



## TURBOMECHANICA

Bd. Iuliu Maniu Nr. 244 District 6 Zip Code 061126 Bucharest - Romania

Tel .: (+4) 021 434 32 06; (+4) 021 434 07 41 Fax: (+4) 021 434 07 94

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

[www.turbomecanica.ro](http://www.turbomecanica.ro); e-mail: [office@turbomecanica.ro](mailto:office@turbomecanica.ro)

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No.: 23 Date: 14/11/2019

### QUARTERLY REPORT OF THE BOARD OF ADMINISTRATION AS OF SEPTEMBER 30TH 2019

TURBOMECHANICA SA is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

The financial results will be included in the financial statements of the year 2019, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

1. Statement of profit and loss:

	30 SEPTEMBER 2019	30 SEPTEMBER 2018
Revenues	77.814.296	65.487.127
Other gains and loss	4.112.420	3.492.554
Change in inventories of finished goods and work in progress	7.240.496	4.840.777

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Raw materials and consumables used	(27.253.364)	(20.371.869)
Employee benefits expense	(29.048.383)	(24.264.506)
Depreciation and amortisation expense	(6.452.601)	(6.512.750)
Finance cost, net	(1.613.327)	(2.279.145)
Other operating expenses	(4.191.674)	(4.651.373)
Gross profit/Profit before tax	20.607.864	15.740.816
Income tax expense/ benefit	<u>2.897.525</u>	<u>2.567.311</u>
Net profit	<u>17.710.339</u>	<u>13.173.505</u>

The Company recorded operating revenues in amount of Lei 85.234.047 and operating expenses in amount of Lei 63.097.204.

The largest share of this revenue was made through specific activities related to the production profile of the Company.

The Company recorded net profit in amount of Lei 17.710.339, at the quarter III.

## 2. Statement of financial position:

	30 SEPTEMBER 2019	31 DECEMBER 2018
Assets		
Fixed assets		
Property, plant and equipment, net	54.988.958	54.393.716
Intangible assets, net	3.536.282	4.620.294
Other assets	<u>1.777.000</u>	<u>1.772.000</u>
Total fixed assets	<u>60.302.240</u>	<u>60.786.010</u>
Current assets		
Inventory	48.206.697	38.203.237
Trade receivables	16.338.792	2.452.667
Other receivables and prepayments	1.772.009	1.762.178
Cash and bank balances	<u>3.373.013</u>	<u>6.990.513</u>
Total current assets	<u>69.690.512</u>	<u>49.408.595</u>
Total assets	<u>129.992.751</u>	<u>110.194.604</u>
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	87.770.038	87.815.126

Retained earnings	(1.033.463.827)	(1.036.441.556)
Own shares	<u>(599.408)</u>	<u>(599.408)</u>
Total shareholder equity	<u>78.277.858</u>	<u>75.345.217</u>
Long term liabilities		
Borrowings LT	4.413.849	1.713.317
Deferred tax liabilities	2.163.750	2.163.750
Provisions LT	1.234.149	1.493.086
Other liabilities LT	<u>1</u>	<u>1</u>
Total liabilities TL	<u>7.811.749</u>	<u>5.370.154</u>
Current liabilities		
Short term loans	5.601.364	2.791.929
Borrowings ST	30.042.962	12.019.531
Income tax expense/benefit	514.709	3.303.399
Provisions ST	19.687	3.900.826
Defferend income	12.928	159.227
Other liabilities ST	7.711.496	7.304.321
Total current liabilities	<u>43.903.145</u>	<u>29.479.233</u>
Total liabilities	<u>51.714.894</u>	<u>34.849.387</u>
Total shareholder equity and liabilities	<u>129.992.751</u>	<u>110.194.604</u>

The share capital of the Company is in amount of Lei 78.277.858.

The accounting activity was conducted in accordance with the OMFP no. 2844/2016 for the approval of accounting regulations, in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market and in accordance with the Accounting Law no. 82/1991 with all its subsequent amendments.

All documents regarding economic and financial operations have been recorded correctly every day. Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet. We state that the Financial Statements at 30 September 2019 are unaudited financial.

PRESIDENT OF THE BOARD OF DIRECTORS

RADU VIEHMANN

**STATEMENT OF FINANCIAL POSITION  
AT 30 SEPTEMBER 2019**

	30 SEPTEMBER 2019	31 DECEMBER 2018
Assets		
Fixed assets		
Property, plant and equipment, net	54.988.958	54.393.716
Intangible assets, net	3.536.282	4.620.294
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Cash and bank balances	3.373.013	6.990.513
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<b>Total assets</b>	<b>129.992.751</b>	<b>110.194.604</b>
 Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	87.770.038	87.815.226
Retained earnings	(1.033.463.827)	(1.036.441.556)
Own shares	(599.408)	(599.408)
<b>Total shareholder equity</b>	<b>78.277.858</b>	<b>75.345.217</b>
Long term liabilities		
Borrowings LT	4.413.849	1.713.317
Deferred tax liabilities	2.163.750	2.163.750
Provisions LT	1.234.149	1.493.086
Other liabilities LT	1	1
<b>Total liabilities TL</b>	<b>7.811.749</b>	<b>5.370.154</b>
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Total shareholder equity and liabilities	<u>129.992.751</u>	<u>110.194.604</u>

**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,  
CLAUDIA ANGHEL**

**STATEMENT OF PROFIT AND LOSS  
AT 30 SEPTEMBER 2019**

	<b>30 SEPTEMBER 2019</b>	<b>30 SEPTEMBER 2018</b>
Revenues	77.814.296	65.487.127
Other gains and loss	4.112.420	3.492.554
Change in inventories of finished goods and work in progress	7.240.496	4.840.777
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Finance cost, net	(1.613.327)	(2.279.145)
Othe operating expenses	(4.191.674)	(4.651.373)
<b>Gross profit/Profit before tax</b>	<b>20.607.864</b>	<b>15.740.816</b>
Income tax expense/ benefit	2.897.525	2.567.311
<b>Net profit</b>	<b>17.710.339</b>	<b>13.173.505</b>

**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC-COMMERCIAL MANAGER,  
CLAUDIA ANGHEL**

**FINANCIAL-ECONOMIC INDICATORS  
AT 30 SEPTEMBER 2019**

<b>No.</b>	<b>Economic indicators</b>	<b>Formula</b>	<b>30 SEPTEMBER 2019</b>
1	Current liquidity ratio	current assets / current liabilities	1,59
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital )*100	5,64
3	Receivable turnover ratio	( Accounts Receivable / Turnover ) * 270 days	32,60
4	Fixed assets turnover ratio	Turnover / Fixed assets	1,29

**GENERAL MANAGER,  
RADU VIEHMANN**

**ECONOMIC- COMMERCIAL MANAGER,  
CLAUDIA ANGHEL**