



Report of the Board of Directors On Uztel S.A Company's business in 2021

1. Analysis of the Commercial Company Activity

1.1 a) Description of the Company's core business

The company's core business is Manufacture of machinery for mining, quarrying and construction – NACE classified code 2892.

UZTEL S.A. was founded in 1904 as the Societatea Romano- Americana (Romanian – American Company), which, in 1958, was nationalized and then in 1991 turned into commercial enterprise. The main activity consists in the production and trading of assemblies, parts and oilfield equipment, industrial valves, mud pumps and other spare parts for oil equipment, metal structures and castings and forgings.

The production covers processes of foundry and forge sectors, heat treatment, machining, assembly and testing. Quality control is certified in laboratories fitted with specialized equipment.

The company has a production integrated with local design skills, high technology applied in accordance with API specifications and EC standards. QOHSE compartment using modern laboratories and procedures provide compliance with international standards ISO-14001-2015, ISO 45001-2018, ISO 9001-2015 and API specifications. UZTEL maintains and continually improves a quality management system "QMS" ISO 9001: 2015 and API Spec. Q1, in accordance with international standards of reference, 14001 and 45001 and integrated with environmental management systems and occupational health and safety certified by GR Eurocert SRL Ploiesti, to ensure product quality while protecting the environment and creating a safe and healthy working environment at work

1.1 b) Specify the date of incorporation of the Company

UZTEL S.A. Ploiesti was organized as a joint stock company under Law no. 15/1990 on the reorganization of state economic units as autonomous holdings and companies and the Government Decision no. 1213/20 November 1990, act published in Official Gazette no. 13bis / January 21, 1991, operating under Law no. 31/1990 of the companies and its own statute.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

The company is registered at the Trade Register related to Prahova Court under no J29 / 48/1991 and holds unique registration number: RO 1352846.

In 2004, the company was privatized under PSAL I program, by transfer of shares held by the Romanian state to private shareholders, by sale of the Authority for State Assets Recovery shareholding in the Company, equivalent to 76,8745% of the share capital at that time, to the consortium formed by Association "UZTEL" and company ARRAY PRODUCTS CO. LLC - USA. As of May 22, 2008 the Company was admitted to trading on BSE category II with UZT symbol. Currently a part of UZT shares is traded.

1.1 c) c) Description of acquisitions and/or sale of assets

Fixed Assets- Tangibles

Between January 1st and December 31st, 2021, the total value of the increases recorded in the accounting records for the “*Machines and equipment*” class worth 1.235.894 lei , including:

- Laptop MW-B15101 MYWAY B 15, worth 2.700 lei;
- Modernization of overhead cranes by mounting radio controls, amounting to 26.371 lei;
- Photovoltaic power plant for self-consumption, worth 1.206.823 lei.

The current fixed assets in progress registered in the period January 1 - December 31, 2021 an increase in the amount of 1.209.523 lei, representing:

- Laptop MW-B15101 MYWAY B 15, worth 2.700 lei;
- Photovoltaic power plant for self-consumption, worth 1.206.823 lei.

lei.

Between January 1 and December 31, 2021, the total value of the decreases registered in the accounting records for the class “*Machinery and equipment*” was 282.100 lei, representing the removal of fixed assets sold in the amount of 29.000 lei and scrapped fixed assets in the amount of 253.100 lei.

The current tangible fixed assets registered in the period January 1 - December 31, 2021 a decrease in the amount of 1.235.894 lei, representing:

- Laptop MW-B15101 MYWAY B 15, worth 2.700 lei;
- Modernization of overhead cranes by mounting radio controls, amounting to 26.371 lei;
- Photovoltaic power plant for self-consumption, worth 1.206.823 lei.

• Fixed Assets - Intangible Assets

Between January 1 and December 31, 2021, the company acquired intangible assets worth 77.548 lei, representing:



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

- Laptop license T5D-03308 Office home and business 2019- english eurozone medailess, worth 1.090 lei;
- technical support for the SIVICO integrated program, amounting to 56.053 lei;
- ESET Endpoint antivirus license, worth 5.570 lei;
- Software Update License & Support Oracle Database Standard Edition One Perpetual Processor Nov 2021-Nov 2022, worth 4.362 lei;
- design licenses worth 10.473 lei.

1.1 d) *Description of the main results of the evaluation of the company's activity The fixed assets recorded the following evolutions in the financial year 01.01.2021 – 31.12.2021:*

Compared to 2020, the total fixed assets decreased from 37.644.835 lei at 31.12.2020 to 36.671.500 lei at 31.12.2021, i.e., a percentage decrease of 2,59% compared to the same period of 2020, as follows:

- The value of intangible assets decreased from 68.052 lei on 31.12.2020 to 56.207 lei on 31.12.2021, i.e., a percentage decrease of 17,41%, due to the registration in the accounting records of the acquisition of intangible assets, as well as of the expenses with their amortization registered during the financial year 2021.
- The value of tangible fixed assets decreased from 37.576.783 lei on 31.12.2020 to 36.615.293 lei on 31.12.2021, ie a percentage decrease of 2,56%, due to the recording in the accounting records of inflows and outflows from the records and the depreciation expenses.

Asset component	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Intangible assets	56.207	68.052	80.115	27.175
Tangible assets	36.615.293	37.576.783	40.879.834	43.695.215
Total assets	36.671.500	37.644.835	40.959.949	43.722.390

All the spaces available are owned by Uztel S.A.

Uztel S.A. registered in 2021 the following evolution of sales on the domestic and foreign market:



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

a. Sales in RON decreased from 21.543.371 lei on 31.12.2020 to 18.494.470 lei on 31.12.2021, i.e., a percentage decrease of 14,15 % compared to the same period of 2020;

b. Sales in EUR increased from 1.047.305 euro on 31.12.2020 to 2.582.454 euro on 31.12.2021, i.e., a percentage decrease of 146,588% compared to the same period of 2020;

c. Sales in USD decreased from USD 2.080.075 on 31.12.2020 to USD 1.112.049 on 31.12.2021, i.e., a percentage decrease of 46,54 compared to the same period of 2020.

Explanations	31.12.2020	31.12.2021	31.12.2021/31.12.2020*100
Sales in RON	21.543.371	18.494.470	85,85
Sales in EUR	1.047.305	2.582.454	246,58
Sales in USD	2.080.075	1.112.049	53,46

1.1.1 Elements of general assessment:

a) Profit 330.324 lei

b) Turnover 35.861.356 lei

c) Total value of the sales in foreign currencies (EURO and USD) changed to national currency or January- December 2021 worth 17.365.894 lei - account turnover 4111.1.03 (foreign clients) corresponding to turnover accounts, as follows:

lei

acct. 7015.3	Revenue from the sale of finished products	17.259.097
acct. 704.2.03	Income from services rendered- external transport	106.797

d) Actual expenditure of 2021 to achieve production manufactured totalizes 30.691.734 lei and to achieve production in progress are worth a total of 13.847.657 lei.

e) Market share estimated to be owned by the company:

Internal market 14-15%;

External market ~ 1%.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

The company, using professional reasoning, estimated these market shares for 2021, which were affected due to the evolution of the international epidemiological situation caused by the spread of SARS-CoV-2 coronavirus in over 150 countries, and the declaration of "Pandemic" by The World Health Organization on 11.03.2020 and 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 as well the extension of alert status over 2021.

f) on 31.12.2021, the company had cash (according to the balance sheet) in the total amount of 358.763 lei, namely:

Explanations	lei		
	31-December 2021	31-December 2020	Share (%)
0	1	2	3 = 1/2*100
Bank account 5121	60.541,92	58.918,80	102,75
Bank account 5124 (usd) - c/val. lei	4.208,66	457.756,28	0,92
Bank account 5124 (eur) - c/val. lei	276.529,23	755.534,73	36,60
Cash ont casa 5311	5.870,31	3.798,54	154,54
Petty cash acct 5314 in devises	8.792,81	7.983,38	100,47
Petty cash acct 5314 in devises	2.820,53	2.327,40	152,68
Total cash	358.763,46	1.286.319,13	27,89

Cash and cash equivalents registered in 2021 a decrease from 1.286.319,13 lei on 31.12.2020 to 358.763,46 lei on 31.12.2021, i.e., a percentage decrease of 72,11 % compared to the same period of the year 2020.

