ROMPETROL WELL SERVICES SA

STAND-ALONE FINANCIAL STATEMENTS

Prepared in accordance with
Order of Minister of Public Finance no. 2844/2016

31 December 2018

ROMPETROL WELL SERVICES S.A.
Stand-alone Financial Statements
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ROMPETROL WELL SERVICES S.A.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended as at 31 December 2018
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	Date 31.12.2018	Date 31.12.2017
Revenue from contracts with customers	2	62,760,538	39,997,068
Revenue from services performed		62,745,136	39,874,677
Revenue from sales of goods		15,402	122,391
Other operating income	3,1	1,521,686	252,599
OPERATING INCOME - TOTAL		64,282,224	40,249,667
Expenses with consumables		(18,275,133)	(11,345,721)
Power and water expenses		(394,300)	(182,838)
Merchandise expenses		(11,397)	(80,620)
Payroll costs, out of which:	5	(18,891,536)	(14,653,645)
Salaries		(17,766,860)	(11,906,949)
Social security contributions		(546,322)	(2,580,628)
Fixed assets value adjustment, of which	12,13,14	225,469	(6,172,280)
Depreciation		(5,278,281)	(6,172,280)
Impairment of property, plant and equipment		5,503,750	-
Current assets value adjustment		2,409,715	(182,878)
Expenses with third-party services	3,2	(10,951,448)	(6,441,774)
Taxes, duties and similar expenses		(638,102)	(726,248)
Provision adjustments, net	18,19	(83,148)	(46,053)
Other operating expenses	3,3	(2,148,897)	(514,490)
OPERATING EXPENSES - TOTAL		(48,758,777)	(40,346,547)
OPERATING RESULT		15,523,447	(96,881)
Interest income		3,932,277	2,541,486
- of which, revenues from related parties		3,930,108	2,531,720
Other financial income		278,067	294,913
FINANCIAL INCOME - TOTAL	4,1	4,210,344	2,836,399
Other financial expenses		(279,498)	(267,779)
FINANCIAL EXPENSES - TOTAL	4,2	(279,498)	(267,779)
FINANCIAL RESULT		3,930,846	2,568,620
RESULT BEFORE TAX		19,454,293	2,471,740
Income tax expense	6	(2,567,653)	(29,294)
RESULT FOR THE YEAR		16,886,640	2,442,446
Earnings per share	7	0.0607	0.0088
Other comprehensive income		(37,497)	(352,345)
Actuarial gain / (losses) relating to retirement benefits		(37,497)	(352,345)
TOTAL COMPREHENSIVE INCOME		16,849,143	2,090,101

The Financial Statements from page 1 to page 42 were approved by the Board of Directors in 19 March 2019 and are signed in his name by:

Administrator,
ZHETPISBAYEV Timur

Signature
Company stamp



Prepared by,
MOISE Luiza-Roxana
Finance Manager
Signature



ROMPETROL WELL SERVICES S.A.
STATEMENT OF FINANCIAL POSITION
For the year ended as at 31 December 2018
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	Date 31.12.2018	Date 31.12.2017
Assets			
Non-current assets			
Tangible assets	8	26,260,303	23,459,576
Investment property	9	507,210	525,813
Intangible assets	10	206,389	257,852
Financial assets	11	6,524,856	6,524,856
Other financial assets	12	705,898	22,034
Total non-current assets		**34,204,656**	**30,790,131**
Current assets			
Inventories, net	13	3,165,469	4,229,589
Short term loans granted to related parties	21	34,300,000	34,300,000
Trade and other receivables	14	75,306,634	60,924,459
Profit tax receivable		-	257,842
Other current assets	15	320,024	181,351
Cash and deposits	16	4,659,229	3,513,305
Total current assets		**117,751,356**	**103,406,545**
Total assets		**151,956,012**	**134,196,676**
Capital and reserves			
Capital			
Share capital, of which:		28,557,446	28,557,446
Subscribed and paid in share capital	17.1	27,819,090	27,819,090
Share capital adjustments	17.2	738,356	738,356
Legal reserves		5,563,818	5,563,818
Other reserves		23,025,823	22,775,285
Retained earnings		46,163,721	44,732,606
Retained earnings IFRS transition		18,052,782	18,330,137
Current result		16,886,640	2,442,446
Total equity		**138,250,230**	**122,401,738**
Long-term liabilities			
Provisions	18	142,389	229,429
Employee benefits liabilities	19	1,288,636	864,721
Deferred tax liabilities	6	1,159,590	394,657
Other liabilities		99,492	40,518
Total long-term liabilities		**2,690,107**	**1,529,326**
Current liabilities			
Trade and other payables	20	10,624,887	10,265,612
Income tax payable	6	390,788	-
Total current liabilities		**11,015,675**	**10,265,612**
Total liabilities		**13,705,782**	**11,794,938**
Total equity and liabilities		**151,956,012**	**134,196,676**

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SOCIETATEA COMERCIALA ROMPETROL WELL SERVICES S.A. PLOIESTI

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Finance Manager
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ROMPETROL WELL SERVICES S.A.
STATEMENT OF CHANGES IN EQUITY
For the year ended as at 31 December 2018
(all amounts expressed in Lei ("RON"), unless otherwise specified)

For the year ended as at 31 December 2017

	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
Balance at 1 January 2017	28,557,446	5,563,818	22,303,079	51,377,718	18,330,137	(5,820,561)	120,311,638
Transfer to other reserves	-	-	824,551	(6,645,112)	-	5,820,561	-
Actuarial gain / (losses) relating to retirement benefits	-	-	(352,345)	-	-	-	(352,345)
Current result	-	-	-	-	-	2,442,446	2,442,446
Dividends	-	-	-	-	-	-	-
Balance at 31 December 2017	**28,557,446**	**5,563,818**	**22,775,285**	**44,732,606**	**18,330,137**	**2,442,446**	**122,401,738**

For the year ended as at 31 December 2018

	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
Balance at 1 January 2018	**28,557,446**	**5,563,818**	**22,775,285**	**44,732,606**	**18,330,137**	**2,442,446**	**122,401,738**
Impact from application of IFRS 9	-	-	-	-	(277,355)	-	(277,355)
Balance at 1 January 2018 Restated	**28,557,446**	**5,563,818**	**22,775,285**	**44,732,606**	**18,052,782**	**2,442,446**	**122,124,383**
Profit distribution	-	-	-	2,442,446		(2,442,446)	-
Dividends	-	-	-	(723,296)	-		(723,296)
Current result	-	-	-	-	-	16,886,640	16,886,640
Transfer to other reserves	-	-	-	-	-	-	-
Other movements	-	-	288,035	(288,035)	-	-	-
Other comprehensive income	-	-	**(37,497)**	-	-	-	**(37,497)**
Actuarial gain / (losses) relating to retirement benefits	-	-	(37,497)	-	-	-	(37,497)
Balance at 31 December 2018	**28,557,446**	**5,563,818**	**23,025,823**	**46,163,721**	**18,052,782**	**16,886,640**	**138,250,230**

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The legal reserve is in amount of RON 5,563,818 (2017: RON 5,563,818). The company constituted the legal reserve in accordance with the provisions of the Romanian trading companies law, which requires at least 5% of the annual company's profit before tax to be transferred to legal reserve until the ending balance of this reserve reaches 20% of the company's share capital.

Other reserves represent reserves constituted on the basis of mandatory legislation, respectively reserves for actuarial elements according to IAS 19.

The increase in other reserves in the amount of RON 288,035 represents the amount of profit for which the profit tax exemption for 2018 was granted and which was allocated to reserves at the end of the financial year.

In other reserves was presented, by diminishing the value with the amount of RON 37,497, the impact from the evolution of the present value provision obligation constituted for the retirement benefits and other similar liabilities related to the personnel generated by the differences between the previous actuarial assumptions and what actually occurred and from the changes in hypothesis.

Retained earnings represent reserves constituted through the distribution of prior year profits, respectively the cover of prior year losses.

Retained Earnings IFRS transition represent the retained earnings constituted on the first adoption of IAS, less IAS 29.

During the General Ordinary Meeting of the Shareholders from 27 April 2018, it was decided the distribution on destinations of the 2017 net profit: dividends distribution in gross amount of RON 723,296 and distribution in retained earnings in amount of RON 1,719,149.

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Indirect method

Name of item	Financial year Ended as at 31.12.2018	Ended as at 31.12.2017
Cash flows from operating activities:		
Net result before tax	19,454,293	2,471,740
Adjustments for:		
Depreciation and adjustments related to tangible assets and investment properties	5,224,070	6,164,217
Depreciation and adjustments related to intangible assets	54,212	8,063
Impairment for property, plant and equipment	(5,503,750)	-
Provisions for post-employment benefits plans	469,565	46,053
Adjustments for inventory depreciation	11,666	77,311
Allowance for trade and other receivables	(2,421,381)	105,568
Trade receivables and sundry debtors write off	2,145,649	-
Interest income	(3,932,277)	(2,541,486)
Loss / (profit) from tangible asset sales	(171,749)	(133,223)
Unrealized foreign exchange differences (Gain)/Loss	73,669	14,265
Operating profit before working capital changes	**15,403,967**	**6,212,506**
(Increase) / Decrease of performance guarantees and bank account for dividend payments	(683,864)	951,131
Increase of trade and other receivables	(6,015,224)	(2,095,847)
Decrease / (Increase) of inventories	1,052,454	(1,457,370)
(Decrease) / Increase of trade and other debts	(332,646)	2,091,503
Paid income tax	(1,154,090)	-
Net cash flow from operating activities	**8,270,596**	**5,701,923**
Cash flows from investments:		
Payments for purchase of tangible and intangible assets	(2,507,926)	(258,996)
Receipts from sale of tangible and intangible assets	174,482	147,940
Received interest	3,867,709	2,586,560
Net cash from investments	**1,534,265**	**2,475,504**
Cash flows from financing activities:		
Increase of cash pooling balance	(8,515,902)	(11,226,870)
Dividends paid	(143,036)	(11,234)
Net cash flows from financing activities	**(8,658,938)**	**(11,238,104)**
Net (decrease) / increase of cash and cash equivalents	1,131,121	(3,107,793)
Net foreign exchange differences	14,803	47,116
Cash and cash equivalents at the beginning of the financial year	3,513,305	6,573,982
Cash and cash equivalents at the end of the financial year	**4,659,229**	**3,513,305**

The Financial Statements from page 1 to page 42 were approved by the Board of Directors in 19 March 2019 and are signed in his name by:

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SOCIETATE COMERCIALA ROMPETROL WELL SERVICES S.A. PLOIESTI

Prepared by,

MOISE Luiza-Roxana
Finance Manager

Signature

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES

The financial statements of **ROMPETROL WELL SERVICES SA** for the financial year ended as at 31 December 2018 are approved according to the resolution of the Board of Directors dated 19 March 2019.

Rompetrol Well Services SA ("the Company") is a stock company, registered office located in Ploiesti, Clopotei Street, No. 2 bis, Romania. The Company is registered with the Trade Register under the number J29/110/05.03.1991.

It was turned into a stock company named S.C. PETROS SA based on the Government Decision no. 1213 of November 1990, under the Law 15/1990, and operated under such name until September 2001 when its name was changed into ROMPETROL WELL SERVICES SA.

The Company is part of the KazMunayGas International Group. The annual consolidated financial statements are prepared at the level of the parent company, KMG International NV, with the head office located in World Trade Center, Strawinskylaan 807, Tower A, 8th Floor, 1077 XX, Amsterdam, The Netherlands.

The ultimate parent of KazMunayGas International is the National Wealth Fund JSC "Samruk-Kazyna", an entity based in Kazakhstan.

