

BIANNUAL REPORT 1st Semester, 2020

According to Regulation 5/2018 issued by the Romanian Financial Supervisory Authority

Company name: **SC TRANSILVANIA CONSTRUCȚII SA**
Registered office: Cluj Napoca, str Taietura Turcului, nr 47, etaj 3, Cluj;
Phone/Fax number: 0264-416597 / 0264-592229;
Tax registration number: RO 199044;
Trade Register number: J12-8-1991;
Subscribed and paid-in capital: RON 26,391,783;
Regulated market where the issued securities are traded: **Bucharest Stock Exchange, standard category.**

I. Important events occurring in the first half of 2020:

- SARS-CoV-2 pandemic

At the beginning of March 2020, Romania implemented the state of pandemic generated by SARS-CoV-2. In line with the dangerous effects from the health perspective, this pandemic has generated negative effects both in the global and domestic economy.

As of March 16, 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 installed in Romania, as a response to the negative effects generated by the SARS-CoV-2 pandemic. As a result, the public authorities took several measures, such as:

- drastically limiting the movement of persons;
- suspending certain economic activities (mainly the hospitality, sports, and services sectors);

The state of emergency was lifted on 15-May-2020 and replaced with the state of alert, which was in force during the approval date of these financial statements. A vast majority of the restrictions with direct effect on the economic activity were still kept in the state of alert.

These measures have generated a negative chain reaction in the majority of 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 difficult to foresee.

Prior to the approval of these financial statements, the company's activity had not been significantly affected by such events. Therefore, although there were a series of requests issued by tenants in which they demanded to postpone or to reduce the rental costs, these requests only had a marginal effect on the cash-flow. No suspension of contracts concluded with main clients was registered. Hence, the company's main financial indicators (Turnover, Operating Profit, Net Profit) in the first half of 2020 are in line with the budgeted figures, rendering the deviations as insignificant. The net profit registered in the first half is Ron 5,478,273, 7% higher than the estimated one.

Nonetheless, the company has taken a series of measures to manage the financial risks generated by the pandemic. The most important financial measures implemented by the company were:

- regarding the relationship with the tenants, the company concluded with the tenants a series of agreements in which they approved to postpone or reduce the rental costs for a definite period of time.

- regarding the management of treasury, the company concluded with the financier agreements in which it was granted a period of grace for the payment of the principal. These agreements have ensured more liquidities, which the company will use to continue the investment programmes in progress;

- the company postponed a series of investments that were scheduled for 2020 and that were not launched before the beginning of the pandemic.

Due to the fact that the company did not record significant losses generated by the clients' non-payment of invoices, it did not consider that it was necessary to adjust the assessment policies for the credit risk.

- the approval of the delisting operation by the General Meeting of Shareholders

On June 22, 2020, the Extraordinary General Meeting of Shareholders approved the withdrawal of the company's shares from Bucharest Stock Exchange trading, standard category, and changing the company Transilvania Constructii SA into a limited type of company. Currently, this operation is in progress. The company estimates that it will be completed by the end of 2020. The financial impact on the company is estimated at approximately EUR 100,000 (sums that the company will pay to the shareholders who will exercise their right to withdraw from the company), the amount with which the cash balance and the company's capitals will be reduced.

Transactions with affiliated parties.

The Company has as affiliated parties the following companies:

1. **Novis Plaza**, unique registration number (CUI) 35226850, registered office in Cluj-Napoca, strada Taietura Turcului, nr. 47, etaj 3;

Novis Plaza is a company that owns and operates the Novis Plaza Office Building, located in Cluj Napoca, 47, str. Taietura Turcului (within TETAROM I Industrial Park).

