



**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](http://www.uztel.ro)

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**UNAUDITED FINANCIAL STATEMENTS  
AT THE DATE OF  
AND FOR THE THREE-MONTH PERIOD  
ENDED ON 31 MARCH 2020**

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



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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Statement of the Individual Financial Position  
for Accounting Reporting on 31.03.2020**

<b>Assets</b>	<b><u>31-March</u></b>	<b><u>31 December</u></b>
	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
<b>Long-term Assets</b>		
Tangible assets	39.467.077	40.879.834
Intangible assets	121.192	80.115
<b>Total long-term assets</b>	<b><u>39.588.269</u></b>	<b><u>40.959.949</u></b>
<b>Current assets</b>		
Stocks	38.524.230	40.547.659
Trade receivables and other receivables	11.024.181	9.372.388
Cash and cash equivalents	192.660	1.971.169
<b>Total current assets</b>	<b><u>49.741.071</u></b>	<b><u>51.891.216</u></b>
<b>Total Assets</b>	<b><u>89.333.604</u></b>	<b><u>92.855.500</u></b>
<b>Prepayments</b>	<b><u>4.264</u></b>	<b><u>4.335</u></b>
	<b><u>49.745.335</u></b>	<b><u>51.895.551</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Equity	13.413.648	13.413.648
Adjustments of equity	3.453.860	3.453.860
Reserves from revaluation	33.067.158	34.439.105
Legal reserves	1.985.076	1.985.076
Other reserves	631.133	631.133
Result for the period	(5.443.614)	584.808
Result reported	5.326.968	9.398.635
<b>Total Capital</b>	<b><u>57.877.843</u></b>	<b><u>63.321.457</u></b>
<b>Long term loans</b>		
Loans	2.724.589	2.976.073
Trade payables and other payables	280.995	357.419
Provisions	241.307	241.307
<b>Total long-term liabilities</b>	<b><u>3.246.891</u></b>	<b><u>3.574.799</u></b>
<b>Current liabilities</b>		
Trade payables	12.975.610	13.392.009
Loans	7.640.911	26.967.761
Income in advance	1.745.548	1.297.948
Other liabilities	5.846.801	4.301.526
<b>Total current liabilities</b>	<b><u>28.208.870</u></b>	<b><u>25.959.244</u></b>
<b>Total debts</b>	<b><u>31.455.761</u></b>	<b><u>29.534.043</u></b>
<b>Total equity and liabilities</b>	<b><u>89.333.604</u></b>	<b><u>92.855.500</u></b>

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Statement of comprehensive income  
for Accounting Reporting on 31.03.2020**

	<u>31-March</u> <u>2020</u> <u>lei</u>	<u>31-March</u> <u>2019</u> <u>lei</u>
Income	12.760.326	14.246.237
Other income	(2.059.106)	855.807
Income cost of inventories of finished goods and Production in progress	(853.688)	4.910.222
Expenses with raw materials and consumables	(6.512.121)	(10.136.586)
Asset depreciation and amortization expense	(639.826)	(864.000)
Employee benefits expense	(6.554.493)	(6.087.488)
Contributions to Social security and insurance of employees	(243.999)	(192.052)
Expenses with external supply	(1.035.755)	(1.881.517)
Other expenses	(1.037.095)	(627.971)
<b>Operating profit</b>	<b><u>(5.175.757)</u></b>	<b><u>222.652</u></b>
Financial income	102.301	189.802
Financial expenses	(370.158)	298.690
<b>Financial result - net</b>	<b><u>(267.857)</u></b>	<b><u>(108.888)</u></b>
<b>Profit / ( loss ) before tax</b>	<b><u>(5.443.614)</u></b>	<b><u>113.764</u></b>
<b>Profit / ( loss ) for the period - net</b>	<b><u>(5.443.614)</u></b>	<b><u>113.764</u></b>
<b>Total consolidated income for the period</b>	<b><u>(5.443.614)</u></b>	<b><u>113.764</u></b>
<b>Earnings per Share</b>	<b><u>(1,01)</u></b>	<b><u>0,02</u></b>
<b>Number of shares</b>	<b><u>5.365.459</u></b>	<b><u>5.365.459</u></b>

