

CURRENT REPORT

As per Law no. 24/ 2017 and ASF Regulation no. 5/2018

Date of the report: 26.02.2021

Name of the issuing company: U.C.M. Resita S.A.

Registered office: Charles de Gaulle Square, No. 15, Charles de Gaulle Plaza Building, 3rd Floor, Office Peles, Sector 1, Bucharest

Administrative headquarters: Resita, Golului Street, no. 1, 320 053, Caras-Severin County

Phone No.: 0255/217111; Fax: 0255/223082

Unique registration code: 1056654

Number at the Trade Register Office: J 40/13628/2011

Subscribed and paid-up capital: 10,993,390.40 lei

Regulated market where the issued securities are traded: Bucharest Stock Exchange

Important events to report: Report of the Preliminary Financial Statements for the year 2020

S.C. U.C.M. Resita S.A. informs the general public about the availability of the the Report of the Preliminary Financial Statements for the year 2020

The Report of the Preliminary Financial Statements for the year 2020 can be found, as of 26.02.2021 at 05:00 PM., on the website <http://www.ucmr.ro> and the IRIS platform link.

As of the same date, the persons interested may, on written request, obtain a copy of these documents. The application will be submitted/sent directly to the administrative headquarters of the company (workstation) located in Resita, Golului Street, no. 1, 320053, Caras-Severin County or at fax number 0255/223082.

The table below shows the statement of assets, liabilities and equity on December 31, 2020:
Lei

No.	Designation of items	31.12.2019	31.12.2020
1	Turnover (2+3-4)	35,818,804	26,090,175
2	Production sold	35,816,331	26,090,175
3	Revenues from sale of goods	2,473	-
4	Trade discounts granted	-	-
5	Changes in stocks: Credit	4,037,230	1,857,986
	babalance		
	Debit balance	-	-
6	Revenues from sale of tangible assets	13,535,734	-
7	Production of accounting year (1+/-5+6)	53,391,768	27,948,161
8	Other operating revenues	11,564,356	8,805
9	Operating revenues, total (7+8)	64,956,124	27,956,966
10	Financial revenues, total	852,704	664,291
11	Total revenues (9+10)	65,808,828	28,621,257

The structure of operating revenues is as follows:

No.	Designation of items	31.12.2019	31.12.2020
1	Turnover	55.14%	93.32%
2	Changes in stocks	6.22%	6.65%
3	Capitalized production	20.84%	0.00%
4	Other operating revenues	17.80%	0.03%
	TOTAL	100.00%	100.00%

The expenses of the company are shown below:

Lei

No.	Designation of items	31.12.2019	31.12.2020
1	Material expenses	14,810,114	5,795,473
2	Other external expenses (energy and water)	5,866,184	5,019,972
3	Expenses with the personnel	33,357,409	28,929,778
4	Adjustments	5,374,104	5,783,542
5	Other operating expenses of which:	20,602,371	6,331,105
5a	Expenses on disposal of fixed assets held for sale	11,875,402	-
6	Operating expenses, total	80,010,182	51,859,870
7	Financial expenses	527,319	(3,720,224)
8	Total expenses	80,537,501	48,139,646

The structure of operating expenses is as follows:

No.	Designation of items	31.12.2019	31.12.2020
1	Material expenses	19,04%	11,57%
2	Other external expenses (energy and water)	7,33%	9,68%
3	Expenses with the personnel	41,69%	55,78%
4	Adjustments	6,72%	11,15%
5	Other operating expenses	25,22%	11,81%
	Operating expenses, total	100,00%	100,00%

U.C.M. Reșița S.A.
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Charles de Gaulle Plaza, etaj 3, birou Peles
011857, Sector 1, București, România
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The evolution of the results is shown below:

Lei

No.	Indicator name	31.12.2019	31.12.2020
1	Operating revenues	64,956,124	27,956,966
2	Operating expenses	80,010,182	51,859,870
3	Operating result	(15,054,058)	(23,902,904)
4	Financial revenues	852,704	664,291
5	Financial expenses	527,319	(3,720,224)
6	Financial result	325,385	4,384,515
7	Profit tax	704,909	2,229,508
8	Net result of the accounting year	(15,433,582)	(21,747,897)

The net result of the financial year at the end of 2020 materialized in a net loss of 21.747.897 lei while in the same period of 2019 when the net loss was 15.433.582 lei.

