

**QUARTERLY REPORT****QUARTER I - 2019****ACCORDING TO THE FSA REGULATION NO.5/ 2018**

**SC TRANSILVANIA CONSTRUCTII SA**  
**Cluj Napoca, Strada Tăietura Turcului, nr. 47, etaj 3**  
**Phone/Fax: 0264/416597; 0264-592229;**  
**Trade Register Registration No. J12/8/1991**  
**Tax Identification Code: RO 199044;**  
**Subscribed and paid up capital: RON 26,391,783;**

Shares are traded on Bucharest Stock Exchange, standard category.

**Significant events occurring in the first 3 months of 2019:**

On 21<sup>st</sup> January 2019 the Board of Directors decided to change the company's main object of activity from 4120 "Construction of residential and non-residential buildings" to 6820 "Renting and operating of own or leased real estate". This decision has been approved by the Extraordinary General Meeting of Shareholders, on 24<sup>th</sup> April 2019. This event has no impact on the company's financial position or financial results.

**1. Individual interim financial statements**, prepared in accordance with the international financial reporting standards (applicable to interim financial reporting)

**a) Statement of the financial position for March 31<sup>st</sup>, 2019 - in RON**

in Ron	<b>March 31<sup>st</sup>, 2019</b>	<b>December 31<sup>st</sup>, 2018</b>
<b>ASSETS</b>		
Tangible assets	7,723,081	8,125,925
Investment properties	180,702,766	179,207,822
Intangible assets	58,621	64,623
Investment in equity instruments - affiliates	3,548,470	3,548,470
Investment in equity instruments - other companies	4,360,891	4,360,891
Long-term trade and similar receivables	16,862,786	16,858,985
<b>Total non-current assets</b>	<b>213,256,615</b>	<b>212,166,716</b>
Inventories	37,962	32,320
Short-term trade receivables	11,970,908	4,229,687
Other receivables	4,469,527	4,397,257
Accrued expenses	968,038	42,552
Cash and cash equivalents	2,681,348	9,038,737
<b>Total current assets</b>	<b>20,127,783</b>	<b>17,740,553</b>

**TRANSILVANIA CONSTRUCȚII SA**

C.I.F: RO199044

Nr. ord. reg.com./an: J12/8/1991

IBAN: RO13 CECE CJ01 I5RO N055 8518

CEC Bank Cluj

Capital Social: 26 391 783 RON

Str. Tăletura Turcului nr. 47, Etaj 3, Cluj-Napoca

Tel: 0264-416597

Fax: 0264-592229

office@transilvaniaconstructii.ro

<b>TOTAL ASSETS</b>	<b>233,384,398</b>	<b>229,907,269</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805
Reserves	7,335,508	7,276,054
Retained earnings	35,477,081	34,561,997
Shareholders' equity	-104,544	-104,544
<b>Total shareholders' equity</b>	<b>96,119,633</b>	<b>95,145,095</b>
<b>LIABILITIES</b>		
Long-term loans	101,877,862	103,044,602
Deferred income tax liabilities	11,011,495	11,031,382
Long-term provisions	83,126	83,126
<b>Total long-term liabilities</b>	<b>112,972,483</b>	<b>114,159,110</b>
Trade payables	10,926,667	7,902,884
Short-term loans	12,421,954	10,001,460
Other payables	943,661	2,698,720
<b>Total current liabilities</b>	<b>24,292,282</b>	<b>20,603,064</b>
<b>TOTAL LIABILITIES</b>	<b>137,264,765</b>	<b>134,762,174</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>233,384,398</b>	<b>229,907,269</b>

**b) Statement of comprehensive income for March 31<sup>st</sup>, 2019 - in RON**

<b>in Ron</b>	<b>March 31<sup>st</sup>, 2019</b>	<b>March 31<sup>st</sup>, 2018</b>
Income from turnover	9,362,514	8,732,187
Other operating income	132,410	80,359
Changes in inventories of finished goods and work in progress	0	0
<b>Total operating income</b>	<b>9,494,924</b>	<b>8,812,546</b>
Expenses with raw materials and consumables	1,430,311	1,911,536
Expenses with third party services	895,202	1,169,069
Personnel expenses	680,861	562,021
Amortization and depreciation expenses	1,922,652	2,851,045
Expenses with commodities	18,814	11,759
Other operating expenses	639,133	141,728
<b>Total operating expenses</b>	<b>5,586,973</b>	<b>6,647,158</b>

