



## 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. 18 of 07.10.2020

Under the provisions of the 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:** 18.03.2020

**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:

Further to ASF request no. SI DETA 8901 / 28.09.2020, the Report of the Board of Directors for the Semester 1 2020 no. 16 / 28.08.2020 was completed with the following:

1. Statement of financial result page 3 the following information has been added:

The turnover increased by 6.3% compared to the same period last year, this being mainly due to the increase of product deliveries to internal intra-community clients and non-community clients. (Unison Poland, Witzenmann Germany, Avio Italy, Aviall USA)

Revenues related to the cost of production in progress and the variation of stocks, had an increase of 7.5% compared to the same period last year. The increase always comes from the variations (increases / decreases) in the production in progress, release / launch of new orders (according to customer requirements) and finalization of orders in the production process.

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Expenditures on raw materials and materials increased compared to last year by ~ 20%, the company taking measures regarding the supply process by purchasing the necessary raw materials and materials and for the products that will be completed by the end of 2020.

In the context of COVID 19, materials regarding the security of employees were purchased, through the purchase of gloves, masks, disinfectants, thermal scanners, worth ~ 210,000 RON;

Expenditures on employment benefits increased compared to the same period last year, a situation which is considered justified because the dynamics of the amount of income amounting to 54,796,174 RON, precedes the dynamics of pre-tax expenditures amounting to RON 43,222,635. The increase of the expenses with the salaries constitutes a normal aspect in the conditions of its correlation with the evolution of the activity volume.

During this period, the company made new hires, and the increase in employee benefits was influenced to a small extent by these hires.

The value of other operational expenses increased by approximately 50%, this being due to security services inside the company, personnel training services through specialized courses, metallization services Rolls Royce landmarks worth 113,000 RON, satellite equipment landmarks for repairs Main Transmission Box for internal clients: IAR Brasov, MApN, amounting to 900,000 RON; expenses regarding scholarships for dual education, amounting to RON 134,100

Turbomecanica collaborates with several colleges ('Dinicu Golescu' Technical College, 'Carol I' Technical College, 'HenriCoanda' Technical College and 'Ion ICBratianu' Technological High School) to organize classes within the 'Dual Vocational Education' program. being intended for young people who want to specialize in one of the professions in the aviation industry.

In these programs, the company offers to the 8th grade graduates from all over the country, all the conditions for professional training in the following professions:

- “Numerically controlled car operator” - 16 places in the class at Dinicu Golescu Technical College
- “Aircraft mechanic” - 16 places in the class at the Henri Coanda Technical College
- “Fine mechanics mechanic” - 20 places in the class at Ioan I.C. Bratianu Technological High School
- “Milling - planer-mortar” - 14 places in the class at Ioan I.C. Bratianu Technological High School
- “Turner” - 16 places in the class at Carol I Technical College

Turbomecanica offers very attractive material benefits to students who enroll in Dual Education classes throughout schooling, as well as training in Turbomecanica workshops during internships where they build their specialization for one of the jobs listed above and an extraordinary benefit that is the insurance of Turbomecanica part that they will get a job within the company after graduating high school.

The financial result was not impacted by any additional expenses regarding compensatory payments, non-fulfillment of contractual obligations, other expenses regarding tangible and intangible assets.

2. Statement of financial position page 5 the following information has been added:

Tangible and intangible assets - there is a tendency to increase these assets by making investments / modernizations of buildings, machines and equipment from TMB's patrimony;

Trade receivables amounting to 14 million, increased significantly compared to 31.12.2019, the main cause is represented by receivables from domestic customers, receivables that were collected after 30.06.2020, and to a lesser extent delays in receipts from customers external, which postponed their payment terms.

The stocks, they experienced an increase compared to 31.12.2019 by ~ 15%, the company taking measures regarding the supply process by purchasing raw materials and necessary materials and for the products that will be completed by the end of 2020. These measures were taken to prevent possible problems in the supply chain, which could generate delays in the production process. this solution generated a cash outflow reflected in cash flow.