Special Trustee
Cosmin URSONIU

Special Trustee
Nicoleta Liliana IONETE



Preliminary yearly financial results on December 31, 2020
[All amounts are given in lei (RON) unless otherwise stated]

Statement of financial position on 31.12.2020

Lei				
Reference Statement of financial position IAS 1.10(a), 113	Note	Balance sheet items	Balance on 01.01.2020	Balance on 31.12.2020
IAS 1.54(a)	3	Tangible fixed assets	127,573,176	122,608,308
IAS 1.54(c)	3	Intangible fixed assets	8,456	3410
	3	Financial assets	16,526,714	13,187,652
		Total of fixed asse	144,108,346	135,799,370
IAS 1.54(h)	4	Trade receivables and receivables from affiliated entities	4,209,620	5,099,067
IAS 1.54(g)	5	Stocks Deferred tax assets	21,941,779	23,155,306
IAS 1.54(o), 56	12	Deferred tax assets	14,673,797	13,114,358
IAS 1.54(h)	4	Other receivables	1,353,702	833,428
IAS 1.54(i)	6	Cash and cash equivalents	9,683,023	9,200,420
		Prepayments	48,310	42,726
		Total of current assets	51,910,231	51,445,305
		TOTAL ASSETS	196,018,577	187,244,675
IAS 1.54(k)	7	Supplies and other trade payables	37,254,641	36,443,159
IAS 1.54(k)	7	Taxes and other debts	637,557,503	652,125,040
IAS 1.54(o), 56	12	Deferred tax debts	24,476,478	25,146,547
IAS 1.54(l)	8	Provisions	233,771,668	232,589,083
IAS 1.55, 20.24		Revenues in advance	11,425	11,277
		Total debts	933,071,715	946,315,106
		Total acssets minus Total debts	(737,053,138)	(759,070,431)
	9	Registered capital	601,685,084	601,685,084
	3	Revaluation reserves	130,468,666	125,996,792
	9	Legal reserves	1,972,406	1,972,406
		Other reserves	16,088,620	16,088,620
	9	Carried over result	(1,471,834,332)	(1,483,065,436)
	9	Current result	(15,433,582)	(21,747,897)
	9	Profit sharing, establishing of legal reserves	-	-
		Total equity	(737,053,138)	(759,070,431)
		TOTAL LIABILITIES	196,018,577	187,244,675

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Statement of comprehensive income on 31.12.2020

Lei

Reference Statement of overall result IAS 1.10(b), 81(a)	Explanations	31.12.2019	31.12.2020
IAS 1. 82(a) IAS 1.99,103	Operating revenues	60,918,894	26,098,980
IAS 1.99, 103	Cost of sales	60,235,097	37,246,584
	Gross operating profit (loss)	683,797	(11,147,604)
IAS 1.99, 103	Distribution costs	81,997	393
	Administrative expenses	15,655,858	12,754,907
IAS 1. 82(a) IAS 1.99,103	Financial revenues	852,704	664,291
IAS 1.82(b)	Financial expenses	527,319	(3,720,224)
IAS 1.85	Result before tax	(14,728,673)	(19,518,389)
IAS 1.82(d), IAS 12.77	Income tax expenses	704,909	2,229,508
	Net Profit (loss)	(15,433,582)	(21,747,897)
	Establishing of legal reserves under Law31/1990	-	-
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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Preliminary yearly financial results on December 31, 2020

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Statement of changes in equity for the year ended on December 31, 2020

