvd., district 6
Phone no.: 021 434 32 06 021 434 07 41 facsimile: 021 434 07 94
Unique Registration Code with the Trade Registry Office: RO 3156315
Registration number with the Trade Registry: J40/533/1991
LEI Code 529900O5AIXHHACIZH85
Subscribed and integrally paid in capital: 36.944.247,50 lei
Regulated market where the issued receivables are traded: Bucharest Stock Exchange
Capital Titles Standard Shares

I. Important events to report:

Turbomecanica SA makes available for the investor and the regulating entities the preliminary financial results for the financial year closing on 31.12.2022.

We mention the fact that the preliminary financial statements as of 28.02.2023 are not financially audited.

A. Regarding the statement of financial position:

The value of tangible fixed assets increased with the value of the equipment under purchase:
a) KASTO TWIN cutting machine
b) KELLENBERGER rectification machine
c) OKK processing center
d) 2 YCM Lathes,
The value of tangible assets decreased with the expense of depreciation.

Within the framework of the preliminary financial statements as of 31.12.2022, the contractual assets that fall within the scope of application of the IFRS 15 standard "Revenue from contracts with clients" for the year 2022 are being analyzed, documented and justified. Also, the impact of

IFRS 15 on the Statement of profit and loss and The situation of the financial position could not be determined until this date, therefore the final financial situations will undergo changes compared to the preliminary situations. The contractual assets related to the year 2022 are not impacted by the application of IFRS15.

The value of stocks increased compared to the previous period because the increase in the prices of raw materials and materials with which TMB supplies itself had a significant impact. Also, following the analysis of stocks with slow movement and no movement, the related provision had a positive impact on the financial statements.

The receivables registered an increase compared to the same period of 2021, mainly due to the situation of the contracts under performance and implicitly the deliveries made in the second half of December 2022 and collected after the end of the fiscal year 2023.

In 2022, the Company deposited with BRD - Groupe Societe Generale, as a deposit, sums worth 9,000,000 lei, the amount with which the Company intends to secure its own funds in order to start the development project in the maintenance of civil engines.
The economic environment and market information are continuously monitored and analyzed to document the Company's decisions regarding the determination of the most favorable destination of deposits, taking into account the evolution of reference interest rates and inflation forecasts.
In accordance with AGEA Decision no. 2/28.04.2022 TBM in TRIM II, purchased state securities (secured investments) worth 5,880,000 lei, these can be found under Short-term financial investments.

The long-term loans reflect the leasing contracts that the Company has concluded in order to ensure the investment plan, and the short-term loans include the amounts related to the working capital, as well as the part related to the short-term leasing contracts.

Iin accordance with OGMS decision no. 1 dated 28.04.2022, point 3, the reserves decreased, with the value of 14.0 million RON (Other Reserves were reduced by the amount allocated to the carried forward result).
Following OGMS Decision 3/27.10.2022, the reduction of the balance of the carried forward accounting result was approved by using the surplus achieved related to the revalued fixed assets, thus the carried forward result has a credit balance of 68.4 million RON, compared to 1.8 million RON at the beginning of 2022 .
Equity remained at approximately the same level.

B. With regard to the profit and loss situation:

The turnover on 31.12.2022 in values of 138,181,551 RON (including the expected impact of IFRS15) exceeded the budgeted level of 133,901,139 RON.

While in 2021 the increase in turnover exceeded, by approximately 50%, the increase in the prices of raw materials, in 2022 it was not possible to adjust the sales prices to the economic reality, considering also the fact that HG 126/21.09. 2022 regarding the price adjustment of product/service purchase contracts of sectoral contracts and Framework Agreements awarded in the fields of defense and security has not been modified in order to compensate for these price increases.
Therefore, the company had to carry out the maintenance works for the NATO program with the negotiated prices in 2020.
In order to limit the impact of the increase in operating expenses, the management took decisions to increase the turnover for the unoccupied capacity, but the escalation recorded by the inflation rate and the exponential increase in the price of utilities, the volatility of the exchange rate, the increase in interest rates were not eliminated/reduced significantly.

In terms of human resources management, in 2022 there was a total decrease of 2.1% in the salary fund as a result of the decrease in the number of employees and the granting of bonuses or salary increases in accordance with the performance evaluation process.