The company's main scope of business mainly consists of: special well operations, rent of special well tools and devices, other services provision. The Company provides services for both domestic and foreign markets. Its long history in both the domestic and the foreign oil industry makes it a competitive, reliable and serious partner for a large range of services:

- Primary and secondary cementing
- Acidizing and cracking services
- Sand-Control services (reinforcement and packing)
- Well nitrogen treatment services
- Well testing services
- Well lining services
- Drilling tools and instrumentation rental services

These annual stand-alone financial statements are public and available on www.petros.ro, on Investor Relations section.

The Company has a branch in Kazakhstan, Atyrau, 060003, Moldagaliyeva 31/19 Street, an entity without legal personality. The branch functional currency is the Kazakhstan' national currency – tenge (KZT).

The reorganisation during crisis conditions in oil services industry involved an analysis on geographical areas of operational efficiency for a period of multiple years. Matters connected to factors such as materials and human resources, contractual commitments and market particularity, lead to the proposal to renounce to the operational activity in Kazakhstan, and as a consequence, to dissolve Company's Branch in Kazakhstan, proposal approved by General Extraordinary Meeting of the Shareholders on July 22nd, 2015. The process of effective closure is continuing.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

As of 31 December 2018 the financial position of the Kazakhstan Branch is as follows:

	Date 31.12.2018
Tangible assets	-
Intangible assets	-
Inventories	-
Trade and similar receivables	145,250
Cash and deposits	2,349
Total assets	**147,599**
Other capital elements	142,389
Trade payables and similar liabilities	5,211
Total liabilities	**147,599**

1.1. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Starting the year ended 31 December 2012, the financial statements of the Company are prepared in accordance with the Order no. 1286/2012 of the Ministry of Public Finance, the latest regulation being Order no. 2844/2016 of the Ministry of Public Finance, approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market. Such provisions are aligned with the requirements of the International Financial Reporting Standards adopted by the European Union, except for the provisions of IAS 21 - The Effects of Changes in Foreign Exchange Rates regarding the functional currency.

In order to prepare these financial statements, pursuant to the Romanian legal requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

The financial statements of the Company are based on the historical cost principle. The stand-alone financial statements are presented in RON and all amounts are rounded up in RON unless otherwise specified.

The financial statements of the Company are prepared based on the going concern principle.

1.2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

a) The going concern principle

Considering the solid financial position of the Company and next year cash flow projections, the financial statements of the Company were prepared based on the going concern principle.

b) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss resulted from the re-conversion of non-monetary items is treated in line with the recognition of gain or loss upon the change in fair value (i.e., the exchange rate differences on items whose fair value gain or loss is recognised in Other elements of global earnings, or the profit or loss are also recognised in Other elements of global earnings, profit or loss, respectively).

The exchange rates used to translate the balances denominated in foreign currency as at 31 December 2018 were, for RON:

	31 December 2018	31 December 2017
1 EUR	4.6639	4.6597
1 USD	4.0736	3.8915

For the indicators of the subsidiary in Kazakhstan, the KZT/USD and then the USD/RON conversions are used, the exchange rate for KZT being:

	31 December 2018	31 December 2017
1 USD	384,20	333,28

c) Financial instruments

A financial instrument is any contract which produces a financial asset for a company and a financial liability or equity instrument for another entity. The Company's financial assets include cash and cash equivalents, trade receivables and other receivables (including loans to related parties) and financial investments. The Company's financial liabilities include trade liabilities and other liabilities. The accounting policies for the recognition and measurement of each item are described in this note.

Initial and subsequent measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs which are directly attributable to acquisition or issuance of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added at initial recognition or deducted from the fair value of respective financial asset or liability, as the case may be.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial liabilities are classified as subsequently measured at amortized cost, except for (a) financial liabilities at fair value through profit or loss, (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, (c) financial guarantee contracts, who is subsequently measured at the higher of the value of the loss adjustment and the amount initially recognized, (d) commitments to provide a loan at a below-market interest rate which is subsequently measured at the higher of the value of the loss adjustment and the amount initially recognized, (e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 which subsequently is measured at fair value with changes recognized in profit or loss.

For purposes of subsequent measurement, the company's specific financial assets and liabilities are classified in three categories:

- Financial asset measured at amortized cost (Receivables and loans granted); and
- Trade payables and other liabilities
- Financial assets measured at fair value through other comprehensive income

Receivables and loans

This category is the most relevant to the Company. Receivables and loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Trade payables and other liabilities

Trade payables and other liabilities are cost, subsequently measured at amortized using the effective interest rate. The effective interest method is a method to calculate the amortized cost of a financial liability and to allocate interest expenses from the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the financial liability (including all paid or received commissions which are part of the effective interest rate, transaction costs and other bonuses or discounts) or (if the case) on a shorter period, to the net carrying amount from the initial recognition.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired;
  or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less cumulative depreciation and, if the case, less loss from impairment, in the financial statements of the Company.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put to operation, such as repairs and maintenance are charged to the profit and loss statement in the period in which the costs are incurred. In cases where it can be proved that expenses have increased the future economic benefits obtained from the use of intangible assets besides the standard evaluation of its performance, the expenditure is capitalized as additional costs of the property, plant and equipment.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

Construction in progress represents plant and properties under construction and is stated at cost, less any impairment loss. This includes the cost of construction and other direct costs. Depreciation of these and other assets is registered starting with the date when they are ready to be used for the activity they are intended for.

Depreciation for property, plant and equipment except land and construction in progress is computed using the straight-line method over the following estimated useful lives:

Buildings and other constructions	5 - 60 years
Machinery and other equipment	3 - 27 years
Vehicles	3 - 15 years

The useful life and methods of depreciation of intangible assets are revised at each fiscal year end and adjusted prospectively, if the case.

When assets are sold or disposed of, their cost and related accumulated depreciation are removed and any income or loss resulting from their output is included in the profit or loss account.

f) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are disclosed at their historical cost less the provisions for depreciation and impairment. Depreciation of investment properties is computed using straight-line method through their useful life of between 35 and 40 years.

For the purpose of disclosure of fair values are consequently assessed by an accredited external, independent valuator, by applying a valuation model recommended by the International Valuation Standards Committee. The revaluation is performed at least every 3 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change of use. If an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change of use.

g) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After the initial recognition, intangible assets are measured at cost less the accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives:

- Intangible assets consist mainly of software and licenses and are amortized on a straight-line basis over 3 to 5 years.
- The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary. External and internal costs specifically associated with the maintenance of already existing computer software programmes are expensed as incurred.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

h) Financial assets

Financial assets represent strategic long term investments and are recorded at fair value through other comprehensive income. Main indicators taken into consideration when identifying fair value are current and forecasted results of the respective company, in the context of the industry in which it operates.

Additional details on financial assets are presented in Note 11.

i) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have undergone an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the respective asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted already.

The company bases its impairment computation on detailed budgets and forecast calculations which cover a period of 7 years. A long-term growth rate is calculated and applied to the future cash flows determined based on the company's budgets and forecasts.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is stated at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss is reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed partially or totally, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense related to any provision is presented in the profit and loss statement net of any reimbursement. If the effect of the time value of money is material, the provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest cost.

Provisions are not recognized for future operating losses.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

k) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. All other leases are classified as operating leases. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs representing the difference between the total leasing commitments and the fair value of the assets acquired are charged to the consolidated profit and loss statement throughout the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leased assets are depreciated over their useful life. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost comprises the acquisition cost and other costs that have been incurred in bringing the inventories to their present location and condition and is determined by weighted average method for all the inventories.

m) Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 9.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

n) Cash and cash equivalents

Cash includes petty cash, cash at banks and cheques in course of being cashed. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash in less than a year to maturity from the date of acquisition and that are subject to an insignificant risk of devaluation.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

o) Revenue from contracts with customers

Revenue is recognise at the level of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. When the Company, acting as an agent, satisfies a performance obligation, the Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Company's business model establish the identification of performance obligations as the written requests of clients, which represent the commitment to purchase goods or services, based on the framework contract.

The Company has framework agreements concluded with customers, services provided/merchandise sold being made based on purchase order. The Company has assessed, by type of contract, the goods and/or services promised in each type of contract and has identified the following promised goods and services, which also qualify as separate performance obligations (POs):

- Specific well operation to a specific defined well.
- **Rental:** distinct space and vehicle
- **ITP:** specific vehicle verification
- **Other merchandise:** distinct goods

The company has determined for each performance obligation identified at the beginning of the contract whether it will be met in time or if it will be performed at a specific time. The company collects commercial receivables within 30 - 90 days.

p) Retirement benefit costs

Payments made to state - managed retirement benefit schemes are dealt with as defined contribution plans where the Company pays fixed contributions into the state-managed fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior period. The contributions are charged as an expense in the same period when the employee service was rendered.

Under the provisions of the collective labour agreement, employees are entitled to specified retirement benefits, payable on retirement, if they are employed with the Company at the date of their retirement. These amounts are estimated as of the reporting date, based on: applicable benefits provided in the agreement, the Company headcount and specific actuarial estimates (Note 19). The defined benefit liability as of reporting date comprises the fair value of the defined benefit obligation and the related service cost recorded in the profit and loss statement. All actuarial gains and losses are fully recognized in other comprehensive income in the period in which they occur for all defined benefit plans. Actuarial gains and losses recognized in other comprehensive income are presented in the statement of comprehensive income.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

The Company has no other liabilities with respect to future pension benefits, health and other costs for its employees.

q) Taxes

- *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit and loss statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- *Deferred tax*

Deferred tax is recorded using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures, when the reversal of such temporary differences can be controlled and likely not to be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In case of deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures, the deferred tax asset is recognised only when the temporary differences are likely to be reversed in a foreseeable future and when there can be a taxable profit for which temporary differences may be used.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced consequently to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted until the end of the reporting period.

Deferred tax relating to items recognized off the profit and loss statement is recognized off the profit or loss account. Deferred tax items are recognized depending on the nature of the underlying transaction either in other comprehensive income or directly in equity.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and are collected by the same tax authority.

- *Revenue related taxes*

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the acquisition cost of the asset or as part of the expense item as the case may be.
- Receivables and payables whose taxes are included in their amount.

The net amount of sales tax recoverable from, or payable to, the tax authority is included in the receivables or payables in the balance sheet.

r) Dividends

Dividends are recorded in the year in which they are approved by the shareholders.

s) Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are however disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

1.3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's stand-alone financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. The estimates and associated assumptions rely on the historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of the assets or liabilities in the future periods.

The estimates and assumptions that accounting judgements rely on are subject to constant review. Revisions to accounting estimates are recognized in the period in which the estimate is revised if such revision only affects that period or in the period of the revision and future periods if such revision affects both current and future periods.

The matters presented below are considered to be paramount in understanding the judgments that are involved in preparing these statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

(i) Carrying value of trade receivables

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company assesses the requirement for an allowance for impairment in trade and other receivables when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

(ii) Depreciation of tangible assets and investment properties

The Company analyses at each reporting date if there are indicators of impairment of tangible assets and investment properties. If indicators are identified, or if an impairment test is required by accounting regulation, the accounting value of the main fixed assets and investment properties is revised for possible allowances for impairment, while all assets are analysed each time when events or changes in market or industry indicates the fact that the accounting value of these assets can't be recovered. If for these assets are necessary allowances for impairment, the accounting value for these assets is adjusted to the recoverable amount, which is determined as the highest between fair value less cost to sale and the amount based on discounted future cash flows. The allowances for impairment are reversed only in the case when the events or circumstances that determined the initial impairment have changed. The discounted cash flows are determined based on Company's management estimation as regards to contracts and future projects concluded at the date of evaluation or estimated to be contracted in the future closely linked to market conditions. Other factors that might lead to changes in estimations could include restructuring plans or changes in legislation.