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Statement of Changes in Equity  
for Accounting Reporting on 31.03.2020**

In LEI	Equity	Adjustment of equity	Legal reserve	Reserves from reassessment	Other reserves	Result reported	Total equity
<b>Balance at 01 January 2020</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.985.076</b>	<b>34.439.105</b>	<b>631.133</b>	<b>9.398.635</b>	<b>63.321.457</b>
Reserve Reclassification From Reassessment At reported Result	-	-	-	-	-	<b>1.371.947</b>	<b>1.371.947</b>
Net Profit for the period	-	-	-	-	-	<b>(5.443.614)</b>	<b>(5.443.614)</b>
Transfer between Equity accounts	-	-	-	<b>(1.371.947)</b>	-	-	<b>(1.371.947)</b>
<b>Balance at March 31 2020</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.955.836</b>	<b>33.067.158</b>	<b>631.133</b>	<b>5.326.968</b>	<b>57.877.843</b>

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 01.01.2020 - 31.03.2020 have been calculated.



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**Individual statement of cash flows  
for the accounting report on 31.03.2020**

<b>In LEI</b>	<b><u>31-March 2020</u></b>	<b><u>31-March 2019</u></b>
<b>Net result for the period</b>	<b>(5.443.614)</b>	<b>113.764</b>
Depreciation / impairment of long-term assets	639.826	864.000
Profit / (loss) from the sale of fixed assets	500.188	31.616
Adjustments for the impairment of receivables - clients	1.546.766	1.546.766
Interest expenses	(264.248)	(141.025)
Interest income	744	920
Profit / (loss) from the exchange rate variations	(13.220)	31.218
<b>Movements in working capital</b>	<b>2.410.056</b>	<b>2.333.495</b>
Increase / (decrease) trade receivables and other receivables	(1.650.734)	(1.494.140)
Increase / (decrease) of stocks	2.023.428	(3.402.826)
Increase / (decrease) in other current assets	71	(1.073)
Increase / (decrease) of commercial debt	535.514	1.489.541
Increase / (decrease) advance income recorded	(447.600)	232.722
Increase / (decrease) other liabilities	(1.545.328)	3.068
<b>Cash used from operational activities</b>	<b>(1.084.649)</b>	<b>(3.172.708)</b>
Interest paid	(264.248)	(141.025)
<b>Cash generated from operating activities</b>	<b>(4.382.455)</b>	<b>(866.474)</b>
<b>Net cash from investment activities</b>	<b>(206.895)</b>	<b>(230.850)</b>
Cash payment for the purchase of fixed assets	(206.895)	(230.850)
<b>Net cash from financing activities</b>	<b>2.810.893</b>	<b>105.333</b>
Cash repayments of loans and credits	(167.656)	(4.214.534)
Cash receipts from loans and credits	2.978.709	4.320.171
Dividends paid	(160)	(304)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1.778.457)</b>	<b>(991.991)</b>



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**Continuation The individual situation of the cash flows**

Cash and cash equivalents at the beginning of the period	1.971.117	1.330.657
Cash and cash equivalents at the end of the period	192.660	338.666
Net increase / decrease in cash and cash equivalents	(1.778.457)	(991.991)



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**Explanatory Notes to Financial Statements  
for Accounting Reporting on 31.03.2020**

**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 January 01 2020	16.537.802	32.061.723	36.218.540	166.042	2.546.484	161.791	87.692.382
Increases	-	-	68.004	-	-	-	68.004
Outputs	194.871	1.066.065	-	-	-	18.308	1.279.244
Balance on March 31 2020	16.342.931	30.995.658	36.286.544	166.042	2.546.484	143.483	86.481.142
<b>Accumulaed depreciation</b>							
Balance at January 01 2020	-	18.387.041	28.316.670	108.837	-	-	46.812.548
Amortization of period	-	350.207	266.968	1.794	-	-	618.969
Amortization of outputs	-	417.452	-	-	-	-	417.452
Balance on March 31 2020	-	18.319.796	28.583.638	110.631	-	-	47.014.065
<b>Adjustments</b>							
Balance at January 01 2020	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance on March 31 2020	-	-	-	-	-	-	-
<b>Net book value</b>							
Balance at January 01 2020	16.537.802	13.674.682	7.901.870	57.205	2.546.484	161.791	40.879.834
Balance on March 31 2020	16.342.931	12.675.862	7.702.906	55.411	2.546.484	143.483	39.467.077