The company registered on December 31, 2021 a net financial loss due to exchange rate fluctuations (euro and usd) related to the period January - December 2021 amounting to 170.668,72 lei, as follows:

- account 665 (expenses from exchange rate differences) = 348.758,70 lei
- account 765 (income from exchange rate differences) = 178.089,98 lei



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

1.1.2 Assessment of the technical level of the commercial company

- a) As of December 31, 2021, the Company owns assets in the total amount of 84.744.968,75 lei, as follows:

lei

ASSETS	Balance at 31.12.2020 as of Account balance
Lands	16.342.930,21
Constructions	30.995.658,77
Technological equipment, devices and measurement equipment, vehicles	37.240.337,65
Furniture and office equipment	166.042,12

The production activity for the production of extraction and construction equipment, industrial valves, spare parts for oil equipment and metallic constructions is carried out in the Petroleum Equipment Division, and the casting parts, treatments and forging in the Hot Sectors Section.

- b) During January-December 2021, the following evolutions of the company's main incomes were recorded compared to the total revenues of 44.839.982 lei and the turnover of 35.861.356 lei, namely:

Year 2021	Amount (lei)	Share in total income %	Share in turnover %
Revenue from the sale of finished products - domestic	18.309.262,24	40,83	51,06
Revenue from the sale of finished products - external	17.259.097,18	38,66	48,13
Revenue from services rendered - laboratory services	2.490,00	0,01	0,01
Revenue from services rendered - internal transport	5.549,90	0,01	0,02
Revenue from services rendered - external transport	106.796,78	0,24	0,30
Income from rental of oilfield equipment and installation	11.820,78	0,03	0,03
Income from sale of goods	104.039,37	0,23	0,29
Income from various activities - internal	61.309,98	0,14	0,17
Income from various activities - export	989,90	0,00	0,00
Turnover - Total	35.861.356,13	79,98	100,00



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

1.1.3 *Evaluation of technical – material supply (domestic and external suppliers)*

From the annual volume of acquisitions made in 2021, amounting to 24.437.692,50 lei, the company's internal and external suppliers represent:

- internal suppliers amounting to 22.622.836,28 lei, a share of 92,57 % in total acquisitions;
- external suppliers (usd) amounting to 551.007,78 lei, a share of 2,25% in total acquisitions;
- external suppliers (euro) amounting to 1.263.848,44 lei, a share of 5,18% in total acquisitions

1.1.4 *Evaluation of the sales activity*

From the annual volume of sales made in 2021, amounting to 35.861.356,13 lei, the company's internal and external customers represent:

- internal clients amounting to 18.494.472,27 lei, a share of 51,57% in turnover;
- external clients (usd) in the amount of 4.617.945,64 lei, a weight of 12,88% in the turnover;
- external clients (euro) amounting to 12.748.938,22 lei, a share of 35,55 % in turnover.

The effects of the production activity, transactions and events carried out during 2021 of a company differ in terms of stability, risk and predictability, and the presentation of economic and financial elements helps to understand the performance achieved and to evaluate future results.

The achievements of 2021 prove that UZTEL S.A. Ploiesti is a viable company, with potential for economic and commercial stability, which managed to close its reorganization procedure according to Law no. 85/2006 and to re-enter the normal circuit of companies.

UZTEL S.A. had in progress on **31.12.2021** orders / contracts concluded with internal and external commercial partners in the total amount of **15.125.122 lei** , of which:



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Internal market - ron	5.931.213
External market - euro	1.086.068
External market - usd	890.403

These orders / contracts are already underway in manufacturing and are in various stages of technological path and are intended for fabrication and delivery of the company's main products such as: industrial valves, systems and installation and equipment for oil wells blow-out prevention, oilfield equipment repair and manufacturing, services and spare parts, etc.

Concerning the contracts / purchase orders at end of **2021**, the company is carrying out a series of commercial steps and auctions on domestic and international market that will create the conditions to provide the necessary contracts and orders expected by Income and Expenditure Balance and Cash flows related to **2022**, as follows:

Internal Market - RON	6.500.000
External market - EURO	5.000.000
External market - USD	4.500.000

1.1.5 *Evaluation of legal issues concerning to the employees/staff of company*

1.1.6

a) Company recorded at 31.12.2021, 318 employees of which:

individuals

Engineer	Sub-engineers	economists	Other people with academic education
44	1	8	4

The factory staff is represented as follows:

individuals

Oilfield equipment Dept.	Hot sectors Depart.	Other activities	Total Techn-Ec. Adm staff
112	101	34	71

The relationship between management and employees in 2021 were held in good conditions, labour conflicts are not registered and no otherwise.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

1.1.6 *Evaluation of aspects of the issuer's core activity impact on the environment*

Company runs its business based on the following regulatory acts:

- Environmental authorization no. PH-259 from 02.10.2019, valid until review on 17.12.2001, valid with annual endorsement, for the activity of production assemblies, parts and oilfield equipment and industrial service, recovery of solid recyclable waste, collection, purification and distribution of water, painting workshop.
- Authorization for water management no: 109 from 14.06.2019 valid until 15.06.2022;
- Certificate of registration in the register of authorized economic operator performing waste recovery operations no. 0325 /200.245/03.03.2021 issued by the Ministry of Economy - Department of Industrial Policy valid until 31.03.2022.

Environmental factors (water, wastewater, air-emission, air -immission, soil, waste) were monitored as required by law applicable to the activities of SC Uztel S.A. (monthly, quarterly, semi-annually). Comply frequency imposed by environmental permit and no exceeding to maximum limits imposed was found.

Environmental management program conducted in 2021 was achieved to 100%. Proposed actions aimed at waste management, emission and immission, drinking water and waste water

Dangerous chemical substances and preparations were purchased, stored, handled and used in compliance with current legislation, according to safety data sheets.

1.1.7 *Evaluation of Research and Development*

a) The main objectives in the design and assimilation of new products in 2021 were:

No.	PRODUCT
1.	PH5-D Pumping Tree
2.	PH1-D Pumping Tree
3.	PH9-A/2 Pumping Tree
4.	PH7-B/3 Pumping Tree
5.	PH2-A Pumping Tree
6.	PH8-B/2 Pumping Tree
7.	PH1-B Pumping Tree
8.	PH5-A Pumping Tree
9.	Circulating head
10.	WELLHEAD+CE 20 3/4"x20"x 13 3/8"x7"-2000psi



