



TURBOMECHANICA

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Information on the proposals on the agenda of the Extraordinary General Meeting of Shareholders convened for 28.04.2022

The Board of Directors introduced on the agenda of the EGMS at points 1 and 2 the request for approval of the extension of the facilities granted by the banking institutions to the Company for ensuring the working capital.

The respective contracts concluded in 2006 for 24 months were successively renewed as credit lines at the disposal of the Company with the approval of the EGMS, being used for working capital.

Working capital / line of credit represents the financial resources of a company necessary to carry out its current activity, being an excellent way to obtain additional financial flexibility granted by credit institutions for a period of 24 months, with the possibility annual renewal.

The advantages of providing such a credit instrument:

- It is granted on the current account, and the refund is made automatically. There is no need for refund requests, cash receipts or deposits on the current account are automatically refunded and can be used again;
- Flexibility in use and reimbursement;
- The money is available at any time in the current account, we use it when we need it and we reimburse it from the amounts received into the current account;
- Continuity in carrying out the current activity;
- Fluidization (financial circuit without interruptions) of payments.

The company monitors the indebtedness ratio, considering that this is a risk indicator, as follows:

a) capital based on indebtedness ratio. This rate is calculated as the ratio between net debt and total capital. Net debt is calculated as total loans (including all short-term and long-term loans and liabilities). Total capital is calculated as "capital and reserves" as reported in the balance sheet.

The indebtedness ratio in this case is 9% (this information is also found in the annual financial statements)

b) the degree of indebtedness, related to equity = 0.3 (total borrowed capital / total equity) this means that for every lei of equity, the company has 0.30 lei debt

The result is a small indebtedness ratio for the company, which reflects the fact that the company relies to a small extent on borrowed money.

Point 3 on the EGMS agenda proposes the approval of the acquisition by the Company of government securities and corporate bonds for a maximum value of 20,000,000 lei and the conclusion for this purpose, with BRD - GSG SA, of a contract for transactions with government securities and corporate bonds .

This proposal concerns the deposits set up by the company in order to ensure the initial investment for the future development and continuity of the company's activities. Given the current economic conditions, especially the inflation rate, the exchange rate and the unstable conditions at geopolitical level, the Board's proposal aims to diversify the investment portfolio to ensure a higher return than offered by deposits but also to limit the impact of currency risk and devaluation by conversion in Euro currency.

With regard to the proposed item 5 on the agenda, the Board of Directors proposes to approve a power of attorney to the President of the Board for amendments to the credit instruments accessed by the company to ensure the best financial conditions and guarantees for the credit lines and / or working capital. In case of identification of financing offers for the same value that offer better conditions to those currently agreed, this approval supports the Board of Directors efficient decision in limiting / decreasing the financial expenses or the guarantee structures.