



S.C. "ȘANTIERUL NAVAL ORȘOVA" S.A.
No. RC J25/150/1991 CIF: RO 1614734
Share capital: - issued 28.557.297,5 lei
- paid up 28.557.297,5 lei
No. 4. Tufări Street, Orșova, 225200, Mehedinți
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Codul LEI (Legal Entity Identifier): 254900UAXJ8TPIKLXG79
IBAN code: RO96RNCB0181022634120001- B.C.R. Orșova
IBAN code: RO59BRDE260SV03176142600- B.R.D. Orșova

**TRIMESTRIAL REPORT CORRESPONDING TO THE IIIrd TRIMESTER
OF 2019, IN COMPLIANCE WITH THE LAW NO. 24/2017 AND TO THE
ASF REGULATION NO. 5/2018**
**concerning the issuers of financial instruments and market
operations**

DATE OF THE REPORT: **08.11.2019**

NAME OF THE TRADING COMPANY: **S.C. ȘANTIERUL NAVAL ORȘOVA S.A**

HEADQUARTERS: **NO. 4 TUFĂRI STREET, ORȘOVA TOWN, 225200 MEHEDINȚI COUNTY**

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SOLE REGISTRATION CODE AT THE TRADE REGISTER OFFICE: **1614734, TAX ATTRIBUTE RO**

NUMBER IN THE TRADE REGISTER: **J25/150/1991**

SHARE CAPITAL ISSUED AND PAID UP: **28.557.297,5 LEI**

REGULATED MARKET WHERE THE REAL ESTATE VALUES ISSUED ARE TRADED: **STOCK
EXCHANGE BUCHAREST**

**A. FINANCIAL AND ECONOMICAL INDICATORS ON THE DATE OF 30th of
September 2019 (APPENDIX NO. 13 TO THE ASF REGULATION no. 5/2018)**

DESCRIPTION OF THE INDICATOR	CALCULATION MANNER	RESULT
1. Indicator of current cash-deposit ¹⁾	$\frac{\text{Current assets}}{\text{Current debts}}$	5,91
2. Indicator of the degree of indebtedness ²⁾	$\frac{\text{Borrowed capital} * 100}{\text{Own capital}}$	0 (zero)
3. Rotation speed of the debts - clients ³⁾	$\frac{\text{Average balance clients} * 270}{\text{Turnover}}$	34 DAYS
4. Rotation speed of the fixed assets ⁴⁾	$\frac{\text{Turnover}}{\text{Fixed assets}}$	1,19

NOTE:

- 1) Offers guarantees for the coverage of the current debts from the current assets. The recommended acceptable value is approximately 2.
- 2) Expresses the effectiveness of the management of credit risk, indicating potential financing issues, of cash-deposit with influences in the fulfillment of the undertaken commitments. S.C. Șantierul Naval Orșova has no crediting contract exceeding 1 year, and, subsequently, this indicator is 0 (zero)
- 3) It expresses the effectiveness of the company in collecting their account receivables, namely the number of days until the date when the debtors pay their debts towards the company
- 4) It expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain amount of fixed assets.

B. OTHER INFORMATION

In the 3rd trimester of 2019, in comparison with those stipulated in BIE, the operational incomes were realized in a 94.01 %. Same time these registered a growth of 39.82 % against corresponding period of the last year:

- stipulated in the BIE IIIrd trimester 2019	49.200.000 lei
- realized in the IIIrd trimester of 2019	46.254.784 lei
- realized on the IIIrd trimester of 2018	33.080.932 lei

During this period of time were completed and delivered to the external clients – from the main head-office in Orșova- s number of 5 vessels (4 tanker vessels of 110 m and a tanker vessel of 85 m length). The 5 existing barges at Agigea Branch, repaired and modernized in the past years, were partially rented in this period externally (in Turkey).