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

11.	WELLHEAD 11x7 1/16-3000psi
12.	WELLHEAD+CE 21 1/4 x 18 5/8 BTC x 13 5/8 x 2 9/16 – 5M/10M/15M psi
13.	WELLHEAD+CE 16 3/4"X13 3/8"SLIP LOCK-3000psi
14.	WELLHEAD+CE 13 5/8"X13 3/8"x11"x9 5/8"x7"x4 1/2"-5000psi
15.	WELLHEAD+CE 13 5/8"X13 3/8"x11"x2 1/16"-3000psi
16.	WELLHEAD 11"x9 5/8"BTCx7"x7 1/16"x2 7/8"EUEx2 9/16"-3000psi
17.	WELLHEAD+CE -13 5/8"x11"x3 1/8"-3000psi
18.	WELLHEAD 11x7 1/16-3000psi
19.	WELLHEAD+CE COMPLETED WITH COLECTOR, 11"x9 5/8"LTCx7"x 7
20.	WELLHEAD+CE 13 5/8"x11"x 9"x3 1/8"-3000psi
21.	WELLHEAD+CE 11"x7 1/16"x2 9/16"-5000psi
22.	WELLHEAD +CE type 1 11"x 11"x3 1/8"-5000psi
23.	WELLHEAD 11"x 9 5/8"Slip Lock x2 1/16"-3000psi
24.	WELLHEAD+CE 11"x9 5/8"BTCx 5 1/2"x7 1/16"x2 7/8"x2 9/16"-3000psi
25.	WELLHEAD+CE 11"x9 5/8"BTCx 7"x7 1/16"x2 7/8"x2 9/16"-3000psi
26.	Snubbing swivel flow head
27.	Plug flange for CC 13 5/8"13 3/8"BTC-3000psi
28.	Hangers 3 1/2"VAM TOP-5000psi
29.	RSL 2 1/16-5M; RSL 2 1/16-10M; RSL 2 1/16-5M Tip FLS
30.	RSE 2 1/16-3/5M
31.	RSL 3 1/8x2M tip FLS; RSL 3 1/8-3M; RSL 3 1/8-5M
32.	RSL 4 1/16-3M; RSL 4 1/16-5M tip FLS; RSL 4 1/16-5M,
33.	RSL 7 1/16-5M,
34.	RSE 3 1/8-3M cu flanse 3" cl.900
35.	RSL 2 1/16-6500, Check flange 2 1/16-10000, Check flange 2 1/16-6500
36.	Blow through valve SSV AH 3 1/8-3M; SSV-AH 3 1/8-5M
37.	RRC 2 1/16-5M; RRC 4 1/16x2M
38.	Adjustable nozzle 2 1/16"-2M, 2 1/16"-3M, 2 9/16"-10M
39.	ABB valves + blocksi
40.	Vertical preventer 7 1/16-3000psi + Hydraulic feed control
41.	Stripping preventer 7 1/16-3000 psi + spool 11x7 1/16x2 1/16-3000 psi
42.	Horizontal preventer 11"-5000psi; 13 5/8"-5000psi
43.	Vertical preventer 11"-5000psi; 13 5/8"-5000ps
44.	Manifold:
45.	Line: - Nozzles 3 1/8"-5000psi - Killing 3 1/8"-5000psi nozzles 3 1/8"-5000psi



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

46	Hydraulic feed control CH-7U-3000-20BA
47	Monobloc preventer 7 1/16"-5M and 7 1/16"-10M
48	Hydraulic feed control CH-4U-3000-6BA
49	Break drum
50	Cement stirrer
51	Raiser 11"-3000psi x 11"-3000psi; L=4800mm

All targets of engineering department were fully completed.

b) In order to ensure the quality conditions required for sale of Uztel products on external market, technical departments obtained in 2021 certifications for licenses as follows:

b1) Audit of integrated quality (HSEQ) conducted by GR Eurocert SRL Ploiesti during 05.07- 06.07.2021, included:

- recertification audit of quality management system under ISO 9001:2015
- recertification of the environmental management system under ISO 14001 :2015
- recertification of the OHS management system under ISO45001 :2018

Further audit conducted by EUROCERT BUSINESS ASSURANCE were obtained the following certifications/certificates:

- Nr.00.12.1682; ISO-9001-2015; valid until 22.07.2023
- Nr.00.02.1104; ISO-14001-2015; valid until 22.07.2023
- Nr.00.05.0626; ISO45001:2018; valid until 22.07.2023

b2) Monitoring audit conducted by GR Eurocert SRL Ploiesti , on 30.07.2020, for :

- Affixing CE mark on products manufactured according to European Directive PED 2014/68/EU
- Conformity of castings with European Directive PED 2014/68/EU

Following the audit conducted by GR Eurocert SRL Ploiesti Romania were obtained the following certifications/certificates:

- PEMH1.0068 (valid until 24.08.2022) ;
- PE 43.00174 (valid until 27.09.2024)
- PEDE .0023 (valid until 23.08.2022)



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

b3) Maintaining product licenses according to the standards: API 6A; 16A; 16D; 16C for which we were audited during the periods 19-23.04.2021 and Certificates of Conformity of the Quality Management System and application of API monograms with validity 02.10.2024 were received

c) The technological activity was intended to the extension of the range of products processed on machine tools with numerical control, the diversification of the corrosion protection methods, the development of the program of inspections and recertifications of equipment and the launch of the production in the Integrated Computer Program SIVECO Applications thus:

- continued the assimilation of modern cutting tools continued with a direct impact on the technical norms of time and implicitly on the quality and cost price of the finished product. An important aspect from a technological point of view is the rather advanced physical and moral wear of machine tools such as machining centers;

- designing verifiers in accordance with the new API requirements revised in 2019, to ensure the precision of execution of products according to customer requirements and submitted tender documentation and at the same time to significantly reduce the percentage of scrap or reprocessed parts and prevent possible complaints. Also, the design of self-centering devices was continued, which would reduce the processing time and implicitly decrease the cost per product;

- permanent technical assistance provided by the Technological Design Service -SDV in the manufacturing process for the early detection of technological problems (semi-finished products, inadequate settings or work regimes) and their rapid correction;

- in the conditions of pandemic and restriction of the global economic activity, the process of training qualified personnel for machine tools with numerical control was slowed down / stopped in order to replace the personnel that ended the labour relations with the company;

- continued the implementation of the processing technology for the latest generation parts made of superalloys, respectively from INCONEL 625, INCONEL 718, INCONEL925, required by the drilling-extraction industry, especially geothermal, and for environments with high H₂S content

- for the profitability of some orders, the variants of forged semi-finished products were replaced, which involved the exit of liquidity from the company with the variant of cast



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

or welded semi-finished products, which presuppose a smaller volume of labour in compliance with API requirements;

- respecting the restrictive economic conditions due to the pandemic and traffic bans, continued the implementation of technologies for inspection and recertification services according to the new requirements API / 2019, of equipment used in drilling - extraction for various companies and this problem was solved using online technology, the works being executed by the client with our documentation and by the supervision by a third party

1.1.8 Evaluation of the Company's activity on risk management

Interest rate risk

Operating cash flows of the Company are affected by changes in interest rates. The Company does not use financial instruments to protect against interest rate fluctuations.

	Accounting year Ended at <u>31 December 2021</u> (lei)	Accounting year ended at <u>31 December 2020</u> (lei)
Interest paid	517.998	605.349

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash in RON and devises in the December 2020 company's cash account.

	Accounting year ended at <u>31 December 2021</u> (lei)	Accounting year ended at <u>31 December 2020</u> (lei)
Cash and availability on demand	358.763	1.286.319
Total Cash and cash equivalents	358.763	1.286.319



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Currency risk

The Company is subject to fluctuation in exchange rates due to transactions in foreign currency.

	Accounting year ended at	Accounting year ended at
	<u>31 December 2021</u>	<u>31 December 2020</u>
	(lei)	(lei)
Result of exchange rate differences	(170.669)	(26.455)

Market risk

The current global liquidity crisis that began in mid-2015 resulted in, among other things, a low level of capital market funding, lower liquidity levels in the banking sector and occasionally higher interbank lending rates and volatility very high stock exchanges.

The uncertainties in the global financial markets have led to significant and influential market in Romania. They had a double influence on society: a decrease in assets held and volumes of activity. Currently, the full impact of the current financial crisis is impossible to predict and totally preventable.

Management is unable to reliably estimate the effects on the financial position of the Company to further loss of liquidity in financial markets and the increased volatility in the exchange rate of the national currency and market indices.

