



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

243 MIHAI BRAVU St., code 100410, PLOIESTI , PRAHOVA-ROMANIA

Phone: + 40(0)244 / 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro

**UNAUDITED FINANCIAL STATEMENTS
AT THE DATE OF
AND FOR THE THREE-MONTH PERIOD
ENDED ON MARCH 31, 2022**

**Drafted in accordance with the international financial reporting
standards adopted by the European Union**



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**UZTEL S.A.****OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro**Statement of the Individual Financial Position
for Accounting Reporting on 31.03.2022**

Assets	31-March	31 December
	<u>2022</u>	<u>2021</u>
	<u>lei</u>	<u>lei</u>
Long-term Assets		
Tangible assets	36.106.234	36.615.293
Intangible assets	48.044	56.207
Total long-term assets	<u>36.154.278</u>	<u>36.671.500</u>
Current assets		
Stocks	42.592.225	40.968.713
Trade receivables and other receivables	13.433.051	10.804.774
Cash and cash equivalents	96.329	358.763
Total current assets	<u>56.121.605</u>	<u>52.132.250</u>
Total Assets	<u>92.280.876</u>	<u>88.808.891</u>
Prepayments	<u>4.993</u>	<u>5.141</u>
	<u>56.126.598</u>	<u>52.137.391</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Equity	13.413.648	13.413.648
Adjustments of equity	3.453.860	3.453.860
Reserves from revaluation	31.085.275	31.432.792
Legal reserves	2.001.592	2.001.592
Other reserves	631.133	631.133
Result for the period	135.400	330.324
Result reported	(939.501)	(1.422.418)
Total Capital	<u>49.646.007</u>	<u>49.510.607</u>
Long term loans		
Loans	712.712	1.215.683
Trade payables and other payables	2.578.900	2.316.313
Other liabilities	4.226.477	4.599.383
Provisions	217.817	220.217
Total long-term liabilities	<u>7.735.906</u>	<u>8.351.596</u>
Current liabilities		
Trade payables	14.495.921	12.535.867
Loans	8.398.656	8.468.766
Income in advance	4.996.583	3.973.782
Other liabilities	7.007.803	5.968.273
Total current liabilities	<u>34.898.963</u>	<u>30.946.688</u>
Total debts	<u>42.634.869</u>	<u>39.298.284</u>
Total equity and liabilities	<u>92.280.876</u>	<u>88.808.891</u>

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for Accounting Reporting on 31.03.2022**

	<u>31-March</u> <u>2022</u> <u>lei</u>	<u>31-March</u> <u>2021</u> <u>lei</u>
Income	12.262.440	4.388.079
Other income	60.394	20.450
Other income/(loss) – net	2.400	-
Income cost of inventories of finished goods and Production in progress	2.202.702	2.021.598
Expenses with raw materials and consumables	(6.414.457)	(2.851.152)
Asset depreciation and amortization expense	(488.622)	(587.113)
Employee benefits expense	(5.765.359)	(4.077.430)
Expenses with Contributions to Social security and insurance of employees	(219.631)	(148.002)
Expenses with external supply	(821.515)	(564.890)
Other expenses	(504.060)	(419.778)
Operation profit	<u>314.292</u>	<u>(2.218.238)</u>
Financial income	55.494	56.473
Financial expenses	(234.386)	(237.210)
Financial result - net	<u>(178.892)</u>	<u>(180.737)</u>
Profit / (loss) before tax	<u>135.400</u>	<u>(2.398.975)</u>
Profit / (loss) for the period - net	<u>135.400</u>	<u>(2.398.975)</u>
Total consolidated income for the period	<u>135.400</u>	<u>(2.398.975)</u>
Earnings per Share	<u>0,03</u>	<u>(0,45)</u>
Number of shares	<u>5.365.459</u>	<u>5.365.459</u>



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Statement of Changes in Equity for Accounting Reporting on 31.03.2022

In LEI	Equity	Adjustment of equity	Legal reserve	Reserves from reassessment	Other reserves	Result reported	Total equity
Balance at 01 January 2022	13.413.648	3.453.860	2.001.592	31.432.792	631.133	(1.422.418)	49.510.607
Reserve Reclassification From Reassessment At reported Result	-	-	-	-	-	347.517	347.517
Net Profit for the period	-	-	-	-	-	135.400	135.400
Transfer between Equity accounts	-	-	-	(347.517)	-	-	(347.517)
Balance at 31 March 2022	13.413.648	3.453.860	1.985.076	32.090.274	631.133	(4.792.683)	46.781.308

As a result of applying IFRS beginning with the fiscal year 2012 were restated financial statements, resulting from the application of IAS 29 an inflation adjustment to equity of 3.453.860 lei .

