



UZTEL S.A.
OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS
243 MIHAI BRAVU St., code 100410, PLOIESTI , PRAHOVA-ROMANIA
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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro

**UNAUDITED INTERIM STATEMENTS
AT THE DATE OF
AND FOR THE NINE MONTHS PERIOD
ENDED ON 30 SEPTEMBER 2022**

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



CONTENT:

I. Interim Statement of the Individual Financial Position

II. Interim statement of comprehensive income

III. Interim Statement of Changes in Equity

IV. Interim Statement of Cash Flows

V. Explanatory Notes to Interim Financial Statements



Statement of the Individual Financial Position for Accounting Reporting on 30.09.2022

In LEI	<u>30-September 2022</u>	<u>31-December 2021</u>
Long-term Assets		
Tangible assets	35.875.212	36.615.293
Intangible assets	30.095	56.207
Total long-term assets	<u>35.905.307</u>	<u>36.671.500</u>
Current assets		
Stocks	40.057.762	40.968.713
Trade receivables and other receivables	12.360.548	10.809.915
Cash and cash equivalents	307.770	358.763
Total current assets	<u>52.726.080</u>	<u>52.137.391</u>
Total Assets	<u>88.631.387</u>	<u>88.808.891</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	13.413.648	13.413.648
Adjustments of capital	3.453.860	3.453.860
Reserves	32.537.859	34.065.517
Result for the period	(7.772.545)	330.324
Result reported	(7.792.905)	(1.422.418)
Total Equity	<u>41.612.462</u>	<u>49.510.607</u>
Long term loans		
Loans	209.743	1.215.683
Trade payables and other payables	9.050.996	6.915.696
Provisions for disputes	216.077	220.217
Total long-term liabilities	<u>9.476.816</u>	<u>8.351.596</u>
Current liabilities		
Trade payables	13.722.352	12.535.867
Loans	8.917.461	8.468.766
Income in advance	7.144.281	3.973.782
Other liabilities	7.758.015	5.968.273
Total current liabilities	<u>37.542.109</u>	<u>30.946.688</u>
Total debts	<u>47.018.925</u>	<u>39.298.284</u>
Total equity and liabilities	<u>88.631.387</u>	<u>88.808.891</u>



**Statement of comprehensive income
for Accounting Reporting on 30.09.2022**

In LEI	30-September 2022	30-September 2021
Income	30.724.458	19.338.486
Other income	84.454	171.562
Other gain/(loss) -net	4.140	4.000
Income cost of inventories of finished goods and Production in progress	1.088.202	6.684.937
Expenses with raw materials and consumables	(15.237.964)	(12.578.863)
Asset depreciation and amortization expense	(1.356.077)	(1.725.878)
Employees expenses	(18.050.134)	(13.812.029)
Expenses with external supply	(2.725.932)	(2.348.017)
Other expenses	(1.546.907)	(982.332)
Operation profit	<u>(7.015.760)</u>	<u>(5.248.134)</u>
Financial income	371.741	157.537
Financial expenses	1.128.526	639.434
Financial costs - net	<u>(756.785)</u>	<u>(481.897)</u>
Profit / (loss) before tax	<u>(7.772.545)</u>	<u>(5.730.031)</u>
Profit / (loss) for the period - net	<u>(7.772.545)</u>	<u>(5.730.031)</u>
Total consolidated income for the period	<u>(7.772.545)</u>	<u>(5.730.031)</u>
Earnings per Share	<u>(1,45)</u>	<u>(1,07)</u>
Number of shares	<u>5.365.459</u>	<u>5.365.459</u>



Statement of Changes in Equity
for Accounting Reporting on 30.09.2022

In LEI	Equity	Adjustment of equity	Legal reserve	Reserves from reassessment	Other reserves	Result reported	Total equity
balance at 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	-	-	-	-	-	1.527.658	1.527.658
Net Profit of period	-	-	-	-	-	(7.772.545)	(7.772.545)
The carried forward result from the correction of accounting errors	-	-	-	-	-	(125.600)	(125.600)
Transfers between equity accounts	-	-	-	(1.527.658)	-	-	(1.527.658)
Balance at 30 September 2022	13.413.648	3.453.860	2.001.592	29.905.134	631.133	(7.792.905)	41.612.462

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 – 30.09.2022 have been calculated.