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

During the period from January 1st, 2020 to June 30th, 2020, the company carried out the following transactions with Novis Plaza:

- loan granted to Novis Plaza:

Original debit balance account 4511:	RON 11,774,662.78;
Debit balance account 4511:	RON 7,000.00;
Credit cash flow account 4511:	RON 3,000,000.00;
Final debit balance account 4511:	RON 8,781,662.78

- service purchases provided by Novis Plaza (space renting and re-invoicing expenses),

Original credit balance account 401:	RON 47,856.81;
Credit cash flow account 401:	RON 305,501.62;
Debit cash flow account 401:	RON 307,442.67;
Final credit balance account 401:	RON 45,915.76

- services provided by 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

During the period from January 1st, 2019 to June 30th, 2019, the company carried out the following transactions with Novis Plaza:

- loan granted to Novis Plaza:

Original debit balance account 4511:	RON 10,937,162.78;
Debit balance account 4511:	RON 5,500.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 10,942,662.78

- service purchases provided by Novis Plaza (space renting and re-invoicing expenses),

Original credit balance account 401:	RON 477,406.42;
Credit cash flow account 401:	RON 261,808.61;
Debit cash flow account 401:	RON 734,652.44;
Final credit balance account 401:	RON 4,562.59

- services provided by Novis Plaza:

Original debit balance account 4111:	RON 184,548.76;
Debit cash flow account 4111:	RON 810.93;
Credit balance account 4111:	RON 184,625.07;
Final debit balance account 4111:	RON 734.62

2. ABC Facility Management, unique registration number (CUI) 35226834, registered office in Cluj-Napoca, strada Orastiei, nr 10;

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

ABC Facility Management is a company that will develop the first logistics park built outside the county of Cluj (a logistics park that will be developed in the commune of Sarata, near the city of Bacău, Romania).

During the period from January 1st 2020 to June 30th, 2020, the company carried out the following transactions with ABC Facility Management

- loan granted to ABC Facility Management:

Original debit balance account 4511:	RON 6,130,006.94;
Debit balance account 4511:	RON 1,590,000.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 7,720,006.94

During the period from January 1st 2019 to June 30th 2019, the company carried out the following transactions with ABC Facility Management:

- loan granted to ABC Facility Management:

Original debit balance account 4511:	RON	5,830,221.94;
Debit balance account 4511:	RON	25,000.00;
Credit cash flow account 4511:	RON	0.00;
Final debit balance account 4511:	RON	5,855,221.94

3. **SC Melisa Prod SRL**, registered office in Cluj-Napoca, strada Orastiei, nr 10, judetul Cluj, unique registration number (CUI): RO 17597400, J12/1857/2005.

The company's share capital includes 20 shares, of which 19 are held by SC Transilvania Constructii SA and 1 is held by a natural person.

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

Starting with August 2018, the company entered voluntary dissolution, and was pending liquidation.

During the period from January 1st 2020 to June 30th, 2020, the company did not carry out any transaction with SC Melisa Prod.

During the period from January 1st 2019 to June 30th 2019, the company did not carry out any transaction with SC Melisa Prod.

4. **Invincible Real Estate**, unique registration number (CUI): 35226842, 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.

II. Presentation of the company's activity in the first half of 2020

1. Economic and financial statement:

The company's economic and financial statement, compared to the same period of last year, is as follows:

a) Balance sheet

Item name	RON		
	30/06/2019	31/12/2019	30/06/2020
Intangible assets	52,775	277,998	246,367
Tangible assets	194,761,688	204,259,844	203,620,831
Financial fixed assets	24,798,847	25,905,630	24,502,632
Total of non-current assets	219,613,310	230,443,472	228,369,830
Inventories	51,815	25,601	17,910
Receivables	12,746,571	11,836,126	8,522,244
Available	5,450,455	7,615,957	18,508,185
Accrued expenses	642,686	41,557	974,342
Total of current assets	18,891,527	19,519,241	28,022,681
Short-term payables	23,830,160	20,678,368	27,398,642
Long-term payables	119,143,488	128,818,687	130,764,225
Total payables	142,973,648	149,497,055	158,162,867

Share capital	26,391,783	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805	27,019,805
Reserves	7,530,341	9,659,359	9,973,221
Retained earnings	34,693,804	38,058,247	35,508,371
Shareholders' equity	-104,544	-663,536	-663,536
Total of shareholders' equity	95,531,189	100,465,658	98,229,644

Interpretation:

Note: the analysis refers to the situation on June 30, 2020, compared to the situation on June 30, 2019.