The recoverable amount is sensitive to the discount rate applied to discounted cash flows, as well as to the inputs of cash flows and the growth rate estimated for the analysed period.

At 31 December 2018, the Company has performed the impairment test for all its tangible assets using the discounted cash flow method. The discounted cash flow method assume the value of cash-generating units by estimating the present value of the future expected earnings arising from the use of the cash generating unit, using a discount rate. Estimated cash flows were determined taking into account the company's predictions regarding the operating profits for the next seven years, discounted with an estimated economic growth rate of the industry in which the company operates.

After performing the test, the Company considered that the impairment computed and recorded in previous years, in the amount of RON 5,503,750 for the losses of value of company's property, plant and equipment is no longer needed and was reversed by recognising an immediate income.

Significant estimates applied to the determination of the fair value model by the Company are:

- Operational earnings
- Discount rate

	2019	2020	2021	2022	2023	2024	2025
Rompetrol Well Services SA	14.05%	16.67%	12.78%	19.28%	21.16%	23.02%	25.03%

The discount rate applied in the model was 13.2% representing the average for the industry of oil related services.

The discount rate reflects the current assessment of the market risk for Company. The discount rate was estimated based on weighted average cost of capital for the industry. This rate was corrected in order to reflect the market assessment of certain industry risks for which future cash flows were not adjusted.

Sensitivity of estimates

Minimum profitability threshold is obtained by decreasing with 46.3% the operational profit, obtaining the following operational profit rates.

	2019	2020	2021	2022	2023	2024	2025
Rompetrol Well Services SA	7.55%	8.96%	9.55%	10.36%	11.37%	12.37%	13.45%

The minimum profitability threshold is obtain by deducting with 24.7% the discount rate.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

1.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2018:

- **IFRS 9 Financial Instruments**
  The final version of IFRS 9 Financial Instruments reflects all phases of the Financial Instruments Project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The Standard introduces new requirements for classification and measurement, depreciation and hedge accounting.

  IFRS 9 introduces a new classification of financial assets, determined by the entity's *business model*, namely how an entity manages its financial assets in order to generate cash flows, and *contractual cash flows* representing only principal and interest payments of the value of the principal due.

  The new classification includes three main categories of financial assets: measured at amortized cost, valued at fair value through other comprehensive income and measured at fair value through profit or loss.

  The management conducted an assessment of the effects of the standard and considers that all trade receivables are held for the purpose of collecting cash flows and the contractual terms of the financial assets give rise to cash flows that are exclusively principal payments and interest on the principal due, not having commercial receivables resulting from contracts that provide for a billing system based on estimated prices. Loans to affiliated parties have as their primary objective the collection of contractual cash flows in the form of principal repayments and interest on the principal balance. Consequently, the valuation of financial assets is made at amortized cost, the company has not identified assets that are subject to fair value measurement.

  There is no impact on the recognition and measurement of financial liabilities due to the fact that the new requirements only concern the accounting for financial liabilities designated at fair value through profit or loss. The company does not own this category of debt.

  IFRS 9 introduces a new model for impairment losses, based on expected credit losses, which requires early recognition of the losses expected to arise from impairment of receivables. Losses for financial assets measured at amortized cost are calculated using a three-step model using credit risk, internal or external ratings attributable to partners and the probability of non-payment.

  The Company adopted IFRS 9 as of 1 January 2018 using the modified retrospective method with cumulative adjustments from the initial application recognized on 1 January 2018 in equity and without altering the figures for prior periods. For the Company's financial assets, there are no significant differences between the IAS 39 initial valuation method and the new valuation categories under IFRS 9.
  The impact in equity, as of December 31, 2017 was a decrease of RON 277,355, this representing the credit risk applied to the outstanding balances of receivables and loans granted.

- **IFRS 15 Revenue from Contracts with Customers**
  IFRS 15 establishes a five-step model that will apply to revenue from a contract concluded with customer (with limited exceptions), regardless of the type of transaction or industry. Also, the requirements of the Standard will apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not the result of the entity's ordinary activities (eg, sale of tangible and intangible assets). An extensive disclosure will be provided, including disaggregation of total income, information on performance obligations, changes in the contractual balances of asset and liability accounts between periods and judgements and key estimates.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

The Company adopted the new standard starting with January 1st, 2018 using the modified retrospective method, with the cumulative adjustments from the initial application recognized on 1st January 2018. Consequently, the Company did not apply the requirements of IFRS 15 for prior periods presented.

The Company analysed the main revenue streams by applying the "five steps" model prescribed by IFRS 15:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

Based on the results of review of contractual terms of principal types of contracts, the Company concluded that IFRS 15 will not have a significant impact compared with current revenue recognition.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company did not applied any practical expedients.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The purpose of the clarifications is to explain the IASB's intentions when developing the requirements of IFRS 15 Revenue from contracts with customers, in particular accounting for performance obligation, modifying the formulation of the principle of "identifiable" assets, principal and agent considerations, inclusively the fact that an entity acts as a principal or agent, as well as applying the control and licensing principle, providing additional guidance on accounting for intellectual property and royalties. The clarifications also provide for additional practical solutions available to entities that either apply IFRS 15 completely retrospectively or choose to apply the modified retrospective approach. This change did not have significant effects on the Company's financial statements.

- **IAS 40: Transfer to, or from, Investment property (Amendments)**

  Changes clarify when an entity needs to transfer real estate, including real estate under construction or development, into or out of investment property. The modification specifies that a change in use takes place when the real estate meets or ceases to meet the definition of investment property and there is evidence of change in use. A simple change of management's intention to use a building does not provide evidence of a change in use. The management has estimated that there is no impact on the financial statements from applying the amendments to IAS 40.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
  The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Company considers that these amendments will have no impact on the financial position or the performance of the Company.

  The management has estimated that there is no impact on the financial statements from the amendments application of IFRS 2.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

- **IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

1.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

  The Company chose to apply IFRS 16 for its lease contracts retrospectively with the cumulative effect of the original application of the standard at the date of the initial application, by recognising the right-of-use asset from the contractual's commencement date. The modified retrospective approach consists of retroactive application, with the recording of results only at the date of the standard first time application. This approach involves the following steps:
  - The lessee does not need to restate the comparative information, but has to recognize the cumulative effect of the Standard initial application as an adjustment of the opening balance of the retained earnings, at the date of initial application
  - Recognition of liability arising from leasing contracts that are currently classified as operating leases in accordance with IAS 17. The lessee shall measure the liability arising from these leases at the present value of future lease payments
  - Recognition a right-of-use asset for lease contracts previously classified as operating leases using one of the following methods:
    i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or
    ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The company chooses to apply the exemptions from the recognition provisions for leasing contracts for which the underlying asset is of low value and for short-term lease agreements.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

In the financial year 2018, the Company conducted a detailed review of the contracts that fall within the scope of this Standard. The impact of the transition from operating lease contracts that entered into force before applying IFRS 16 to the level of the financial statements for the year 2018 is as follows:

Impact on the statement of financial position (increase/(decrease)) as at 31 December 2018:

	RON
Assets	
Property, plant and equipment (right-of-use assets)	888,252
Liabilities	
Lease liabilities	898,085
Deferred tax liabilities	1,573
Equity	(11,406)
Impact on the statement of profit or loss (increase/(decrease)) for 2018:	
Depreciation expense of right-of-use assets	130,606
Expenses in relation with operation leasing	(140,605)
Operating profit	(9,999)
Finance costs	9,999
Net Result for the year	-

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The management estimates that the changes brought by IFRS 9 will not impact the company's financial statements.

- **IFRIC Interpretation 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Company is in the process of assessing the impact of this amendment to the financial position or performance of the Company.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: the definition of the term „significant" (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. Changes clarify the definition of "significant" and how it should be applied.

  The new definition mentions that "Information is significant if omissions, erroneous statements or concealment would reasonably influence the decisions that primary users of general purpose financial statements take based on those financial statements that provide financial information about a particular reporting entity". Also, the explanations accompanying the definition have been improved. Changes also ensure that the definition of "significant" is consistent across all IFRSs. These Amendments have not yet been endorsed by the EU.

1. INFORMATION ON THE ENTITY, ACCOUNTING POLICIES (continued)

- **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle,** which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Company is in the process of assessing the impact of this amendment to the financial position or performance of the Company.

  - ***IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:*** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
  - ***IAS 12 Income Taxes:*** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
  - ***IAS 23 Borrowing Costs:*** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)** The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. The Company is in the process of assessing the impact of this amendment to the financial position or performance of the Company.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Below there is an analysis of Company's revenues:

	Sales in 2018	Sales in 2017
Revenue from well services	62,308,950	39,293,332
Revenue from other services rendered	436,186	581,345
Revenue from goods sold	15,402	122,391
Total	**62,760,538**	**39,997,068**

	Sales in 2018	Sales in 2017
Export		
Europe	2,579,117	505,976
Total export	**2,579,117**	**505,976**
Internal market sales	60,181,421	39,491,092
Total sales	**62,760,538**	**39,997,068**

Oil price stabilization at international level, with impact in a continuing growth demand, associated with the agreement of OPEC members and countries that are not members, led to the revitalization of the international oil industry in 2018, with the direct spread of effects to national level.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

The year 2018 marks an improvement of the oil and gas exploration industry and, implicitly, an increased demand for well operations services due to the rescheduling of the operational plans of the companies in the industry and the re-launch of Upstream investment projects.

The Company does not consider it exists significant operating segments that needs to be presented in accordance with IFRS 8 Operating segments.

3. OTHER REVENUES AND OTHER EXPENSES

3.1. Other operating revenues

In the table below other operating revenues are being detailed depending on their nature:

	2018	2017
Other operating revenues :		
- earnings from debts write-off	1,189,898	-
- earnings from sale of waste	105,043	100,205
- earnings from disposal of fixed assets	171,749	133,223
- other revenues	54,996	19,170
Total	**1,521,686**	**252,599**

Revenues from the debts write-off in amount of RON 1,189,898 represent the cancellation from financial records of unpaid dividends obligation (RON 1,185,859) and trade payables (RON 4,039), which were within the prescription limit and for which the Company has taken all legal steps to settle them. The debts write-off was made based of the Board of Directors decision from 04.01.2019.

3.2. Expenses with third-party services

In the table below expenses for third party services are being detailed depending on their nature:

	Fiscal period completed at 31 December 2018	Fiscal period completed at 31 December 2017
Travel expenses	1,600,291	781,656
Royalties and rental expenses	747,687	227,466
Maintenance and repair expenses	689,467	497,203
Insurance premiums	429,894	465,713
Postage and telecommunications	57,948	57,594
Bank commissions and similar charges	47,140	32,347
Commissions and fees	41,782	-
Entertaining, promotion and advertising	31,410	15,686
Other third party services, from which:	**7,305,829**	**4,364,109**
Goods transportation services	2,355,663	1,437,197
Externalised activities services	1,569,555	1,333,590
Management services	2,035,651	385,102
Security services	582,725	490,610
Others	538,667	464,976
Consultancy and audit	223,568	252,633
Total	**10,951,448**	**6,441,774**

3. OTHER REVENUES AND OTHER EXPENSES (continued)

The weight of these expenses in the structure of the operating costs is specific to the main activity, regarding the service delivery at the headquarters of the beneficiaries with auto type equipment and the flexible adaptability to the current market conditions.

Expenses with management services in year 2018 are impacted by an adjustment from the period 2013-2015, in amount of RON 673,136, as a result of receiving from fiscal authority Adjustment decision no. 123847/22.05.2018, the communicated adjustment being applicable to affiliated party according to Code for fiscal procedure.

