



UZTEL S.A.
OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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IN INSOLVENTA

IN INSOLVENCY

EN PROCEDURE COLLECTIVE

SUBSTANTIATION NOTE
of the proposal for partial coverage
of the accounting loss
on 31.12.2024

In the financial year ended on 31 December 2024, the company UZTEL SA Ploiesti registered a net accounting loss in amount of (22,489,557) lei.

The result carried over from previous years is an accounting loss in amount of (42,242,011.81) lei. Thus, the accounting loss will be in amount of (64,731,568.44) lei, distributed over the years as follows:

- loss related to the year 2017, in amount of (12,302,653.56) lei;
- loss related to the year 2020, in amount of (11,615,826.38) lei;
- loss related to the year 2022, in amount of (8,916,274.78) lei;
- loss related to the year 2023, in amount of (9,407,257.09) lei;
- loss related to the year 2024, in amount of (22,489,556.63) lei.

According to the provisions of art. 19 para. 4 of the Accounting Law no. 82/1991 as republished and updated, art. 176 para. (1) and (2) of OMFP No. 2844/2016, the normative act that was taken into account for the preparation of the financial statements, the coverage of the accounting loss from the revaluation reserve is allowed as follows:

“Art. 176. -(1) The accounting loss carried forward shall be covered from the profit of the financial year and the profit carried forward, from reserves, capital premiums and share capital, according to the resolution of the general meeting of shareholders or members, in compliance with the provisions of the law.

(2) Where there are no specific law provisions, the order of sources from which the accounting loss is covered shall be decided by the general meeting of shareholders or members, or by the board of directors.”

The manner of using the revaluation reserve is regulated by art. 210 para. (3) of Law no. 31/1990 on companies, as follows:

“(3) - The favorable differences from the revaluation of assets will be included in reserves, without increasing the share capital.”

From the analysis of the regulatory text, we note that there is a restriction on the use of the favorable difference from revaluation as a source to increase share capital, but the surplus from revaluation may be used to: cover accounting losses from previous financial years, distribute to shareholders when the profit condition is met, or retain on account of reserves within equity.

As of 31.12.2024, the company has recorded in account 1175 *"Balance carried forward representing surplus from revaluation reserves"* the amount of 18,732,623.32 lei, consisting of:

- reserves related to surplus from the revaluation of tangible assets (land, buildings, equipment, and technical installations) removed from the records between January and December 2023 through discarding and sale, in amount of 481,319.27 lei, which amount was included in the tax base as an item similar to income;
- reserves related to surplus from the revaluation of tangible assets (land, buildings, equipment, and technical installations) removed from the records between January and December 2022 through discarding and sale, in amount of 845,420.87 lei, which amount was included in the tax base as an item similar to income;
- reserves related to surplus from the revaluation of tangible assets (buildings, industrial equipment and machinery, office equipment) in amount of 15,502,937.85 lei, entered in the tax register through quarterly transfer from revaluation reserve accounts as non-deductible expenses as they are depreciated;
- 1,902,849.08 lei surplus resulting from revaluation reserves according to the 2023 building revaluation report, recorded in 2024.

It is proposed to the General Meeting of Shareholders that the loss from the reported result be covered by the surplus from revaluation, as follows:

1175	=	1171.01	1,326,740.14 lei
Balance carried forward representing surplus from revaluation reserves year 2023		Loss carried forward	

1175	=	1171.01	1,902,849.08 lei
Balance carried forward representing surplus from revaluation reserves year 2024		Loss carried forward	

After approval of these accounting operations, the net accounting loss of the company will amount to (61,501,979.22) lei, as follows:

- loss in 2017 in amount of (10,975,913.42) lei;
- loss in 2020 in amount of (11,615,826.38) lei;
- loss in 2022 in amount of (8,916,274.78) lei;
- loss in 2023 in amount of (9,407,257.09) lei;
- loss in 2024 in amount of (20,586,707.55) lei.

to be recovered according to art. 19 para. (4) Of the Accounting Law no. 82/1991 as further amended and supplemented:

- *“The accounting loss carried forward shall be covered from the profit of the financial year and the profit carried forward, from reserves, capital premiums and share capital, according to the decision of the general meeting of shareholders”.*

Special Administrator – General Manager
Dumitru Paul - George
/seal, signed illegibly/

Finance Department
Brujban Gabriela
/signed illegibly/

05.05.2025

I, Ilie Oana Alice, an English sworn translator and interpreter under License no. 4858 dated 21.06.2001, issued by the Romanian Ministry of Justice, hereby certify this accuracy of this translation from Romanian into English, that the text submitted has been fully translated without any omissions, and that the contents and meaning of the document has not been misrepresented by translation.

TRANSLATOR

