



QUARTERLY REPORT

QUARTER III - 2020

ACCORDING TO THE FSA REGULATION NO. 5/ 2018

SC TRANSILVANIA CONSTRUCȚII 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 9 months of 2020:

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 16th, 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 3 quarters of 2020 are in line with the budgeted figures, rendering the deviations as insignificant. The net profit registered in the first 3 quarters is Ron 8,295,626, 6% 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 250,000 (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.

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 September 30th, 2020 - in RON

in RON	<u>September 30th, 2020</u>	<u>December 31st, 2019</u>
ASSETS		
Tangible assets	8,269,054	8,940,064
Investment properties	199,165,840	195,319,780
Intangible assets	232,314	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	18,776,771	17,996,269
Total of non-current assets	234,353,340	230,443,472
Inventories	20,558	25,601
Short-term trade receivables	8,537,590	7,671,233
Other receivables	172,417	4,164,893
Accrued expenses	537,358	41,557
Cash and cash equivalents	18,330,372	7,615,957
Total of current assets	27,598,295	19,519,241
TOTAL ASSETS	261,951,635	249,962,713

SHAREHOLDERS' EQUITY

Share capital	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805
Reserves	10,131,417	9,659,359
Reported result	38,167,527	38,058,247
Shareholders' equity	-663,536	-663,536
Total of shareholders' equity	101,046,996	100,465,658

PAYABLES

Long-term loans	114,351,069	117,710,571
Deferred income tax payables	10,965,329	11,024,990
Long-term provisions	83,126	83,126
Total long-term payables	125,399,524	128,818,687

Trade payables	16,273,978	7,947,682
Short-term loans	18,098,943	11,201,180
Other payables	1,132,194	1,529,506
Total current payables	35,505,115	20,678,368
TOTAL PAYABLES	160,904,639	149,497,055
TOTAL SHAREHOLDERS' EQUITY AND PAYABLES	261,951,635	249,962,713

b) Statement of comprehensive income for September 30th, 2020 - in RON

	September 30 th , 2020	September 30 th , 2019
	RON	RON
Turnover incomes	29,892,390	27,110,712
Other income	201,097	538,902
Total operating incomes	30,093,487	27,649,614
Expenses with raw materials and consumables	3,898,552	3,518,317
Expenses related to services provided by third parties	3,835,380	3,389,404
Personnel expenses	670,020	1,313,119
Amortization and depreciation expenses	6,283,758	5,808,566
Expenses with commodities	107,469	155,781
Other expenses	1,520,157	1,629,051
Total operating expenses	16,315,336	15,814,238
Operating profit	13,778,151	11,835,376
Financial incomes	1,055	35

**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. Tăietura Turcului nr. 47, Etaj 3, Cluj-Napoca

Tel: 0264-416597

Fax: 0264-592229

office@transilvaniaconstructii.ro

Interest expenses	2,129,636	2,001,554
Other financial expenses	2,132,726	1,875,425
Total Financial expenses	4,262,362	3,876,979
Financial result	-4,261,307	-3,876,944
Profit before tax	9,516,844	7,958,432
Profit income tax expenses	1,280,879	1,235,305
Deferred tax incomes	59,661	59,661
Net income for the period	8,295,626	6,782,788
Other items of comprehensive income	0	0
COMPREHENSIVE INCOME OF THE PERIOD	8,295,626	6,782,788
Result based on share		
Basic	10.37	8.48
Diluted	10.37	8.48