3.3. Other operating expenses

In the table below other operating expenses are being detailed depending on their nature:

	Fiscal period completed at 31 December 2018	Fiscal period completed at 31 December 2017
Compensations, fines, penalties	1,980	514,475
Write-off trade receivables and sundry debtors	2,145,649	-
Other operating expenses	1,268	15
Total	**2,148,897**	**514,490**

As a result of ongoing process of branch closure, the Company recorded in 2017 additional debts with corresponding accessories, for period 2011-2016 in amount of RON 499,025.

Losses from trade receivables and debtors write-off recorded in the financial year 2018 were generated as a result of the Board of Directors' decision to cancel the receivables from to insolvent trading partners and for which the reorganization plan does not provide distributions towards the company and customers erased from National Trade Register Office.

4. FINANCIAL EXPENSES AND REVENUES

4.1. Financial revenues

	2018	2017
Interest income, from which:	**3,932,278**	**2,541,486**
Income obtained from the entities within the group	3,930,108	2,531,720
Income from exchange rate differences	**275,702**	**293,173**
Other financial income	**2,364**	**1,740**
Total financial income	**4,210,344**	**2,836,399**

The line "Income obtained from the entities within the group" in amount of RON 3,930,108 (2017: RON 2,531,720) includes interest revenue generated by the loans granted to Rompetrol Rafinare SA in amount of RON 2,002,320 (2017: RON 1,438,828) and interest revenue from cash-pooling in amount of RON 1,927,788 (2017: RON 1,092,892).

4. FINANCIAL EXPENSES AND REVENUES (continued)

4.2. Financial expenses

	2018	2017
Expenses from exchange rate differences	253,206	252,612
Other financial expenses	26,292	15,167
Total financial expenses	**279,498**	**267,779**

5. EXPENSES WITH EMPLOYEES

The expenses with salaries and taxes, recorded during 2018 and 2017 are as follows:

	Fiscal year completed on 31 December 2018	Fiscal year completed on 31 December 2017
Expenses related to salaries and allowances	17,766,860	11,906,949
Other expenses with employees benefits	578,354	166,068
Expenses related to the social insurances	147,763	772,999
Contributions to the savings fund for retirement	398,559	1,807,629
Total	**18,891,536**	**14,653,645**

Starting with January1st, 2018, the Company agreed to bear the effect of fiscal treatment of salary tax, through corresponding increase of employee's gross revenues.

In the reporting period, the average number of employees increased from 164 at 31 December 2017 to 170 employees at 31 December 2018.

The average number of employees has evolved as follows:

	Fiscal year completed on 31 December 2018	Fiscal year completed on 31 December 2017
Management personnel	3	3
Administrative personnel	22	20
Production personnel	145	141

The Administrators and Managers

During 2018 and 2017, the Company has paid the following allowances to the members of the Board of Directors and to the executive directors:

	Fiscal year completed on 31 December 2018	Fiscal year completed on 31 December 2017
The Members of the Board of Directors	445,362	308,452
Executive directors	1,233,758	1,096,743
Total	**1,679,120**	**1,405,195**

5. EXPENSES WITH EMPLOYEES (continued)

On 31 December 2018, the Company has had no obligations regarding the payment of the retirement money to the former members of the Board of Directors and of the executive management.

At the end of 2018, the Company had no advance payments to be reimbursed to the members of the executive management and there were also no guarantees of future obligations taken over by the company under the name of the Managers or Administrators.

6. INCOME TAX

Main components of income tax expenses for fiscal years ended as of 31 December 2018 and 2017 are:

Statement of profit and loss

	2018	2017
Current income tax:		
Expenses regarding the current income tax	1,802,720	-
Deferred income tax		
For the initial registration and continuation of the temporary differences	764,933	29,294
Expenses regarding the income tax reported in statement of total comprehensive income	**2,567,653**	**29,294**

Reconciliation between the expenses regarding the current income tax and the deferred income tax and the accounting profit is as follows for fiscal years 2018 and 2017:

	2018	2017
Accounting result before tax	19,454,293	2,471,740
At Company's statutory income tax rate of 16% (2017: 16%)	3,112,687	390,791
Effect of value adjustments from non-taxable incomes	(1,307,225)	(20,680)
Effect of value adjustments from items similar to revenues	-	162,635
Non-deductible expenses for tax computation:		
Depreciation of current assets	54,374	40,808
Depreciation of tangible assets	31,986	11,356
Other non-deductible expenses	147,014	143,553
Reinvested profit	(46,085)	-
Fiscal credit	(136,244)	-
Effect of fiscal (profit)/loss carried forward	(53,787)	(728,462)
Expenses with current income tax at effective rate 16% (2017: 0%)	**1,802,720**	**-**
Expenses with current income tax reported in statement of profit and loss	**1,802,720**	**-**

6. INCOME TAX (continued)

Deferred income tax

The deferred income tax refers to the following:

	Statement of the financial position		Profit and Loss Statement	
	31 December 2018	31 December 2017	2018	2017
Revaluation of assets with reserve transfer to retained earnings (at transition to IFRS)	(1,118,739)	(892,673)	(226,066)	32,158
Recognition of the estimates bonuses for the participation of the employees to the profit	-	-	-	-
Recognition of estimates for retirement benefits	(206,182)	-	(206,182)	(19,662)
Recognition of the provision for Kazakhstan branch liquidation	(22,782)	-	(22,782)	-
Recognition of estimate for commercial litigation	-	-	-	-
Recognition of estimate for restructuring cost	-	-	-	(3,987)
Recognition of estimate for outstanding vacation days	(71,552)	11,356	(82,908)	(4,519)
Temporary adjustment inventories	91,119	-	91,119	
Temporary adjustment receivables	168,547	486,660	(318,113)	(33,284)
(Expenses regarding) /Income from the deferred tax	-	-	(764,933)	(29,294)
Assets regarding the deferred tax	259,665	498,015	-	-
Liabilities regarding the deferred tax	(1,419,255)	(892,673)	-	-
Assets / (Liabilities) regarding the deferred tax, net	(1,159,590)	(394,657)	-	-

The reconciliation of deferred tax payable is as follows:

	2018	2017
Beginning of balance	**394,657**	**365,363**
Deferred tax expense recognized in profit and loss	764,933	29,294
Deferred tax expense recognized in other comprehensive income	-	-
Ending Balance	**1,159,590**	**394,657**

The Company recorded a fiscal profit of RON 12,406,554 in fiscal year ended at 31 December 2018 (2017 fiscal profit: RON 4,552,890). The cumulative carried forward fiscal losses are in amount of RON 336,170 at 31 December 2018, coming from fiscal years 2016 and 2015, which were compensated against the current year fiscal profit.

7. EARNINGS PER SHARE

The value of earning per share is calculated by dividing the net profit of the year attributable to shareholders by the weighted average number of shares outstanding during the period.

The following report present the net profit and the number of shares used in computing earnings per share:

	On 31.12.2018	On 31.12.2017
Net result attributable to shareholders	16,886,640	2,442,446
Weighted average number of shares	278,190,900	278,190,900
Earnings per share (RON/share)	**0.0607**	**0.0088**

There was no issue or cancellation of shares between the date of the report and the date of the presentation of the financial statements.

8. TANGIBLE ASSETS

	Land	Buildings and special constructions	Technical equipment and machinery and other tangible assets	Tangible assets in progress	Total
Cost or evaluation					
On 1 January 2017	5,585,846	6,382,511	100,826,378	-	112,794,735
Additions	-	-	60,173	145,380	205,553
Disposals	-	-	(2,873,381)	-	(2,873,381)
Transfers	-	-	-	(57,717)	(57,717)
On 31 December 2017	5,585,846	6,382,511	98,013,170	87,663	110,069,190
Additions	-	-	26,735	2,478,443	2,505,178
Disposals		-	(1,408,968)	-	(1,408,968)
Transfers	-	182,955	1,094,414	(1,277,370)	-
On 31 December 2018	5,585,846	6,565,466	97,725,351	1,288,736	111,165,399
Depreciation and Impairment					
On 1 January 2017	-	1,843,377	81,479,287	-	83,322,664
Depreciation charge for the year	-	281,749	5,863,865	-	6,145,614
Disposals	-	-	(2,873,381)	-	(2,858,664)
Depreciation	-	-	-	-	-
On 31 December 2017	-	2,125,126	84,484,487	-	86,609,614
Depreciation charge for the year	-	284,676	4,920,791	-	5,205,468
Disposals	-	-	(1,406,234)	-	(1,406,234)
Depreciation	-	(1,734)	(5,502,016)	-	(5,503,750)
On 31 December 2018	-	2,408,069	82,497,027	-	84,905,097
Net accounting value					
On 31 December 2018	5,585,846	4,157,397	15,228,324	1,288,736	26,260,303
On 31 December 2017	5,585,846	4,257,384	13,528,683	87,663	23,459,576
On 1 January 2017	5,585,846	4,539,133	19,347,091	-	29,472,071

The permanent trend to enhance the constructive and functional improvement of the drilling equipment, imposed by the necessity to obtain technical and economic efficiency of the extraction wells lead to the necessity to invest in order to respond to market requirements.

A percentage of 62% from the increase recorded for plant and equipment, in amount of RON 2.5 million, is represented by the acquisition and/or the upgrade of machinery, equipment and handling tools utilized for well services operations and other preliminary operations.

Approximately 38% from total investments conducted by the company in 2018 targeted work to rehabilitate and modernize the headquarters and replacement of IT equipment in order to meet standards.

The Company used own funds in order to finance the investment budget for 2018.

The decrease of property, plant and equipment is represented by disposal of equipments and other fixed assets, fully depreciated, morally outdated and that are no longer fulfilling the technical functioning requirements needed by current regulations.

The Company is performing an annual assessment in order to identify potential indicators for impairment of tangible assets, considering specific characteristics of these assets and taking into account estimates of future cash flows generated by the respective assets.

As a result of this assessment performed during 2018, which aimed to determine the fair value of the equipment and the production capacities, the Company decided to reverse the impairment recognised in previous years, in amount of 5.5 million RON. The fair value of this equipment was determined based on discounted cash flows estimated to be generated by the assets.

All presented tangible assets are the property of the company.

9. INVESTMENT PROPERTIES

The company has an apartment block in Campina and two apartments in Timisoara, held with the exclusive target to obtain income from rents. These are being classified as investment properties.

	2018	2017
Initial balance on January 1st	525,813	544,416
Depreciation expenses	(18,603)	(18,603)
Ending balance on December 31st	**507,210**	**525,813**

	2018	2017
Income from rents obtained from real estate investments	6,938	6,938
Direct operational expenses (including repairs and maintenance) which generate income from rents	(33,832)	(31,540)
Net result from investment property recorded at cost	**(26,894)**	**(24,603)**

At 31 December 2018, the fair values of the properties are based on the evaluation made at 31 December 2016, by S.C. QUEST PARTNERS SRL, a recognised independent evaluator. In year 2018, the real estate market in the area where the properties are located did not varied significantly in order to give a material impact on their fair value.

