



**UZTEL S.A.**

**OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

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

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**UNAUDITED  
INTERIM  
STATEMENTS AT THE DATE OF  
AND FOR THE THREE MONTH PERIOD  
ENDED ON MARCH 31, 2018**

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



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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Interim Statement of the Individual Financial Position  
for Accounting Report on 31.03.2018**

<b>Assets</b>	<b><u>31-March</u></b>	<b><u>31 December</u></b>
	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
<b>Long-term Assets</b>		
Tangible assets	46.104.058	46.995.454
Intangible assets	116.233	73.781
<b>Total long-term assets</b>	<b><u>46.220.291</u></b>	<b><u>47.069.235</u></b>
<b>Current assets</b>		
Stocks	34.820.938	33.811.683
Trade receivables and other receivables	15.708.353	13.707.147
Cash and cash equivalents	400.840	1.771.478
<b>Total current assets</b>	<b><u>50.930.131</u></b>	<b><u>49.290.308</u></b>
<b>Total Assets</b>	<b><u>97.150.422</u></b>	<b><u>96.359.543</u></b>
<b>Expenses in advance</b>	<b><u>4.728</u></b>	<b><u>3.955</u></b>
	<b>50.934.859</b>	<b>49.294.263</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	13.413.648	13.413.648
Adjustments of equity	3.453.860	3.453.860
Reserves from revaluation	38.232.706	38.232.706
Legal reserves	1.916.641	1.916.641
Other reserves	631.133	631.133
Result of period	558.507	(13.170.728)
Result reported	4.864.366	3.686.242
<b>Total Capitals</b>	<b><u>62.512.354</u></b>	<b><u>61.334.230</u></b>
<b>Long term loans</b>		
Loans	3.746.252	4.214.534
Trade payables and other payables	2.996.869	2.698.672
Provisions	253.413	253.413
<b>Total long term debts</b>	<b><u>6.996.534</u></b>	<b><u>7.166.619</u></b>
<b>Current debts</b>		
Trade payables	18.672.998	17.819.320
Loans	3.093.959	3.284.264
Income in advance	1.448.381	2.749.697
Other debts	4.430.923	4.009.368
<b>Total current liabilities</b>	<b><u>27.646.262</u></b>	<b><u>27.862.649</u></b>
<b>Total debts</b>	<b><u>34.642.796</u></b>	<b><u>35.029.268</u></b>
<b>Total equity and liabilities</b>	<b><u>97.155.150</u></b>	<b><u>96.363.498</u></b>

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Interim statement of comprehensive income  
for Accounting Report on 31.03.2018**

	<u>31-March</u> <u>2018</u> <u>lei</u>	<u>31-March</u> <u>2017</u> <u>lei</u>
Income	13.517.674	6.627.279
Other income	1.417.084	123.141
Other gains / (losses) -net	-	(328)
Income cost of inventories of finished goods and Production in progress	4.867.184	2.128.949
Expenses with raw materials and consumables	(10.530.746)	(7.046.100)
Asset depreciation and amortization expense	(936.705)	(1.292.399)
Employee benefits expense	(5.350.646)	(4.115.486)
Expenditure on insurance contributions and social security	(162.424)	(942.542)
Expenses with external supply	(1.627.649)	(2.459.927)
Other expenses	(485.151)	(306.847)
<b>Operation profit</b>	<b><u>708.621</u></b>	<b><u>(7.284.260)</u></b>
Financial income	155.168	129.989
Financial expenses	(305.282)	(188.934)
<b>Financial result</b>	<b><u>(150.114)</u></b>	<b><u>(58.945)</u></b>
<b>Profit / (loss) before tax</b>	<b><u>558.507</u></b>	<b><u>(7.343.205)</u></b>
<b>Profit / (loss) of period - net</b>	<b><u>558.507</u></b>	<b><u>(7.343.205)</u></b>
<b>Total consolidated income of period</b>	<b><u>558.507</u></b>	<b><u>(7.343.205)</u></b>
<b>Earnings per Share</b>	<b><u>0,10</u></b>	<b><u>(1,37)</u></b>
<b>Number of shares</b>	<b><u>5.365.459</u></b>	<b><u>5.365.459</u></b>

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Interim Statement of Changes in Equity  
for Accounting Report on 31.03.2018**

În LEI	Equity	Adjustment of equity	Legal reserve	Reserves from reassessment	Other reserves	Result reported	Total equity
<b>Balance at 01 January 2018</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.916.641</b>	<b>38.232.706</b>	<b>631.133</b>	<b>3.686.242</b>	<b>61.334.230</b>
Revaluation of tangible assets	-	-	-	-	-	-	-
Reserve from revaluation	-	-	-	-	-	-	-
Net profit of period	-	-	-	-	-	<b>558.507</b>	<b>558.507</b>
Transfer between equity accounts	-	-	-	-	-	<b>619.617</b>	<b>619.617</b>
<b>Balance at 31 March 2018</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.916.641</b>	<b>38.232.706</b>	<b>631.133</b>	<b>4.864.366</b>	<b>62.512.354</b>

As a result of applying IFRS beginning with the fiscal year 2012 were restated financial statements, resulting from the application of IAS 29 an inflation adjustment to equity of 3.453.860 lei.