Statement of cash flows for the accounting report on 30.09.2022

In LEI	<u>30-September</u> <u>2022</u>	<u>30-September</u> <u>2021</u>
Net result for the period	(7.772.545)	(5.730.031)
Depreciation / impairment of long-term assets	1.356.077	1.725.878
Profit / (loss) from the sale of fixed assets	227.240	(137.439)
Adjustments for the impairment of receivables - clients	469.022	473.022
Interest expenses	(617.129)	(373.980)
Interest income	1.310	1.264
Profit / (loss) from the sale of fixed assets	(140.270)	(116.262)
Movements in working capital	1.296.250	1.572.483
Increase / (decrease) trade receivables and other receivables	(1.552.521)	2.027.151
Increase / (decrease) of stocks	910.951	5.388.022
Increase / (decrease) in other current assets	1.888	(4.247)
Increase / (decrease) of commercial debt	(3.321.785)	2.243.841
Increase / (decrease) advance income recorded	2.174.424	(1.012)
Increase / (decrease) other liabilities	1.789.742	(5.410.291)
Cash used from operational activities	2.699	4.243.464
Interest paid	(617.129)	(373.980)
Cash generated from operating activities	(7.090.725)	(288.064)
Net cash from investment activities	(200.793)	(276.009)
Cash payment for the purchase of fixed assets	(200.793)	(276.009)
Net cash from financing activities	7.240.525	(564.534)
Cash repayments of loans and credits	(754.454)	(754.454)
Cash receipts from loans and credits	7.995.221	189.962
Dividends paid	(242)	(42)
Net increase / (decrease) in cash and cash equivalents	(50.993)	(1.128.607)



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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	307.770	157.712
Net increase/decrease in cash and cash equivalents	(50.993)	(1.128.607)



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**FIXED ASSETS -tangible for Accounting Report at
30.09.2022**

	land	Buildings and constructions	Machines and equipment	Other tangible assets	Tangible assets in progress	Advances for intangible assets	Total
Cost	Lei	Lei	Lei	Lei	Lei	Lei	Lei
Balance at 01 January 2022	16.342.931	30.995.658	37.240.338	166.042	2.520.112	20.363	87.285.444
Increases	-	995.888	-	-	-	-	995.888
Outputs	125.600	1.037.100	152.600	-	-	-	1.315.300
Balance at 30 September 2022	16.217.331	30.954.446	37.087.738	166.042	2.520.112	20.363	86.966.032
Accrued depreciation							
Balance at 01 January 2022	-	20.601.179	29.945.780	123.193	-	-	50.670.152
Amortization of period	-	673.628	645.453	5.383	-	-	1.324.464
Amortization of outputs	-	794.896	108.900	-	-	-	903.796
Balance at 30 September 2022	-	20.479.911	30.482.333	128.576	-	-	51.090.820
Adjustments							
Balance at 01 January 2022	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance at 30 September 2022	-	-	-	-	-	-	-
Net book value							
Balance at 01 January 2022	16.342.931	10.394.479	7.294.558	42.849	2.520.112	20.363	36.615.293
Balance at September 30, 2022	16.217.331	10.474.535	6.605.405	37.466	2.520.112	20.363	35.875.212



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In the period January 1 - September 30, 2022, the total value of the increases recorded in the accounting records for the "Buildings and constructions" class was 995.888 lei, representing the value of buildings registered in the company's assets according to Evaluation Report no. 890/2022 following the fiscal inspection carried out by the Ploiesti Local Finance Public Service between February and May 2022.

In the period January 1 - September 30, 2022, the total value of the decreases recorded in the accounting records for the "Lands" class was 125.600 lei representing the accounting value correction following the fiscal inspection carried out by the Ploiesti Local Public Finance Service in the period February - May 2022.