Accounting report forms at 30.09.2019, respectively: The status of the financial position, Status of profit and losses and of other elements of the global result are attached to the present report, with the following stipulations:

- The numbers from the reporting forms are expressed in lei;
- The reporting data at 30.09.2019 **have not been audited** by an external independent financial auditor.
- In comparison to the provisions under BIE on the IIIrd trimester of 2019, the situation of the result is the following:
 - ❖ Result from operation:
 - Stipulated in the BIE 2.900.000 lei
 - Realized 3.640.900 lei
 - ❖ Financial result:

○ Stipulated in the BIE	0 lei
○ Realized	546.738 lei
❖ Gross result:	
○ Stipulated in the BIE	2.900.000 lei
○ Realized	4.187.638 lei

During the similar period from the year 2018, the company realized a gross profit of 1.569.468 lei.

Given the financial position at 30.09.2019 as the estimation with regards at the main indicators evolution, company considers that they are created premises to realize the stipulations from BIE for the entire year 2019.

On 30.09.2019, the company did not have any bank credits contracted, and the number and the cash equivalents were amounting to 2.730.014 lei.

The company did not have any remaining obligations to the suppliers, to the state budget, to its employees or any other creditors, all of them having been paid up within the legal/contractual due date.

The expenses for investment, over the IIIrd trimester of 2019 amounted to 2.413.299 lei, from 3.850.000 lei stipulated in the BIE (index of accomplishment: 62,68%). During the period corresponding to the last year, such expenses were amounting to 2.239.935 lei.

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019

<i>Reference</i>		Row	30.09.2019	01.01.2019
			RON	RON
	Assets			
	Fixed assets			
<i>IAS 1.54(a)</i>	Tangible assets	<i>01</i>	38.780.489	39.018.621
	Freehold land and land improvements	<i>02</i>	1.201.941	1.201.941
	Buildings	<i>03</i>	19.265.534	20.439.782
	Plant and machinery, motor vehicles	<i>04</i>	17.383.053	17.303.930
	Fixtures and fittings [...]	<i>05</i>	81.026	72.968
	Tangible assets in progress	<i>06</i>	848.935	0
<i>IAS 1.54(c)</i>	Intangible assets	<i>07</i>	3.732	3.933
	Other intangible assets	<i>08</i>	3.732	3.933
<i>IAS 1.54(h)</i>	Trade receivables and other receivables	<i>09</i>	101.170	101.327
<i>IAS 1.54(o), 56</i>	Deferred tax assets	<i>10</i>	1.797	61.137
<i>IAS 1.60</i>	Total fixed assets	<i>11</i>	38.887.188	39.185.018
<i>IAS 1.54 (g)</i>	Inventories	<i>12</i>	48.779.104	47.861.022
<i>IAS 1.54(h)</i>	Trade receivables and other receivables	<i>13</i>	13.781.000	7.379.937
<i>IAS 1.55</i>	Accrued expenses	<i>14</i>	155.345	55.869
<i>IAS 1.54(d)</i>	Short term investments	<i>15</i>	8.516.147	8.470.227
<i>IAS 1.54(i)</i>	Cash and cash equivalents	<i>16</i>	2.730.014	6.638.636
<i>IFRS 5.38-40</i>	Non-current assets held for sale	<i>17</i>	68.853	68.853
<i>IAS 1.60</i>	Total Current Assets	<i>18</i>	74.030.463	70.474.544
	Total Assets	<i>19</i>	112.917.651	109.659.562
	Equity			
<i>IAS 1.54(r), 78(e)</i>	Share capital	<i>20</i>	28.557.298	28.557.298
<i>IAS 1.55, 78(e)</i>	Share premium	<i>21</i>	8.862.843	8.862.843
<i>IAS 1.54(r), 78(e)</i>	Reserves	<i>22</i>	53.423.884	53.054.695
	Result for the period	<i>23</i>	3.413.313	2.852.126
<i>IAS 1.55, 78(e)</i>	Retained earnings	<i>24</i>	6.353.858	6.353.858

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019 (continued)