No deferred tax adjustments for revaluation reserves for the period 01.01.2018 – 31.03.2018 have been calculated for the period.



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**Explanatory Notes to Interim Financial Statements  
for Accounting Report on 31.03.2018**

**FIXED ASSETS - tangible**

	land	Buildings and constructions	Machines and equipments	Other tangible assets	Tangible assets in progress	Advances for intangible assets	Total
Cost	Lei	Lei	Lei	Lei	Lei	Lei	Lei
Balance on 01 January 2018	16.602.789	32.003.702	36.430.685	165.777	2.418.897	123.120	87.744.970
Increases	-	-	-	-	11.406	14.750	26.156
Outputs	-	-	-	-	-	-	-
Balance on 31 March 2018	16.602.789	32.003.702	36.430.685	165.777	2.430.303	137.870	87.771.126
<b>Accumulated amortization</b>							
Balance on 01 January 2018	-	14.325.571	26.329.372	94.573	-	-	40.749.516
Amortization of period	-	641.880	272.321	3.351	-	-	917.552
Amortization of outputs	-	-	-	-	-	-	-
Balance on 31 March 2018	-	14.967.451	26.601.693	97.924	-	-	41.667.068
<b>Adjustment</b>							
Balance on 01 January 2018	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance on 31 March 2018	-	-	-	-	-	-	-
<b>Net book value</b>							
Balance on 01 January 2018	16.602.789	17.678.131	10.101.313	71.204	2.418.897	123.120	46.995.454
Balance on 31 March 2018	16.602.789	17.036.251	9.828.992	67.853	2.430.303	137.870	46.104.058



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

During 01 January- 31March 2018, the tangible assets under construction recorded an increase of 11.406 lei, representing assembling of radiocotrol for overheadcrane M 17.

During January 01 ianuarie – 31 March 2018 prepayments for intangible increased by 14.750 lei, worth the advance billed for assembly of radiocontrols on overheadcranes of 5to, and 8to.

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	<b>Development expenses</b>	<b>Other intangible assets</b>	<b>Intangible assets in progress</b>	<b>Advance for intangible assets</b>	<b>Total</b>
<b>Cost</b>	<b>Lei</b>	<b>Lei</b>	<b>Lei</b>		<b>Lei</b>
Balance at 01 January 2018	177.335	561.563	-	-	738.898
Increases	1.365	60.240	-	-	61.605
Outputs	-	-	-	-	-
Balance at 31 March 2018	178.700	621.803	-	-	800.503
<b>Accumulated depreciation</b>					
Balance at 01 January 2018	114.930	550.187	-	-	665.117
Depreciation of period	2.435	16.718	-	-	19.153
Depreciation of outputs	-	-	-	-	-
Balance at 31 March 2018	117.365	566.905	-	-	684.270
<b>Net book value</b>					
Balance at 01 January 2018	62.405	11.376	-	-	73.781
Balance at 31 March 2018	61.335	54.898	-	-	116.233

Between a 01 January – 31 March 2018, the development expenses registered an increase of 1.365 lei, representing:

- expenses for casting, executed 1st operation and heat treatment body 2 1/16x3/5M and body 4 1/16x5M amounting to 860 lei;
- expenses for manufacture of main body 3"- SCH40 – welded version worth 505 lei.

The company bought intangible assets amounting to 60.240 lei, comprising: Technical support for integrated program SIVICO worth 53.719 lei and Antivirus License ESET ENDPOINT worth 6.521 lei.



