



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

NOTE OF SUBSTANTIATION
of the proposal on distribution of accounting profit on
31.12.2019

In the financial year ended December 31, 2019 the company UZTEL SA Ploiesti registered a net accounting profit in the amount of 584.807,69 lei.

Under Law 31/1990 on commercial companies: according to art. 183, "*of the company's profit shall be taken at least 5% each year for the formation of the reserve fund, until it reaches at least a fifth of the share capital.*" Thus, at the end of each year, the legal reserve of the company's profit will be created by applying the 5% share, until the reserve reaches 20% of the equity.

At 31 December 2019, the statutory legal reserve is in the amount of 1.955.835,54 lei, and the total amount of the constituted reserve is 2.682.729,50 lei.

The company constituted on 31.12.2019 the legal reserve amounting to 29.240,40 lei , according to the provisions of art. 26 par. (1), lit. (a) of Law no. 227/2015 regarding the Fiscal Code, as follows:

129	=	1061	29.240,40 lei
Profit distribution		Legal reserves	

As a result of establishing the legal reserve amounting to 29.240,40 lei, the net book profit will be 555.567,29 lei.

It is proposed to the General Meeting of Shareholders that the net profit of 555.567,29 lei should be recorded in the accounting records of Uztel SA Ploiesti as follows :

121	=	1171.02	555.567,29 lei
Profit		Result reported-	
		loss	



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1171.02	=	1171.01	555.567,29 lei
Reported result - profit		Reported result -loss	

The result carried forward from previous years is an accounting loss amounting to (15.906.221,92) lei, consisting of:

- loss related to the year 2016, amounting to (3.480.181,87) lei;
- loss related to 2017, amounting to (13.170.728,39) lei.

According to the provisions of art. 31 par. (1), lit. (a) of Law no. 227/2015 regarding the Fiscal Code and art. 19 par. (4) of the Accounting Law no. 82/1991 with subsequent modifications and completions, after the approval of these accounting operations, the company's net loss shall be in the amount of (15.350.654,63) lei .

General Director
Ing. Anghel George Marinelo

Economic Director
Ec. Popescu Ileana

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