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### **Continued FIXED ASSETS - tangible**

Between 1 January and 31 March 2020, the total value of the increases recorded in the accounting records for the "Machinery and equipment" class was 68.004 lei including:

- HP 14 "ProBook 440 G6 laptop, FHD, IntelA Korea processor, Microsoft Office Home and Business 2019 ENG 32 bitX64, worth 3.663 lei;
- Standard measuring head for BRINELL portable KIM 3000 KG hardness meter, worth 13.990 lei;
- Stand with 20 " opening with skylight for portable hardness meter KING 3000 KG opening 6", worth 13.719 lei;
- BENCHDOT 150-150E marking equipment, worth 36.632 lei

Between January 1 and March 31, 2020, the total value of the decreases registered in the accounting records for the "Land" class was of 194.871 lei, representing the removal from the land records in the area of 2.159 sq m sold according to the sale contract no. 571 / 02.19.2020.

Between January 1 and March 31, 2020, the total value of the decreases registered in the accounting records for the class "Buildings and constructions" was 1.066.065 lei, representing removal from records of the construction-club record, sold according to the sale contract no. 571 / 02.19.2020.

The advances for tangible fixed assets registered in the period January 1 - March 31, 2020 a decrease in the amount of 18.308 lei, representing the reversal of the advance paid to the supplier for the purchase of BENCHDOT 150-150<sup>E</sup> marking equipment.

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	<b>Development expenses</b>	<b>Other intangible assets</b>	<b>Intangible assets in progress</b>	<b>Advances for intangible assets</b>	<b>Total</b>
<b>Cost</b>	<b>Lei</b>	<b>Lei</b>	<b>Lei</b>		<b>Lei</b>
Balance on January 01, 2020	184.021	701.192	-	-	885.213
Increases	-	61.933	-	-	61.933
Outputs	-	-	-	-	-
Balance on March 31, 2020	184.021	763.125	-	-	947.146
<b>Accumulated amortization</b>					
Balance at 01 January, 2020	117.582	687.516	-	-	805.098
Amortization of period	1.261	19.595	-	-	20.856
Amortization of outputs	-	-	-	-	-
Balance at March 31, 2020	118.843	707.111	-	-	825.954
<b>Net book value</b>					
Balance at 01 January 2020	66.439	13.676	-	-	80.115
Balance at March 31, 2020	65.178	56.014	-	-	121.192

Between January 1 and March 31, 2020, the company purchased intangible assets in the amount of 61.933 lei, representing Technical Support for the integrated program SIVECO Applications 2020, in the amount of 54.958 lei and renewal of the ESET Endpoint Protection Standard antivirus license, in the amount of 6.975 lei.



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<b>INVENTORY</b>	<b><u>31-March</u></b>	<b><u>31-March</u></b>
	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
Raw material	1.432.624	1.431.827
Additional material	672.302	766.093
Fuels	15.886	22.333
Packaging materials	1.468	1.784
Spare parts	3.315.432	3.334.679
Other consumables	182.765	199.418
Inventory items	337.242	370.367
Product in progress	8.690.863	11.626.206
Semi- manufactured	3.629.708	2.994.309
Finished product	9.571.973	9.216.729
Difference of price of finished products	10.395.884	9.431.570
Packing	3.524	4.983
Residual products	10.008	26.033
<b>Total</b>	<b>38.259.679</b>	<b>39.426.331</b>
Advances for purchases assets such as stocks	264.551	264.025
<b>Total General Stocks</b>	<b>38.524.230</b>	<b>39.690.356</b>



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	<u>31-March</u> <u>2020</u> <u>lei</u>	<u>31-March</u> <u>2019</u> <u>lei</u>
Cash and cash equivalent	192.660	338.666
Bank deposit	0	0
<b>Cash and cash equivalent</b>	<b>192.660</b>	<b>338.666</b>