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c) 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	-	-	-	-	8,295,626	-	-	8,295,626
Other items of comprehensive income								-
correction of accounting errors	-	-	-	-	(316,592)	-	-	(316,592)
Allocation to the legal reserve	-	-	-	472,058	(472,058)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	(7,397,696)	-	-	(7,397,696)
Balance as of September 30th, 2020	26,391,783	27,019,805	(663,536)	10,131,417	7,295,792	57,891,540	(27,019,805)	101,046,996
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								-
Acquisitions of shareholders' equity								(558,992)
Net profit of the period	-	-	-	-	6,782,788	-	-	6,782,788
Other items of comprehensive income								-
Allocation to the legal reserve	-	-	-	391,765	(391,765)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation for dividend payment	-	-	-	-	(3,918,780)	-	-	(3,918,780)
Balance as of September 30th, 2019	26,391,783	27,019,805	(663,536)	7,667,819	6,162,505	57,891,540	(27,019,805)	97,450,111

d) Statement of Cash Flows

in RON	QUARTER III - 2020	QUARTER III - 2019
Cash flows from operating activities		
Proceedings from clients	41,899,721	33,106,584
Payments to suppliers	-16,671,797	-29,889,022
Payments to employees	-384,659	-779,529
Payments to the state budget	-4,999,603	-3,597,156
Other payments related to operating activities	-3,059,063	-1,555,027
Paid profit tax	-1,073,381	-1,230,135
Net cash from (used in) operating activities	15,711,218	-3,944,285
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	503,408
Payments for the financing of affiliated companies	-3,780,500	-659,000
Payments for the purchase of tangible assets	-87,469	-4,132,492
Net cash from (used in) investing activities	-867,969	-4,288,084
Cash flows from financing activities		
Proceedings of long-term bank credits	4,779,800	10,494,427
Collections from other loans	2,000,000	0
Payment of payables related to bank credits	-7,276,690	-7,465,100
Payment of payables related to finance lease	-543,746	-586,601
Payment of dividends	-3,113,764	0
Repurchase of shareholders' equity	0	-558,992
Payment of other financing payables	-55,708	-602,912
Net cash from (used in) financing activities	-4,210,108	1,280,822
Net increase of cash and cash equivalents	10,633,141	-6,951,547
Effect of changes in exchange rates on cash	81,274	-32,586
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	18,330,372	2,054,604



Selected explanatory notes

Assets purchased and alienated:

In the first 9 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 pieces	19,898.00
Equipment	Water pump	6,850.00
Other assets	IT equipment	26,955.00
Equipment	Parking barrier system - Logistics Park	22,834.00
Means of transport	Vehicle	687,666.00
Means of transport	Vehicle	451,575.00
Total		1,215,778.00

As at 30.09.2020, the following real estate projects are in progress:

- Renovation of warehouses in Transilvania Logistic Park, an investment amounting to EUR 674,000 at the reporting date;
- Infrastructure repairs in Transilvania Logistic Park, amounting to EUR 230,000;
- 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 144,000, approximately.

In the period January 1st, 2020 to September 30th, 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;
- a Mercedes. Sale revenue was RON 406,874, and the unamortized value of the alienated asset was RON 473,103;

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 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 January 1st, 2020 to September 30th, 2020, the company did not carry out transactions with SC Melisa Prod SRL.



During the period from January 1st, 2019 to September 30th, 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 to September 30th, 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 3,770,000.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 9,900,006.94;

On September 30th 2020, the balance of the loan granted by Transilvania Constructii SA to ABC Facility Management was RON 9,900,006.94.

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

- loan granted to ABC Facility Management:

Opening debit balance account 4511:	RON 5,830,221.94;
Debit balance account 4511:	RON 75,000.00;
Credit cash flow account 4511:	RON 0.00;
Final debit balance account 4511:	RON 5,905,221.94

On September 30th, 2019, the balance of the loan granted by Transilvania Constructii SA to ABC Facility Management was RON 5,905,221.94.