In the period January 1 - September 30, 2022, the total value of the decreases recorded in the accounting records for the "Buildings and constructions" class was 1.037.100 lei, representing the removal of the dormitory building from the records following the fiscal inspection carried out by the Ploiesti Local Public Finance Service during the period February – May 2022.

In the period January 1 - September 30, 2022, the total value of the decreases recorded in the accounting records for the "Machines and equipment" class was 152.600 lei, representing the removal from the record of scrapped fixed assets.



FIXED ASSETS - Intangible for Accounting Reporting on 30.09.2022

	Development expenses	Other intangible assets	Intangible assets in progress	Total
Cost	Lei	Lei	Lei	Lei
Balance at January 01, 2022	186.892	854.656	-	1.041.548
Inputs	-	5.500	-	5.500
Outputs	-	-	-	-
Balance at September 30, 2022	186.892	860.156	-	1.047.048
Accrued depreciation				
Balance at 01 January 2022	149.201	836.140	-	985.341
Amortization of period	11.673	19.939	-	31.612
Amortization of outputs	-	-	-	-
Balance at 30 September 2022	160.874	856.079	-	1.016.953
Net book value				
Balance at 01 January 2022	37.691	18.516	-	56.207
Balance at September 30, 2022	26.018	4.077	-	30.095

Between January 1 and September 30, 2022, the company purchased intangible assets worth 5.500 lei, representing the ESET Endpoint antivirus license, worth 5.500 lei.



Explanatory Notes to Interim Financial Statements for The Accounting Report on 30.09.2022

In LEI	<u>30 September</u> <u>2022</u>	<u>31 December</u> <u>2021</u>
Raw material	955.395	1.051.539
Additional material	251.382	426.915
Fuels	10.338	33.984
Packaging materials	1.395	1.395
Spare parts	2.339.307	2.725.594
Other consumables	162.379	169.259
Inventory items	235.060	281.336
Product in progress	14.249.924	13.847.657
Semi- manufactured	2.546.068	3.095.553
Finished product	5.601.065	7.264.356
Difference of price of finished products	13,523,485	11,762,126
Packing	695	2.911
Residual products	10.000	19.000
Total	39.886.493	40.681.625
Advances for purchases assets such as stocks	171.269	287.088
Total General Stocks	40.057.762	40.968.713



Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2022

Individual Statement of Cash Flows and cash equivalent

In LEI	<u>30-September</u> <u>2022</u>	<u>31-December</u> <u>2021</u>
Cash and cash equivalent	307.770	358.763
Bank deposit	-	-
Cash and cash equivalent	307.770	358.763

From the point of view of the Cash Flow Statement, it is considered that:

- Cash is the cash in the cashier and current bank accounts;
- Cash equivalents are fiscal and postage stamps.

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.



Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2022

Trade receivables and other receivables

	<u>Balance at 30 September 2022</u> <u>lei</u>	<u>Balance at 01 January 2022</u> <u>lei</u>
Trade receivables	11.760.635	9.191.125
Domestic Client	5.758.360	4.780.032
External Client	5.012.001	3.419.886
Doubtful client, litigation	611.534	614.293
Borrowers' suppliers	378.740	376.914
Other receivables	1.068.935	2.087.812
Wage advance	7.450	16.800
Borrowers	473.738	1.594.858
Other receivables (VAT not required; Expenses recorded in advance and Settlements from operations under clarification)	587.747	476.154
Adjustments for impairment of receivables- clients	(469.022)	(469.022)
Total trade receivables and other receivables	12.360.548	10.809.915

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Total trade receivables and other receivables	Balance at 30.09.2022	From what pending		
		31-90 days	91-120 days	> 120 days
1.Domestic Client	5.699.461,63	1.634.653,32	130.799,07	1.980.111,48
2. External Client	5.012.000,57	615.320,08	59.006,38	4.087.462,18
3. Doubtful internal clients	611.534,26	-	-	611.534,26
4. Adjustment for depreciation	(469.022,17)	-	-	(469.022,17)
5. Debtor suppliers	378.739,71	-	-	376.913,73
Net receivables	11.232.714,00	2.249.973,40	189.805,45	6.586.999,48