A) ANALYSIS OF ASSETS

1. Non-current assets increased by RON 8,756,520.

This is caused mainly by the increase of non-current assets. During the period under review, the company

has build a warehouse of approximately 14,000 sqm, within the Transilvania Logistics Park. The value of the investment was approximately EUR 4,000,000.

Also, the company has carried out works of fitting and warehouse modernisation.

2. Current assets increased by RON 9,131,154. This is due to the increase of cash balance by approximately RON 13,000,000. In the period under review, the company has financed the warehouse of approximately 14,000 sqm, delivered in the second half of 2019, thorough drawdown of bank credits. Also, it regained a part from loans given to the companies within the group. The net recovered sum was RON 1,403,000.

Accrued expenses comprise sums registered at the beginning of 2020, which will phase throughout the year 2020.

B. ANALYSIS OF LIABILITIES

1. Shareholders' equity

Compared to the first half of 2019, the shareholders' equity increased by RON 2,698,455.

The main operations changing the equity during the period from July 1st, 2019 to June 30th, 2020 have been:

- registration of net income, of RON 10,655,144; (increase of shareholders' equity)
- allocation of dividends, of RON 7,397,697; (decrease of shareholders' equity);
- purchase of own shares, of RON 558,992 (decrease of shareholders' equity);

2. Total payables

Overall, the payables increased in the first half of 2020 compared to the previous period.

Item name	First half of 2019	First half of 2020	Differences (2020-2019)
Long-term payables	119,143,488	130,764,225	11,620,737
Long-term loans	108,068,754	119,695,883	11,627,129
Payables regarding deferred profit tax	10,991,608	10,985,216	-6,392
Long-term provisions	83,126	83,126	0
Short-term payables	23,830,160	27,398,642	3,568,482
Trade payables	14,378,573	13,924,760	-453,813
Short-term loans	8,389,252	11,534,135	3,144,883
Other payables	1,062,335	1,939,747	877,412
Total	142,973,648	158,162,867	15,189,219

The payables with a reimbursement term exceeding one year amount to RON 130,764,225 and are higher by RON 11,620,767 than in 2019.

- Credits for investments, contracted in EUR

No.	Bank	Destination	Granted amount	Balance as of June 30 th 2019	Balance as of June 30 th 2020
1	CEC Bank	BT loans refinancing	6,693,437	6,214,284	5,994,284
2	CEC Bank	financing 10,000 sqm warehouse	3,900,000	3,744,801	3,592,302
3	CEC Bank	financing infrastructure restoration in TLP	1,078,129	975,856	889,110
4	CEC Bank	financing TRC Park Cluj	8,142,000	8,001,965	7,655,562
5	CEC Bank	financing 2017-PLT investments	869,953	649,348	549,448
6	CEC Bank	Improvement of Warehouse 8	643,420	550,051	488,934
7	CEC Bank	refinancing BRD credit	493,160	378,899	355,187
8	CEC Bank	targeted acquisition of assets	3,000,000	682,250	749,592
9	CEC Bank	Development of warehouse 39	5,763,801	0	4,452,731
Total			30,583,900	21,197,453	24,727,150

Apart from these investment credits, the company also has contracted from CEC Bank SA:

- the credit line amounting to RON 4,500,000, with due date in August 2021;
- fixed-term credit facility for investments, in a total amount of RON 9,000,000. As of June 30th 2020, the credit amount out of this ceiling is RON 4,194,660. The maturity of this facility is August 30th, 2022
- ceiling for the issuance of performance bonds amounting to RON 5,550,000, with maturity in August 2020.

Such credits are guaranteed by the company with real estate properties.