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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<b>Trade receivables and other receivables</b>	<u><b>31-March</b></u> <u><b>2020</b></u> <u><b>Lei</b></u>	<u><b>Balance at</b></u> <u><b>01 January</b></u> <u><b>2020</b></u> <u><b>Lei</b></u>
<b>Trade receivables</b>	<b>10.219.199</b>	<b>9.344.951</b>
Domestic client	4.891.072	3.428.879
External client	1.103.636	1.689.888
Doubtful client, litigation	3.845.516	3.848.324
Suppliers borrowers	378.975	377.860
<b>Other receivables</b>	<b>2.351.748</b>	<b>1.574.203</b>
Other non-current receivables (Goodwill guarantees OMV Petrom Bucharest)	23.717	23.717
VAT to be recovered	-	78.136
Wage advance	8.457	8.458
Borrowers	1.485.624	806.841
Irredeemable loans similar to subsidies	122.365	-
Other receivables (due VAT, prepayments and payments for operations in clearing)	711.585	657.051
<b>Adjustments for impairment of receivables-clients</b>	<b>(1.546.766)</b>	<b>(1.546.766)</b>
<b>Total trade receivables and other receivables</b>	<b>11.024.181</b>	<b>9.372.388</b>
<b>Prepayments</b>	<b>4.264</b>	<b>4.335</b>
<b>Adjustments for impairment of receivables-clients</b>	<u><b>31-March</b></u> <u><b>2020</b></u> <u><b>lei</b></u>	<u><b>Balance at January 01</b></u> <u><b>2020</b></u> <u><b>lei</b></u>
<b>Balance at the beginning of the period</b>	<b>1.546.766</b>	<b>1.546.766</b>
Established during the period	-	-
Resuming during the period	-	-
<b>Total</b>	<b>1.546.766</b>	<b>1.546.766</b>

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 2020.  
 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 2020 were recorded in the corresponding income or expense accounts of exchange rate differences, as the case.

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## Explanatory Notes to Financial Statements for Accounting Reporting on 31.03.2020

### Situation of trade receivables and other receivables

	<u>31-March</u> <u>2020</u> <u>lei</u>	<u>Balance at</u> <u>January 01</u> <u>2020</u> <u>lei</u>
<b>a) Situation of short-term debts</b>		
Amounts owed to credit institutions	7.640.911	6.967.761
Advances collected for orders	1.745.548	1.297.948
Trade payables - suppliers	12.975.610	13.392.009
Other debts, including tax debts and social security debts	5.846.801	4.301.526
<b>Total short-term debts</b>	<b>28.208.870</b>	<b>25.959.244</b>
	<u>31-March</u> <u>2020</u> <u>lei</u>	<u>Balance at</u> <u>January 01</u> <u>2020</u> <u>lei</u>
<b>a) Situation of long-term debts</b>		
Amounts owed to credit institutions	2.724.589	2.976.073
Trade payables - suppliers	280.995	357.419
Other debts, including tax debts and social security debts	-	-
Provisions and earnings recorded in advance	241.307	241.307
<b>Total long-term debts</b>	<b>3.246.891</b>	<b>3.574.799</b>

**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 2019 by the company Mirva Revalcon Invest SRL Ploiesti, authorized appraiser, accredited member of ANEVAR, the market value of the mortgaged real estate being 33.597.220 lei.

For these mortgaged real estate was entered the insurance policy no. 2533615 / 24.05.2019, valid from 25.05.2019 until 24.05.2020 (for the insured amount of 28.165.350 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



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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.

The stocks of raw materials, inventory objects and finished products in the amount of 24.651.575 lei are insured through fire and other risk insurance policies - fortius no. 2520612, valid from 11/23/2018 to 11/22/2019 and no. 2543683 valid from 23.11.2019 until 22.11.2020.