<i>Reference</i>	Row	30.09.2019	01.01.2019
		RON	RON
Profit appropriation	25	(209.382)	(179.278)
Other elements of equity	26	(4.371.272)	(4.498.960)
Total equity	27	96.030.542	95.002.582
 Liabilities			
 Long-term liabilities			
<i>IAS 1.54(o), 56</i> Deferred tax liabilities	28	4.371.272	4.498.960
<i>IAS 1.60</i> Total long-term liabilities	29	4.371.272	4.498.960
 Current liabilities			
<i>IAS 1.54(k)</i> Trade payables and other debts, including derivatives	30	12.337.317	9.618.869
Deferred income	31	1.504	2.277
<i>IAS 1.54(l)</i> Provisions	32	177.016	536.874
<i>IAS 1.60</i> Total current liabilities	33	12.515.837	10.158.020
Total Liabilities	34	16.887.109	14.656.980
Total Equity and Liabilities	35	112.917.651	109.659.562

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AT 30 SEPTEMBER 2019**

<i>Reference</i>	Row	<u>30.09.2019</u>	<u>30.09.2018</u>
		RON	RON
		Continuing operations	
<i>IAS 1.82(a)</i>	Income	42.469.644	29.853.697
<i>IAS 1.99,103</i>	Other income	3.785.140	3.227.235
	Total Operational Income	46.254.784	33.080.932
	Expenses related to inventories	(14.696.074)	(11.108.656)
	Utility expenses	(810.770)	(536.578)
	Employee benefits expenses	(16.432.960)	(12.214.778)
	Depreciation and amortization expenses	(3.017.218)	(2.394.761)
	Gains/losses on disposal of property	(14.461)	(4.375)
	Increase/(Decrease) of receivables allowances and inventory write-down	(20)	95,122
	Increase/(Decrease) of provision expenses	359.858	596.771
<i>IAS 1.99, 103</i>	Other expenses	(8.002.239)	(5.976.554)
	Total Operational expenses	(42.613.884)	(31.543.809)
	The result of operational activities	3.640.900	1.537.123
	Financial income	814.076	451.735
<i>IAS 1.82(b)</i>	Financial expenses	(267.338)	(419.390)
	Net financial result	546.738	32.345
<i>IAS 1.85</i>	Result before taxation	4.187.638	1.569.468
	Current income tax expenses	(708.149)	(255.959)
	Deferred income tax expenses	(371.763)	(526.169)
	Specific taxation expenses	(6,836)	(6,836)
	Deferred income tax income	312,423	432.623
<i>IAS 1.85</i>	Result for continuing operations	3.413.313	1.213.127
<i>IAS 1.82(f)</i>	Result for the period	3.413.313	1.213.127
	Other comprehensive income		
<i>IAS 1.82(g)</i>	Reevaluation of tangible assets	0	(90,955)
<i>IAS 1.85</i>	Other comprehensive income after taxation	0	(90,955)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AT 30 SEPTEMBER 2019 (continued)

<i>Reference</i>	Row	<u>30.09.2019</u>	<u>30.09.2018</u>
		RON	RON
<i>IAS 1.82 (i)</i> Total comprehensive income for the period	26	3.413.313	1.122.172
Attributable profit			
<i>IAS 1.83(b)(ii)</i> Shareholders	27	3.413.313	1.213.127
Profit for the period	28	3.413.313	1.213.127
Total attributable comprehensive income			
<i>IAS 1.83(b)(ii)</i> Shareholders	29	3.413.313	1.122.172
Earnings per share			
<i>IAS 33.66</i> Basic earnings per share	30	0,30	0,11
<i>IAS 33.66</i> Diluted earnings per share	31	0,30	0,11
Continuing operations			
<i>IAS 33.66</i> Basic earnings per share	32	0,30	0,11
<i>IAS 33.66</i> Diluted earnings per share	33	0,30	0,11

