

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

Preliminary yearly financial results on 31.12.2017

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

Statement of financial position on December 31, 2017

- Lei -

Reference Statement of financial position IAS 1.10(a), 113	Balance sheet items	Balance on 01.01.2017	Balance on 31.12.2017
IAS 1.54(a)	Tangible fixed assets	168,636,615	162,195,112
IAS 1.54(c)	Intangible fixed assets	2,943	1,868
	Financial fixed assets	14,532,168	16,072,515
	Total of fixed assets	183,171,726	178,269,495
IAS 1.54(h)	Trade receivables and receivables from affiliated entities	8,092,311	11,476,892
IAS 1.54(g)	Stocks	22,378,213	18,903,063
IAS 1.54(o), 56	Deferred tax receivables	29,611,092	27,790,621
IAS 1.54(h)	Other receivables	6,574,969	6,907,862
IAS 1.54(i)	Cash and cash equivalents	2,257,968	655,744
	Prepayments	50,560	47,074
	Total of current assets	68,965,113	65,781,256
	TOTAL ASSETS	252,136,839	244,050,751
IAS 1.54(m)	Loans bearing interest	39,849,737	40,125,708
IAS 1.54(k)	Suppliers and other trade payables	38,745,947	40,992,784
IAS 1.54(k)	Taxes and other debts	580,273,150	591,069,478
IAS 1.54(o), 56	Deferred tax debts	35,125,702	35,125,702
IAS 1.54(l)	Provisions	242,024,879	242,143,576
IAS 1.55, 20.24	Revenues in advance	12,458	11,972
	Total debts	936,031,873	949,469,220
	Total assets minus Total debts	(683,895,034)	(705,418,469)
	Registered capital	601,685,084	601,685,084
	Revaluation reserves	164,870,831	159,208,984
	Legal reserves	1,972,406	1,972,406
	Other reserves	16,088,620	16,088,620
	Carried over result	(1,443,641,425)	(1,462,958,686)
	Current result	(24,870,550)	(21,414,877)
	Profit sharing, establishing of legal reserves	-	-
	Total equity	(683,895,034)	(705,418,469)
	TOTAL LIABILITIES	252,136,839	244,050,751

Special Trustees:
Cosmin URSONIU

Nicoleta Liliana IONETE

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Statement of overall result on December 31, 2017

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Reference Statement of overall result IAS 1.10(b), 81(a)	Explanations	12/31/2016	12/31/2017
IAS 1. 82(a) IAS 1.99, 103	Operating revenues	57,037,161	37,190,118
IAS 1.99, 103	Cost of sales	61,560,242	43,645,998
	Gross operating profit (loss)	(4,523,081)	(6,455,880)
IAS 1.99, 103	Distribution costs	14,686	160,100
	Administrative expenses	13,614,478	12,874,403
IAS 1. 82(a) IAS 1.99, 103	Financial revenues	1,427,730	810,830
IAS 1.82(b)	Financial expenses	2,392,379	914,852
IAS 1.85	Result before tax	(19,116,894)	(19,594,405)
IAS 1.82(d), IAS 12.77	Income tax expenses	(5,753,656)	(1,820,472)
	Net profit (loss)	(24,870,550)	(21,414,877)
	<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, 2017

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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 January 01, 2017 IFRS	601.685.084	164.870.831	1.972.406	225.401.804	16.088.620	(1.669.043.229)	(24.870.550)	(683.895.034)
Changes in equity - December 31, 2017								-
Transfer of surplus from revaluation reserves		(5.661.847)		5.661.847				-
Transfer of the result of the accounting year 2016 to the carried over result						(24.870.550)	24.870.550	-
Account closing - profit sharing								-
Registration of accounting errors from previous years to the carried over result						(108.558)		(108.558)
Net result of the current accounting year							(21.414.877)	(21.414.877)
Balance on December 31, 2017 - IFRS	601.685.084	159.208.984	1.972.406	231.063.651	16.088.620	(1.694.022.337)	(21.414.877)	(705.418.469)

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The legal reserves of *the Company* on December 31, 2017, 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, 2017 *the Company* has not yet reached the maximum level of the legal reserves.

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Statement of cash flows on December 31, 2017

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Designation of item	Row No.	Accounting year ended on:	
		December 31, 2016	December 31, 2017
A	B	1	2
OPERATING ACTIVITIES			
Net profit + Result carried over from correction of accounting errors	1	(19,167,661)	(19,702,963)
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	8,512,526	6,500,878
Adjusting the value of financial assets	3	377,524	(671,916)
Expenses (revenues) with adjustments for depreciation of current assets	4	6,252,066	(3,059,901)
Adjustments to the provisions for risks and expenses	5	(680,163)	118,697
Expenses with the donations granted	6	-	-
Revenues from interests and other financial income	7	(526,043)	(342,425)
Expenses with interests and other financial income	8	1,294,436	616,197
Cash flow before changes in working capital (row 1 to 8)	9	(3,937,315)	(16,541,433)
Decrease / (Increase) - customers and other assimilated accounts	10	(7,283,889)	(1,571,920)
Decrease / (Increase) in stocks	11	3,171,920	3,507,567
(Decrease) / Increase - suppliers and other assimilated accounts	12	3,945,804	13,046,650
Cash flow from operating activities (row 9 to 12)	13	(4,103,480)	(1,559,136)
Revenues from interests	14	1,425	621
(Net Increase) / Decrease in restraint cash	15	190,640	(50,412)
Cash flow obtained in operating activities (row 13 to 15)	16	(3,911,415)	(1,608,927)
INVESTING ACTIVITIES			
Cash payments for long-term purchasing of land and other assets	17	(50,836)	(58,300)
Revenues from dividends	18	12,000	14,591
Net cash used in investing activities (row 17+18)	19	(38,836)	(43,709)
FINANCING ACTIVITIES			
Subsidies granted	20	-	-
Net cash used in financing activities (row 20)	21	-	-
Net Increase / (Decrease) in cash and cash equivalents (row 16+19+21)	22	(3,950,251)	(1,652,636)
Cash and cash equivalents at the beginning of the year	23	5,903,885	1,953,634
Cash and cash equivalents at the end of the period (row 22+23)	24	1,953,634	300,998

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Economic - Financial Indicators on December 31, 2017

Indicator	Calculation method	Value
1. Current liquidity	1=2/3	0.09
2. Current assets (lei)	2	65,722,683
3. Current liabilities (lei)	3	707,313,673
4. Level of indebtedness	4=5/6	#N/A
5. Borrowed capital (lei)	5	0
6. Capital employed (lei)	6	(705,418,469)
7. Turnover ratio of customer debits (days)	7 =8/9 x 365	86
8. Average balance of trade receivables (lei)	8	8,730,670
9. Turnover (lei)	9	37,063,020
10. Turnover ratio of fixed assets (days)	10 = 11/12 x 365	1,756
11. Fixed assets (lei)	11	178,280,994
12. Turnover (lei)	12	37,063,020

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