Economic, commercial and financial effects of " oil prices crisis " begun in 2016 were effective in the company's business of 2021 by lowering production (low demand), lower revenues, increased stocks of finished products (available to customers for renting). Most oil companies and drilling operators in domestic and international market and have changed the investment policy (acquisition of equipment and oil) by dividing it due to financial and economic reasons into two components:

- acquisition of new oil equipment and installation with reduced investment budgets;
- oil equipment and installation rental with reduced investment budgets

The decrease in sales volume was determined by the reduction of the volume of contracts and orders at the company level against the background of the evolution of the international and national epidemiological situation of the spread of SARS-CoV-2 coronavirus, corroborated with the sudden decrease of the oil barrel price.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

The evolution of the international epidemiological situation determined by the spread of SARS-CoV-2 coronavirus in more than 150 countries, as well as the declaration of the pandemic by the World Health Organization on 11.03.2020 and Presidential Decrees on the establishment of a state of emergency and alert on the Romanian territory have determined social, commercial, economic and financial phenomena and aspects independent of the company and which cannot be controlled by it, which have led and will inevitably lead to an inevitable negative impact regarding the decrease of the volume of orders and related commercial contracts for year 2021, of the achievement of the provided budgetary indicators.

Any market study that would be carried out by the company at this time cannot provide accurate information about the sale of manufactured product stocks.

The demand for products made by UZTEL SA Ploiesti is currently more elastic than stable, because the preferences and orientations of consumers (internal and external customers), the decrease of the price of a barrel of oil and the investment budgets of large oil companies and the size of competitors' offer. are unpredictable.

As a result, the company is currently facing an instability of demand for oil equipment, sales and the price of a barrel of oil, which have generated fluctuations in sales volume on the domestic and international market and, consequently, in cash flows generated by exploitation activity.

The Company's management analysed the forecasts regarding the future of the operational activity, highlighting, at least for the period 01.01.2022 - 31.12.2022, a volume of inputs ensured both by the development of existing contracts, but also by the reasonable certainty of contracting new works.

During 2021, the company faced difficulties in ensuring the volume of orders needed to operate in the context in which the international and domestic market has been severely affected by possibly the worst crisis in the last 100 years. The effects of the crisis have generated difficulties in the chain in terms of:

- management of the situation caused by the coronavirus pandemic and isolation measures;
- fluctuation of crude oil barrel price
- drastic decrease in the demand for oil equipment;
- the commercial activity of selling / bidding the company is hampered by: travel bans, stopping global oil equipment auctions, volatile oil price hikes, price reductions requested by major national and international drilling companies, breaking supply chains - sale of national and international companies.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

All these have determined a drastic reduction of the expenses with the investments in the extraction and drilling sector and have generated a negative impact in the activity of the equipment producing companies, leading to a decrease of turnover.

Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide range of causes associated with the company's processes, personnel, technology and infrastructure, as well as from external factors, such as those arising from the company's customer requirements to increase the quality of products and services offered.

The operational risks come from all the operations carried out by the company. The main responsibility for managing operational risks lies with the company's management, which has identified and controlled a series of operational risks in order not to affect the company's ability to achieve its objectives, namely:

- providing products and services according to the explicit and implicit quality requirements of the clients through the organization, planning and permanent monitoring of the commercial orders / contracts;
- improving the management of human resources by reducing the risks regarding the lack of qualified personnel and by maintaining and developing the professional competencies of all employees.

The company cannot control all the risks, nor is it possible, from the perspective of the costs / resources involved, but it has managed and controlled, which is really a priority, the significant / strategic risks.

The company does not hold participation titles in other entities.

1.1.9 Perspectives on the business activity of the company

a)The impact of the financial bottleneck on the company's liquidity is mitigated by reducing the volume of uncertain customers. The indicators of general liquidity and rapid liquidity had the following comparative developments:

Economic -financial indicators	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Current liquidity = Current assets / Current liabilities	1,68	2,02	2,00	1,85
Quick Liquidity = Current Assets - Stocks / Current Liabilities	0,36	0,32	0,44	0,55



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

b) According to the presentation and substantiation note of the Investment Program for 2022, the note prepared by the Investment Energy Maintenance Service and approved by the administrative and executive management of the company was estimated the allocation of material resources for rehabilitation and modernization of existing assets.

This imperative investment process necessary for society has been severely affected by the evolution of the international epidemiological situation caused by the spread of SARS-CoV-2 coronavirus has led to an inevitable negative impact in terms of drastic decrease in the volume of orders and commercial contracts for 2021. This epidemiological crisis generated commercial, financial and social losses. Not to be neglected is the sudden drop in the price of a barrel of oil in a very short time, which had serious consequences on the company's clients (drilling and exploitation companies) who stopped and postponed investment programs in oil equipment, and which caused a negative "chain reaction" on the company's income / turnover.

Tangible Assets of Company

2.1 Specifying the location and characteristics of the main production facilities owned by the Company

The company owns a land area of 182.427,34 mp, from what:

- 111.877,49 mp – buildings;
- 70.549,85 mp – factory roads, utilities network and free area.

The core activity takes place in the industrial zone on an area of 161.634 sq. m.

2.2 Description and analysis of the company's properties wear

Fixed assets (constructions) registered in the company's financial accounts are mostly constituted and acquired before 1989, which have an advanced degree of physical and moral wear and tear

Some assets have been repaired or upgraded.

The situation of buildings is precarious, we consider an average of 70% wear and to avoid damaging will be repaired and rehabilitated depending upon financial resources of the company.

Most of the equipment and machine tools are not in the best technical and technological condition. We appreciate that they already have a 60-65% average wear, most requiring overhaul.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Overhead travelling cranes and hoist, which mostly had expired lifespan were expertise and recertified by ISCIR, process to be continued in 2022. Machine tools manifest wear on the guides, gearboxes, main axes, so it becomes increasingly difficult to maintain optimal parameters.

It is estimated, depending on the financial resources, the purchase of the following equipment: plasma cutting machine that allows cutting sheets up to 200 mm thick; CNC carousel that allows the processing of parts with H = 2000 mm and D=1600 mm; machining center that allows the processing of parts such as HM800 or EMSIL VTC-1600; increasing the capacity of CEF (Photovoltaic Power Plant) from 305kW to 700KW in order to reduce energy consumption; two 5 ton single girder overhead cranes to increase productivity by reducing the handling times of cast parts; noxious ventilation and filtration station for TO2 of higher capacity (200 filter bags) than the one from TO1 which has 160 filter bags.

2.3. Mention of the potential problems related to the property right on the tangible assets of the trading company

The company holds title of property on the land, according to the MO3 series certificate number 3371 / 05.01.1996 and is not in litigation related to the property right.

3. Market of Securities issued by the Company

3.1 Shares issued by Uztel are listed on Standard category by the Bucharest Stock Exchange.

3.2 The share capital of UZTEL S.A. registered at 31 December 2021 worth 13.413.647,50 lei, being divided into 5.365.459 shares, with a nominal value of 2,50 lei. According to the evidences existing at the Central Depository S.A. according to address no. 6851 from 17.02.2021, the situation of the shareholders of the shares on 31.12.2021 is the following:

Shareholder	Nmb. of shares held	Share in capital, %
UZTEL Association	4.498.300	83,8381
Legal persons	420.026	7,8283
Natural persons	447.133	8,3335
TOTAL	5.365.459	100,0000



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

In 2021 the Company made quarterly payments amounting 42,00 lei, representing net dividends due to shareholders for the years 2003, 2005, 2006, 2007 and 2008, as bellow:

	lei
a) Payment 2nd quarter	33,60
b) Payment 3 rd quarter	8,40

At 31.12.2021 Uztel SA recorded in account 457 (due dividends) the sum of 1.569.741,01 lei representing dividends due to shareholders for years 2003-2008.

The company has not determined and not paid dividends for the years 2011 – 2021.