No deferred tax adjustments for revaluation reserves for the period 01.01.2022 - 31.03.2022 have been calculated.



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**Individual statement of cash flows
for the accounting report on 31.03.2022**

in LEI	31-March 2022	31-March 2021
Net result for the period	135.400	(2.398.975)
Income tax expenses	-	-
Depreciation / impairment of long-term assets	488.622	587.113
Profit / (loss) from the sale of fixed assets	13.634	(6.468)
Adjustments for the impairment of receivables - clients	469.022	469.022
Interest expenses	(164.513)	(125.920)
Interest income	579	450
Profit / (loss) from the exchange rate variations	(14.963)	(55.768)
Movements in working capital	792.381	868.429
Increase / (decrease) trade receivables and other receivables	(2.628.277)	(167.954)
Increase / (decrease) of stocks	(1.623.512)	(1.542.651)
Increase / (decrease) in other current assets	148	(1.711)
Increase / (decrease) of commercial debt	(1.222.641)	(654.263)
Increase / (decrease) advance income recorded	(1.023.138)	(1.683.123)
Increase / (decrease) other liabilities	(870.471)	5.024.082
Cash used from operational activities	(7.367.891)	974.380
Interest paid	(164.513)	(125.920)
Cash generated from operating activities	(6.604.623)	(682.086)
Net cash from investments	(71.118)	(24.911)
Payment in cash for the purchase of fixed assets	(71.118)	(24.911)
Net cash from financing activities	6.413.307	(251.485)
Cash repayments of loans and credits	(251.485)	(251.485)
Cash receipts from loans and credits	6.664.792	-
Dividends paid	-	-
Net increase / (decrease) in cash and cash equivalents	(262.434)	(958.482)



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Continuation The individual situation of the cash flows

Cash and cash equivalents at the beginning of the period	358.763	1.286.319
Cash and cash equivalents at the end of the period	96.329	327.837
Net increase / decrease in cash and cash equivalents	(262.434)	(958.482)



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**Explanatory Notes to Financial Statements
for Accounting Reporting on 31.03.2022**

FIXED ASSETS - tangible

	Land	Machines and equipments	Other tangible assets	Tangible assets in progress	Advances for intangible assets	Total	Machines and equipments
Cost	Lei	Lei	Lei	Lei	Lei	Lei	Lei
Balance at 01 January 2022	16.342.931	30.995.658	37.240.338	166.042	2.520.113	20.363	87.285.445
Increases	-	-	-	-	-	-	-
Outputs	-	-	34.100	-	-	-	34.100
Balance on March 31 2022	16.342.931	30.995.658	37.206.238	166.042	2.520.113	20.363	87.251.345
Accumulated depreciation							
Balance at January 01 2022	-	20.601.179	29.945.780	123.193	-	-	50.670.152
Amortization of period	-	242.721	230.443	1.794	-	-	474.958
Amortization of outputs	-	-	-	-	-	-	237.500
Balance on March 31 2022	-	20.843.900	30.176.223	124.987	-	-	51.145.110
Adjustments							
Balance at January 01 2022	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance on March 31 2022	-	-	-	-	-	-	-
Net Book Value							
Balance at January 01 2022	16.342.931	10.394.479	7.294.558	42.849	2.520.113	20.363	36.615.293
Balance on March 31 2022	16.342.931	10.151.758	7.030.015	41.055	2.520.113	20.363	36.106.234



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Continued FIXED ASSETS – tangible

Between 1 January and 31 March 2022, the total value of the increases recorded in the accounting records for the "*Machinery and equipment*" class was 34.100 lei, representing the removal of the means of transport sold..