10. INTANGIBLE ASSETS

	Patents and licenses	Intangible assets in progress	Total
Costs			
On 1 January 2017	**619,251**	**-**	**619,251**
Additions	-	253,083	253,083
Disposals	-	-	-
Transfers	253,083	(253,083)	-
On 31 December 2017	**872,334**	**-**	**872,334**
Additions	-	2,748	2,748
Disposals	(237,814)	-	(237,81)
Transfers	2,748	(2,748)	-
On 31 December 2018	**637,268**	**-**	**637,268**
Amortisation and impairment			
On 1 January 2017	**606,418**	**-**	**606,418**
Depreciation charge for the year	8,063	-	8,063
Disposal	-	-	-
On 31 December 2017	**614,481**	**-**	**614,481**
Depreciation charge for the year	54,213	-	54,213
Disposal	(237,814)	-	(237,814)
On 31 December 2018	**430,879**	**-**	**430,879**
Net accounting value			
On 31 December 2018	**206,389**	**-**	**206,389**
On 31 December 2017	**257,852**	**-**	**257,852**
On 1 January 2017	**12,833**	**-**	**12,833**

11. FINANCIAL ASSETS

Name of the company	Nature of the relationship	Year of investment	Percent detained on 31 January 2017	Percent detained on 31 December 2018	Value of the investment on 31 December 2017	Value of the investment on 31 December 2018
Rompetrol Logistics S.R.L.	Long term investment	2002/2003/2007	6.98%	6.98%	5,580,056	5,580,056
Rompetrol Rafinare S.A.*	Long term investment	2003/2004	0.05%	0.05%	944,700	944,700
Rompetrol Drilling S.R.L.	Long term investment	2014	1%	1%	100	100
Adjustment for value					-	-
Total					**6,524,856**	**6,524,856**

**Company listed on Bucharest Stock Exchange under RRC symbol*

The investment on Rompetrol Logistics SRL, unlisted company, is presented at fair value through other comprehensive income. The company analyses, at each reporting date, the adjusted net asset of Rompetrol Logistics SRL in order to establish the fair value of the investment.

The fair value of the shares held in the Bucharest Stock Exchange listed company under symbol RRC, was made using the share price published by BSE on its web page on the last transaction day from 2018.

12. OTHER FINANCIAL ASSETS

	On 31 December 2018	On 31 December 2017
Collateral account for guarantee letters with maturity over one year	154,000	-
Specific account for dividends	532,329	-
Specific accounts for other guarantee	19,569	22,034
Other financial assets	**705,898**	**22,034**

The details on the structure of collateral account with maturity over one year can be found on note 22.

13. INVENTORIES

	On 31 December 2018	On 31 December 2017
Cement and additives	1,896,064	2,662,780
Spare parts equipment	1,627,664	1,836,502
Other inventories	211,234	288,133
Adjustments for depreciation of inventories	(569,492)	(557,827)
Total inventories, net	**3,165,469**	**4,229,589**

13. INVENTORIES (continued)

The inventories mainly contain cement, additives and spare parts for special equipment. For the items whose procurement process is relatively long, as well for the items whose consumption is dependent on fluctuating demand of our customers, it is applied an optimisation quantitative procurement, which explains a variation of inventory value between two acquisitions.

The presented adjustments are result of the lack of movement within more than one year, the respective inventories not having time relational validities and being still usable.

	Adjustments for inventories depreciation
On 1 January 2017	**480,516**
Additions	98,754
Used during the year	(21,444)
Exchange rate differences	-
On 31 December 2017	**557,827**
Additions	11,665
Used during the year	-
On 31 December 2018	**569,492**

14. TRADE AND OTHER RECEIVABLES

	On 31.12.2018	On 31.12.2017
Trade receivables - third parties	20,412,016	16,531,187
Trade receivables with affiliated entities	34,631,520	34,769,429
Value adjustments for trade receivables – third parties	(1,749,281)	(3,933,441)
Value adjustments for trade receivables – affiliated entities	(29,848,276)	(29,813,217)
Total trade receivables, net	**23,445,979**	**17,553,958**
Cash pooling receivables	50,967,016	42,386,546
Other receivables	2,138	11,779
Total amounts to be received from entities within the group	**50,969,153**	**42,398,325**
Other receivables – third parties	939,808	1,312,612
Other receivables with the affiliated entities	246,150	354,792
Other receivables with state budget	369,491	-
Value adjustments for other receivables – third parties	(428,300)	(612,322)
Value adjustments for other receivables – affiliated entities	(235,648)	(82,905)
Total other receivables, net	**891,502**	**972,176**
Total receivables, net	**75,306,634**	**60,924,459**

Starting with 2014, it was implemented an optimisation system for the cash availability between the companies within KazMunayGas International Group, known as cash pooling concept. Cash pooling system was implemented in relation to cash availability from certain bank accounts of the Company, and the direct effect will be transposed to the optimisation of cash for the company, with impact in the interest income. According to the cash pooling system, in terms of assets presentation, the amounts available at the end of the reporting period will be reflected as receivables. During the reporting period, the average balance of master account was RON 45,692,120, generating interest in amount of RON 1.927.788. The value of these receivables as of 31 December 2018 was of RON 50,967,016.

14. TRADE AND OTHER RECEIVABLES (continued)

In 2018, respectively in 2017, Oilfield Exploration Business Solutions S.A. receivable was adjusted to the level expressed in the Comfort Letter obtained from the majority shareholder KazMunayGas International NV, respectively RON 4,770,000.

Trade receivables are usually collected within 30 to 90 days.

In the table below, there are detailed the movements within the provision for the impairment of trade and other receivables

	Individually impaired	Collectively impaired	Total
On 1 January 2017	**33,134,191**	**1,230,899**	**34,365,089**
Transfer between category	21,469	(21,469)	-
Charge for the year	72,089	92,372	164,462
Unused amounts, reversed		(58,894)	(58,894)
Exchange rate differences		(28,772)	(28,772)
On 31 December 2017	**33,227,749**	**1,214,136**	**34,441,885**
Application of IFRS 9	27,456	312,937	340,393
Transfer between category	-	-	-
Charge for the year	184,556	-	184,556
Unused amounts, reversed	(8,729)	(1,961)	(10,690)
Amounts written-off	(2,657,550)	-	(2,657,550)
Exchange rate differences	-	(37,089)	(37,089)
On 31 December 2018	**33,431,031**	**1,488,023**	**32,261,505**

At 31 December, the aging analysis of the receivables is as follows:

			Overdue, net of impairment				
	Total	Current, not impaired	< 30 days	30–60 days	61-90 de days	91-180 days	> 180 days
2017	60,924,459	52,616,548	2,875,916	76,251	52,776	51,651	5,251,318

The impairment loss for financial assets evaluated at amortized cost are calculated based on three stage model, using swap for credit risk, internal or external ratings of counterparties and corresponding probability of default. For some trade receivables, the impairment losses are estimated based on simplified approach, recognizing anticipated losses for their entire lifetime. The impact in Company's equity as a result of applying IFRS 9 is RON 277,356.

Impairment losses, calculated and recognized, based on the new model required by IFRS 9 for Company's trade receivables, is presented as follows:

	Total trade receivables							Total
At 31 December 2018	Current	< 30 days	31–60 days	61-90 days	91-180 days	181- 360 days	> 360 days	
Expected credit loss rate (%)	*3.51%*	*7.03%*	*72.91%*	*71.07%*	*78.71%*	*90.00%*	*100,00%*	
Estimated total gross carrying amount at default	14,132,642	4,041,065	155,947	150,975	526,499	38,029	35,998,379	**55,043,536**
Expected credit loss	(192,405)	(48,296)	(72,869)	(13,685)	(7,786)	(35,402)	(31,227,114)	**(31,597,557)**

15. OTHER CURRENT ASSETS

	On 31 December 2018	On 31 December 2017
Advance expenses for car insurances	121,670	68,502
Advance expenses for rovigneta	105,125	98,218
Advance expenses for authorisations, transportation licenses, subscriptions, others	93,229	14,631
Other current assets TOTAL	**320,024**	**181,351**

The values represent the payments carried out during the current year, for costs which affect the next financial year in accordance with the validity period for the insurances, authorisations, licenses, subscriptions.

16. CASH AND DEPOSITS

	2018	2017
Bank accounts in RON	1,645	29,079
Bank accounts in foreign currency	35,820	410
Short term deposits in RON	124,898	177,247
Short term deposits in foreign currency	59,365	183,660
Collateral accounts for letters of guarantee with maturity under one year	2,176,931	2,026,970
Specific accounts regarding performance bonds, other guarantees	2,096,565	882,964
Letter of credit	155,937	187,815
Petty cash in RON	4,286	11,849
Petty cash in foreign currency	3,783	13,311
Total cash and short term deposits	**4,659,229**	**3,513,305**

The cash in banks records interests at variable rates, depending on the daily rates of the deposits in banks. The short term deposits are being constituted for periods of one day and records interests for the respective rates of the short term deposits.

The service providing contracts concluded with our main customers contain clauses referring to creation of performance guarantees through a guarantee granting instrument issued under the provisions of the law, by a bank or insurance company, i.e. Letters of Bank Guarantees.

Collateral deposits are detailed in note 22.

In note 14 it is presented the details regarding the company's participation for the year 2018 to the system for optimisation of cash availability between the companies within KazMunayGas International Group, known as cash pooling concept. The amount available in the principal account on 31 December 2018 was of RON 50,967,016, being ready to use without restriction, depending on the necessity.

17. SHARE CAPITAL

17.1. Subscribed share capital

The last modification of the share capital has been in 2008, when the shareholders have decided, after the general meeting which has taken place on June 20th 2008, to increase the share capital of the company by the amount of RON 13,909,545, from RON 13,909,545 up to RON 27,819,090, through issuing, for free, of a number of 139,095,450 new shares with a nominal value of 0.10 RON/share.

17. SHARE CAPITAL (continued)

The new issued shares have been allocated for the shareholders registered under the Shareholders' Registry at the date of the registration, approved by the Extraordinary Meeting of the Shareholders, respectively July 8th 2008, proportional to the amounts held by each of them. The allocation index has been 1. The issuing of shares has been financed from the reserves of the result carried forward of the financial year 2007, respectively from the amount allocated to Other reserves.

The finalisation of the procedural phases for approval and recognition has been officially signalled through the repetition of the transacting of the shares, after the increase of the share capital, on September 18th 2008, without undergoing modifications until December 31st 2018.

	Balance on 31 December 2018	Balance on 31 December 2017
	Number	Number
Subscribed capital, ordinary shares	278,190,900	278,190,900
	RON	RON
Nominal value, ordinary shares	0,1	0,1
	RON	RON
Value of the share capital	27,819,090	27,819,090

The share capital of the company is totally paid in on December 31st 2018.

The Company is listed under the Bucharest Stock Exchange under the symbol PTR.

17.2. Adjustments on share capital

According to the IAS 29 provisions, the company has adjusted the costs of its purchased investments until December 31st 2003 with the purpose of reflecting the accounting impact in the hyperinflation. The value of the share capital has been increased at December 31st, 2012 by 166,740,745 RON. This adjustment had no impact over the carried forward distributable profit of the company. In 2013, the general ordinary meeting of shareholders on April 30, 2013 approved to cover the brought forward accounting loss from first application of IAS 29 "Financial Reporting in Hyperinflationary Economies" in amount of RON 166,002,389, from own capitals, i.e. "adjustment of share capital". The effect of this decision for the structure of share capital on December 31st, 2018, as well as on December 31st, 2017 and is presented in the table below:

	On 31 December 2018	On 31 December 2017	On 31 December 2016
Share capital, from which:	28,557,446	28,557,446	28,557,446
Paid-in share capital	27,819,090	27,819,090	27,819,090
The adjustment of the share capital	738,356	738,356	738,356

18. PROVISIONS

	Provisions for restructuring (short term)	Provisions for litigations (long term)	Other Provisions for risks and expenses (long term)	Total
On 1 January 2017	**24,919**	**-**	**158,457**	**183,376**
Constituted	-	-	70,972	70,972
Used during the year	(24,919)	-	-	(24,919)
Reclassified	-	-	-	-
On 31 December 2017	**-**	**-**	**229,429**	**229,429**
Constituted	-	-	83,148	83,148
Used during the year	-	-	-	-
Reclassified	-	-	(170,188)	(170,188)
On 31 December 2018	**-**	**-**	**142,389**	**142,389**

The Company reflected the obligation for untaken holiday benefits of employees at 31 December 2017 as Other Provision for Risk and Expen`se. The recognition method and evaluation of all short term benefits of employees, presented in IAS 19, determined the Company to reclassify the undiscounted value of these benefits, in amount of 170,188 RON, as short term debt.