3.3 *Description of any activities of the Company to purchase its own shares: - -*

- Company did not buy its own shares in 2021.

3.4 *If the company has subsidiaries, specifying the number and nominal value of the shares issued by the parent company owned subsidiaries:*

- The Company has no subsidiaries.

3.5 *If the company has issued bonds and / or other debt securities, presentation of way in which the company pays its obligations to the holders of such securities:*

-In 2021 the company has not issued bonds or other debt securities.

4. Company's management

4.1 *List of the Company's administrators and the following information for each administrator.*

By Order no.129 dated 03.03.2017 pronounced on File no. 4732/105/2010 by Dolj Court; Department of -II- of Civil, was ordered closure of the Uztel SA company's reorganization procedures, following the fulfilment of payment obligations assumed in the plan confirmed by sentence no. 1282 /9 October 2012 and the Uztel SA Company's reintegration into the economic circuit with continued activity.

In 2021 the company was administered by the Board of Directors:

In accordance with the legal provisions in force, namely the Law 31/1990, UZTEL SA proceeded to the election of a Board of Directors with a four-year term of office, consisting of five members with full powers:



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

PERIOD 01.01.2021 - 31.12.2021		
SURNAME, GIVEN NAME	POSITION	PERIOD OF
Hagiu Neculai	Chairman of Board of Directors	03.07.2018-31.12.2021
Popescu Ileana	Member of board of Directors	03.07.2018-31.12.2021
Serbaniuc Tudor	Member of board of Directors	03.07.2018-31.12.2021
Stan Vasile Armis	Member of board of Directors	03.07.2018-31.12.2021
Grigore Victor	Member of Board of Directors	19.03.2019-31.12.2021

For the period of 01.01.2021 – 31.12.2021 the total remunerations of the Board of Directors of the Company represented 2,05 % of the salary fund.

4.2 Presentation of the list of members of the executive management of the commercial company

a) the executive management appointed by the Board of Directors for the year 2021 had the following composition:

THE EXECUTIVE MANAGEMENT OF THE COMPANY - during the period 01.01.2021 – 31.12.2021 registered the following component in exercising the managerial attributions:

PERIOD 01.01.2021 - 31.12.2021			
SURNAME, GIVEN NAME	POSITION	PERIOD	DECISION / DATE OF ISSUANCE
Anghel George Marinelo	General Director	01.01.2021-31.12.2021	C.M. 02/09.01.2020
Anton Laurentiu Alexandru	Commercial Director	01.01.2021-15.02.2021	Decision 183/12.12.2019
Sighiartau Dan Petru	Commercial Director	15.02.2021-31.12.2021	Decision 49/09.02.2021
Voica Alin Marian	Technical Director	01.01.2021-31.12.2021	Decision 184 / 12.12.2019
Popescu Ileana	Economic Director	01.01.2021-31.12.2021	Decision 592 / 30.11.2010
Voicu Mariana	Manager Quality Management System	01.01.2021-31.12.2021	Decision 64/05.04.2018



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

For the period 01.01.2021 - 31.12.2021 total remuneration of the executive management of the Company accounted for a share of 7,14 % of wages fund.

b) *Any agreement, understanding or family connection between the person and another and another person who caused that person is appointed member of the executive management:*

The Company did not find any such situations in financial year 2021.

c) *Participation of executive management in company's share capital is as follows:*

SURNAME, GIVEN NAME-POSITION	Number of shares owned
Anghel George Marinelo - General Director	-
Voica Alin Marian – Technical Director	-
Anton Laurentiu Alexandru – Commercial Director	-
Sighiartau Dan Petru- Commercial Director	-
Popescu Ileana – Economic Director	122
Voicu Mariana - Manager Quality Management System	-

4.3 The administrative and executive management of the company was not involved in the last five years in litigation related to the activity performed.

Corporate governance

Uztel SA will implement the recommendations contained in the Corporate Governance Code of the Bucharest Stock Exchange, which establishes the principles and governance structures, having as main purpose the observance of shareholders' rights as well as ensuring their equitable treatment. In this sense, the Board of Directors has elaborated a Regulation of Organization and Functioning, which is in accordance with the CGC principles, thus ensuring the transparency as well as the sustainable development of the company. The Organization and Functioning Regulation established at the same time the functions corresponding to the Board of Directors, its competencies and responsibilities, so as to ensure the observance of the interests of all company shareholders, their fair treatment and potential investors to the relevant information about the company.

Uztel's internal managerial control system operates with a variety of procedures, means, actions, provisions, which concern all aspects related to the entity's activities, being established and implemented by the company's management to allow it to have good control over the operation of the entity as a whole, as well as of each activity / operation separately.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

The managerial internal control tools are classified into six large groups: objectives, means (resources), information system, organization, procedures, control.

Uztel's internal managerial control system operates with a variety of procedures, means, actions, provisions, which concern all aspects related to the entity's activities, being established and implemented by the company's management to allow it to have good control over the operation of the entity as a whole, as well as of each activity / operation separately.

The managerial internal control tools are classified into six large groups: objectives, means (resources), information system, organization, procedures, control.

The internal managerial control and the internal audit had in 2021 the following objectives:

- protecting the organization's resources against waste, negligence, abuse, fraud;
- compliance with the legislation in force and the internal regulations;
- reliability of financial reporting (accuracy, completeness and correct presentation of information);
- ensuring a climate based on the identification, understanding and control of all operations and activities of the entity, which should contribute to the achievement of organizational objectives;
- the application of the decisions / decisions of the Board of Directors and of the executive management and the follow-up of their fulfilment.

The achievement of these objectives was achieved as follows:

- maintaining staff with an adequate level of competence, in accordance with the needs of the company, accompanied by the development of a continuous training plan that allows updating specific knowledge or supplementing internal resources with consultants / external service providers, when appropriate;
- clear definition and division of responsibilities related to each person involved in the organizational process; the separation of the attributions regarding the performance of operations between persons, so that the attributions of approval, control and registration are, to an adequate extent, entrusted to different persons (according to the Company's Organization Chart);
- the existence of a calendar and a well-defined process regarding the elaboration of accounting, financial and commercial information in accordance with the requirements of their reporting, verification and appropriate approval by the Board of Directors.

In accordance with the recommendations contained in the GCC, the company will establish strict rules on the internal circuit of confidential documents and inside information, giving special importance to data and / or information that may influence the evolution of the market price of securities issued by Uztel SA.

5. Finance- accounting statement

a) Elements of Financial Statement



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

a.1. The situation of assets items in 2021 compared to the years 2020, 2019, and 2018 is as follows:

lei

asset	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Intangible assets	56.207	68.052	80.115	27.175
Tangible assets, of which:	36.615.293	37.576.783	40.879.834	43.695.215
Land and buildings	26.737.410	27.981.990	30.212.484	31.946.854
Plant and machinery	7.294.558	6.977.919	7.901.870	9.084.357
Other installations and furniture	42.849	50.027	57.205	58.387
Tangible assets in progress	2.520.113	2.546.484	2.546.484	2.467.747
Advance for acquisition of intangible assets	20.363	20.363	161.791	137.870
Total assets	36.671.500	37.644.835	40.959.949	43.722.390
Current assets of which:	52.137.391	41.290.546	51.895.551	51.603.852
Stocks	40.968.713	34.758.639	40.547.659	36.287.530
Receivables	10.804.774	5.241.939	9.372.388	13.983.352
Cash availability	358.763	1.286.319	1.971.169	1.330.657
Prepayment	5.141	3.649	4.335	2.313
Total assets	88.808.891	78.935.381	92.855.500	95.326.242

Compared to 2020, there was an increase of 12,51% of the total assets held by the company, compared to 2019 there was a decrease of 4,36%, and compared to 2018 a decrease of 6,84%.

