



## **TURBOMECHANICA**

**Bd. Iuliu Maniu Nr. 244 District 6 Zip Code 061126 Bucharest - Romania**

**Tel .: (+4) 021 434 32 06; (+4) 021 434 07 41 Fax: (+4) 021 434 07 94**

**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](http://www.turbomecanica.ro); e-mail: [office@turbomecanica.ro](mailto:office@turbomecanica.ro)**

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**No.: 17 Date: 12/11/2018**

### **QUARTERLY REPORT OF THE BOARD OF ADMINISTRATION AS OF SEPTEMBER 30TH 2018**

**TURBOMECHANICA SA** is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

The financial results will be included in the financial statements of the year 2018, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

**1. Statement of profit and loss:**

	<b>30 SEPTEMBER 2018</b>	<b>30 SEPTEMBER 2017</b>
Revenues	65.487.127	75.537.647
Other gains and loss	3.492.554	5.618.039
Change in inventories of finished goods and work in progress	4.840.777	3.477.054
Raw materials and consumables used	(20.371.869)	(28.016.168)
Employee benefits expense	(24.264.506)	(23.022.741)
Depreciation and amortisation expense	(6.512.750)	(4.963.380)
Finance cost, net	(2.279.145)	(2.683.732)
Othe operating expenses	(4.651.373)	(2.749.301)
<b>Gross profit/Profit before tax</b>	<b><u>15.740.816</u></b>	<b><u>21.197.420</u></b>
Income tax expense/ benefit	2.567.311	3.328.959
<b>Net profit</b>	<b><u>13.173.505</u></b>	<b><u>17.868.461</u></b>

The Company recorded operating revenues in amount of Lei 77.201.748 and operating expenses in amount of Lei 59.374.040.

The largest share of this revenue was made through specific activities related to the production profile of the Company.

The Company recorded net profit in amount of Lei 13.173.505, at the end third Quarter.

**2. Statement of financial position:**

	<b>30 SEPTEMBER 2018</b>	<b>31 DECEMBER 2017</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Property, plant and equipment, net	57.123.095	59.961.955
Intangible assets, net	5.109.149	6.784.610
Other assets	1.000	1.000
<b>Total fixed assets</b>	<b><u>62.233.244</u></b>	<b><u>66.747.565</u></b>

<b>Current assets</b>		
Inventory	45.872.863	36.947.781
Trade receivables	5.447.239	2.632.790
Other receivables and prepayments	2.313.786	1.711.184
Cash and bank balances	1.878.685	9.636.856
Non current assets classified as held for sale	0	6.966.252
<b>Total current assets</b>	<b>55.512.573</b>	<b>57.894.863</b>
<b>Total assets</b>	<b>117.745.816</b>	<b>124.642.427</b>
<b>Shareholder equity and liabilities</b>		
<b>Shareholder equity</b>		
Share Capital	1.024.571.055	1.024.571.055
Reserves	88.342.121	88.372.743
Retained earnings	(1.048.567.523)	(1.052.231.734)
Own shares	-	(599.408)
<b>Total shareholder equity</b>	<b>64.345.653</b>	<b>60.112.656</b>
<b>Long term liabilities</b>		
Borrowings LT	4.312.628	5.670.250
Deferred tax liabilities	3.659.565	3.659.565
Provisions LT	993.582	1.259.764
Other liabilities LT	0	0
<b>Total liabilities TL</b>	<b>8.965.775</b>	<b>10.589.580</b>
<b>Current liabilities</b>		
Short term loans	4.710.217	5.817.305
Borrowings ST	34.119.106	37.168.913
Income tax expense/benefit	290.610	1.517.497
Provisions ST	624.110	3.597.787
Defferend income	179.414	868.861
Other liabilities ST	4.510.931	4.969.829
<b>Total current liabilities</b>	<b>44.434.388</b>	<b>53.940.192</b>
<b>Total liabilities</b>	<b>53.400.164</b>	<b>64.529.773</b>
<b>Total shareholder equity and liabilities</b>	<b>117.745.816</b>	<b>124.642.427</b>

The share capital of the Company is in amount of Lei 64.345.653.

The accounting activity was conducted in accordance with the OMFP no. 2844/2016 for the approval of accounting regulations, in accordance with the International Financial Reporting Standards applicable to

companies whose securities are admitted to trading on a regulated market and in accordance with the Accounting Law no. 82/1991 with all its subsequent amendments.

All documents regarding economic and financial operations have been recorded correctly every day. Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet. We state that the Financial Statements at 30 September 2018 are unaudited financial.

PRESIDENT OF THE BOARD OF DIRECTORS

RADU VIEHMANN

**STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2018**

	<b>30 SEPTEMBER 2018</b>	<b>31 DECEMBER 2017</b>
<b>Assets</b>		
<b>Fixed assets</b>		
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<b>Total shareholder equity and liabilities</b>	<b><u>117.745.816</u></b>	<b><u>124.642.427</u></b>

**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,  
ION DINCA**

**STATEMENT OF PROFIT AND LOSS  
AS OF 30 SEPTEMBER 2018**

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**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,  
ION DINCA**

**FINANCIAL-ECONOMIC INDICATORS  
AS OF 30 SEPTEMBER 2018**

<b>No.</b>	<b>Economic indicators</b>	<b>Formula</b>	<b>30 SEPTEMBER 2018</b>	<b>30 SEPTEMBER 2017</b>
1	Current liquidity ratio	current assets / current liabilities	1,25	1,16
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital )*100	6,70	13,45
3	Receivable turnover ratio	( Accounts Receivable / Turnover ) * 270 days	16,66	19,39
4	Fixed assets turnover ratio	Turnover / Fixed assets	1,05	1,13

**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC- COMMERCIAL MANAGER,  
ION DINCA**