Short-term payables amount to RON 27,398,642, higher by RON 3,568,482 compared to the previous interval. The increase of said payables was influenced by the increase of short-term loans.

b) Statement of the comprehensive income

The financial results recorded in the first half of 2020, as compared to the same period of last year, are presented below:

Item	June 30 th , 2020	June 30 th , 2019
Turnover	19,909,882	18,163,834
Other operating incomes	223,427	308,856
Total operating incomes	20,133,309	18,472,690
Operating expenses-total-of which	10,927,660	10,549,460
Expenses with raw materials and consumables	2,852,115	2,511,019
Expenses with third party services	2,332,433	2,195,468
Personnel related expenses	460,126	1,054,952
Expenses with depreciation	4,179,443	3,893,429
Operating profit	9,205,649	7,923,230
Financial incomes	9	35
Financial expenses	2,916,837	2,785,853
Financial result	-2,916,828	-2,785,818
Result before tax	6,288,821	5,137,412
Profit tax expenses	810,548	832,538
Net result	5,478,273	4,304,874

The turnover registered in the first half of 2020 was RON 19,909,882, higher than the one registered for the same period of last year.

Total operating incomes were RON 20,133,309, higher than those recorded in the first half of the previous year.

The operating profit was of RON 9,205,649, 16% higher than the one registered in the first half of 2019.

The return on operating profit as of June 30th 2020 was of 46%.

The registered EBIDTA in the first half of 2020 was RON 13,385,092, namely 67% of the turnover. The registered EBIDTA in the first half of 2019 was RON 11,816,659, namely 65% of the turnover.

The financial loss has been RON 2,916,828. The company registered expenses with interests amounting to 1,420,897 and recorded expenses with interests amounting to RON 1,495,940. The earnings before tax recorded in the first half of 2020 was RON 6,288,821 and the net profit was RON 5,478,273.

c) Cash-flow analysis

in RON

Cash flows from operating activities

	First half of 2020	First half of 2019
Proceedings from clients	29,383,643	22,375,998
Payments to suppliers	-9,008,711	-16,882,217
Payments to employees	-267,421	-641,258
Payments to the state budget	-3,769,368	-2,020,396
Other payments related to operating activities	-2,591,750	-993,738
Paid interests	0	0
Paid profit tax	-607,869	-591,695
Net cash from (used in) operating activities	13,138,524	1,246,694

Cash flows from investing activities

Recovered sums from loans given to affiliated companies	3,000,000	0
proceeds of the sale of tangible assets	0	118,998
Payments for the financing of affiliated companies	-1,597,000	-30,500
Payments for the purchase of tangible assets	-68,916	-3,259,795
Net cash from (used in) investing activities	1,334,084	-3,171,297

Cash flows from financing activities

Proceedings of long-term bank credits	4,779,800	3,248,533
Payment of payables related to bank credits	-4,857,119	-2,916,195
Payment of payables related to finance lease	-377,862	-247,812
Payment of dividends	-3,113,764	-1,476,705
Payment of other financing payables	-55,708	-266,002
payment of dividends	0	0
Net cash from (used in) financing activities	-3,624,653	-1,658,181

Net increase of cash and cash equivalents

Effect of changes in exchange rates on cash	44,273	-5,498
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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

18,508,185 **5,450,455**

At the beginning of the period, the available amount was RON **7,615,957**.

The **operating activity** generated a cash surplus of RON 13,138,524.

The **investment activity** of the company generated payments amounting to RON 1,665,916 and cash collections of RON 3,000,000.

The **funding activity** generated cash receipts in the amount of RON 4,779,800, cash outflows (repayment of financial debts) amounting to RON 8,404,453, resulting in a deficit amounting to RON 3,624,653.

The cash inflows from the financing activity were used to finance the payments related to the development activity.

At the end of the period the available amount was **RON 18,508,185**, on the increase compared to the beginning of the year. The available amount at the company's disposal is enough for the company to carry out its activity under the best conditions and to honor all the due obligations.

2. Analysis of the company's activity

2.1. Analysis of uncertainty factors that could affect the company's liquidity

Currently, the main activity of the company is the logistic and industrial space rental activity, as a result of the management of the Transilvania Logistics Park, as well as the Logistics Park TRC Cluj, located in TETAROM III Jucu.

This activity shows an increasing trend, materialized by increasing the area of leased spaces, as well as of the contract portfolios.

Also, the future development phases of the TRC Park Cluj are in preparation (the construction authorisations have been obtained, the projection activities and discussions with future tenants are carried out).

The company still has plans to expand and develop new industrial spaces.

