



## TURBOMECHANICA

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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

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### Current Report

#### No. 2 of 28.02.2022

Under the provisions of ASF Regulation no. 5 / 2018 on the issuers of financial instruments and market operations and of the Law no. 24 / 2017 on the issuers of financial instruments and market operations

**Reporting date:** 28.02.2022

**Name issuing entity:** TURBOMECHANICA SA

**Headquarters:** Bucharest, 244 Iuliu Maniu Blvd., district 6

**Phone no.:** 021 434 32 06 021 434 07 41 facsimile: 021 434 07 94

**Unique Registration Code** with the Trade Registry Office: RO 3156315

**Registration number** with the Trade Registry: J40/533/1991

**LEI Code** 52990005AIXHHACIZH85

**Subscribed and integrally paid in capital:** 36.944.247,50 lei

**Regulated market** where the issued receivables are traded: Bucharest Stock Exchange  
Capital Titles Standard Shares

### I. Important events to report:

Turbomecanica SA makes available for the investor and the regulating entities the preliminary financial results for the financial year closing on 31.12.2021, considering also the following aspects:

Related to the situation of the financial position:

The significant difference between the reporting period 2021 vs 2020 on the lines “Contractual assets” and “Stocks” comes from the adjustment related to the IFRS 15 standard registered on 31.12.2020. At this date, the production in progress was recognized as a long-term contracted asset respectively short-term.

As at 31.12.2021, the contractual assets falling within the scope of IFRS 15 for 2021 are being analysed, documented and justified but at this time there is uncertain information regarding the proper treatment of such changes in the statement of financial position for 2020.

Comparing the two years, it is important to keep in mind that at 31.12.2020 the entire value of WIP has been attributed and reclassified as a contract assets, reason for the significant difference on the line “Inventory”

Regarding the receivables, there is an increase compared to the same period of 2020, mainly due to the situation of the on going contracts and implicitly of the deliveries made in the second half of December 2021 and collected after the end of fiscal year 2021.

In 2021, the Company deposited with BRD - Groupe Societe Generale, amounts of 15,000,000 lei. The probable destination of this amount is the provision of own funds in order to start the development project in the maintenance of civil engines. In 2022 it is desired to continue insuring these funds up to the equivalent of 6,000,000 Eur.

The economic environment and market information are continuously monitored and analysed in order to document the Company's decisions regarding the determination of the most advantageous destination of deposits, taking into account the evolution of the reference interest rates but also the inflation forecasts.

Regarding the Company's equity, based on the EGMS Decision no. 3 / 26.08.2021, the adjustment related to the implementation for the first time of IAS 29 - “Financial reporting in hyperinflationary economies” was registered, without influencing the total equity.

This amendment clarifies the net value of the Company's subscribed and paid-in capital and ensures the transparency of information to investors and stakeholders.

The long-term loans reflect the leasing contracts that the Company has concluded in order to secure the investment plan.

The significant change on the current debt line is mainly related to the implementation of the payment policy of the suppliers in compliance with the agreed contractual deadlines.

Short-term loans include the amounts related to working capital in proportion of 78% of the value, 17.5% of the value being related to the loans from the affiliated parties, and the difference represents the acknowledged long-term part of the leasing contracts.

In June 2021, TBM put into operation the OKK VP-9000 5-axis Milling Machining Center machine, purchased by leasing, its value being 2,294,494 Lei.

The evolution of short-term and long-term provisions remained approximately at the same values due to the changes made in their composition.

In 2021 the Company acknowledged in full as provision the value resulting from the tax inspection report no. 7/2022 on the basis of which the tax inspection body issued the tax decision regarding amounts related to taxes and contributions related to gift vouchers distributed to employees initially treated on the basis of the definitions established in the CCM regarding social expenses.

The tax inspection report together with the tax decision were issued by the tax inspection body in January 2022 and the Company has already started the legal formalities in order to benefit from the tax amnesty regarding the interests and accessories. At the same time, the Company is preparing to document the challenge of the tax authority decisions.

Regarding the situation of the financial result, following the inventory of the patrimony, the Company analysed the situation of the orders from the on going production and decided the

transfer of some orders to the stocks of semi-finished products from own production based on the information acquired in time regarding the need to use them.

These transfers are to be reintroduced in the production phases according to the needs communicated by the Production Department in order to use them in the future maintenance products.

As a result of the actions mentioned above, there was a decrease in the variation of the current production with an impact on the financial results of the Company.

At the same time, a significant impact was registered after the identification of the orders related to the maintenance activity of the engines owned by TBM, used both as bench calibration motors and as homologation motors. In this sense, the Company re classified their related value as Tangible Assets.

Although salary expenditures increased by 6%, this percentage is smaller compared to the reporting period 2019-2020, where the increase was about 20%. In this respect, in 2021 the internal decision no. 376 / 01.09.2021 for limiting the increase of staff costs by terminating employment for vacancies was issued. However, the staff turnover on the occupied positions was addressed through employment.

We mention the fact that the preliminary financial statements as of 28.02.2022 are not financially audited, and the impact analysis of the IFRS15 standard will be finalized until the publication of the final and audited financial statements for 2021.

The impact analysis of IFRS 15 is a complex operation due to the following aspects:

- The complexity of the system for launching production orders on hierarchical levels, mainly to ensure the traceability of executions, imposed by the field of activity;
- Multiple types of orders, namely: custom-made manufacturing, own manufacturing to ensure spare parts in the maintenance of military aviation products and the actual maintenance of military aviation products both on contract and according to the agreed protocol due to the position of the Company in strategic national defence industry.
- The documented, reconciled and transparent application of IFRS15 “Revenue from Contracts with Customers” requires a detailed analysis of the stage of execution of contracts to determine the impact on revenue, an impact that could not be accurately determined at the date of these preliminary financial statements.

For the reasons listed above, the Company considers that a true presentation of the impact of IFRS 15 on the statement of financial results for 2021 may be reported only in the presentation of the final and audited financial statements.

The preliminary financial results for the financial year closing on 31.12.2021 are available on the web site of the Company [www.turbomecanica.ro](http://www.turbomecanica.ro) and on BVB web site by accessing the link below.

Board of Directors by  
President, General Manager  
Eng. Radu Viehmann

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