**TRANSILVANIA CONSTRUCTII SA**

C.I.F: RO199044

Nr. ord. reg.com./an: J12/8/1991

IBAN: RO13 CECE CJ01 I5RO N055 8518

CEC Bank Cluj

Capital Social: 26 391 783 RON

Str. Tăletura Turcului nr. 47, Etaj 3, Cluj-Napoca

Tel: 0264-416597

Fax: 0264-592229

office@transilvaniaconstructii.ro

<b>Operating income</b>	<b>3,907,951</b>	<b>2,165,388</b>
Financial income	12	34,325
Interest expenses	647,436	963,503
Other financial expenses	2,066,091	0
<b>Total financial expenses</b>	<b>2,713,527</b>	<b>963,503</b>
<b>Financial loss</b>	<b>-2,713,515</b>	<b>-929,178</b>
<b>Profit before tax</b>	<b>1,194,436</b>	<b>1,236,210</b>
Income tax expenses	239,785	229,384
Deferred tax revenue	19,887	19,887
<b>Net income for the period</b>	<b>974,538</b>	<b>1,026,713</b>
Other items of comprehensive income	0	0
<b>COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>974,538</b>	<b>1,026,713</b>
<b>Earnings per share</b>		
Basic	1.22	1.28
Diluted	1.22	1.28

**Selected explanatory notes****Assets purchased and alienated:**

In the first 3 months of 2019, the company made the following acquisitions of fixed assets (purchased from third parties or self-made)

## 1. Fixed assets received:

Asset type	Asset name	Amount-Ron	Operation
Machinery and equipment	IT equipment	21,318	new investment
<b>Total general active purchases</b>		<b>21,318</b>	

**Transactions with related parties**

The Company has as related parties the following companies:

1. SC Melisa Prod SRL, with office in Cluj-Napoca, Strada Orastiei nr.10, judetul Cluj, tax ID: RO 17597400, J12/1857/2005.

The share capital of the company consists of 20 shares of which 19 shares are held by SC Transilvania Constructii SA and one share is held by Mr. Timofte Andrei.

Starting from 2011, this company did not carry out any activity.

As of August 2018, the Company entered voluntary dissolution, pending liquidation.

During the period January 1<sup>st</sup>, 2019 - March 31<sup>st</sup>, 2019 the company did not carry out transactions with SC Melisa Prod SRL.



2.ABC Facility Management, tax ID: 35226834, with the registered office in Cluj Napoca, strada Orastiei, nr 10;

In this company Transilvania Constructii holds 95% of the share capital.

During the period January 1<sup>st</sup>, 2019 - March 31<sup>st</sup>, 2019 the company did not carry out transactions with ABC Facility Management;

On March 31<sup>st</sup>, 2019, the balance of the loan granted by Transilvania Constructii SA to ABC Facility Management amounts to RON 5,830,221.94.

- from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018 the company carried out the following transactions with ABC Facility Management:

-loan granted to ABC Facility Management:

Opening debit balance account 4511:	RON 1,420,000;
Debit balance account 4511:	RON 550,000;
Credit cash flow account 4511:	RON 1,407,000;
Final debit balance account 4511:	RON 563,000

3.Novis Plaza, tax ID 35226850, with office in Cluj-Napoca, strada Tăietura Turcului, nr. 47, etaj 3;

In this company Transilvania Constructii holds 98% of the share capital.

- from 1<sup>st</sup> January 2019 to 31<sup>st</sup> March 2019 the company carried out the following transactions with Novis Plaza:

- loan granted to Novis Plaza:

Opening debit balance account 4511:	RON 10,937,162.78.
Debit balance account 4511:	RON 3,800.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 10,940,962.78.

- service purchases made from Novis Plaza (space rent and re-invoicing expenses),

Original credit balance account 401:	RON 477,406.42;
Credit cash flow account 401:	RON 132,887.03;
Debit cash flow account 401:	RON 520,486.91;
Final credit balance account 401:	RON 89,806.54

- provision of services to Novis Plaza:

Original debit balance account 4111:	RON 184,548.76;
Debit cash flow account 4111:	RON 2,685.18;
Credit balance account 4111:	RON 184,625.07;
Final debit balance account 4111:	RON 2,608.87.

- from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018 the company carried out the following transactions with Novis Plaza:

- loan granted to Novis Plaza:

Opening debit balance account 4511:	RON 10,930,551.83;
Debit balance account 4511:	RON 0.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 10,930,551.83

- service purchases made from Novis Plaza (space rent and re-invoicing expenses),

Original credit balance account 401:	RON 10,513.27;
Credit cash flow account 401:	RON 166,098.79;
Debit cash flow account 401:	RON 56,085.77;
Final credit balance account 401:	RON 120,526.29.

- provision of services to Novis Plaza:

Original debit balance account 4111:	RON 415,192.67;
Debit cash flow account 4111:	RON 0.00;
Credit balance account 4111:	RON 56,085.77;
Final debit balance account 4111:	RON 359,106.90.

4. Invincible Real Estate, Single Registration Number: 35226842, with the registered office in Cluj Napoca, strada Orastiei, nr 10;

In this company Transilvania Constructii holds 95% of the share capital.