The increase in Other Provisions for Risk and Expense with 83,148 RON, represents the update of the cost estimate for operational and legal liquidation of Kazakhstan branch.

19. OTHER POST EMPLOYMENT BENEFITS

	2018	2017
Balance at 1 January	**864,721**	**486,999**
Included in profit or loss		
Interest expense	6,485	5,152
Service Cost	379,932	20,225
Included in other comprehensive income		
Actuarial loss/gain	37,497	352,345
Balance at 31 December	**1,288,636**	**864,721**

The liabilities regarding pensions and other similar obligations have been determined depending on the provisions of the collective labour contract of the Company, which stipulates the payment of a number of salaries to each employee at retirement, depending on the period of employment. The amount for the provision for benefits to be granted at retirement of RON 1,288,636 has been determined in 2018, according to the method of the credit factor, planed on the basis of an internal calculation, using the actuarial model. The management has taken into consideration for carrying out the calculation, mainly the fluctuation of the employees, the age of the employees, the estimated mortality rate, the estimated salary costs evolution, discount rates. The provision has been determined by the company and has been updated in the sense of the increase by RON 423,914.

19. OTHER POST EMPLOYMENT BENEFITS (continued)

The hypotheses according to which the actuarial calculation of the provision regarding the benefits at retirement has been made:

	31.12.2018	31.12.2017
Rate of personnel exits, estimated up to the retirement date	10.67%	8.71%
The turnover of the personnel in one year	9.70%	11.31%
The mortality rate for the current year	1.18%	1.14%
The contribution of the company to the gross salary	3.00%	24.00%
The inflation rate of the salary	2.78%	3.46%
The nominal discounting rate (the interest rate for governmental bonds)	3.53%	4.52%
The real discounting rate	**0.75%**	**1.06%**

20. TRADE PAYABLES AND SIMILAR LIABILITIES (CURRENT)

	On 31.12.2018	On 31.12.2017
Trade payables - third parties	3,349,277	2,074,115
Trade payables with affiliated entities	2,934,172	2,792,234
Advance payments and deferred income	-	29,255
Salaries	1,347,474	973,249
Dividends to be paid	2,561,890	3,169,713
Taxes	287,530	1,155,876
Other liabilities	144,542	71,169
Total	**10,624,887**	**10,265,612**

21. PRESENTATION OF THE AFFILIATED PARTIES

The following tables present information on transactions with companies under common control of KazMunayGas Group as of 31 December 2018.

Name of the company	Transaction type	Country of origin	The nature of relationship
KazMunayGas International NV	Payments of dividends	Holland	Parent Company
Rompetrol Rafinare S.A.	Loans granted, ITP services	Romania	Company's subsidiary, where Rompetrol Well Services has 0.05%
Rompetrol Logistics S.R.L.	Rental services, ITP services, reinvoicement security services	Romania	Company's subsidiary, where Rompetrol Well Services has 6.98%
Oilfield Exploration Business Solutions S.A.	Render of services, rental of premises, ITP services	Romania	Company member of KMG International Group
Rompetrol Downstream S.R.L.	Procurement of fuel, GPS services, procurement of rovignete	Romania	Company member of KMG International Group
KMG Rompetrol S.R.L.	Management and IT services, cash pooling services, rental of premises	Romania	Company member of KMG International Group
Rompetrol Financial Group S.R.L.	Mediate sell of shares	Romania	Company member of KMG International Group
Rompetrol Gas S.R.L.	Car rental	Romania	Company member of KMG International Group
Rompetrol Drilling S.R.L.	Rental of premises	Romania	Company's subsidiary, where Rompetrol Well Services has 1%
KMG Rompetrol Services Center SRL	Services for procurement, legal, employees, translations and IT	Romania	Company member of KMG International Group
Global Security Sistem SA	Security services	Romania	Associate of KMG International Group

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Loan contracts with Rompetrol Rafinare S.A.	Principal	Interest	Total
On 31 December 2017	**34,300,000**	**-**	**34,300,000**
1CI/09-Sept-2008	13,000,000	-	13,000,000
2CI/14-Oct-2008	7,000,000	-	7,000,000
3CI/03-Nov-2008	3,100,000	-	3,100,000
CI/28-Apr-2010	11,200,000	-	11,200,000
On 31 December 2018	**34,300,000**	**-**	**34,300,000**
1CI/09-Sept-2008	13,000,000	-	13,000,000
2CI/14-Oct-2008	7,000,000	-	7,000,000
3CI/03-Nov-2008	3,100,000	-	3,100,000
CI/28-Apr-2010	11,200,000	-	11,200,000

All the above mentioned loans are being guaranteed with promissory notes and have been extended automatically on successive periods of time, in the situation that none of the parties has denounced the contract in writing, within maximum 3 days before the due date. Beginning January 1st, 2017, there shall be applied an interest at the level of ROBOR 3M + 3%.

Income revenues from loans granted to Rompetrol Rafinare S.A. were in the amount of RON 2,002,320 for the financial year 2018 (2017: RON 1,438,828).

Receivables

	Balance on 31 December 2018	Balance on 31 December 2017
KMG Rompetrol SRL	50,974,806	42,397,303
Oilfield Exploration Business Solutions S.A.	4,770,000	4,770,000
Romperol Logistics S.R.L.	16,675	286,669
KMG Rompetrol Services Center SRL	1,419	717
Rompetrol Drilling S.R.L.	-	161,396
Rompetrol Financial Group SRL	-	10,340
Total	**55,762,900**	**47,626,424**

**) On 31 December 2018, respectively 31 December 2017 Oilfield Exploration Business Solutions SA receivables represents the recoverable amount (see note 14).*

Liabilities

	Balance on 31 December 2018	Balance on 31 December 2017
KMG Rompetrol SRL	1,912,552	1,332,274
KMG Rompetrol Services Center SRL	539,414	347,664
Rompetrol Downstream S.R.L.	472,273	1,104,555
Rompetrol Logistics S.R.L.	6,051	6,051
Global Security Sistem SA	3,882	1,690
Total	**2,934,172**	**2,792,234**

21. PRESENTATION OF THE AFFILIATED PARTIES (continued)

Sales

	Fiscal year completed on 31 December 2018	Fiscal year completed on 31 December 2017
Rompetrol Rafinare S.A.	2,002,474	1,438,982
KMG Rompetrol SRL	1,927,788	1,092,970
Rompetrol Logistics S.R.L.	167,643	-
Oilfield Exploration Business Solutions S.A.	16,757	16,620
KMG Rompetrol Services Center SRL	7,261	7,121
Rompetrol Drilling S.R.L.	2,117	2,947
Rompetrol GAS S.R.L.	-	-
Total	**4,124,040**	**2,558,640**

Acquisition of goods and services

	Fiscal year completed on 31 December 2018	Fiscal year completed on 31 December 2017
Rompetrol Downstream S.R.L.	5,237,596	3,618,613
KMG Rompetrol SRL	2,419,923	1,005,036
KMG Rompetrol Services Center SRL	1,606,665	676,153
Global Security Sistem SA	18,105	8,520
Total	**9,282,289**	**5,308,322**

Remuneration for key-management personnel is detailed in Note 5 "Expenses with employees".

22. COMMITMENTS AND CONTINGECIES

At 31 December 2018 there were commitments for the acquisition of property, plant and equipment in amount of 206,304 USD.

Starting with September 2017, the Company concluded an operational leasing contract for 5 vehicles, for 57 months, the contract totalising 76,380 EUR. During 2018, the Company concluded another two operational leasing contracts, one in May, for 4 vehicles, for 57 months, totalising 102,092 EUR, and one in November, for 3 vehicles, for 57 months, totalizing 50,103 EUR.

The Company have operational leasing contracts as of 31 December 2018, having as object the rent of vehicles, for a period of 5 years. The Company can use the option to prolong the initial period of the contract, according to contractual articles.

The minimum future mandatory payments, resulting from operational leasing contracts, as of 31 December, are as follows:

Payment term	2018	2017
Within 1 year	224,432	74,928
Between 1 and 5 years	699,902	268,492
Over 5 years	-	-
	924,334	**343,420**

22. COMMITMENTS AND CONTINGECIES (continued)

Guarantees to third parties

The service providing contracts concluded with our main customers (OMV PETROM and ROMGAZ SA) contain clauses referring to creation of performance guarantees through a guarantee granting instrument issued under the provisions of the law, by a bank or insurance company, i.e. Letters of Bank Guarantees.

The detail of the collateral accounts on 31 December 2018 for the Letters of Bank Guarantee is enclosed in the table below:

Number	Beneficiary	Currency	Amount equivalent RON	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG/00888-02-0130320	OMV PETROM S.A.	EUR	932,780	28-Feb-19	EUR	932,780
LG/00888-02-0443670	OMV PETROM S.A.	USD	767,038	28-Feb-19	USD	767,038
LG/00888-02-0489906	OMV PETROM S.A.	RON	178,000	14-Aug-19	RON	178,000
LG/00888-02-0513817	OMV PETROM S.A.	RON	299,113	5-Nov-19	RON	299,113
2	SIRCOSS MEDIAS S.A.	RON	6,511	15-Mar-19	RON	6,511
16201	S.N.G.N. ROMGAZ S.A.	RON	2,063,991	21-Dec-19	RON	2,063,991
Total short term collateral deposits						**4,273,496**
00888-02-0433226	S.N.G.N. ROMGAZ S.A.	RON	154,000	15-Feb-20	RON	154,000
Total long-term collateral deposits						**154,000**

The collateral accounts on 31 December 2017 had the following components:

Number	Beneficiary	Currency	Amount equivalent RON	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG/00888-02-0383761	OMV PETROM S.A.	EUR	93,194	15-Mar-18	EUR	93,194
LG/00888-02-0341156	OMV PETROM S.A.	EUR	931,940	28-Feb-18	EUR	931,940
LG/00888-02-0130320	OMV PETROM S.A.	EUR	931,940	28-Feb-18	EUR	931,940
LG/00888-02-0354338	OMV PETROM S.A.	EUR	69,896	28-Feb-18	EUR	69,896
10187	S.N.G.N. ROMGAZ S.A.	RON	85,296	31-Dec-17	RON	85,296
16201	S.N.G.N. ROMGAZ S.A.	RON	797,477	25-Nov-18	RON	797,477
5	S.N.G.N. ROMGAZ S.A. Sircoss	RON	190	15-Jan-18	RON	190
Total short term collateral deposits			-	-	-	**2,909,933**
Total long-term collateral deposits			-	-	-	-

22. COMMITMENTS AND CONTINGECIES (continued)

Received guarantees

In January 2012, the contract no. RWS 03/2011, regarding Security Interests in Movable Property granted by SC Oilfield Exploration Business Solutions S.A. for the total value of RON 9,539,048 has been entered in the Electronic Archive for Security Interests in Movable Property.

