

s.c.U.C.M. Reșița s.a.
(Company in insolvency, en procedure collective)

Preliminary yearly financial results on 31.12.2019

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[All amounts are given in lei (RON) unless otherwise stated]

Statement of financial position on December 31, 2019

- Lei -

Reference Statement of financial position IAS 1.10(a), 113	Balance sheet items	Balance on 01.01.2019	Balance on 31.12.2019
IAS 1.54(a)	Tangible fixed assets	132,651,667	127,573,176
IAS 1.54(c)	Intangible fixed assets	13,348	8,456
	Financial fixed assets	17,727,815	16,526,714
	Total of fixed assets	150,392,830	144,108,346
IAS 1.54(h)	Trade receivables and receivables from affiliated entities	12,460,956	4,209,620
IAS 1.54(g)	Stocks	19,589,141	21,941,779
IAS 1.54(o), 56	Fixed assets held for sale	11,875,402	-
IAS 1.54(h)	Deferred tax receivables	14,639,182	14,673,797
IAS 1.54(i)	Other receivables	3,924,614	1,353,702
	Cash and cash equivalents	5,964,910	9,683,023
	Prepayments	43,567	48,310
	Total of current assets	68,497,772	51,910,231
	TOTAL ASSETS	218,890,602	196,018,577
IAS 1.54(m)	Loans bearing interest	-	-
IAS 1.54(k)	Suppliers and other trade payables	43,406,708	37,254,641
IAS 1.54(k)	Taxes and other debts	639,738,101	637,557,503
IAS 1.54(o), 56	Deferred tax debts	23,736,954	24,476,478
IAS 1.54(l)	Provisions	233,607,009	233,771,668
IAS 1.55, 20.24	Revenues in advance	11,660	11,425
	Total debts	940,500,432	933,071,715
	Total assets minus Total debts	(721,609,830)	(737,053,138)
	Registered capital	601,685,084	601,685,084
	Revaluation reserves	135,089,259	130,468,666
	Legal reserves	1,972,406	1,972,406
	Other reserves	16,088,620	16,088,620
	Carried over result	(1,461,993,739)	(1,471,834,332)
	Current result	(14,451,460)	(15,433,582)
	Profit sharing, establishing of legal reserves	-	-
	Total equity	(721,609,830)	(737,053,138)
	TOTAL LIABILITIES	218,890,602	196,018,577

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Cosmin URSONIU

Nicoleta Liliana IONETE



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Statement of overall result on December 31, 2019

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Reference Statement of overall result IAS 1.10(b), 81(a)	Explanations	31.12.2018	31.12.2019
IAS 1. 82(a) IAS 1.99,103	Operating revenues	54,477,289	60,918,894
IAS 1.99, 103	Cost of sales	57,917,295	60,235,097
	Gross operating profit (loss)	(3,440,006)	683,797
IAS 1.99, 103	Distribution costs	6,273	81,997
	Administrative expenses	14,988,205	15,655,858
IAS 1. 82(a) IAS 1.99,103	Financial revenues	5,189,196	852,704
IAS 1.82(b)	Financial expenses	874,729	527,319
IAS 1.85	Result before tax	(14,120,017)	(14,728,673)
IAS 1.82(d), IAS 12.77	Income tax expenses	(331,443)	(704,909)
	Net profit (loss)	(14,451,460)	(15,433,582)
	<i>Establishing of legal reserves under Law 31/1990</i>	-	-
IFRS 5.33(a), 1.82(e)	Profit attributable to:	-	-
IAS 1.83(b)(ii)	Owners of the Company	-	-
IAS 1.83(b) (i)	Non-controlling interests	-	-

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Statement of changes in equity for the year ended on December 31, 2019

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Explanation / Description	1	2	3	4	5	6	7	8	9
Registered capital	2	3	4	5	6	7	8	9	
Balance on January 01, 2019 IFRS	601,685,084	135,089,259	1,972,406	255,183,376	16,088,620	(1,717,177,114)	(14,451,460)	(721,609,830)	
Changes in equity - December 31, 2019									
Transfer of surplus from revaluation reserves		(4,620,592)		4,620,592					
Transfer of the result of the accounting year 2018 to the carried over result									
Account closing - profit sharing									
Registration of accounting errors from previous years to the carried over result									
Net result of the current accounting year							14,451,460		
Balance on December 31, 2019 - IFRS	601,685,084	130,468,666	1,972,406	259,803,968	16,088,620	(1,731,638,300)	(15,433,582)	(15,433,582)	(737,053,138)

The legal reserves of the Company on December 31, 2019, established under the Law of Trading Companies, are in amount of 1,972,406 lei.