In nominal values, the total assets increased in 2021 compared to 2020 from 78.935.381 lei on 31.12.2020 to 88.808.891 lei on 31.12.2021, due to:

– decrease of fixed assets by 2,59%, and in nominal values from 37.644.835 lei on 31.12.2020 to 36.671.500 lei on 31.12.2021;

– the increase of current assets by 26,27%, and in nominal values from 41.290.546 lei on 31.12.2020 to 52.137.391 lei on 31.12.2021.

In nominal values, the total assets decreased in 2021 compared to 2019 from 92.855.500 lei on 31.12.2019 to 88.808.891 lei on 31.12.2021, due to:

– decrease of fixed assets by 10,47%, and in nominal values from 40.959.949 lei on 31.12.2019 to 36.671.500 lei on 31.12.2021;



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

– the increase of current assets by 0.47%, and in nominal values from 51.895.551 lei on 31.12.2019 to 52.137.391 lei on 31.12.2021.

In nominal values, the total assets decreased in 2021 compared to 2018 from 95.326.242 lei on 12.31.2018 to 88.808.891 lei on 12.31.2021, due to:

– decrease of fixed assets by 16,13%, and in nominal values from 43.722.390 lei on 31.12.2018 to 36.671.500 lei on 31.12.2021;

– the increase of current assets by 1,03%, and in nominal values from 51.603.852 lei on 31.12.2018 to 52.137.391 lei on 31.12.2021.

Customers

Uztel SA periodically analyses the receivables situation of internal, external and litigious clients.

For the receivables of the internal clients existing in the balance on 31.12.2021 in the amount of 4.780.032 lei, no depreciation adjustments were constituted in the financial year 2021 because they are under strict monitoring regarding the terms of their collection. Internal receivables are subject to periodic analysis for the correct highlighting of the fair value receivable.

For the receivables of the external clients existing in the balance on 31.12.2021 in the amount of 3.419.886 lei, no depreciation adjustments were established in the financial year 2021 because they are under strict monitoring regarding the terms of their collection.

External receivables are subject to periodic analysis for the correct highlighting of the fair value receivable to be collected.

The value of 614.293 lei represents the balance of receivables on 31.12.2021 for uncertain clients and is the object of analysis and periodic review of their fair value based on legal information in the files pending before the courts and in the enforcement files.

Uztel considers, based on professional reasoning, that the amounts recorded in the accounts receivable of customers represent their fair value.

The activity of analysis, prescription of receivables and depreciation adjustments is performed periodically during the fiscal year in order to keep a true image regarding the knowledge of the present and future receivables of the company.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Stocks of raw materials, materials, semi-finished products and finished products

On 31.12.2021 the Company did not provide adjustments for Stocks of raw materials, materials, semi-finished products and finished products

a.2 *The situation of liabilities in 2021 compared to 2020,2019 and 2018 is as follows:*

lei

Liabilities	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Equity	13.413.648	13.413.648	13.413.648	13.413.648
Adjustments of equity	3.453.860	3.453.860	3.453.860	3.453.860
Reserves	34.065.517	34.986.872	37.055.314	38.756.972
Retained earnings	(1.422.418)	(2.674.097)	9.398.635	7.112.169
Debt over a year	8.131.379	9.110.547	3.333.492	4.373.392
Provisions	220.217	225.017	241.307	248.054
Debts under one year	30.946.688	20.419.534	25.959.244	27.968.147
Total Liabilities	88.808.891	78.935.381	92.855.500	95.326.242

Compared to 2020, there was an increase of 12,51% of the total liabilities held by the company, in nominal values from 78.935.381 lei on 31.12.2020 to 88.808.891 lei on 31.12.2021;

Compared to 2019, there was a decrease by 4,36% of the total liabilities held by the company, in nominal values from 92.855.500 lei on 31.12.2019 to 88.808.891 lei on 31.12.2021;

Compared to 2018, there was a decrease by 6,84% of the total liabilities held by the company, in nominal values from 95.326.242 lei on 31.12.2018 to 88.808.891 lei on 31.12.2021.

The percentage and value decrease of the total liabilities held by the company is due to the decrease of the revaluation reserves with the value of 937.871 lei by: capitalization of the revaluation surplus as the depreciation expenses are recorded in the fiscal register, as follows:

– the value of 867.433 lei representing expenses with depreciation related to the revaluation surplus highlighted in the fiscal register in 2021;



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

– the value of 70.438 lei representing expenses with depreciation related to the revaluation surplus highlighted in the fiscal register for the fixed assets removed from the record by scrapping / sale.

b) The situation of the Global Result

The structure of the global result in 2021 compared to 2020, 2019 and 2018 is as follows:

lei

Keys	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Net turnover	35.861.356	35.278.237	63.506.667	59.215.309
Operational income	44.652.881	33.630.585	74.882.706	77.683.418
Operational expense	43.642.868	44.601.931	73.428.186	76.554.078
Operation Result	1.010.013	(10.971.346)	1.454.520	1.129.340
Financial income	187.101	538.138	695.187	966.819
Financial expenses	866.790	1.182.618	1.564.899	1.312.277
Net Financial Result	(679.689)	(644.480)	(869.712)	(345.458)
Total income	44.839.982	34.168.723	75.577.893	78.650.237
Total expenses	44.509.658	45.784.549	74.993.085	77.866.355
Result before tax	330.324	(11.615.826)	584.808	783.882
Overall result of period	330.324	(11.615.826)	584.808	783.882

The turnover registered on 31.12.2021 compared to 31.12.2020 an increase by 1,65%, in nominal values from 35.278.237 lei at 31.12.2020 to 35.861.356 lei at 31.12.2021. Compared to 31.12.2019 the turnover registered a decrease by 43,81%, in nominal values from 63.506.667 lei at 31.12.2019 to 35.861.356 lei at 31.12.2021, and compared to 31.12.2018 it registered a decrease by 39,44%, in nominal values from 59.215.309 lei at 31.12.2018 to 35.861.356 lei at 31.12.2021.

Turnover expresses the volume of revenue earned by the company on the basis of the business operations performed in the reference year 2021. The turnover includes: sales of manufactured products, works and services, rents and other income.

Operating income increased by 32,77% in 2021 compared to 2020, i.e., in nominal values from 33.630.585 lei at 31.12.2020 to 44.652.881 lei at 31.12.2021, due to:

- increase of the production sold from 35.328.635 lei at 31.12.2020 to 35.757.317 lei at 31.12.2021, a percentage increase by 1,21%;



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

243 MIHAI BRAVU St., code 100410, PLOIESTI , PRAHOVA-ROMANIA
Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro
FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro

- increase of the incomes related to the costs of product stocks from (2.950.128) lei at 31.12.2020 to 8.408.612 lei at 31.12.2021;

- increase of other operating revenues from 259.660 lei at 31.12.2020 to 382.913 lei at 31.12.2021, a percentage increase by 47,47%.

Compared to 31.12.2019, the operational revenues registered a decrease by 40,37%, i.e., in nominal values from 74.882.706 lei at 31.12.2019 to 44.652.881 lei at 31.12.2021, due to:

- decrease of the production sold from 63.460.330 lei at 31.12.2019 to 35.757.317 lei at 31.12.2021, a percentage decrease by 43,65%;

- decrease in revenues related to the costs of product stocks from 9.291.097 lei at 31.12.2019 to 8.408.612 lei at 31.12.2021, a percentage decrease by 9,50%;

- decrease in revenues related to the costs of product stocks from 9.291.097 lei on 31.12.2019 to 8.408.612 lei on 31.12.2021, a percentage decrease by 9,50%;

- decrease of other operating income from 20.031.297 lei on 31.12.2019 to 382.913 lei on 31.12.2020, a percentage decrease by 81,15%.