Transfer price

Fiscal legislation in Romania includes the principle of "market value", according to which transactions between affiliated parties must be conducted at market value. Taxpayers which conduct transactions with affiliated parties must prepare and readily present to Romanian fiscal authorities at their written demand the transfer price file. The failure to present the transfer price file or the presentation of an incomplete file may lead to application of penalties for nonconformity; in addition to the content of the transfer price file, the fiscal authorities might interpret differently the transactions and circumstances than the interpretation of management and, as a consequence, might impose additional fiscal obligations resulting from adjustment of transfer prices. The management of the Company is considering that it will not suffer losses in case of a fiscal control for the verification of transfer prices. However, the impact of possible different interpretations of the fiscal authorities can't be estimated.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT

The risk of the interest rate

- Loans received: the company is not being involved in any loan contract and therefore not exposed to risks regarding the movement of the interest rate.
- Loan granted: for the loans granted presented in note 21, the income from interest varies, depending on ROBOR 3M movement.

If interest rates would have varied with + / - 1 percent and all other variable would have been constant, the net result of the Company as of 31 December 2018 would increase / decrease with RON 343,000 (2017: increase / decrease with RON 343,000).

Risk of the exchange rate variations

Most of the transactions of the company are in RON. Depending on the case, the structure of the amounts available in cash and the short term deposits are also being adapted. The difference between the entry of the amounts in foreign currency and their repayment cannot generate, through the variation of the exchange rate, significant impact in the Company's financial position.

Foreign currency sensitivity

The following tables demonstrate the sensitivity towards a possible reasonable change (5%) of the exchange rate of the US dollar, EUR and KZT, all other variables being maintained constant.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT (continued)

The impact over the profit of the company before taxation is due to the modifications of the real value of the assets and monetary debts. The exposal of the company to the foreign currency modifications for any other foreign currency is not significant.

	TOTAL RON	5% USD	5% EUR	5% KZT
31 December 2017				
Balance	**118,186**	**5,597**	**104,680**	**7,909**
Monetary assets	142,048	15,299	118,554	8,195
Monetary liabilities	(23,861)	(9,702)	(13,873)	(286)
31 December 2018				
Balance	**127,282**	**51,964**	**68,276**	**7,042**
Monetary assets	136,642	53,165	76,175	7,302
Monetary liabilities	(9,361)	(1,201)	(7,899)	(261)

The credit risk

The company treats the crediting of its customers procedural, with flexibility through the stable contracting strategy as an essential mechanism for the risk repartition. The unfavourable conditions of the financial - banking market is also experienced by the customers of the company, but the Management permanently monitors the receivables and their collection.

The market risk

Taking into consideration the structure and continuance of trade contracts, it can be highlighted as important clients S.C. OMV Petrom SA and S.N.G.N. Romgaz SA concentrating around 78% of the total turnover registered for the financial year 2018. The main contracts with S.C. OMV Petrom SA and S.N.G.N. Romgaz SA are valid until 31 December 2019, respectively 7 December 2019.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the efficient use of working capital. Approximately 84% of the Company's debt will mature in less than one year at 31 December 2018 (2017: 76%) based on the carrying value reflected in the financial statements. The Company assessed the concentration of risk with respect to chargeability of its debt and concluded it to be low.

23. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT (continued)

The table bellow details the profile of the payment terms of the financial liabilities of the Company, based on non-updated contractual payments:

Trade payables and similar liabilities	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Trade payables - third parties	134,190	3,212,370	2,718	-	-	3,349,277
Trade payables with affiliated entities	547,654	2,386,518	-	-	-	2,934,172
Dividends to be paid	1,207,769	-	-	-	1,354,121	2,561,890
Other liabilities	-	84,038	-	-	60,505	144,542
Total year 2018	**1,889,614**	**5,682,925**	**2,718**	**-**	**1,414,625**	**8,989,883**

Trade payables and similar liabilities	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Trade payables - third parties	368,142	1,641,592	64,381	-	-	2,074,115
Trade payables with affiliated entities	1,486,074	1,306,160	-	-	-	2,792,234
Dividends to be paid	759,621	-	-	-	2,410,092	3,169,713
Other liabilities	-	5,178	5,487	-	60,505	71,170
Total year 2017	**2,613,838**	**2,952,929**	**69,869**	**-**	**2,470,596**	**8,107,232**

24. AUDIT EXPENSES

Contractual costs for audit and consultancy services with the financial auditor for financial year ended 31 December 2018 were in amount of RON 74,622, equivalent of EUR 16,000.

All paid fees refer to auditing services on individual financial statements prepared by the Company in accordance with Order of Minister of Public Finance no. 2844/2016.

25. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

All loan contracts with S.C. Rompetrol Rafinare SA were automatically extended on the due date, with the same period and under the same conditions. At the moment of the financial statements, these loans continue to be granted with an interest ROBOR 3M + 3% applied for all the contracts.

Letter of bank guarantee with number LG/00888-02-0531799 having as beneficiary OMV Petrom SA, in amount of 40,000 euro, with maturity date 17 January 2019 was prolonged until 28 February 2020.

Letter of bank guarantee with number LG/00888-02-0542082 having as beneficiary OMV Petrom SA, in amount of 1,378,540 RON, with maturity date 15 February 2019 was prolonged until 18 August 2020.

The General Ordinary Meeting of the Shareholders shall decide on 24 April 2019 the distribution on destinations of the 2018 net profit, the proposal of the Board of Director being to distribute gross dividends in amount of RON 5,007,436, respectively 0.0180 RON/share.

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RAPORTUL AUDITORULUI INDEPENDENT
INDEPENDENT AUDITOR'S REPORT

Catre actionarii ROMPETROL WELL SERVICES S.A.
To the Shareholders of ROMPETROL WELL SERVICES S.A.

Raport asupra auditului situatiilor financiare
Report on the Audit of the Financial Statements

Opinia
Opinion

Am auditat situatiile financiare ale societatii Rompetrol Well Services S.A. („Societatea") cu sediul social in sediul social in Ploiesti, strada Clopotei, Nr. 2 bis, identificata prin codul unic de inregistrare fiscala RO1346607, care cuprind situatia pozitiei financiare la data de 31 decembrie 2018, situatia rezultatului global, situatia modificarilor capitalului propriu si situatia fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte informatii explicative.
We have audited the financial statements of Rompetrol Well Services S.A. (the Company) with official head office in Ploiesti, Clopotei Street, No. 2 bis, identified by sole fiscal registration number RO1346607, which comprise the statement of financial position as at December 31, 2018, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In opinia noastra, situatiile financiare anexate ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2018, ca si a performantei financiare si a fluxurilor de trezorerie ale acesteia pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 2844/2016 pentru aprobarea Reglementarilor contabile conforme cu Standardele Internationale de Raportare Financiara, cu modificarile si clarificarile ulterioare.
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu. In situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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Bazele opiniei
Basis for opinion

Noi am efectuat auditul conform Standardelor Internationale de Audit (ISA), Regulamentului (UE) nr. 537/2014 al Parlamentului European si al Consiliului din 16 aprilie 2014 („Regulamentul (UE) nr. 537/2014") si Legii nr.162 /2017 („Legea 162/2017"). Responsabilitatile noastre conform acestor standarde sunt descrise mai detaliat in sectiunea „Responsabilitatile auditorului pentru auditul situatiilor financiare" din raportul nostru. Suntem independenti fata de Societate conform Codului etic al profesionistilor contabili emis de Consiliul pentru Standarde Internationale de Etica pentru Contabili (codul IESBA),conform cerintelor etice care sunt relevante pentru auditul situatiilor financiare in Romania, inclusiv Regulamentul (UE) nr. 537/2014 si Legea 162/2017, si ne-am indeplinit responsabilitatile etice conform acestor cerinte si conform Codului IESBA. Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza pentru opinia noastra.
We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Aspecte cheie de audit
Key audit matters

Aspectele cheie de audit sunt acele aspecte care, in baza rationamentului nostru profesional, au avut cea mai mare importanta pentru auditul situatiilor financiare din perioada curenta. Aceste aspecte au fost abordate in contextul auditului desfasurat asupra situatiilor financiare in ansamblu, si in formarea opiniei noastre asupra acestora, si nu emitem o opinie separata cu privire la aceste aspecte cheie.
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Pentru fiecare aspect de mai jos, am prezentat in acel context o descriere a modului in care auditul nostru a abordat respectivul aspect.
For each matter below, our description of how our audit addressed the matter is provided in that context.

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu, si situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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Am indeplinit responsabilitatile descrise in sectiunea „Responsabilitatile auditorului pentru auditul situatiilor financiare" din raportul nostru, inclusiv in legatura cu aceste aspecte cheie. In consecinta, auditul nostru a inclus efectuarea procedurilor proiectate sa raspunda la evaluarea noastra cu privire la riscul de erori semnificative in cadrul situatiilor financiare. Rezultatele procedurilor noastre de audit, inclusiv ale procedurilor efectuate pentru a aborda aspectele de mai jos, constituie baza pentru opinia noastra de audit asupra situatiilor financiare anexate.
We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Descrierea aspectului cheie de audit si a procedurilor efectuate de noi pentru a aborda acest aspect
Description of each key audit matter and our procedures performed to address the matter

Aspect cheie de audit	Proceduri efectuate de noi pentru abordarea respectivului aspect
Recuperabilitatea valorii contabile a imobilizărilor corporale	
Imobilizarile corporale sunt semnificative pentru procesul de audit datorita valorii nete contabile a acestora in suma de 26.260 mii RON la 31 decembrie 2018. In anii precedenti, industria serviciilor petroliere a fost puternic afectata de reducerea investitiilor in industria de petrol si gaze (upstream) ca urmare a declinului prelungit al preturilor petrolului inceput in a doua parte a anului 2014. Aceste aspecte au avut un impact semnificativ asupra imobilizarilor corporale ale Societatii, impact reflectat in pierderile din depreciere inregistrate in anii anteriori. In conformitate cu Standardele Internaționale de Raportare Financiara, o Societate trebuie sa determine daca exista indicii pentru deprecierea activelor sau reluarea unei pierderi de depreciere recunoscuta anterior. Evaluarea existentei unui indiciu de depreciere a unui	Procedurile noastre de audit au inclus, printre altele: • am analizat estimarile cheie ce au fost folosite in estimarea fluxurilor viitoare de trezorerie, prin analiza consecventei acestora cu condițiile specifice industriei, cu informațiile relevante din piața si cu planul de activitate al Societății, cat si analiza senzitivității sumelor recuperabile la schimbarile in estimarile semnificative. • am verificat ca modelul analizei de depreciere folosit include toate imobilizarile corporale pentru care exista indicatori de depreciere la data raportarii • am analizat acuratetea procesului de bugetare al managementului, comparând bugetele si proiectiile trecute cu rezultatele realizate din anii precedenti. • am implicat specialistii nostri evaluatori interni pentru a ne oferi suport in analiza ratei de actualizare folosite si a metodologiei / modelului folosit de

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu, in situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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Aspect cheie de audit	Proceduri efectuate de noi pentru abordarea respectivului aspect
activ sau a reluarii unei pierderi din depreciere, necesita o judecata semnificativa, deoarece implică luarea in considerare a diferitelor surse de informatii, inclusiv factorii legati de mediul economic si de factorii specifici industriei. La 31 decembrie 2018, conducerea a realizat o evaluare a deprecierii imobilizarilor corporale ale Societatii ceea ce a dus la o reluare a pierderilor din depreciere recunoscute anterior de 5.503 mii RON. Procesul de evaluare a deprecierii este complex, necesita judecati semnificative din partea conducerii si se bazeaza pe ipoteze care sunt influentate de condițiile viitoare de piata preconizate. Ca urmare a acestui fapt, recuperabilitatea valorii contabile a imobilizarilor corporale a fost considerata un aspect cheie de audit. Societatea a prezentat concluziile analizei de recuperabilitate a valorii contabile a imobilizarilor corporale in Nota 1.3 (Rationamente profesionale semnificative, Estimari si Ipoteze) si Nota 8 (Imobilizari corporale) din situatiile financiare.	Societate in analiza de depreciere a imobilizărilor corporale. • am testat acuratetea matematica a modelului folosit in analiza de depreciere a imobilizarilor corporale si conformitatea acestuia cu cerintele Standardelor Internationale de Raportare Financiara De asemenea, am analizat suficienta prezentarii informatiilor aferente testelor de depreciere in ceea ce privește imobilizarile corporale.