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FIXED ASSETS – Intangible

	Development expenses	Other intangible assets	Intangible assets in progress	Advances for intangible assets	Total
Cost	Lei	Lei	Lei		Lei
Balance on January 01, 2022	186.892	854.655	-	-	1.041.547
Increases	-	5.500	-	-	5.500
Outputs	-	-	-	-	-
Balance on March 31, 2022	186.892	860.155	-	-	1.047.047
Accumulated amortization					
Balance at 01 January, 2022	149.201	836.139	-	-	985.340
Amortization of period	3.891	9.772	-	-	13.663
Amortization of outputs	-	-	-	-	-
Balance at March 31, 2022	153.092	845.911	-	-	999.003
Net book value					
Balance at 01 January 2022	37.691	18.516	-	-	56.207
Balance at March 31, 2022	33.800	14.244	-	-	48.044

Between January 1 and March 31, 2022 the company purchased intangible assets in the amount of 5.500 lei, representing the license Endpoint Protection Standard.



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**Explanatory Notes to Financial Statements
for Accounting Reporting on 31.03.2022**

INVENTORY	<u>31-March</u>	<u>31-March</u>
	<u>2022</u>	<u>2021</u>
	<u>lei</u>	<u>lei</u>
Raw material	1.002.777	1.157.457
Additional material	455.283	496.952
Supply in progress	2.360	-
Fuels	42.292	21.672
Packaging materials	1.395	1.395
Spare parts	2.469.756	3.073.476
Other consumables	165.030	179.890
Inventory items	270.037	309.356
Product in progress	15.456.756	8.355.008
Semi- manufactured	2.938.350	3.135.300
Finished product	6.079.550	7.292.697
Difference of price of finished products	13.397.561	12.009.509
Packing	2.251	3.383
Residual products	10.576	2.592
Total	42.293.964	36.038.687
Advances for purchases of goods in the nature of stocks	298.261	262.603
Total General Stocks	42.592.225	36.301.290



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Explanatory Notes to Financial Statements for Accounting Reporting on 31.03.2022

Statement of cash and cash equivalents

	<u>31-March</u>	<u>31-March</u>
	<u>2022</u>	<u>2021</u>
	<u>lei</u>	<u>lei</u>
Cash and cash equivalent	96.329	327.837
Bank deposit	-	-
Cash and cash equivalent	96.329	327.837

The prudent management of liquidity risk implies maintaining sufficient cash in lei and foreign currency in the company's bank accounts.

There are no restrictions on cash accounts in banks.

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro**Explanatory Notes to Financial Statements
for Accounting Reporting on 31.03.2022****Trade receivables and other receivables**

	<u>31-March</u> <u>2022</u> <u>lei</u>	<u>31-March</u> <u>2021</u> <u>lei</u>
Trade receivables	12.006.029	4.168.370
Domestic Clients	4.716.811	2.653.856
External Clients	6.296.059	518.291
Uncertain customers, litigation	613.879	616.037
Debtor suppliers	379.280	380.186
Other receivables	1.896.044	1.710.545
Other fixed receivables (Guarantees of participation in the auction)	4.409	-
VAT to be recovered	-	199.835
Salary advance	14.000	15.980
Borrowers	1.417.695	1.046.425
Other receivables (VAT not required; Expenses recorded in advance and Settlements from operations being clarified)	459.940	448.305
Adjustments for impairment of trade receivables	(469.022)	(469.022)
Total trade receivables and other receivables	13.433.051	5.409.893
Prepaymentss	4.993	5.360

Adjustments for impairment of receivables-clients

	<u>31-March</u> <u>2022</u> <u>lei</u>	<u>31-March</u> <u>2021</u> <u>lei</u>
Balance at the beginning of the period	469.022	469.022
Established during the period	-	-
Resuming during the period	-	-
Total	469.022	469.022

The uncertain clients were recorded separately in the accounting records of the company.
The assessment of foreign currency denominated claims was made at the foreign exchange market rate communicated by the National Bank of Romania for the closing of March 2022.

The favourable or unfavourable exchange rate differences between the foreign exchange rate on which the foreign currency claims and the foreign exchange market rate communicated by the National Bank of Romania for the closing of March 2022 were recorded in the corresponding income or expense accounts of exchange rate differences, as the case.

