

## CURRENT REPORT

According to Law no. 24/2017 on Issuers of Financial Instruments and Market Operations

**Report date: 07.03.2019**

**Name of Issuing Company: Societatea de Constructii Napoca SA**

**Registered office: Cluj Napoca, Piata 1 Mai, nr. 1-2, jud. Cluj**

**Phone/fax: 0264 – 425.861; 0264 – 425.053**

**Trade Register Number: J 12/15/1991**

**Sole registration number with the Trade Register Office: 199117**

**Share capital: 6.231.454 lei**

**Regulated market on which they are traded: Bucharest Stock Exchange**

### **Significant events to be reported:**

Submission of the application for the opening of the procedure of preventive conciliation

SOCIETATEA DE CONSTRUCTII NAPOCA S.A., based in Cluj-Napoca, Piata 1 Mai, nr. 1-2, Cluj county, registered at ORC under no. J12 / 15/1991, CIF RO 199117, informs the investors that as of March 1, 2019, the company filed the application for opening of the procedure for the preventive concordance.

This application is subject to file no. 119/1285/2019, on the role of the Cluj Specialized Tribunal.

The first term of trial was set for 08.03.2019.

The Company has requested that ASSET RECOVERY IPURL, based in Cluj-Napoca, Avram Iancu Street, no. 28, ap. 2B, Cluj County, fax 0372897096, email office@assetrecovery.ro, filed in the UNPIR File under no. RO II - 0911, to be appointed as provisional adjudicator.

The request for the opening of the preliminary conciliation procedure was filed on the basis of Decision no. 1 / 28.02.2019 of the Board of Directors of the Company. The request for the opening of the preventive concordance procedure has as its main objective the restructuring of the activity by overcoming the temporary financial difficulty of the Company, so as to offer the possibility of paying a reasonable proportion of the debts registered to the creditors.

The state of temporary financial difficulty is due to the imbalance generated by the delayed collection of debts from our debtors, the state of insolvency of many of them (against which we record substantial receivables), forced execution against the subscription, the blocking of bank accounts, which leads to

practically blocking the company's activity. We also subscribed debts to local and state budgets for December 2018, January 2019, February 2019.

The gradual payment of outstanding debts, in parallel with the continuation of activity according to the object of activity, creates the premises for the successful completion of the financial recovery program of the company, concurrent with the possibility of paying the current debts.

Preventing events that lead to blocking the activity is also beneficial for the subscribed employees, which currently have a total of 211 employees. Maintaining the activity in the necessary operating parameters is essential for ensuring the cash availability necessary for the extinction of the wage claims.

We consider that the opening of the preventive concordance procedure is a measure best suited to the interests of the creditors, the subscribed and the subscribed employees, based on an economic recovery program, referring to the recovery prospects in relation to the possibilities and the specifics of our activity, with market demand for subscription activity. The purpose of the preventive concordat is to reschedule the accumulated debts, the company having real possibilities of recovery through the restructuring of the activity (increase of revenues, decrease of expenses and capitalization of some assets that do not affect the basic activity).

We specify that at the date of the present, the company continues its activity according to the object of activity, registering constant income in indistinct amount for the recovery of the activity, as we have mentioned, the financial difficulty we face is a temporary and temporary one.

Chairman of the Board of Directors

Ec. Cachita Floarea Doina