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Key audit matter	How our audit addressed the key audit matter
Recoverability of the carrying value of property, plant and equipment	
Property, plant and equipment are significant to our audit because of the magnitude of the balance sheet position, having a net book value of RON 26,260 thousand as at 31 December 2018. In the previous years, the oilfield services industry has been significantly affected by the reduction in investments in upstream oil & gas investments which followed the extended decline in oil and gas prices which started in the second half of 2014. These aspects had a significant effect on the Company's tangible assets as reflected by the impairment charges recorded in the previous years. Under the International Financial Reporting Standards, an entity is required to assess whether triggers for potential additional impairment or reversal of impairment previously recorded exist. The assessment of whether there is an indication that an asset may be impaired or an impairment may be reversed requires significant judgement, as it involves consideration of various sources of information, including factors related to the economic environment and industry specific factors. As at 31 December 2018 the management has performed an impairment assessment in respect of the Company's property, plant and equipment which resulted in a reversal of previously recognised impairment adjustments of RON 5,503 thousand. The impairment assessment process is complex, requires significant management judgments and is based on assumptions that are affected by expected future market conditions. For this reason we have considered this as a key audit matter.	Our audit procedures included, among others: • we analyzed the key assumptions used for the estimation of future cash flows, by analyzing their consistency with the industry-specific economic environment, relevant available market information and the business plans of the Company, as well as the sensitivity analysis of the recoverable amounts to changes in the significant assumptions; • we evaluated if the impairment assessment included all assets for which impairment indicators existed at the end of the reporting period; • we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance and to prior year; • we involved our internal valuation specialists to assist us in evaluating the discount rate applied and methodologies / models used by the Company for the impairment assessment of property, plant and equipment; • we checked the mathematical accuracy of management's cash flow model for determining the value-in-use and its conformity with the requirements of the International Financial Reporting Standards; Furthermore, we assessed the adequacy of the Company's disclosures about impairment testing of property, plant and equipment.

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Key audit matter	How our audit addressed the key audit matter
The Company's disclosures about property, plant and equipment analysis are included in Note 1.3 (Judgements, Estimates and Assumptions) and Note 8 (Property, Plant and Equipment) to the financial statements.	

Alte informatii
Other information

Alte informatii includ Raportul administratorilor, dar nu includ situatiile financiare si raportul nostru de audit cu privire la acestea. Conducerea este responsabila pentru alte informatii.
The other information comprises the Administrators', but does not include the financial statements and our auditors' report thereon. Management is responsible for the other information.

Opinia noastra de audit asupra situatiilor financiare nu acopera alte informatii si nu exprimam nicio forma de concluzie de asigurare asupra acestora.
Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In legatura cu auditul efectuat de noi asupra situatiilor financiare, responsabilitatea noastra este de a citi aceste alte informatii si, facand acest lucru, de a analiza daca acestea nu sunt in concordanta, in mod semnificativ, cu situatiile financiare sau cunostintele pe care le-am obtinut in urma auditului sau daca acestea par sa includa erori semnificative. Daca, in baza activitatii desfasurate, ajungem la concluzia ca exista erori semnificative cu privire la aceste alte informatii, noi trebuie sa raportam acest lucru. Nu avem nimic de raportat in acest sens.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu. In situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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Responsabilitatea conducerii si a persoanelor responsabile cu guvernanta pentru situatiile financiare
Responsibilities of Management and Those Charged with Governance for the Financial Statements

Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a situatiilor financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 2844/2016 pentru aprobarea Reglementarilor contabile conforme cu Standardele Internationale de Raportare Financiara, cu modificarile si clarificarile ulterioare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare care sunt lipsite de denaturari semnificative, cauzate fie de frauda, fie de eroare.
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

La intocmirea situatiilor financiare, conducerea este responsabila sa evalueze abilitatea Societatii de a-si desfasura activitatea conform principiului continuitatii activitatii si sa prezinte, daca este cazul, aspectele referitoare la continuitatea activitatii si folosirea principiului continuitatii activitatii, mai putin in cazul in care conducerea intentioneaza sa lichideze Societatea sau sa ii inceteze activitatea sau nu are nicio alternativa reala decat sa procedeze astfel.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Persoanele responsabile cu guvernanta au responsabilitatea supravegherii procesului de raportare financiara a Societatii.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsabilitatile auditorului pentru auditul situatiilor financiare
Auditor's Responsibilities for the Audit of the Financial Statements

Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare, luate in ansamblu, nu contin denaturari semnificative cauzate de eroare sau frauda si de a emite un raport de audit care sa includa opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, insa nu este o garantie ca un audit desfasurat in conformitate cu standardele ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista. Denaturarile pot fi cauzate fie de frauda fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, atat la nivel individual sau luate in ansamblu, vor influenta deciziile economice ale utilizatorilor luate in baza acestor situatii financiare.

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Ca parte a unui audit in conformitate cu standardele ISA, ne exercitam rationamentul profesional si ne mentinem scepticismul profesional pe intreg parcursul auditului. De asemenea:
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare, cauzate fie de frauda fie de eroare, stabilim si efectuam proceduri de audit care sa raspunda acestor riscuri si obtinem probe de audit suficiente si adecvate pentru a constitui o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de frauda este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece frauda poate include complicitate, falsuri, omisiuni intentionate, declaratii false sau evitarea controlului intern.
- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*

- Intelegem controlul intern relevant pentru audit pentru a stabili procedurile de audit adecvate in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficacitatii controlului intern al Societatii.
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*

- Evaluam gradul de adecvare a politicilor contabile utilizate si rezonabilitatea estimarilor contabile si a prezentarilor aferente de informatii realizate de catre conducere.
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu. In situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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- Concluzionam asupra caracterului adecvat al utilizarii de catre conducere a principiului continuitatii activitatii, si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoieli semnificative privind capacitatea Societatii de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia, in raportul de audit, asupra prezentarilor aferente din situatiile financiare sau, in cazul in care aceste prezentari sunt neadecvate, sa ne modificam opinia. Concluziile noastre se bazeaza pe probele de audit obtinute pana la data raportului nostru de audit. Cu toate acestea, evenimente sau conditii viitoare pot determina ca Societatea sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.*

- Evaluam prezentarea, structura si continutul general al situatiilor financiare, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare reflecta tranzactiile si evenimentele de baza intr-o maniera care realizeaza prezentarea fidela.
- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, obiectivele planificate si programarea in timp a auditului, precum si constatarile semnificative ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului nostru.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

De asemenea, prezentam persoanelor responsabile cu guvernanta o declaratie cu privire la conformitatea noastra cu cerintele etice privind independenta si le comunicam toate relatiile si alte aspecte care pot fi considerate, in mod rezonabil, ca ar putea sa ne afecteze independenta si, unde este cazul, masurile de siguranta aferente.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Dintre aspectele pe care le comunicam persoanelor responsabile cu guvernanta, stabilim acele aspecte care au avut cea mai mare importanta in cadrul auditului asupra situatiilor financiare din perioada curenta si, prin urmare, reprezinta aspecte cheie de audit.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Raport cu privire la alte cerinte legale si de reglementare
Report on Other Legal and Regulatory Requirements

Raportare asupra unor informatii, altele decat situatiile financiare si raportul nostru de audit asupra acestora
Reporting on Information Other than the Financial Statements and Our Auditors' Report Thereon

Pe langa responsabilitatile noastre de raportare conform standardelor ISA si descrise in sectiunea „Alte informatii", referitor la Raportul administratorilor, noi am citit Raportul administratorilor si raportam urmatoarele:

a) In Raportul administratorilor nu am identificat informatii care sa nu fie consecvente, sub toate aspectele semnificative, cu informatiile prezentate in situatiile financiare la data de 31 decembrie 2018, atasate;
b) Raportul administratorilor, identificat mai sus, include, sub toate aspectele semnificative, informatiile cerute de Ordinul Ministrului Finantelor Publice nr. 2844/2016 pentru aprobarea Reglementarilor contabile conforme cu Standardele Internationale de Raportare Financiara, cu modificarile si clarificarile ulterioare, Anexa 1, punctele 15-19;
c) pe baza cunostintelor noastre si a intelegerii dobandite in cursul auditului situatiilor financiare intocmite la data de 31 decembrie 2018 cu privire la Societate si la mediul acesteia, nu am identificat informatii eronate semnificative prezentate in Raportul administratorilor.

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Administrators' Report, we have read the Administrators' Report and report that:

a) in the Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying financial statements as at December 31, 2018;
b) the Administrators' Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, Annex 1 points 15 - 19;
c) based on our knowledge and understanding concerning the entity and its environment gained during our audit of the financial statements as at December 31, 2018, we have not identified information included in the Administrators' Report that contains a material misstatement of fact.

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu, in situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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Alte cerinte privind cuprinsul raportului de audit conform Regulamentului (UE) nr. 537/2014 al Parlamentului European si al Consiliului
Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Numirea si aprobarea auditorului
Appointment and Approval of Auditor

Am fost numiti auditori ai Societatii de catre Adunarea Generala a Actionarilor la data de 27 aprilie 2018 pentru a audita situatiile financiare ale exercitiului financiar incheiat la 31 decembrie 2018. Durata totala de misiune continua, inclusiv reinnoirile (prelungirea perioadei pentru care am fost numiti initial) si renumirile anterioare drept auditori a fost de 1 an, acoperind exercitiul financiar incheiat la 31 decembrie 2018.
We were appointed as auditors of the Company by the General Meeting of Shareholders on 27 April 2018 to audit the financial statements for the financial year end December 31, 2018. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 1 year, covering the financial period end December 31, 2018.

Consecventa cu raportul suplimentar adresat Comitetului de Audit
Consistency with Additional Report to the Audit Committee

Opinia noastra de audit asupra situatiilor financiare exprimata in acest raport este in concordanta cu raportul suplimentar adresat Comitetului de Audit al Societatii, pe care l-am emis in data de 15 martie 2019.
Our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 15 March 2019.

Servicii non-audit
Provision of Non-audit Services

Nu am furnizat Societatii servicii non-audit interzise mentionate la articolul 5 alineatul (1) din Regulamentul (UE) nr. 537/2014 al Parlamentului European si al Consiliului si ramanem independenti fata de Societate pe durata auditului.
Nu am furnizat Societatii si entitatilor controlate de aceasta alte servicii decat cele de audit statutar si cele prezentate in raportul anual si in situatiile financiare.

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu. In situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.
In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

In numele,
On behalf of,

Ernst & Young Assurance Services SRL
Bd. Ion Mihalache 15-17, etaj 21, Bucuresti, Romania
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania

Inregistrat in Registrul Public electronic cu nr. 77
Registered in the electronic Public Register under No. 77

Ernst & Young Assurance Services S.R.L.
22 MAR 2019
Semnat pentru identificare

Nume Auditor / Partener Asociat: Corina Dimitriu
Name of the Auditor/ Associate Partner: Corina Dimitriu

Inregistrat in Registrul Public electronic cu nr. 3677 /
Registered in the electronic Public Register under No. 3677 /

Bucuresti, Romania
Bucharest, Romania

22 martie 2019
22 March 2019

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu, in situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traduceri.

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