

QUARTERLY REPORT

QUARTER I - 2020

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 2020:

As of 16.03.2020, pursuant to Decree no. 195/16.03.2020 issued by the President of Romania and approved by the Romanian Parliament, the state of emergency was instituted in Romania as a consequence of the negative effects of the SARS-CoV-2 pandemic. Therefore, the public authorities took several measures, such as:

- limiting pedestrian traffic drastically;
- suspending certain economic activities (mainly HORECA, sports, services);

These measures caused a chain reaction, affecting most economic activities. Upon the approval of these financial statements, the SARS-CoV-2 pandemic is in full swing; therefore, the effects on the domestic and global economy are impossible to foresee.

Until the approval of these financial statements, the company's activity had not been significantly affected by such events; hence, the company's financial results in the first 3 months of 2020 are in line with the budgeted figures for Q1 2020.

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 31st, 2020 - in RON

in RON	31-Mar.-20	31-Dec.-19
ASSETS		
Tangible assets	8,479,658	8,940,064
Investment properties	194,675,575	195,319,780
Intangible assets	261,450	277,998
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	15,101,269	17,996,269
Total non-current assets	226,427,313	230,443,472

Inventories	19,416	25,601
Short-term trade receivables	8,467,903	7,671,233
Other receivables	4,084,975	4,164,893
Accrued expenses	1,016,752	41,557
Cash and cash equivalents	18,407,783	7,615,957
Total current assets	31,996,829	19,519,241
TOTAL ASSETS	258,424,142	249,962,713
SHAREHOLDERS' EQUITY		
Share capital	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805
Reserves	9,795,603	9,659,359
Retained earnings	40,289,325	38,058,247
Own shares	-663,536	-663,536
Total shareholders' equity	102,832,980	100,465,658
LIABILITIES		
Long-term loans	120,617,276	117,710,571
Deferred income tax liabilities	11,005,103	11,024,990
Long-term provisions	83,126	83,126
Total long-term liabilities	131,705,505	128,818,687
Trade payables	8,444,538	7,947,682
Short-term loans	12,157,465	11,201,180
Other payables	3,283,654	1,529,506
Total current liabilities	23,885,657	20,678,368
TOTAL LIABILITIES	155,591,162	149,497,055
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	258,424,142	249,962,713

b) Statement of comprehensive income for March 31st, 2020 - in RON

in RON	31-Mar.-20	31-Mar.-19
Income from turnover	10,410,354	9,362,514
Other operating income	222,923	132,410
Total operating income	10,633,277	9,494,924
Expenses with raw materials and consumables	1,995,759	1,430,311
Expenses with third party services	1,093,639	895,202
Personnel expenses	245,570	680,861
Amortization and depreciation expenses	2,095,890	1,922,652
Expenses with commodities	17,445	18,814

**TRANSILVANIA CONSTRUCȚII SA**

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

IBAN: RO13 CECE CJ01 I5RO N055 8518

CEC Bank Cluj

Capital Social: 26 391 783 RON

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office@transilvaniaconstructii.ro

Other operating expenses	628,635	639,133
Total operating expenses	6,076,938	5,586,973
Operating income	4,556,339	3,907,951
Financial income	9	12
Interest expenses	716,119	647,436
Other financial expenses	1,107,984	2,066,091
Total financial expenses	1,824,103	2,713,527
Financial loss	-1,824,094	-2,713,515
Profit before tax	2,732,245	1,194,436
Income tax expenses	384,810	239,785
Deferred tax revenue	19,887	19,887
Net income for the period	2,367,322	974,538
Other items of comprehensive income	0	0
COMPREHENSIVE INCOME OF THE PERIOD	2,367,322	974,538
Earnings per share		
Basic	2.96	1.22
Diluted	2.96	1.22


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c) Statement of changes in equity