The company will also develop industrial parks in other parts of the country. At present, the company carries out the initial steps, and, in the near future, is expected to effectively start the construction stages of the new warehouses located in Sarata town, near Bacău.

The company has easy access to funding sources, with costs falling within the normal margins of the market.

As far as the risk of non-payment of receivables is concerned, the company has implemented clear and effective client relationship management policies, so that it does not record major delays in collecting receivables.

The way in which the SARS-CoV-2 pandemic has affected the company's activity and the taken actions to manage the risks generated by the pandemic is described in chapter 1 of this report.

2.2 The company carried out the following investments in the half of 2020:

Non-current asset group	First half of 2019	First half of 2020
Software programmes	0	0
Land	0	0
Constructions	0	0
Equipment and machinery	11,663	26,748
Means of transport	359,836	1,144,383
Furniture, office supplies	95,086	799,598
Intangible assets in progress	10,831,480	2,651,436
Total investments	11,298,065	4,622,165

In the half of 2020, the company funded its investments with its own sources. The company launched a large modernisation programme of Transilvania Logistics Park, a multiannual programme that will be implemented from 2020 to 2021 and that will consist in the fitting-out and modernisation of certain warehouses of the logistics park, in infrastructure repair works, and in work of conformity with fire prevention and extinction regulations.

2.3 Events affecting the operating incomes:

Breakdown of the Turnover

Activity	First half of 2019		First half of 2020	
	Value	% of the total	Value	% of the total
Transilvania Logistics Park	13,190,918	72.62%	15,015,704	75.42%
TRC Park Cluj	4,364,815	24.03%	4,527,955	22.74%
Sport centre	604,781	3.33%	263,557	1.32%
Miscellaneous activities	3,320	0.02%	102,666	0.52%
Total	18,163,834	100.00%	19,909,882	100.00%

The main activity of the company is the space rental, the company owning and operating 2 logistics parks.

In terms of incomes for space rentals, they increased as compared to the first half of 2019, since the company created additional space of 14,000 sqm compared to the same period of last year. Also, a number of older spaces have been upgraded, the company increasing the rental level for those spaces

3. Changes affecting the share capital and the company management:

In the period under analysis, the company has not been in any situation of failure to meet its financial obligations.

As far as the changes in the shareholding of the company are concerned, no significant changes took place in the first half of 2020.

The financial statements for the first half of 2020 have not been subject to statutory audit.

GENERAL DIRECTOR
TIMOFTE ANDREI

CHIEF FINANCIAL OFFICER
BARZ LUCIAN

S.C. Transilvania Construcții S.A.

Financial statements
as of June 30th, 2020

Drawn up in accordance with the International
Financial Reporting Standards adopted by the
European Union

**Statement of financial position
as of June 30th, 2020**

in RON

ASSETS

	30-iun.-20	31-dec.-19
Tangible assets	9,193,959	8,940,064
Investment properties	194,426,872	195,319,780
Intangible assets	246,367	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 and similar-term trade receivables	16,593,271	17,996,269
Total of non-current assets	228,369,830	230,443,472

Inventories	17,910	25,601
Short-term trade receivables	8,407,414	7,671,233
Other receivables	114,830	4,164,893
Accrued expenses	974,342	41,557
Cash and cash equivalents	18,508,185	7,615,957
Total of current assets	28,022,681	19,519,241
TOTAL ASSETS	256,392,511	249,962,713

SHAREHOLDERS' EQUITY

Share capital	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805
Reserves	9,973,221	9,659,359
Reported result	35,508,371	38,058,247
Shareholders' equity	-663,536	-663,536
Total of shareholders' equity	98,229,644	100,465,658

PAYABLES

Long-term loans	119,695,883	117,710,571
Deferred income tax payables	10,985,216	11,024,990
Long-term provisions	83,126	83,126
Total long-term payables	130,764,225	128,818,687

Trade payables	13,924,760	7,947,682
Short-term loans	11,534,135	11,201,180
Other payables	1,939,747	1,529,506
Total current payables	27,398,642	20,678,368