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**Explanatory Notes to Interim Financial Statements  
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<b>INVENTORY</b>	<b><u>31-March</u></b>	<b><u>31-March</u></b>
	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b><u>lei</u></b>	<b><u>lei</u></b>
Raw material	1.491.541	1.613.559
Additional material	780.714	800.846
Fuels	36.992	17.330
Packaging materials	1.499	2.639
Spare parts	3.680.744	4.234.916
Other consumables	216.227	218.107
Other consumables- protocol	-	112
Inventory items	365.018	367.954
Product in progress	10.474.827	8.273.964
Semi- manufactured	1.350.932	1.197.915
Finished product	9.403.372	10.721.667
Difference of price of semi-finished products	-	743.499
Difference of price of finished products	6.690.053	9.667.429
Packing	6.809	8.550
Residual products	16.000	53.002
<b>Total</b>	<b>34.514.727</b>	<b>37.921.489</b>
Advances for purchases assets such as stocks	306.211	234.797
<b>Total General Stocks</b>	<b>34.820.938</b>	<b>38.156.286</b>



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	<u><b>31-March</b></u> <u><b>2018</b></u> <u><b>lei</b></u>	<u><b>31-March</b></u> <u><b>2017</b></u> <u><b>lei</b></u>
Cash and cash equivalent	400.840	791.740
Bank deposit	0	0
<b>Cash and cash equivalent</b>	<b>400.840</b>	<b>791.740</b>

From the point of view of the Cash Flow Statement, it is considered that:

- Cash is the cash in the cashier and current bank accounts;
- Cash equivalents are fiscal and postage stamps.

The prudent management of liquidity risk implies maintaining sufficient cash in lei and foreign currency in the company's bank accounts.

There are no restrictions on cash accounts in banks.



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**Explanatory Notes to Interim Financial Statements  
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<b>Trade receivables and other receivables</b>	<b><u>31-March</u></b>	<b><u>Balance at 01</u></b>
	<b><u>2018</u></b>	<b><u>January</u></b>
	<b><u>lei</u></b>	<b><u>2018</u></b>
		<b><u>lei</u></b>
<b>Trade receivables</b>	<b>12.454.553</b>	<b>10.816.044</b>
Domestic Client	2.483.457	3.034.429
External Client	5.714.451	3.516.870
Doubtful client, litigation	3.872.224	3.881.245
Suppliers borrowers	384.421	383.500
<b>Other receivables</b>	<b>4.800.566</b>	<b>4.437.869</b>
Other receivables (Goodwill guarantees OMV Petrom Bucharest)	39.338	39.338
VAT to be recovered	1.334.629	815.493
Wage advance	9.350	10.250
Borrowers	2.508.608	2.620.465
Receivables on current income tax	-	17.857
Other receivables (VAT not due, accrued expenses and settlement systems in operation during clarification)	908.641	934.466
Adjustments for impairment of receivables-clients	(1.546.766)	(1.546.766)
<b>Total trade receivables and other receivables</b>	<b>15.708.353</b>	<b>13.707.147</b>
<b>Prepayments</b>	<b>4.728</b>	<b>3.955</b>
<b>Adjustments for impairment of receivables-clients</b>	<b><u>31-March</u></b>	<b><u>Balance at 01</u></b>
	<b><u>2018</u></b>	<b><u>January</u></b>
	<b><u>lei</u></b>	<b><u>2018</u></b>
		<b><u>lei</u></b>
<b>Balance at the beginning of the period</b>	<b>1.546.766</b>	<b>1.546.766</b>
Constitutions during the period	-	-
Resumption during the period	-	-
<b>Total</b>	<b>1.546.766</b>	<b>1.546.766</b>

The uncertain clients were recorded separately in the accounting records of the company.

The assessment of foreign currency denominated claims was made at the exchange rate announced by the National Bank of Romania for the closing of March 2018.

The favorable or unfavorable exchange rate differences between the foreign exchange rate on which the foreign currency claims and the foreign exchange market rate communicated by the National Bank of Romania for the closing of March 2018 were recorded in the corresponding income or expense accounts of exchange rate differences, as the case.

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)**Explanatory Notes to Interim Financial Statements  
for Accounting Report on 31.03.2018****Situation of trade receivables and other receivables**

	<b><u>31-March</u></b>	<b><u>Balance at 01</u></b>
	<b><u>2018</u></b>	<b><u>January</u></b>
	<b><u>lei</u></b>	<b><u>2018</u></b>
		<b><u>lei</u></b>
a) Situation of short term debts		
Amounts owed to credit institutions	3.093.959	3.284.264
Advances collected for orders	1.448.381	2.749.697
Trade payables - suppliers	18.672.999	17.819.320
Other creditors including tax and social security	4.430.923	4.009.368
<b>Total short term debts</b>	<b>27.646.262</b>	<b>27.862.649</b>

	<b><u>31-March</u></b>	<b><u>Balance at 01</u></b>
	<b><u>2018</u></b>	<b><u>January</u></b>
	<b><u>lei</u></b>	<b><u>2018</u></b>
		<b><u>lei</u></b>
a) Long term debts		
Amounts owed to credit institutions	3.746.252	4.214.534
Trade payables - suppliers	2.600.606	2.302.409
Other creditors including tax and social security	396.263	396.263
Other creditors including tax and social security	253.413	253.413
<b>Total long term debts</b>	<b>6.996.534</b>	<b>7.166.619</b>