Reference

STATEMENT OF CHANGES IN EQUITY

IAS

1.108,109

Attributable to equity holders

	Share capital	Share premium account	Revaluation reserve	Other reserves	Retained earnings	Result for the period	Other elements of equity	Profit appropriation	Total equity
Balance at December 31, 2017	<u>28,557,298</u>	<u>8,862,843</u>	<u>24,794,226</u>	<u>23,471,161</u>	<u>5,555,872</u>	<u>2,721,336</u>	<u>(3,718,330)</u>	<u>(823,621)</u>	<u>89,420,785</u>
IAS 1.106(d)(i) Loss/ Net profit for the year	-	-	-	-	2,721,336	130,970	-	-	2,852,126
Profit appropriation	-	-	-	-	-	-	-	(179,278)	(179,278)
Transfer in reserve	-	-	(1,875,194)	278,742	(95,683)	-	(780,630)	823,621	(1,649,144)
Revaluation reserve	-	-	6,385,760	-	-	-	-	-	6,385,760
Dividends	-	-	-	-	(1,827,667)	-	-	-	(1,827,667)
Balance at December 31, 2018	<u>28,557,298</u>	<u>8,862,843</u>	<u>29,304,792</u>	<u>23,749,903</u>	<u>6,353,858</u>	<u>2,852,126</u>	<u>(4,498,960)</u>	<u>(179,278)</u>	<u>95,002,582</u>
IAS 1.106(d)(i) Loss/ Net profit for the year	-	-	-	-	2,852,126	561.187	-	-	3,413.313
Profit appropriation	-	-	-	-	-	-	-	(209.382)	(209.382)
Transfer in reserve	-	-	-	369.189	(339,084)	-	127.688	179,278	337.071
Dividends	-	-	-	-	(2,513,042)	-	-	-	(2,513,042)
Balance at September 30, 2019	<u>28,557,298</u>	<u>8,862,843</u>	<u>29,304,792</u>	<u>24,119,092</u>	<u>6,353,858</u>	<u>3,413.313</u>	<u>(4,371.272)</u>	<u>(209.382)</u>	<u>96,030.542</u>

STATUS OF THE TREASURY CASH FLOW

<i>IAS</i> <i>113</i>	<i>1.10(d),</i>	For the fiscal year completed	30.09.2019	30.09.2018
		Treasury Cash Flow for operating activities		
		Profit of the period	3.413.313	1.213.127
		Adjustment for:		
		Depreciation of intangible and tangible assets	3.137.220	3.041.289
		Gain/losses from the sale of the tangible assets	14.461	4.375
		Net expenses / (net income) with provisions	(359.858)	(596.771)
		Expense on the current income tax	708.149	255.959
		Specific activities tax expenses	6.836	6.836
		Expenses on the delayed income tax	371.763	526.169
		Income from the delayed income tax	(312.423)	(432.623)
		Incomes from investment grants	(773)	(773)
		Cash Flow from operating activities before the amendment of the working capital	6.979.461	4.017.588
		Amendment of the working capital:		
		Stocks modification	(918.082)	(9.249.629)
		Modification of the commercial account receivables and of other account	(6.401.063)	2.485.637
		Modification of the advanced expenses	(99.476)	(96.117)
		Modification of the commercial debts and of other debts	2.473.469	6.385.572
		Cash flow generated from operating activities	2.034.309	3.543.051
<i>IAS</i> <i>IAS 7.10</i>	<i>7.35</i>	Paid interests	(1.132.851)	(653.591)
		Net cash flow from operating activities	901.458	2.889.460
		Treasury Cash Flow from investment activities		
<i>IAS 7.31</i> <i>IAS 7.16(a)</i>		Cashed interests	92.372	48.349
		Tangible and intangible assets acquisition	(2.413.299)	(2.239.935)
		Short term investments	(45.920)	1.713.734
<i>IAS 7.10</i>		Net cash used in investment activities	(2.366.847)	(477.852)
		Treasury cash flow from financing activities		
<i>IAS 7.17(d)</i> <i>IAS 7.10</i>		Paid dividends	(2.443.233)	(1.837.512)
		Net cash from (used in) financing activities	(2.443.233)	(1.837.512)
		Net increase/decreases of the cash flow and of the cash flow equivalents	(3.908.622)	574.096
		Cash Flow and equivalents from 1st of January	6.638.636	9.566.768
		Cash flow and cash flow equivalents at 30th of September	2.730.014	10.140.864

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