TOTAL PAYABLES	158,162,867	149,497,055
TOTAL SHAREHOLDERS' EQUITY AND PAYABLES	256,392,511	249,962,713

**Statement of the comprehensive income
as of June 30th, 2020**

in RON	June 30 th , 2020	June 30 th , 2019
Turnover incomes	19,909,882	18,163,834
Other operating incomes	223,427	308,856
Total operating incomes	20,133,309	18,472,690
Expenses with raw materials and consumables	2,852,115	2,511,019
Expenses with third party services	2,332,433	2,195,468
Personnel expenses	460,126	1,054,952
Amortization and depreciation expenses	4,179,443	3,893,429
Expenses with commodities	34,241	84,184
Other operating expenses	1,069,302	810,408
Total operating expenses	10,927,660	10,549,460
Operating profit	9,205,649	7,923,230
Financial incomes	9	35
Interest expenses	1,420,897	1,299,256
Other financial expenses	1,495,940	1,486,597
Total financial expenses	2,916,837	2,785,853
Financial loss	-2,916,828	-2,785,818
Profit before tax	6,288,821	5,137,412
Profit income tax expenses	850,322	872,312
Deferred tax incomes	39,774	39,774
Net income for the period	5,478,273	4,304,874
Other items of comprehensive income	0	0
COMPREHENSIVE INCOME OF THE PERIOD	5,478,273	4,304,874
Result based on share		
Basic	6.85	5.38
Diluted	6.85	5.38

Statement of changes in equity

<i>in RON</i>	Share capital	Share capital adjustments	Shareholders' equity	Reserves	Reported result	Reported result from the adoption of IFRS, less IAS 29	Reported result from the first-time adoption of IAS 29	Total of shareholders' equity
Balance as of 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								-
Net profit of the period	-	-	-	-	5,478,273	-	-	5,478,273
Other items of comprehensive income								-
correction of accounting errors	-	-	-	-	(316,592)	-	-	(316,592)
Allocation to the legal reserve	-	-	-	177,618	(177,618)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	(7,397,695)	-	-	(7,397,695)
Balance as of June 30th, 2020	26,391,783	27,019,805	(663,536)	9,836,977	4,772,880	57,891,540	(27,019,805)	98,229,644
Balance as of 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	-	-	-	-	4,304,874	-	-	4,304,874
Other items of comprehensive income								-
Allocation to the legal reserve	-	-	-	254,287	(254,287)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	(3,918,780)	-	-	(3,918,780)
Balance as of June 30th, 2019	26,391,783	27,019,805	(104,544)	7,530,341	3,822,069	57,891,540	(27,019,805)	95,531,189

Statement on treasury flows

as of June 30th, 2020
in RON

in RON

Cash flows from operating activities

	First half of 2020	First half of 2019
Proceedings from clients	29,383,643	22,375,998
Payments to suppliers	-9,008,711	-16,882,217
Payments to employees	-267,421	-641,258
Payments to the state budget	-3,769,368	-2,020,396
Other payments related to operating activities	-2,591,750	-993,738
Paid interests	0	0
Paid profit tax	-607,869	-591,695
Net cash from (used in) operating activities	13,138,524	1,246,694

Cash flows from investing activities

Recovered sums from loans given to affiliated companies	3,000,000	0
proceeds of the sale of tangible assets	0	118,998
Payments for the financing of affiliated companies	-1,597,000	-30,500
Payments for the purchase of tangible assets	-68,916	-3,259,795
Net cash from (used in) investing activities	1,334,084	-3,171,297

Cash flows from financing activities

Proceedings of long-term bank credits	4,779,800	3,248,533
Payment of payables related to bank credits	-4,857,119	-2,916,195
Payment of payables related to finance lease	-377,862	-247,812
Payment of dividends	-3,113,764	-1,476,705
Payment of other financing payables	-55,708	-266,002
payment of dividends	0	0
Net cash from (used in) financing activities	-3,624,653	-1,658,181

Net increase of cash and cash equivalents

Effect of changes in exchange rates on cash	44,273	-5,498
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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

18,508,185 **5,450,455**

Selected explanatory notes to financial statements

For the first half of 2020

1. Reporting entity

S.C. Transilvania Construcții S.A. ('Company') is a trading company operating in Romania according to the provisions of the Law no. 31/1990 on companies and established on November 30th, 1990, based on the Decision of Cluj Prefect's Office no. 54, represented by the reorganisation of TRCL Cluj.