The legal reserve of the Company is partially formed under the Law of Trading Companies, which states that 5% of the yearly accounting profit is transferred to the legal reserves, until their balance reaches 20% of the registered capital of the Company.
We note that on December 31, 2019 the Company has not yet reached the maximum level of the legal reserves.

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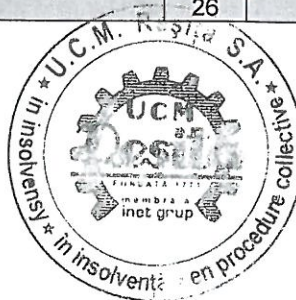
Statement of cash flows on December 31, 2019

-Lei-

Designation of item	Row No.	Accounting year ended on:	
		December 31, 2018	December 31, 2019
A	B	1	2
OPERATING ACTIVITIES			
Net profit + Result carried over from correction of accounting errors	1	(14,120,017)	(14,738,398)
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	10,573,901	5,209,178
Adjusting the value of financial assets	3	433,301	169,416
Expenses (revenues) with adjustments for depreciation of current assets	4	(312,255)	(117,733)
Adjustments to the provisions for risks and expenses	5	(670,395)	164,659
Net loss/(Net profit) from reclassification of fixed assets held for sale	6	11,439,716	-
Expenses with the donations granted	7	3,400	-
Revenues from interests and other financial income	8	-	(42,760)
Expenses with interests and other financial expenses	9	(1,757)	-
Cash flow before changes in working capital (row 1 to 9)	10	7,345,894	(9,355,638)
Decrease / (Increase) - customers and other assimilated accounts	11	(240,688)	11,654,632
Decrease / (Increase) in stocks	12	(12,583,340)	9,839,797
(Decrease) / Increase - suppliers and other assimilated accounts	13	51,108,509	(8,347,136)
Cash flow from operating activities (row 10 to 13)	14	45,630,375	3,791,655
Revenues from interests	15	252	41,333
(Net Increase) / Decrease in restraint cash	16	(94,861)	(75,903)
Net cash flow obtained in operating activities (row 14 to 16)	17	45,535,766	3,757,085
INVESTING ACTIVITIES			
Cash payments for long-term purchasing of land and other assets	18	(193,546)	(116,068)
Revenues from dividends	19	1,193	1,193
Net cash used in investing activities (row 18+19)	20	(192,353)	(114,875)
FINANCING ACTIVITIES			
Subsidies granted	21	(3,400)	-
Reductions of the amounts borrowed	22	(40,125,708)	-
Net cash used in financing activities (row 21 to 22)	23	(40,129,108)	-
Net Increase / (Decrease) in cash and cash equivalents (row 17+20+23)	24	5,214,305	3,642,210
Cash and cash equivalents at the beginning of the year	25	300,998	5,515,303
Cash and cash equivalents at the end of the period (row 24+25)	26	5,515,303	9,157,513

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Economic - Financial Indicators on December 31, 2019

Indicator	Calculation method	Value
1. Current liquidity	$1=2/3$	0.07
2. Current assets (lei)	2	51,861,921
3. Current liabilities (lei)	3	699,288,621
4. Level of indebtedness	$4=5/6$	#N/A
5. Borrowed capital (lei)	5	0
6. Capital employed (lei)	6	(737,053,137)
7. Turnover ratio of customer debits (days)	$7=8/9 \times (365)$	76
8. Average balance of trade receivables (lei)	8	7,433,702
9. Turnover (lei)	9	35,818,804
10. Turnover ratio of fixed assets (days)	$10=11/12 \times (365)$	1,468
11. Fixed assets (lei)	11	144,108,346
12. Turnover (lei)	12	35,818,804

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