Most supply expense accounts had an increase of at least 10% compared to 2021.

The current economic context, the increase in prices, the increase in interest rates, inflation, the war in Ukraine, had an impact on the result of the period, especially on the Company's expenses. However, the net profit approached in proportion to 96 % of the budgeted result at the beginning of the year, of 9.9 million RON.

C) **IFRS 15 impact analysis** is a complex operation due to the following aspects:

• The complexity of the system for launching production orders on hierarchical levels, mainly to ensure the traceability of executions, imposed by the field of activity;
• The multiple types of orders, namely: manufacturing on customer order, own manufacturing for the provision of spare parts in the maintenance of military aviation products as well as the actual maintenance of military aviation products both on contract and according to the agreed protocol due to the Company's position in the strategic national defense industry.
• The documented, reconciled and transparent application of the IFRS15 standard "Revenues from contracts with clients" requires a detailed analysis of the stage of execution of the contracts to determine the related impact on revenues, an impact that could not be precisely determined at the date of these preliminary financial statements.

Considering the reasons detailed above, a complete situation of the impact of IFRS 15 on the financial result situation of the year 2022 can only be reported in the presentation of the final and audited financial statements.

Board of Directors by
President, General Manager
Eng. Radu Viehmann

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022
PRELIMINARY
UNAUDITED FINANCIAL

	31 DECEMBER 2022	31 DECEMBER 2021
Assets		
Fixed assets		
Property, plant and equipment, net	65.013.025	63.583.402
Intangible assets, net	435.158	938.549
Other assets	6.000	6.000
Total fixed assets	**65.454.183**	**64.527.951**
Current assets		
Inventory	62.205.673	59.341.922
Trade receivables	24.078.871	20.270.368
Other receivables and prepayments	6.844.171	2.431.143
Contractual assets	2.079.850	11.952.778
Cash and bank balances	12.043.696	18.961.360
Short Term financial Investments	5.880.000	-
Total current assets	**116.132.261**	**112.957.571**
Total assets	**181.586.444**	**177.485.522**
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	36.944.248	36.944.248
Reserves	68.451.765	82.454.086
Retained earnings	15.237.480	1.800.022
Own shares	(599.408)	(599.408)
Total shareholder equity	**120.034.085**	**120.598.947**
Long term liabilities		
Borrowings LT	6.141.707	2.055.578
Deferred tax liabilities	3.989.086	3.989.086
Provisions LT	1.958.030	1.485.978
Other long-term debts	1	
Total liabilities TL	**12.088.824**	**7.530.642**
Current liabilities		

Short term loans	6.690.405	5.551.518
Borrowings ST	28.291.699	27.895.049
Income tax expense/benefit	2.245.050	1.927.794
Provisions ST	3.462.313	4.798.822
Other liabilities ST	8.774.067	9.182.750
Total current liabilities	**49.463.535**	**49.355.933**
Total liabilities	**61.552.358**	**56.886.575**
Total shareholder equity and liabilities	**181.586.444**	**177.485.522**

GENERAL MANAGER,
RADU VIEHMANN

ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL

STATEMENT OF PROFIT AND LOSS
AT 31 DECEMBER 2022
PRELIMINARY- UNAUDITED FINANCIAL

	31 DECEMBER 2022	31 DECEMBER 2021
Revenues	138.181.551	131.331.165
Other gains and loss	36.489	(3.070.518)
Change in inventories of finished goods and work in progress	(1.005.197)	2.242.607
Raw materials and consumables used	(47.971.205)	(41.843.823)
Employee benefits expense	(52.742.599)	(53.408.568)
Depreciation and amortisation expense	(11.154.177)	(10.977.081)
Finance cost, net	(2.232.193)	(1.928.487)
Othe operating expenses	(10.427.225)	(8.141.586)
Gross profit/Profit before tax	**12.685.444**	**14.203.709**
Income tax expense/ benefit	3.226.342	2.454.482
Net profit	**9.459.102**	**11.749.227**

GENERAL MANAGER,
RADU VIEHMANN

ECONOMIC-COMMERCIAL MANAGER,
CLAUDIA ANGHEL