The company's registered office is located in Cluj-Napoca, str. Taietura Turcului, nr.47, etaj 3, Cluj county, unique registration no. RO 199044, Trade Register no. J12/8/1991.

The company's object of main activity, recorded at Cluj Trade Register Office, is the 'Renting and sub-renting of own or leased real estate'.

The main activity actually carried out by the company is the renting and sub-renting of own or leased real estate.

The Company's shares have been listed on the Bucharest Stock Exchange, standard category, with the indicative COTR, since August 2008.

As of June 30th, 2020, the company had the following constituents of the share capital:

No.	Shareholder name	No. of shares	%	Value
1	Timofte Andrei Iancu	473,121	59.16%	15,612,993
2	Timofte Mircea	285,072	35.65%	9,407,376
3	Other shareholders	41,558	5.20%	1,371,414
	Total	799,751	100.00%	26,391,783

The record of shares and shareholders is held according to the law by S.C. Depozitarul Central S.A. of Bucharest.

2. Grounds for preparation

a) Declaration of conformity

The Individual Financial Statements are drawn up by the Group according to the International Financial Reporting Standards ('IFRS') endorsed by the European Union. The Company applies the regulations included in the Order of the Minister of Public Finance no. 2844 of December 12th, 2016 for approval of Accounting Regulations compliant with the International Financial Reporting Standards

The date of transition to the International Financial Reporting Standards was January 1st, 2011.

Starting with the financial year 2012, the companies whose securities are admitted to trading on a regulated market are obliged to apply the IFRS to the preparation of the financial statements.

b) Presentation of financial statements The individual financial statements are presented according to the requirements of IAS 1 *Presentation of financial statements*. The Company adopted a liquidity-based presentation in the statement of financial position and a presentation of the income and expenses by their nature in the statement of comprehensive income, considering that these presentation methods provide information that is reliable and more relevant than that presented based on other methods permitted by IAS 1.

In preparing the financial statements for the first half of 2020, the provisions of IAS 34 on interim financial reporting were taken into account.

(c) Functional and presentation currency

The company management considers that the functional currency, as defined in IAS 21 *Effects of Changes in Foreign Exchange Rates*, is the **Romanian Leu (RON)**. The Individual Financial Statements are presented in Ron, rounded to the nearest Leu, the currency chosen by the Group as presentation currency.

(d) Grounds for the assessment

The Individual Financial Statements were prepared based on historical cost except for land and buildings which are measured by using the deemed cost model. The accounting policies defined below have been applied consequently for all periods presented in these financial statements, namely upon preparing the financial statements as of January 1st, 2011, for purposes of the IFRS transition. These financial statements have been prepared on a going concern basis.

(e) Use of estimates and judgments

The preparation of the individual financial statements according to the International Financial Reporting Standards ('IFRS') assumes that the management uses some estimates, judgements and assumptions which affect the application of accounting policies as well as the reported value of assets, liabilities, revenues and expenses. The judgments and assumptions related to these estimates are based on historic experience and on other factors considered reasonable in the context of such estimates. The results of these estimates constitute the basis of the judgments related to the book value of assets and liabilities which cannot be obtained from other sources of information. The results obtained may vary from the values of estimates.

The underlying judgments and assumptions are periodically revised by the Company. The revisions of accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period or in the period in which the estimates are revised and in the future periods if the revisions affect both the current and future periods.

The preparation of the individual financial statements according to the IFRS entails that the management uses certain professional judgments, estimates and assumptions which affect the application of accounting policies and reported value of assets, liabilities, revenue and expenses. The actual results may vary from the estimated values.

The underlying estimations and assumptions are periodically revised. The revisions of accounting estimates are recognised in the period in which the estimate was revised and in the future periods affected thereby.

The accounting policies did not change compared to the accounting policies used to prepare the financial statements for December 31st, 2019.