Compared to 31.12.2018, the operational revenues registered a decrease by 42,52%, i.e., in nominal values from 77.683.418 lei on 31.12.2018 to 44.652.881 lei on 31.12.2021, due to:

– decrease of the production sold from 59.143.320 lei on 31.12.2018 to 35.757.317 lei on 31.12.2021, a percentage decrease by 39,54%;

– decrease in revenues related to the costs of product stocks from 16.936.297 lei on 31.12.2018 to 8.408.612 lei on 31.12.2021, a percentage decrease by 50,35%;

– decrease of other operating income from 1.471.207 lei on 31.12.2018 to 382.913 lei on 31.12.2021, a percentage decrease by 73,97%.

Operating expenses - registered a decrease of 2,15% on 31.12.2021 compared to 31.12.2020, in nominal values from 44.601.931 lei to 31.12.2020 to 43.642.,868 lei on 31.12.2021, due to:

– the increase of expenses with raw materials, consumables, goods and utilities from 13.430.849 lei on 31.12.2020 to 17.869.084 lei on 31.12.2020, a percentage increase of 30,05%;



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

- decrease of other expenses representing external benefits, taxes and duties from 4.215.826 lei on 31.12.2020 to 3.862.853 lei on 31.12.2021, a percentage decrease by 8,37%;
- decrease in personnel expenses from 21.811.819 lei on 31.12.2020 to 19.404.441 lei on 31.12.2021, a percentage decrease by 11,04%.

Compared to 31.12.2019, the operating expenses decreased by 40,56%, in nominal values from 73.428.186 lei on 31.12.2019 to 43.642.868 lei on 31.12.2021, due to:

- decrease of expenses with raw materials, consumables, goods and utilities from 35.904.353 lei on 31.12.2019 to 17.869.084 lei on 31.12.2021, i.e., a percentage decrease by 50,23%;
- decrease of other expenses representing external benefits, taxes and duties from 7.639.908 lei on 31.12.2019 to 3.862.853 lei on 31.12.2021, a percentage decrease by 49,44%;
- decrease of personnel expenses from 26.435.090 lei on 31.12.2019 to 19.404.441 lei on 31.12.2021, a percentage decrease by 26,60%.

Compared to 31.12.2018, the operating expenses decreased by 42,99%, in nominal values from 76.554.078 lei on 31.12.2018 to 43.642.868 lei on 31.12.2021, due to:

- decrease of expenses with raw materials, consumables, goods and utilities from 41.130.415 lei on 31.12.2018 to 17.869.084 lei on 31.12.2021, i.e., a percentage decrease by 56,56%;
- decrease of other expenses representing external benefits, taxes and duties from 7.631.832 lei on 31.12.2018 to 3.862.853 lei on 31.12.2021, a percentage decrease by 49,38%;
- decrease of personnel expenses from 23.957.522 lei on 31.12.2018 to 19.404.441 lei on 31.12.2021, a percentage decrease by 19,00%.

The result of the operational activities registered on 31.12.2021 compared to 31.12.2020 an increase, in nominal values from (10.971.346) lei to 31.12.2020 to 1.010.013 lei on 31.12.2021. Compared to 31.12.2019, the result of the operational activities registered a decrease, in nominal values from 1.454.520 lei on 31.12.2019 to 1.010.013 lei on



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

243 MIHAI BRAVU St., code 100410, PLOIESTI , PRAHOVA-ROMANIA
Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro
FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro

31.12.2021, and compared to 31.12.2018 it registered a decrease from 1.129.340 lei on 31.12.2018 to 1.010.013 lei on 31.12.2021.

The financial revenues registered a decrease by 65,23% on 31.12.2021 compared to 31.12.2020, i.e., in nominal values from 538.138 lei to 31.12.2020 to 187.101 lei on 31.12.2021. Compared to 31.12.2019, the financial revenues registered a decrease by 73,09%, i.e., in nominal values from 695.187 lei on 31.12.2019 to 187.101 lei on 31.12.2021, and compared to 31.12.2018 they registered a decrease by 80,65%, i.e., in nominal values from 966.819 lei on 31.12.2018 to 187.101 lei on 31.12.2021.

The financial expenses registered a decrease by 26.71% on 31.12.2021 compared to 31.12.2020, in nominal values from 1.182.618 lei to 31.12.2020 to 866.790 lei on 31.12.2021. Compared to 31.12.2019, the financial expenses registered a decrease of 44,61%, in nominal values from 1.564.899 lei on 31.12.2019 to 866.790 lei on 31.12.2021, and compared to 2018 they registered a decrease of 33,95%, in nominal values from 1.312.277 lei on 31.12.2018 to 866.790 lei on 31.12.2021.

The increase / decrease of the financial expenses was made due to the exchange rate differences, the appreciation / depreciation of the national currency against the euro and dollar contract currency and the volume of trade receivables in invoiced and collected currencies.

The net financial result registered on 31.12.2021 a loss of (679.689) lei, on 31.12.2020 the company registered a loss of (644.480) lei. On 31.12.2019 the company registered a net financial loss of (869.712) lei, and on 31.12.2018 a loss of (345.458) lei.

The total revenues registered an increase of 31,23% on 31.12.2021 compared to 31.12.2020, i.e., in nominal values from 34.168.723 lei on 31.12.2020 to 44.839.982 lei on 31.12.2021. Compared to 31.12.2019, the total revenues decreased by 40,67%, in nominal values from 75.577.893 lei on 31.12.2019 to 44.839.982 lei on 31.12.2021, and compared to 31.12.2018, the total revenues decreased by 42,99%, in nominal values from 78.650.237 lei on 31.12.2018 to 44.839.982 lei on 31.12.2021.

The total expenses registered a decrease by 2,78% on 31.12.2021 compared to 31.12.2020, in nominal values from 45.784.549 lei on 31.12.2020 to 44.509.658 lei on 31.12.2021. Compared to 31.12.2019, the total expenses decreased by 40,65%, in nominal values from 74.993.085 lei on 31.12.2019 to 44.509.658 lei on 31.12.2021, and compared to 31.12.2018, the total expenses decreased by 42,84%, in nominal values from 77.866.355 lei on 31.12.2018 to 44.509.658 lei on 31.12.2021.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

The result before tax registered on 31.12.2021 compared to 31.12.2020 an increase, in nominal values from (11.615.826) lei at 31.12.2020 to 330.324 lei at 31.12.2021. Compared to 31.12.2019, the result before taxing registered a decrease, in nominal values from 584.808 lei at 31.12.2019 to 330.324 lei at 31.12.2021, and compared to 31.12.2018 it registered a decrease, in nominal values from 783.882 lei at 31.12.2018 to 330.324 lei at 31.12.2021.

The overall result for the period registered on 31.12.2021 compared to 31.12.2020 an increase, in nominal values from (11.615.826) lei to 31.12.2020 to 330.324 lei on 31.12.2021. Compared to 31.12.2019, the result before taxing registered a decrease, in nominal values from 584.808 lei on 31.12.2019 to 330.324 lei on 31.12.2021, and compared to 31.12.2018 it registered a decrease, in nominal values from 783.882 lei on 31.12.2018 to 330.324 lei on 31.12.2021.

Economic - financial indicators	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Current liquidity – Current Assets / Current Liabilities	1,68	2,02	2,00	1,85
Indebtness – Borrowed capital / Equity * 100	19,56%	20,82%	15,70%	7,75%
Rotation speed debts – clients – Receivables / Turnover * 365 days	110 days	54 days	54 days	86 days
Rotation speed of fixed assets – Turnover / Fixed Assets	0,98	0,94	1,55	1,35

Current liquidity - provide the guarantee to cover current liabilities from current assets, accepted value is about 2.

Indebtedness - Expresses credit risk management effectiveness. The lower the value resulting from the calculation of indebtedness ratio, the smaller risk associated and less sensitive with changing interest rates.