- lei-

Explanation/Description	Registered capital	Revaluation reserves	Legal reserves	Carried over result representing surplus from revaluation reserves	Other reserves	Carried over result	Current result of the accounting year	Total
1	2	3	4	5	6	7	8	9
Balance on 01.01.2020	601,685,084	130,468,666	1,972,406	259,803,968	16,088,620	(1,731,638,300)	(15,433,582)	(737,053,138)
<i>Changes in equity- December 31 2020</i>								
Transfer of surplus from revaluation reserves		(4,471,874)		4,471,874				-
Transfer of the result of the accounting year 2019 to the carried over result						(4,471,874)		-
Account closing -profit share						(4,471,874)		-
Registration of accounting errors from previous years to the carried over result						(4,471,874)		(269,396)
Net result of the current accounting year						(4,471,874)		(21,747,897)
Balance on December 31 2020 IFRS	601,685,084	125,996,792	1,972,406	264,275,842	16,088,620	(1,747,341,278)	(21,747,897)	(759,070,431)

The legal reserves of the Company, constituted in accordance with the provisions of the Commercial Companies Act, as at 31 December 2020 amount to 1,972,406 lei.

The Company's legal reserve is partially constituted in accordance with the Companies Act, according to which 5% of the annual accounting profit is transferred within the legal reserves until their balance reaches 20% of the Company's share capital. If this reserve is used wholly or partly to cover losses or to distribute in any form (such as the issuance of new shares under the Companies Act), it becomes taxable in the calculation of corporation tax. We mention that on December 31, 2020, the Company has not yet reached the maximum level of legal litigation.

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Preliminary yearly financial results on December 31, 2020
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Statement of cash flows on 31.12.2020

-Lei-

Name of the element	No. line	Financial exercise ended on:	
		31 decembre 2019	31 decembre 2020
OPERATING ACTIVITIES			
Net profit+Result carried over from correction of accounting errors	1	(14,738,398)	(19,787,786)
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	5,209,178	4,862,962
Adjusting the value of financial assets	3	169,416	(4,410,021)
Expenses (revenues) with adjustments for depreciation of current assets	4	(117,733)	(4,372,126)
Adjustments to the provisions for risks and expenses	5	164,659	(1,055,853)
Expenses with the donating granted	6	-	-
Revenues from interests and other financial income	7	(42,760)	(124,791)
Expenses with interests and other financial income	8	-	-
Cash flow before changes in working capital (row. 1 to 8)	9	(9,355,638)	(24,887,615)
Decrease /(Increase) – customers and other assimilated accounts	10	11,654,632	11,787,493
Decrease /(Increase) in stocks	11	9,839,797	(1,213,526)
Decrease /(Increase)- supplies and other assimilated accounts	12	(8,347,136)	13,756,056
Cash flow from operating activities (row. 9 to 12)	13	3,791,655	(557,592)
Revenue from interests	14	41,333	93,001
(Net increase) / Net decrease in restraint	15	(75,903)	168,830
Cash flow from operating activities (row.13 to 15)	16	3,757,085	(295,761)
Investing activities			
Cash payment for long-term purchasing of land and other assets	17	(116,068)	(19,781)
Revenues from dividends	18	1,193	1,769
Net cash used in investing activities (row. 17 to 18)	19	(114,875)	(18,012)
Financing activities			
Subsidies granted	20	-	-
Discounts of borrowed amounts	21	-	-
Net cash used in financing activities (row. 20 to 21)	22	-	-
Net increase/(Decrease) in cash and cash equivalents (row. 16+19+22)	23	3,642,210	(313,773)
Cash and cash equivalents at the beginning of the year	24	5,515,303	9,157,513
Cash and cash equivalents at the end of the period (row. 23+24)	25	9,157,513	8,843,740

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Economic - Financial Indicators on 31.12.2020

Indicator	Calculation method	Value
1. current liquidity	$1=2/3$	0.07
2. Current assets (lei)	2	51,402,579
3. Current liabilities (lei)	3	713,714,746
4. Level of indebtedness	$4=5/6$	#N/A
5. Borrowed capital (lei)	5	0
6. Capital employed (lei)	6	(759,070,431)
7. Turnover ratio of customer debits (days)	$7=8/9 \times (365)$	58
8. Average balance of trade receivables (lei)	8	4,164,370
9. Turnover (lei)	9	26,090,175
10. Turnover ratio of fixed assets (days)	$10 = 11/12 \times (365)$	1,900
11. Fixed assets (lei)	11	135,799,370
12. Turnover (lei)	12	26,090,175

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