The company did not carry out transactions with Invincible Real Estate SRL.

## Segment reporting

The company manages the following business segments:

- Transilvania Logistic Park;
- TRC Park Cluj Logistic Park;
- Installation and Construction Division (provides general contracting for the developments carried out by the Company itself and maintenance activity in logistic parks operated by the company). It does not earn revenue from foreign clients

Item	Business segments									
	Transilvania Logistic Park		TRC Park Cluj		Construction-mounting works		Other segments		Total segments	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from foreign clients	6,831,519	5,918,036	2,311,689	2,644,718	0	0	219,306	169,433	9,362,514	8,732,187
Income from transactions with other segments	0	0	0	0	0	2,974,516	281,854	203,241	281,854	3,177,757
Profit per segment	3,562,235	1,702,645	1,054,592	562,570	0	150,645	-95,042	-109,415	4,521,785	2,306,445

*Reconciliation of income, profit or loss related to reportable segments*
**Income**
*in Ron*

	<b>2019</b>	<b>2018</b>
Total income related to the reportable segments	9,143,208	11,537,270
Income related to other segments	501,160	372,674
Elimination of income from transactions with other segments	-281,854	-3,177,757
<b>Consolidated income</b>	<b>9,362,514</b>	<b>8,732,187</b>

**Profit or loss**
*in Ron*

	<b>2019</b>	<b>2018</b>
Total profit or loss related to the reportable segments	4,616,827	2,415,860
Profit or loss from other segments	-95,042	-109,415
<b>Subtotal profit</b>	<b>4,521,785</b>	<b>2,306,445</b>
Elimination of profit from transactions with other segments		
Unallocated amounts:		
Other income	134,481	58,917
Other expenses	-3,461,830	-1,129,152
<b>Profit or loss before tax</b>	<b>1,194,436</b>	<b>1,236,210</b>

**Accounting policies**

The financial statements for March 31<sup>st</sup>, 2019 were prepared in accordance with the International Financial Reporting Standards and include information compared to previous periods.

In preparing the financial statements for the period January 1<sup>st</sup>, 2019 - March 31<sup>st</sup>, 2019 the provisions of IAS 34 on interim financial reporting were taken into account.

The accounting policies did not change compared to the accounting policies used to prepare the financial statements for December 31<sup>st</sup>, 2018.

The company's activity is carried out in a continuous manner, having an uniform evolution during the financial exercise. The only accounting treatment that does not apply in the case of interim reports is the analysis of the uncertain or disputed clients. This operation is done at the closure of the financial exercise when the depreciation of receivables is estimated.

**2. Economic and financial indicators, in accordance with Annex 13A of the FSA Regulation no. 5/2018**

<b>Name of indicator</b>	<b>Calculation formula</b>	<b>Value</b>
Current liquidity indicator	Current Assets/Current Liabilities	0.83
Indebtedness indicator	Borrowed Capital/Committed Capital*100	54.03%
Turnover speed for client debit items	Average Client Balance/Turnover*90	17
Turnover speed for fixed assets	Turnover / Fixed Assets	0.04

### 3. The financial statements for the first quarter of 2019 have not been audited.

### 4. Other relevant information:

In the first three months of 2019, the company has achieved a Turnover of RON 9,362,514.

The operating income amounts to RON 9,494,924.

The company recorded an operating profit of RON 3,907,951. The operating profit rate was of 42 %, with the company having a high return on the operating activity.

EBITDA within the first 3 months of the year is 5,830,603 lei (62 % of the Turnover).

Regarding the financial activity, the company recorded a loss of RON 2,713,515, mainly due to exchange rate difference costs related to bank loans (RON 2,066,091).

The net income of the company for the first three months was RON 974,538.

The Turnover was made in the majority of rents of spaces in Transilvania Logistic Park

The company also earned income from the management of TRC Park Cluj Logistic Park (inaugurated at the end of 2016), as well as of Transilvania Sports Club.

A breakdown of the Turnover for the main activities is presented below:

Activity	31.03.2019	
	Value	% of the total
Transilvania Logistic Park	6,831,519	72.97
TRC Park Cluj	2,311,689	24.69
Sports base	216,760	2.32
Miscellaneous	2,546	0.03
<b>Total</b>	<b>9,362,514</b>	<b>100.00</b>

Within the first 3 months the company distributed the following dividends:

- on January 16<sup>th</sup>, 2019, the company paid dividends amounting to a total of RON 1,519,526.9, the gross dividend/share being RON 1.9. This dividend assignment had been approved by the Extraordinary General Meeting of Shareholders on December 17<sup>th</sup>, 2018.

General Manager  
Timofte Andrei Iancu

Economic Director  
Barz Lucian