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**Explanatory Notes to Financial Statements  
for Accounting Reporting on 31.03.2020**

**Provisions**

	<u>Balance 01 January</u> <u>2020</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Reductions</u> <u>lei</u>	<u>Balance at March</u> <u>31, 2020</u> <u>lei</u>
Provisions for litigations	241.307	-	-	241.307
<b>Total</b>	<b>248.054</b>	-	-	<b>248.054</b>

**Income recorded in advance**

	<u>Balance at January</u> <u>01, 2020</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Reductions</u> <u>lei</u>	<u>Balance at March</u> <u>31, 2020</u> <u>lei</u>
Income recorded in advance	-	-	-	-
<b>Total</b>	-	-	-	-





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## Explanatory Notes to Financial Statements for Accounting Reporting on 31.03.2020

### Share of Operating Revenues

<b>March 31, 2020</b>	<b>Value ( lei )</b>	<b>Share of Total revenue %</b>	<b>Share of turnover %</b>
Revenue from the sale of finished products -	8.261.799,34	83,03	64,75
Revenue from the sale of finished products - abroad	4.374.532,39	43,97	34,28
Revenue from services rendered- Laboratory	6.636,63	0,07	0,05
Revenue from services rendered – external	33.225,42	0,33	0,26
Income from sale of goods	14.001,60	0,14	0,11
Income from different activities - Internal	70.130,38	0,70	0,55
<b>Turnover - Total</b>	<b>12.760.325,76</b>	<b>128,25</b>	<b>100,00</b>

<b>Report on operating segment at March 31, 2020</b>	<b>Value ( lei )</b>	<b>Share of Total income %</b>
Revenue from the sale of finished products - internal	8.261.799,34	83,03
Revenue from the sale of finished products - external	4.374.532,39	43,97
Income related to the cost of finished product stocks	(853.688)	(8,58)
Revenue from services rendered	109.992,43	1,11
Revenue from sale of goods	14.001,60	0,14
<b>Total</b>	<b>11.906.637,76</b>	<b>119,67</b>



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**Continued Share of Operating Revenues**

<b>March 31, 2019</b>	<b>Value ( lei )</b>	<b>Share of Total revenue %</b>	<b>Share of turnover %</b>
Revenue from the sale of finished products - domestic market	6.495.681,39	32,15	45,60
Revenue from the sale of finished products - abroad	7.664.662,84	37,94	53,80
Revenue from services rendered- Laboratory	18.440,00	0,09	0,14
Revenue from services rendered – internal transport	8.236,13	0,04	0,06
Revenue from services rendered - external transport	28.597,60	0,14	0,20
Revenue from sale of goods	12.587,85	0,06	0,09
Income from different activities - Internal	261,16	0,00	0,00
Income from different activities - Export	17.769,65	0,09	0,12
<b>Turnover - Total</b>	<b>14.246.236,62</b>	<b>70,52</b>	<b>100,00</b>

<b>Report on operating segment at 31 March 2019</b>	<b>Value ( lei )</b>	<b>Share of Total income %</b>
Revenue from the sale of finished products - internal	6.495.681,39	32,15
Revenue from the sale of finished products - external	7.664.662,84	37,94
Income related to the cost of finished product stocks and production in progress	4.910.222,22	24,31
Revenue from services rendered	73.304,54	0,36
Revenue from sale of goods	12.587,85	0,06
<b>Total</b>	<b>19.156.458,84</b>	<b>94,82</b>



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**Explanatory Notes to Financial Statements  
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<b>Operating revenue</b>	<b><u>3 months</u> <u>2020</u> <u>lei</u></b>	<b><u>3 months</u> <u>2019</u> <u>lei</u></b>
<b>Total operating income, of which</b>	<b>9.847.532</b>	<b>20.012.266</b>
Turnover	12.760.326	14.246.237
Income related to the cost of finished product stocks and production in progress	(853.688)	4.910.222
Income from operating subsidies for the payment of technical staff furlough	122.365	-
Other operating income	(2.181.471)	855.807
<b>Operating expenditures</b>	<b><u>3 months</u> <u>2020</u> <u>lei</u></b>	<b><u>3 months</u> <u>2019</u> <u>lei</u></b>
<b>Total operating expenses, of which:</b>	<b>15.023.289</b>	<b>19.789.614</b>
Raw material and consumables costs	4.128.405	8.626.368
Other material expenses	264.828	351.812
Other external expenses (power and water)	1.102.302	1.157.635
The expenditures on goods	17.068	771
Trade discounts received	482	-
Expenses with employees	6.798.492	6.279.540
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	639.826	864.000
Value adjustments on assets	-	-
Other operating expenses	2.072.850	2.509.488
<b>Operating result</b>	<b><u>3 months</u> <u>2020</u> <u>lei</u></b>	<b><u>3 months</u> <u>2019</u> <u>lei</u></b>
<b>Total operating result, of which :</b>	<b>(5.175.757)</b>	<b>222.652</b>
Total Operating income	9.847.532	20.012.266
Total Operating expenditures	15.023.289	19.789.614