The amount of 587.747 lei registered in the "Other receivables" account refers to:



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- account 438 (Other social debts - medical leave) = 247.436 lei;
- account 4412 (Claims on deferred tax) = 7.557 lei;
- account 4428 (VAT not chargeable) = 318.567 lei;
- account 471 (Expenses recorded in advance-subscriptions for publications and Telekom) = 3.523 lei;
- account 473 (Settlements from operations being clarified) = 10.934 lei.

Uncertain clients were registered separately in the accounting records of the company.

The assessment of the debts expressed in foreign currency was made at the exchange rate communicated by the National Bank of Romania for the close of September 2022.

The differences of the favourable or unfavourable exchange rate between the exchange rate market at which the debt claims are registered and the exchange rate communicated by the National Bank of Romania for the close of September 2022 were recorded in the corresponding accounts of income or expenses due to exchange rate differences, as applicable.



Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2022

Situation of commercial debts and other debts

	<u>Balance at 30 September</u> <u>2022</u> <u>lei</u>	<u>Balance at 01 January</u> <u>2022</u> <u>lei</u>
a) Situation of short-term debts		
Amounts owed to credit institutions	8.917.461	8.468.766
Advances collected for orders	7.144.281	3.973.782
Trade payables - suppliers	13.722.352	12.535.867
Other debts, including tax debts and social security debts	7.758.015	5.968.273
Total short-term debts	37.542.109	30.946.688

	<u>Balance at 30 September</u> <u>2022</u> <u>lei</u>	<u>Balance at 01 January</u> <u>2022</u> <u>lei</u>
a) Situation of long-term debts		
Amounts owed to credit institutions	209.743	1.215.683
Trade payables - suppliers	2.874.511	2.316.313
Other debts including tax debts and social security contributions due	6.176.485	4.599.383
Provisions and prepayments and earnings recorded in advance	216.077	220.217
Total long-term debts	9.476.816	8.351.596

The sum of 7.758.015 lei registered in the account "*Other debts, including tax liabilities and social security debts*" refers to:

- the amounts from the account 462 (various creditors - rescheduling agreements)= 567.813,46 lei;
- account 457 dividends = 1.569.741 lei, of which rescheduling agreements 1.007.874,37 lei;
- account 446 (other taxes, taxes and assimilated payments) = 696.528 lei ;
- current budgetary debts = 3.507.715,81 lei;
- current salary debts = 1.416.458,29 lei.

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Continued of Situation of debts and other debts

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Situation of trade debts and other debts	balance at	from what pending		
	30.09.2022	31-90 days	91-120 days	> 120 days
1. Internal suppliers	14.349.484,26	2.427.371,45	2.190.081,86	6.471.161,47
2. External suppliers	2.218.199,02	210.761,12	104.358,40	593.820,51
3. Creditor Clients	6.148.205,97	-	-	-
Net debts	22.715.889,25	2.638.132,57	2.294.440,26	7.064.981,98

Bank loans guarantees:

Bank loans granted through contracts no. 7793/4 and 7793/5 from 23.01.2019 are guaranteed with real estate mortgages. The latest evaluation for banking purposes was carried out in May 2022 by the company Mirva Revalcon Invest SRL Ploiesti, authorized evaluator, accredited member ANEVAR, market value of the assessed properties being of 28.320.240 lei.