The company activity is carried out in a continuous manner, having an uniform evolution during the financial year. The only accounting treatment that does not apply in the case of interim reports is the analysis of the uncertain or litigated clients. This operation is performed at the closing of the financial year, when the depreciation of receivables is also estimated.

3. Main events.

The main events of the first half of 2020 are described in details at chapter I of the Management Report, drawn up for the first half of 2020, in accordance with the FSA Regulation no. 5/2018.

4. Acquisitions and assignments of tangible fixed assets.

Throughout the first half of the year, the company carried out a series of investments in tangible and intangible fixed assets, as well as in real estate assets. The statement of the investments performed is the following:

Type of investment in progress	Name	Amount-Ron
Equipment	Electric vehicle charging stations - 2 pieces	19,898.00
Equipment	Water pump	6,850.00
Other assets	IT equipment	23,230.00
Equipment	Parking barrier system - Logistics Park	7,305.00
Means of transport	Vehicle	687,666.00
Means of transport	Vehicle	451,575.00
Total		1,196,524.00

In the period 01.01.2020-30.06.2020, 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;

5. The transactions with the affiliated parties are described in details within the biannual report, drawn up in accordance with the provisions of Regulation no. 5/2018 issued by the FSA.

6. Segment reporting

In the first half of 2020, the company obtained a turnover of RON 19,909,882.

A breakdown of the Turnover is presented below:

Activity	First half of 2019		First half of 2020	
	Value	% of the total	Value	% of the total
Transilvania Logistics Park	13,190,918	72.62%	15,015,704	75.42%
TRC Park Cluj	4,364,815	24.03%	4,527,955	22.74%
Sport centre	604,781	3.33%	263,557	1.32%
Miscellaneous activities	3,320	0.02%	102,666	0.52%
Total	18,163,834	100.00%	19,909,882	100.00%

The results of the company's business segments are presented below:

Item	Business segments									
	Transilvania Logistics Park		TRC Park Cluj		Sports Centre		Other segments		Total segments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Incomes from foreign customers	15,015,704	13,190,918	4,527,955	4,364,028	263,557	608,888	102,666	0	19,909,882	18,163,834
Incomes from transactions with other segments	0	0	0	0	0	0	503,358	597,430	503,358	597,430
Profit per segment	8,223,328	7,159,745	2,034,485	1,999,787	10,756	0	-248,448	-20,000	10,020,121	9,139,532

Reconciliation of income, profit or loss related to reportable segments

Incomes

in RON

	2020	2019
Total incomes related to the reportable segments	19,807,216	18,163,834
Incomes related to other segments	606,024	597,430
Elimination of income from transactions with other segments	-503,358	-597,430
Consolidated incomes	19,909,882	18,163,834

Profit or loss

in RON

	2020	2019
Total profit or loss related to the reportable segments	10,268,569	9,159,532
Profit or loss from other segments	-248,448	-20,000
Subtotal profit	10,020,121	9,139,532

Elimination of profit from transactions with other segments

Unallocated sums:

Other income	223,428	308,856
Other expenses	-3,954,728	-4,310,976
Profit or loss before tax	6,288,821	5,137,412

The financial statements for the first half of 2020 have not been subject to statutory audit.

STATEMENT

In accordance with the provisions of art. 30 of the Accounting Law no. 82/1991

The quarterly financial statements as of June 30th, 2020 have been drafted for:

Entity: SC TRANSILVANIA CONSTRUCTII S.A.

County: 12-:Cluj;

Address: City of Cluj Napoca, str Taietura Turcului, nr 47, etaj 3

Phone: 0040 264-416597;

Trade Register Number: J12-8-1991;

Form of ownership: 34 Public companies limited by shares

Main activity: 4120 - Construction of residential and non-residential building

Unique registration number:RO 199044

The Chair of the company's Council of Directors, TIMOFTE MIRCEA, is in charge of drafting the biannual financial statements as of June 30th, 2020 and confirms that:

- The accounting policies used in preparing the annual financial statements are in accordance with the applicable accounting regulations;
- The annual financial statements illustrate a close overview of the financial position, of the financial performance and of the other information related to the activity performed;
- The legal entity operates under continuity conditions;

BoD Chair

Timofte Mircea