<i>in RON</i>	Share capital	Share capital adjustments	Own shares	Reserves	Retained earnings	Retained earnings resulting from the adoption of IFRS, less IAS 29	Retained earnings resulting from the first-time adoption of IAS 29	Total shareholders' equity
Balance as at January 2020	26,391,783	27,019,805	(663,536)	9,659,359	7,186,512	57,891,540	(27,019,805)	100,465,658
Total comprehensive income of the period								-
Acquisitions of shareholders' equity	-	-	-	-	-	-	-	-
Net profit of the period	-	-	-	-	2,367,322	-	-	2,367,322
Other items of comprehensive income								-
Allocation to the legal reserve	-	-	-	136,244	(136,244)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	26,391,783	27,019,805	(663,536)	9,795,603	9,417,590	57,891,540	(27,019,805)	102,832,980
Balance as at January 2019	26,391,783	27,019,805	(104,544)	7,276,054	3,690,262	57,891,540	(27,019,805)	95,145,095
Total comprehensive income of the period								-
Net profit of the period	-	-	-	-	-	-	-	-
Other items of comprehensive income								974,538
Allocation to the legal reserve	-	-	-	59,454	(59,454)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	26,391,783	27,019,805	(104,544)	7,335,508	4,605,346	57,891,540	(27,019,805)	96,119,633

d) Statement of Cash Flows

in RON	QUARTER I - 2020	QUARTER I - 2019
Cash flows from operating activities		
Collections from clients	12,158,446	11,709,902
Payments to suppliers	-4,605,534	-10,192,428
Payments to employees	-158,336	-289,061
Payments to the state budget	-1,071,313	-3,243,772
Other payments related to operating activities	-434,275	-623,861
Income tax paid	-5,913	-351,910
Net cash from (used in) operating activities	5,883,075	-2,991,130
Cash flows from investing activities		
Interest collected	0	0
Collections from sale of tangible assets	139,403	871,592
Recovered amounts from loans granted to related parties	3,000,000	
Payments for the purchase of tangible assets	-121,583	-2,569,441
Payments for financing related parties	-105,000	-3,800
Net cash from (used in) investing activities	2,912,820	-1,701,649
Cash flows from financing activities		
Collections from long-term bank loans	4,779,800	0
Payment of liabilities related to bank loans	-2,610,610	-1,307,389
Payment of liabilities related to finance lease	-188,090	-106,070
Payment of other financing costs	-35,708	-251,736
Repurchase of shareholders' equity	0	0
Dividend payment	0	0
Net cash from (used in) financing activities	1,945,392	-1,665,195
Net increase of cash and cash equivalents	10,741,287	-6,357,974
Effect of changes in exchange rates on cash	50,539	585
Cash and cash equivalents at the beginning of the financial year	7,615,957	9,038,737
Cash and cash equivalents at the end of the financial year	18,407,783	2,681,348



Selected explanatory notes

Assets purchased and alienated:

In the first 3 months of 2020, the company made the following acquisitions of fixed assets (purchased from third parties or self-made)

Fixed assets received:

Type of investment in progress	Name	Amount-Ron
Equipment	Electric vehicle charging stations - 2 stations	19,898.00
Equipment	Water pump	6,850.00
Other assets	IT equipment	6,218.00
Total		32,966.00

As at 31.03.2020, the following real estate projects are in progress:

- Renovation of warehouses in Transilvania Logistic Park, an investment amounting to EUR 270,000 at the reporting date;
- Infrastructure repairs in Transilvania Logistic Park, amounting to EUR 100,000;
- Preparations to extend the TRC PARC Cluj logistic park (inside the TETAROM 3 Jucu industrial park). Up to this date, measures were taken to obtain the execution projects and the building permits. The total costs amount to EUR 135,000, approximately.

In the period 01.01.2020-31.03.2020, the company alienated the following assets:

- a BMW. Sale revenue was RON 112,445, and the unamortized value of the alienated asset was RON 33,242;

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 out of which 19 shares are held by SC Transilvania Constructii SA.

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 1st 2020 - March 31st 2020 the company did not carry out transactions with SC Melisa Prod SRL.