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 to September 30th, 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 10,500.00;
Credit cash flow account 4511:	RON 3,000,000.00;
Final debit balance account 4511:	RON 8,785,162.78



- 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	435,927.14;
Debit cash flow account 401:	RON	479,406.09;
Final credit balance account 401:	RON	4,377.86

- 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 September 30th, 2019 the company carried out the following translations with Novis Plaza:

- loan granted to Novis Plaza:

Opening debit balance account 4511:	RON	10,937,162.78;
Debit balance account 4511:	RON	584,000.00;
Credit cash flow account 4511:	RON	0.00;
Final debit balance account 4511:	RON	11,521,162.78

- 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	391,614.77;
Debit cash flow account 401:	RON	815,774.32;
Final credit balance account 401:	RON	53,246.8

- 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

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.

5. Timofte Andrei Iancu, acting as major shareholder (holding 59.16 % of the share capital), member of the

Board of Directors, and the Managing Director. On September 22nd, 2020, Mr Timofte Andrei Iancu credited the company with RON 2,000,000, with the credit due within 24 months.

Segment reporting

The company manages the following business segments:

- Transilvania Logistic Park;
- TRC Park Cluj Logistic Park;
- Transylvania Sports Centre

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	22,328,626	19,592,105	6,685,368	6,499,546	769,317	1,006,745	109,079	12,316	29,892,390	27,110,712
Incomes from transactions with other segments	0	0	0	0	0	0	750,269	930,120	750,269	930,120
Profit per segment	12,440,115	10,664,925	2,858,643	2,934,778	276,192	321,941	-403,423	-270,081	15,171,527	13,651,563

Reconciliation of income, profit or loss related to reportable segments

Incomes

in RON

	2020	2019
Total incomes related to the reportable segments	29,783,311	27,098,396
Incomes related to other segments	859,348	942,436
Elimination of income from transactions with other segments	-750,269	-930,120
Consolidated incomes	29,892,390	27,110,712

Profit or loss

in RON

	2020	2019
Total profit or loss related to the reportable segments	15,574,950	13,921,644
Profit or loss from other segments	-403,423	-270,081
Subtotal profit	15,171,527	13,651,563

Elimination of profit from transactions with other segments

Unallocated sums:

Other income	211,511	548,118
Other expenses	-5,866,194	-6,241,249
Profit or loss before tax	9,516,844	7,958,432



Accounting policies

The financial statements on September 30th, 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 September 30th 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	0.78
Indebtedness indicator	Borrowed Capital/Committed Capital*100	55.38
Turnover speed for client debit items	Average Client Balance/Turnover*270	18
Turnover speed for fixed assets	Turnover / Fixed Assets	0.13

3. Financial statements for the third quarter of 2020 have not been audited.

4. Other relevant information:

In the first 9 months of 2020, the company has achieved a Turnover of RON 29,892,390.

The operating income amounts to RON 30,093,487.

The company recorded an operating profit of RON 13,778,151. The operating profit rate was of 46 %, with the company having a high return on the operating activity.

EBITDA within the first 9 months of the year is RON 20,061,909 (67 % of the Turnover).

Regarding the financial activity, the company recorded a loss of RON 4,261,307, because of exchange rate difference costs related to bank loans (RON 2,132,726), and also because of costs with interests (RON 2,129,636).

The net result of the company for the first 9 months was RON 8,295,626.

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	September 30 th , 2020	
	Value	% of the total
Transilvania Logistics Park	22,328,626	74.70
TRC Park Cluj	6,685,368	22.36
Sport centre	769,317	2.57
Other activities	109,079	0.36
Total	29,892,390	100.00

Within the first 9 months the company distributed the following dividends:

- according to the Resolution of the Ordinary General Meeting of the Shareholders as of April 27th, 2020, the company distributed dividends amounting to RON 7,397,697, as such:

- The amount of RON 3,998,755 (where gross dividend / share is RON 5) was assigned to partial dividends in accordance with the OGMS Resolution from October 31st, 2019, and the dividends were paid on December 10th, 2019.
- The amount of RON 3,398,942 (where gross dividend / share is RON 4.25) was assigned to dividends, and the dividends were paid on December June 11th, 2020.

General Manager
Timofte Andrei Iancu

Economic Director
Barz Lucian