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Situation of trade receivables and other receivables

	<u>31-March</u> <u>2022</u> <u>lei</u>	<u>31-March</u> <u>2021</u> <u>lei</u>
a) Situation of short-term debts		
Amounts owed to credit institutions	8.398.656	7.841.842
Advances collected for orders	4.996.583	1.927.972
Trade payables - suppliers	14.495.921	7.401.422
Other debts, including tax debts and social security debts	7.007.803	6.020.126
Total short-term debts	34.898.963	23.191.362
	<u>31-March</u> <u>2022</u> <u>lei</u>	<u>31-March</u> <u>2021</u> <u>lei</u>
a) Situation of long-term debts		
Amounts owed to credit institutions	712.712	1.718.650
Trade payables - suppliers	2.578.900	1.502.707
Other debts, including tax debts and social security debts	4.226.477	5.718.101
Provisions and earnings recorded in advance	217.817	225.017
Total long-term debts	7.735.906	9.164.475

Bank credit guarantee:

Bank loans granted through contracts no. 7793/4 and 7793/5 dated 23.01.2019 are guaranteed with real estate mortgages. The most recent valuation for banking purposes was performed in December 2020 by the company Mirva Revalcon Invest SRL Ploiesti, authorized appraiser, accredited member of ANEVAR, the market value of the mortgaged real estate being 32.673.140 lei.

For these mortgaged real estate was entered the insurance policy no. 2589664 / 26.05.2021, valid from 27.05.2021 until 26.05.2022 (for the insured amount of 27.993.950 lei).

In June 2019, the real estate guarantees were supplemented by the real estate mortgage contracts authenticated with the conclusions no. 2431 and no. 2433 dated 27.06.2019 with the following lands / access roads:

– land located in Ploiesti, str. Mihai Bravu, no. 243, Prahova county, with an area of 10.451 sq. m, having cadastral number 125199, registered in the Land Book no. 125 199;

– land located in Ploiesti, str. Mihai Bravu, no. 243, Prahova county, with an area of 8.131 sqm, having cadastral number 125189, registered in the Land Book no. 125 189.

This supplementation of the guarantees granted to the bank arose from the increase of the working capital threshold granted to the company by the Additional Act no. 1 / 27.06.2019 to the contract no. 7793/5 of 23.01.2019.



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**Explanatory Notes to Financial Statements
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Provisions

	<u>Balance at 1</u> <u>January</u> <u>2022</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Reductions</u> <u>lei</u>	<u>Balance at 31</u> <u>March 2022</u> <u>lei</u>
Provisions for litigations	220.217	-	2.400	217.817
Total	220.217	-	2.400	217.817

Income recorded in advance

	<u>Balance at 1</u> <u>January</u> <u>2022</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Reductions</u> <u>lei</u>	<u>Balance at 31</u> <u>March 2022</u> <u>lei</u>
Income recorded in advance	1.150	-	337	813
Total	1.150	-	337	813



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Share of Operating Revenues

31 March 2022	Value (lei)	Share of total revenue %	Share of turnover %
Revenue from the sale of finished products - internal	5.909.741	40,53	48,19
Revenue from the sale of finished products - abroad	6.026.693	41,33	49,15
Revenue from services rendered – external transport	475	-	-
Revenue from rental of oil machinery and equipment	150.344	1,03	1,23
Income from sale of goods	157.601	1,08	1,29
Income from different activities - Internal	17.586	0,12	0,14
Turnover - Total	12.262.440	84,10	100,00

Report on operating segment at March 31, 2022	Value (lei)	Share of total income %
Revenue from the sale of finished products - internal	5.909.741	40,53
Revenue from the sale of finished products - external	6.026.693	41,33
Income related to the cost of finished product stocks	2.021.598	13,86
Revenue from services rendered	18.061	0,12
Revenues from royalties, management locations and rents	150.344	1,03
Revenue from sale of goods	157.601	1,08
Total	14.284.038	97,96

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<i>March 31, 2021</i>	Value (lei)	Share of total revenue %	Share of turnover %
Revenue from the sale of finished products - domestic market	3.778.568	58,25	86,11
Revenue from the sale of finished products - abroad	575.595	8,87	13,12
Revenue from services rendered – external transport	21.748	0,34	0,50
Revenue from rental of oil machinery and equipment	11.821	0,18	0,27
Income from sale of goods	231	-	-
Income from different activities - Internal	116	-	-
Turnover - Total	4.388.079	67,65	100,00

Report on operating segment at 31 March 2021	Value (lei)	Share of total income %
Revenue from the sale of finished products - internal	3.778.568	58,25
Revenue from the sale of finished products - external	575.595	8,87
Income related to the cost of finished product stocks	2.021.598	31,17
Revenue from services rendered	21.864	0,34
Revenues from royalties, management locations and rents	11.821	0,18
Revenue from sale of goods	231	-
Total	6.409.677	98,81