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<b>Financial income</b>	<b><u>3 months 2020</u></b>	<b><u>3 months 2019</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
<b>Total financial income, from what :</b>	<b>102.301</b>	<b>189.802</b>
Income from exchange rate fluctuations	92.516	188.882
Interest income	744	920
Other incomes	9.041	-
<b>Financial expenditures</b>	<b><u>3 months 2020</u></b>	<b><u>3 months 2019</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
<b>Total Financial expenses , of which:</b>	<b>370.158</b>	<b>298.690</b>
Interest charges	264.248	141.025
Other financial expenses	105.910	157.665
<b>Financial result</b>	<b><u>3 months 2020</u></b>	<b><u>3 months 2019</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
<b>Total Financial expenses, of which:</b>	<b>(267.857)</b>	<b>(108.888)</b>
Interest charges	102.301	189.802
Other financial expenses	370.158	298.690



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## **Explanatory Notes to Financial Statements for Accounting Reporting on 31.03.2020**

### **INCOME TAX**

The profit tax for the period 01.01.2020 – 31.03.2020 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 01.01.2020 – 31.03.2020, 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, 2020 – March 31, 2020 was of 16 %.

#### **31 March 2020**

Expenditure on current income tax	0 lei
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#### **Events of the first quarter of 2020 and subsequent to these quarterly situations**

Based on the information that the company holds so far, the shareholding structure has not changed until the date of issuing these quarterly reports.

The Uztel company identified events that occurred during the financial reporting period ended on 31.03.2020. These events provide additional information on conditions that existed at the time of reporting or after their preparation with reference to the evolution of the international epidemiological situation caused by the spread of SARS-CoV-2 coronavirus in more than 150 countries, the declaration of the "Pandemic" by the World Health Organization. Health on 11.03.2020, of the Decree of the President of Romania no. 195 of 16.03.2020 regarding the establishment of the state of emergency on the Romanian territory published in the Official Gazette, part I, Nr. 212 / 16.03.2020 and of the Decree of the President of Romania no. 240 of 14.04.2020 regarding the extension of the state of emergency on the Romanian territory published in the Official Gazette, part I, Nr. 311 / 14.04.2020.

This epidemiological crisis will generate commercial, financial and social losses that are difficult to quantify at the time of this report. Not to be neglected is the sudden drop in the price of a barrel of oil in a very short time, which will have serious consequences on the company's clients (drilling and exploitation companies) who have stopped and postponed investment programs in oil equipment, and which will cause a negative "chain reaction" on the company's income / turnover.

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**Economic and Financial Keys  
for Accounting Reporting on 31.03.2020  
according to Annex no. 13.A of the A.S.F. RULE no. 5/2018**

Economic - Financial Keys	31 March 2020	31 March 2019
<b>Current Liquidity (general)</b> - Current Assets / Current Liabilities	1,76	1,84
<b>Debt grade</b> - Borrowed capital / Equity * 100	4,71	5,94
- Borrowed Capital / Employed Capital * 100	4,50	5,60
<b>Turning Speed Flows - Clients</b> – Receivables / Turnover * 90 days	78 days	98 days
<b>Turning Speed of Fixed Assets</b> - Turnover/Fixed Assets	0,32	0,33

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 the President - Hagiuc Neculai

General Manager,  
Anghel George Marinelo

Economic Director,  
Popescu Ileana

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