For these mortgaged properties were concluded: - insurance policy series CCPJ no. 22061931283 from 22.06.2022, valid from 23.06.2022 until 22.06.2023 (for the sum insured of 28.320.240 lei). In June 2019 the real estate guarantees were supplemented by the Real Estate Mortgage Contracts authenticated with the no. 2431 and no. 2433 from 27.06.2019 with the following lands / access roads:

- land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova County, with an area of 10.451 sqm, with cadastral number 125199, registered in the Land Book no. 125199;
 - land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova County, with an area of 8,131 sqm, with cadastral number 125189, registered in the Land Book no. 125189.
- This supplement of the guarantees granted to the bank resulted from the increase of the working capital amount granted to the company by the Additional Act no. 1 / 27.06.2019 to the contract no. 7793/5 of 23.01.2019.



Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2022

Provisions

In LEI	<u>Balance at January 1st, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 30 September 2022</u>
Provisions for disputes	220.217	-	4.140	216.077
Provisions for guarantees granted to clients	-	-	-	-
Total	220.217	-	4.140	216.077

Income registered in advance

In LEI	<u>Balance at January 1st, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 30 septembrie 2022</u>
Income registered in advance	1.150	995.888	962	996.076
Total	1.150	995.888	962	996.076



Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2022

OPERATION RESULT	<u>9 months</u> <u>2022</u> <u>lei</u>	<u>9 months</u> <u>2021</u> <u>lei</u>
Total operating income, of which:	26.194.985	26.194.985
Turnover	30.724.458	19.338.486
Income related to the cost of finished product stocks and production in progress	1.088.202	6.684.937
Other operation income	84.454	171.562
OPERATION EXPENSES		
	<u>9 months</u> <u>2022</u> <u>lei</u>	<u>9 months</u> <u>2021</u> <u>lei</u>
Total operating expenses, of which:	38.912.874	31.443.119
Raw material and consumables costs	11.785.591	10.598.236
Other material expenses	424.833	264.104
Other external expenses	2.932.968	1.685.878
The expenditures on goods	94.885	30.645
Trade discounts received	313	-
Expenses with employees	18.050.134	13.812.029
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	1.356.077	1.725.878
Other operation expenses	4.272.839	3.330.349
Adjustments for provisions	(4.140)	(4.000)
FINANCIAL INCOME		
	<u>9 months</u> <u>2022</u> <u>lei</u>	<u>9 months</u> <u>2021</u> <u>lei</u>
Total financial income, of which	371.741	157.537
Income from exchange rate fluctuations	370.239	149.163
Interest income	1.310	1.264
Other incomes	192	7.110
FINANCIAL EXPENSES		
	<u>9 months</u> <u>2022</u> <u>lei</u>	<u>9 months</u> <u>2021</u> <u>lei</u>
Total Financial expenses, of which:	1.128.526	639.434
Interest charges	617.129	373.980
Other financial expenses	511.397	265.454



Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2022

INCOME TAX

The profit tax for the period 01.01.2022 – 30.09.2022 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 January 2022 – 30 September 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 – September 30, 2022 worth 16%.

30 September 2022

Expenditure on current income tax

0 lei



Annex No. 13 of ASF Rule nmb. 5 / 2018
Economic and Financial Indicators
for Accounting Reporting on 30.09.2022

Economic - Financial Indicators	30.09.2022	30.09.2021
Current Liquidity (general) - Current Assets / Current Liabilities	1,44	1,47

The current - general liquidity registered on 30.09.2022 is 1,44 and represents the degree of current debt coverage through the current assets owned by the company.

Indebtedness degree - Borrowed capital / Equity * 100	21,93	22,27
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The indebtedness of the company increased to 21,93% and represents the share held by the borrowed capital - in the employed capital (equity).

Duration of receivables recovery - Receivables / Turnover * 270 days	109 days	101 days
Rotation speed of customers - client's liabilities - Average customer balance / Turnover * 270 days	82 days	56 days

It expresses the efficiency of the company in collecting its debts, respectively the number of days until the date on which the debtors pay their debts to the company.

Rotation speed of fixed assets - Turnover / Fixed assets	0.86	0.52
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It expresses the efficiency of the management of the fixed assets, by examining the turnover generated by a certain amount of fixed assets

General Director,
Eng. Anghel George Marinelo

Economic Director,
Ec. Popescu Ileana

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