The short-term loans granted in the form of a credit limit were used in a much higher proportion than on 31.12.2019 because the collection terms of the invoices issued to customers before the end of Semester 1 were collected after 30.06.2020.

Commercial debts and other debts - they decreased by ~ 70%, compared to 31.12.2019, the company complied with its contractual payment terms to all suppliers and all debts to the state budget and the state social insurance budget. TMB has no unpaid tax debt to state authorities.

Long-term debts had an increasing trend towards the end of 2019, by concluding new leasing contracts regarding the purchase of equipment: OKK axis milling processing center, 3D coordinate measuring machine, Ultrasonic cleaning machine, Machine Chien Wei Precise Technology Coordinate Grinding Machine, Horizontal Lathe CNC Needle, all these machines were purchased in order to increase the production capacity.

### 3. Cash flow statement page 12 the following information has been added:

The company's cash flow registered a positive increase of ~ 1,000,000 RON, compared to the same period last year.

Operating revenues increased by 7% compared to the same period last year, this being mainly due to the increase in turnover (6%), through the execution and delivery of products to internal and external customers.

Operating expenses increased compared to 30.06.2019, by 22%, this being largely due to the increase in expenditures on raw materials and materials, the increase in employee benefits and the increase in the provision of services performed by third parties. The variations are explained in point 1 Statement of financial result.

The cash flow from the exploitation activity is impacted by the variation of the company's assets and liabilities, largely influenced by the variation:

- increasing the receivables amounting to 9,129,055, the company having commercial receivables that were collected after 30.06.2020,
- increasing stocks, the company applying a prevention policy in this case influenced by the impact that COVID 19 could have on the supply chain.
- debts to suppliers, which decreased compared to the same period last year by 70%, the company fulfilling all contractual payment terms, compared to internal and external suppliers

The cash flow from the investment activity had a very small increase compared to the same period last year ~ 1%, the equipment purchased during this period being put into operation in the period after Semester 1

The cash flow from the financial activity is influenced by the variation:

- positive by increasing the long-term loans regarding the acquisition of leasing equipment, mentioned in point 2 of the statement of financial position
- short-term loans, which are granted in the form of a credit limit and which were used in a much higher proportion compared to the same period last year, registering an increase compared to the same period last year of 9.6 million RON, and compared to 31.12.2019 registering an increase of 87%.

### 4. Provisions page 16 the following information has been added:

The reductions consist in the reversal / cancellation of the provisions set up on 31.12.2019 and which involved a cash outflow in the first half of 2020.

### 5. Fiscal profit pag.16 the following information was added:

The non-taxable income in the amount of RON 2,930,259 represents in this case the value of the provisions reversed in H1 (provisions constituted at the end of 2019 which were considered, non-

deductible expenses when calculating the profit tax on 31.12.2019) and together with their partial reversal are considered non-taxable income.

Non-deductible expenses, the largest share (94%) in the total non-deductible expenses, in total amount of RON 5,966,961, is represented by the expense with the profit tax related to quarter 1 2020 amounting to RON 1,250,804 and the depreciation of tangible and intangible assets (in value 4,365,204 RON) while the remaining amount of 6% represents sponsorships, advertising and publicity expenses, car park expenses, protocol expenses, non-resident tax

6. Economic-financial indicators page 25 the following information has been added:

- The current liquidity indicator, the value is super unitary, (2.04) increasing compared to the same period last year and reflects a good ability to pay, so a low risk for creditors, certifying that the company is able to cover its debts on short-term from current assets.
- The turnover rate of customer debts that expresses the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to society. Considering the dynamics of sales and the specifics of debt collection, we consider that the value of the indicator is a normal one.
- The indicator of the degree of indebtedness, its value indicates the fact that the company does not have any problems of financing or liquidity. In the calculation of this indicator, the borrowed capital includes both bank loans and leasing debts.

The report of the Board of Directors for the 1st Semester 2020 redone according to the above can be accessed at the link below

PRESIDENT OF THE BOARD GENERAL MANAGER,  
Eng. Radu VIEHMANN

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