**UZTEL S.A.****OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

243 MIHAI BRAVU St., code 100410, PLOIESTI , PRAHOVA-ROMANIA

Phone: + 40(0)244 / 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro**Explanatory Notes to Financial Statements
for Accounting Reporting on 31.03.2022**

Operation revenue	<u>3 months 2022</u>	<u>3 months 2021</u>
	<u>lei</u>	<u>lei</u>
Total operating income, of which	14.525.536	6.430.127
Turnover	12.262.440	4.388.079
Income related to the cost of finished product stocks and production in progress	2.202.702	2.021.598
Other operating income	60.394	20.450
Operating expenditures	<u>3 months 2022</u>	<u>3 months 2021</u>
	<u>lei</u>	<u>lei</u>
Total operating expenses, of which:	14.211.244	8.648.365
Raw material and consumables costs	4.299.836	2.148.649
Other material expenses	177.827	66.968
Other external expenses (power and water)	1.876.638	635.351
The expenditures on goods	60.156	184
Trade discounts received	5.984.990	4.225.432
Expenses with employees	488.622	587.113
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	(2.400)	-
Value adjustments on assets	1.325.575	984.668
Operation result	<u>3 months 2022</u>	<u>3 months 2021</u>
	<u>lei</u>	<u>lei</u>
Total operation result, of which :	314.292	(2.218.238)
Total Operating income	14.525.536	6.430.127
Total Operating expenditures	14.211.244	8.648.365

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Financial income	<u>3 months 2022</u> <u>lei</u>	<u>3 months 2021</u> <u>lei</u>
Total financial income, from what :	55.494	56.473
Income from exchange rate fluctuations	54.910	55.522
Interest income	579	450
Other incomes	5	501
Financial expenditures	<u>3 months 2022</u> <u>lei</u>	<u>3 months 2021</u> <u>lei</u>
Total Financial expenses , of which:	234.386	237.210
Interest charges	164.513	125.920
Other financial expenses	69.873	111.290
Financial result	<u>3 months 2022</u> <u>lei</u>	<u>3 months 2021</u> <u>lei</u>
Total financial result, of which:	(178.892)	(180.737)
Total financial income	55.494	56.473
Total financial expenses	234.386	237.210



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Explanatory Notes to Financial Statements for Accounting Reporting on 31.03.2022

INCOME TAX

The profit tax for the period 01.01.2022 – 31.03.2022 includes the current tax. Income tax is recognized in the statement of comprehensive income or in other components of comprehensive income, if the tax is attributable to equity.

Current income tax

Current tax is the tax payable on the taxable profit realized for the period 01.01.2022 – 31.03.2022, determined on the basis of the tax regulations applicable at the reporting date. The applicable corporate tax rate for the financial period from January 1, 2022 – March 31, 2022 was of 16 %.

31 March 2022

Expenditure on current income tax

0 lei



UZTEL S.A.

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**Economic and Financial Keys
for Accounting Reporting on 31.03.2022
according to Annex no. 13.A of the A.S.F. RULE no. 5/2018**

Economic - Financial Keys	31 March 2022	31 March 2021
Current Liquidity (general) - Current Assets / Current Liabilities	1,61	1,81
Debt grade - Borrowed capital / Equity * 100	1,44	3,67
- Borrowed Capital / Employed Capital * 100	1,42	3,54
Turning Speed Flows - Clients – Receivables / Turnover * 90 days	99 zile	111 zile
Turning Speed of Fixed Assets - Turnover/Fixed Assets	0,34	0,12

Current liquidity - provides the guarantee of covering current debts from current assets. The recommended acceptable value is about 2.

Liability degree - Expresses the effectiveness of credit risk management, indicating potential financing and liquidity problems, with influences in meeting the commitments assumed.

The rate of rotation of debts - clients - expresses the effectiveness of the company in collecting its receivables, respectively the number of days until the debtors pay their debts to the company.

Speed of rotation of fixed assets - expresses the effectiveness of fixed asset management by examining turnover.

Board of Directors,
Through CEO- Hagiu Neculai

Economic Director
Popescu Ileana

General Director,
Anghel George Marinelo

Head of Gen. Acct. Dept,
Duta Heroiu Maria Carmen