Rotation speed debts – clients - Express effectiveness of the company in collecting its receivables, namely the number of days until the debtors pay their debt to society. The average number of days in which the company claims back in 2021 was 110 days.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Rotation speed of fixed assets - Express effectiveness of business assets by examining the turnover generated by a certain amount of assets. The value obtained was 0,98 expresses assets management effectiveness by achieving a turnover of 35.861.356 lei generated by an amount of fixed assets worth 36.671.500 lei.

c) Cash-flow:

The cash flow situation at 31 December 2021 as compared to 31 December 2020, 31 December 2019 and 31 December 2018 is as follows:

	<u>31-December</u> <u>2021</u> lei	<u>31-December</u> <u>2020</u> lei	<u>31-December</u> <u>2019</u> lei	<u>31-December</u> <u>2018</u> lei
Net profit for the year	330.324	(11.615.826)	543.176	783.882
Income tax expenses	-	-	-	-
Long term asset depreciation /impairment	2.228.405	2.476.994	2.948.713	3.504.520
Expenses with disposed assets	32.000	843.485	194.777	104.601
Asset disposal income	(169.439)	(252.563)	(308.609)	(70.493)
Impairment adjustments for customer receivables	-	1.077.744	-	-
Income / (expenses) related to value adjustments on current assets	-	2.693.898	-	-
Interest expense	(517.998)	(605.349)	(696.285)	(371.361)
Interest income	1.681	2.701	3.468	4.435
Gain / loss from exchange rate	170.669	(26.455)	(156.030)	20.470
Movements in working capital	1.745.318	6.210.455	1.986.034	3.192.172
Increase / (decrease) in trade receivables and other receivables	(5.562.835)	4.130.449	4.609.905	(276.205)
Increase / (decrease) in other current assets	(1.492)	(686)	(2.022)	1.642
Increase / (decrease) in inventories	6.379.529	(5.789.020)	(4.260.129)	(2.475.847)
Increase / (decrease) commercial debts	(10.814.183)	7.008.127	7.129.206	(652.153)
Increase / (decrease) income recorded in advance	1.350	2.500	-	-
Increase / (decrease) other debts	1.241.026	(6.671.369)	(3.077.948)	1.554.184
Cash used in operating activities	(8.756.605)	(1.319.999)	4.399.012	(1.843.379)
Profit tax paid	-	-	-	-
Interest paid	(517.998)	(605.349)	(696.285)	(371.361)



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

Cash generated from operating activities	(7.198.961)	(7.330.719)	6.231.937	1.756.314
Net cash from investment activities	(436.928)	(651.489)	(953.048)	(276.235)
Cash payment for acquisition of assets	(436.928)	(651.489)		(276.235)
Net cash from financing activities	6.708.333	7.297.358	(4.638.377)	(1.920.900)
Cash repayments on loans and credits	(1.005.938)	(1.005.938)	(4.633.675)	(1.873.126)
Cash receipts from loans and credits	7.714.313	7.263.645	-	-
Receipts from subsidies for the payment of staff in technical furlough	-	1.039.945	-	-
Dividends paid	(42)	(294)	(4.702)	(47.774)
Increase / decrease in net cash and cash equivalents	(927.556)	(684.850)	640.512	(440.821)
Cash and cash equivalents at the beginning of period	1.286.319	1.971.169	1.330.657	1.771.478
Cash and cash equivalents at the end of period	358.763	1.286.319	1.971.169	1.330.657
Net increase/decrease in cash and cash equivalents	(927.556)	(684.850)	640.512	(440.821)

In 2021, cash and cash equivalents decreased compared to 2020 by 242.706 lei, as result of:

- Decrease of the cash generated from the exploitation activity by 131.758 lei, from (7.330.719) lei at 31.12.2020 to (7.198.961) lei at 31.12.2021;
- The increase of the net cash from the investment activity by 214.561 lei, from (651.489) lei at 31.12.2020 to (436.928) lei at 31.12.2021;
- Decrease of net cash from financing activity by 589.025 lei, from 7.297.358 lei at 31.12.2020 to 6.708.333 lei at 31.12.2021.

In 2021, cash and cash equivalents decreased compared to 2019 by 1.568.068 lei, as result of:

- The decrease of the cash generated from the exploitation activity by 13.430.898 lei, from 6.231.937 lei at 31.12.2019 to (7.198.961) lei at 31.12.2021;
- The increase of the net cash from investment activity by 516.120 lei, from (953.048) lei at 31.12.2019 to (436.928) lei at 31.12.2021;
- The increase of the net cash from the financing activity by 11.346.710 lei, from (1.920.900) lei at 31.12.2018 to 7.297.377 lei at 31.12.2020.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

In 2021, cash and cash equivalents decreased compared to 2018 by 486.735 lei, as result of:

- Decrease of the cash generated from the exploitation activity by 8.955.275 lei, from 1.756.314 lei at 31.12.2018 to (7.198.961) lei at 31.12.2021;
- Decrease of the net cash from the investment activity by 160.693 lei, from (276.235) lei at 31.12.2018 to (436.928) lei at 31.12.2021.
- The increase of the net cash from the financing activity by 8.629.233 lei, from (1.920.900) lei at 31.12.2018 to 6.708.333 lei at 31.12.2021.

Events after the financial statements concluded on 31.12.2021

Based on the information that the company holds so far; the shareholding structure has not changed until the date of issuance of these financial statements.

Uztel has identified events that occurred between the date of the balance sheet concluded on 31.12.1and the date on which the financial statements are authorized for submission. These events provide additional information regarding the conditions that existed at the balance sheet date or regarding certain conditions that appeared after the closing of the 2021 balance sheet, as follows:

1. In 2021, UZTEL SA carried out its activity in conditions of continuity in accordance with the provisions of OMFP 2844/2016 regarding the accounting regulations compliant with the International Financial Reporting Standards.

The evolution of the national and international epidemiological situation determined by the spread of SARS – coV – 2 coronavirus in more than 150 countries, as well as the declaration of the “Pandemic” by the World Health Organization on 11.03.2020 and the Presidential Decrees establishing the state of emergency and of the alert status on the Romanian territory determined social, commercial, economic and financial phenomena and aspects independent of the company and which could not be controlled by it, which led to a negative impact regarding the drastic decrease of the volume of orders and related commercial contracts. year 2021.

The decrease in the volume of orders and contracts negatively influenced the cash flow and generated the accumulation of budgetary and commercial debts. The company makes significant financial efforts to comply with the deadlines for the payment of current and staggered budget taxes and fees according to the Decision to reschedule the payment of fiscal obligations no. 294 / 22.01.2021.



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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

Phone: + 40(0)244 / 541399, 523455; 0372441111; Fax: 521181; E-mail: office@uztel.ro

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

2. After the closing date of the financial year on 31.12.2021, the uncertainties and risks in the economic, commercial and financial environment remain high nationally and internationally. Even if the impact of the pandemic on economic activity has diminished over time, further application of measures to limit the spread of the disease and the prolonged shortage of staff could affect economic activity. These measures could also affect the operation of supply and sales chains for a longer period than expected.

3. Starting with 01.01.2022, the inflation forecasts have been considerably revised upwards compared to the forecasts for the fourth quarter of 2021. They reflect the effects of very high energy and gas prices which will lead to a significant and unpredictable increase in costs. with the utilities in the total operational expenses of the company.

4. The challenges of 2022: rising prices for raw materials and materials, higher bank interest rates, high utility bills (energy and gas) will affect the pressure to raise wages and maintain a high volume of sales in physical units and in order to achieve the performance objectives estimated by the Revenue and Expenditure Budget

Board of Directors,
CEO – Hagi Neculai

General Director
Anghel George Marinelo

Economic Director,
Popescu Ileana

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