During the period January 1st, 2019 - March 31st, 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 from January 1st 2020 - March 31st 2020, the company carried out the following transactions with ABC Facility Management
loan granted to ABC Facility Management:

Opening debit balance account 4511:	RON 6,130,006.94;
Debit balance account 4511:	RON 100,000.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 6,230,006.94;

On March 31st 2020, the balance of the loan granted by Transilvania Constructii SA to ABC Facility Management was RON 6,230,006.94.

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

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.

During the period from January 1st 2020 - March 31st 2020 the company carried out the following translations with Novis Plaza:

- loan granted to Novis Plaza:

Opening debit balance account 4511:	RON 11,774,662.78;
Debit balance account 4511:	RON 5,000.00;
Credit cash flow account 4511:	RON 3,000,000.00;
Final debit balance account 4511:	RON 8,779,662.78;

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

Original credit balance account 401:	RON 47,856.81;
Credit cash flow account 401:	RON 175,048.36;
Debit cash flow account 401:	RON 178,745.06;
Final credit balance account 401:	RON 44,160.11;

- provision of services to Novis Plaza:

Original debit balance account 4111:	RON 734.62;
Debit cash flow account 4111:	RON 0.00;
Credit balance account 4111:	RON 734.62;
Final debit balance account 4111:	RON 0.00;

- from 1st January 2019 to 31st 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.

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;
- Transylvania Sports Centre

Item	Business segments									
	Transilvania Logistic Park		TRC Park Cluj		Sports Centre		Other segments		Total segments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from foreign clients	7,875,422	6,831,519	2,356,867	2,311,689	178,065	216,760	0	2,546	10,410,354	9,362,514
Income from transactions with other segments	0	0	0	0	0	0	248,092	281,854	248,092	281,854
Profit per segment	3,990,402	3,562,235	1,067,233	1,054,592	38,319	29,086	-57,353	-124,128	5,038,601	4,521,785

Reconciliation of income, profit or loss related to reportable segments

**Income
in RON**

	2020	2019
Total income related to the reportable segments	10,410,354	9,359,968
Income related to other segments	248,092	284,400
Elimination of income from transactions with other segments	-248,092	-281,854
Consolidated income	10,410,354	9,362,514

**Profit or loss
in RON**

	2020	2019
Total profit or loss related to the reportable segments	5,095,954	4,645,913
Profit or loss from other segments	-57,353	-124,128
Subtotal profit	5,038,601	4,521,785
Elimination of profit from transactions with other segments		
Unallocated amounts:		
Other income	222,922	134,481
Other expenses	-2,529,278	-3,461,830
Profit or loss before tax	2,732,245	1,194,436

Accounting policies

The financial statements on March 31st, 2020 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 from January 1st 2020 to March 31st 2020, 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 31st, 2019.

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

Name of indicator	Calculation formula	Value
Current liquidity indicator	Current Assets/Current Liabilities	1.34
Indebtedness indicator	Borrowed Capital/Committed Capital*100	56.16%
Turnover speed for client debit items	Average Client Balance/Turnover*90	17
Turnover speed for fixed assets	Turnover / Fixed Assets	0.05

3. The financial statements for the first quarter of 2020 have not been audited.



4. Other relevant information:

In the first 3 months of 2020, the company has achieved a Turnover of RON 10,410,354.

The operating income amounts to RON 10,633,277.

The company recorded an operating profit of RON 4,556,339. The operating profit rate was of 44 %, with the company having a high return on the operating activity.

EBITDA within the first 3 months of the year is RON 6,652,229 (64 % of the Turnover).

Regarding the financial activity, the company recorded a loss of RON 1,824,094, because of exchange rate difference costs related to bank loans (RON 1,107,984), and also because of costs with interests (RON 716.119).

The net result of the company for the first 3 months was RON 2,367,322.

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	March 31, 2020	
	Value	% of the total
Transilvania Logistic Park	7,875,422	75.65
TRC Park Cluj	2,356,867	22.64
Sports base	178,065	1.71
Total	10,410,354	100.00

Within the first 3 months the company has not distributed dividends:

General Manager

Timofte Andrei Iancu

Economic Director

Barz Lucian