**Bank credits are guaranteed by:**

- Mortgages totaling 29.434.935 lei (insurance policy No. 2487024 of 25.05.2017). The last valuation report was conducted for banking purposes in August 2017 by Neoconsult Valuation SRL Bucharest, an authorized valuer, an accredited member of ANEVAR, the value of the valued property market being of RON 24.728.166;

- Pledge on technological equipment with a total value of 5.852.629 lei (insurance policy No. 2503328 , valid from 01.03.2018 until 28.02.2019).



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- Pledge Stocks of raw materials, inventory items and finished products totaling RON 24.651.575 (insurance policy No. 2493798 dated 23.11.2017 until 22.11.2018);

**Explanatory Notes to Interim Financial Statements  
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**Provisions**

	<u>Balance at 1 January</u> <u>2018</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Decreases</u> <u>lei</u>	<u>Balance at 31</u> <u>March 2018</u> <u>lei</u>
Provisions for litigations	253.413	-	-	253.413
<b>Total</b>	<b>253.413</b>	<b>-</b>	<b>-</b>	<b>253.413</b>

**Income registered in advance**

	<u>Balance at 1 January</u> <u>2018</u> <u>lei</u>	<u>Increases</u> <u>lei</u>	<u>Decreases</u> <u>lei</u>	<u>Balance at 31</u> <u>March 2018</u> <u>lei</u>
Income recorded in advance	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**Explanatory Notes to Interim Financial Statements  
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**Share of Operation Revenues**

<b>31 March 2018</b>	<b>Amount ( lei )</b>	<b>Share of Total revenue %</b>	<b>Share of turnover %</b>
Revenue from the sale of finished products - domestic	4.565.311,60	22,88	33,77
Revenue from the sale of finished products - abroad	8.879.987,16	44,50	65,69
Revenue from services rendered- Laboratory services	28.690,00	0,14	0,22
Revenue from services rendered - external transport	34.768,18	0,17	0,26
Income from sale of goods	3.230,30	0,02	0,02
Income from different activities - Internal	236,22	0,00	0,00
Income from different activities - Export	5.450,59	0,03	0,04
<b>Turnover- Total</b>	<b>13.517.674,0</b>	<b>67,74</b>	<b>100,00</b>

<b>Report on operating segment at 31 March 2018</b>	<b>Amount ( lei )</b>	<b>Share of Total income %</b>
Revenue from the sale of finished products - internal	4.565.311,60	22,88
Revenue from the sale of finished products - external	8.879.987,16	44,50
Income related to the cost of finished product stocks and production in progress	4.867.184,00	24,39
Revenue from services rendered	69.144,99	0,35
Revenue from sale of goods	3.230,30	0,02
<b>Total</b>	<b>18.384.858,05</b>	<b>92,12</b>



**UZTEL S.A.**

**OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

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

**Continued Share of Operation Revenues**

<b>31 March 2017</b>	<b>Amount ( lei )</b>	<b>Share of Total income %</b>	<b>Share of turnover %</b>
Revenue from the sale of finished products - internal	4.057.201,02	45,03	61,22
Revenue from the sale of finished products - export	2.400.603,95	26,65	36,22
Revenue from services rendered- Laboratory services	39.885,00	0,44	0,60
Revenue from services rendered - internal transport	3.538,32	0,04	0,05
Revenue from services rendered- external transport	8.854,13	0,10	0,13
Income from rental of oilfield equipment	41.560,50	0,46	0,63
Income from sale of goods	74.614,91	0,83	1,13
Income from different activities - Internal	1.020,91	0,01	0,02
<b>Turnover - Total</b>	<b>6.627.278,74</b>	<b>73,56</b>	<b>100,00</b>

<b>Report on operating segment at 31 March 2017</b>	<b>Amount ( lei )</b>	<b>Share of Total revenue %</b>
Revenue from the sale of finished products - internal	4.057.201,02	45,03
Revenue from the sale of finished products - export	2.400.603,95	26,65
Income related to the cost of finished product stocks and production in progress	2.128.949,00	23,63
Revenue from services rendered	53.298,36	0,59
Income from royalties, management and rental locations	41.560,50	0,46
Revenue from sale of goods	74.614,91	0,83
<b>Total</b>	<b>8.756.227,74</b>	<b>97,19</b>



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**Explanatory Notes to Interim Financial Statements  
 for Accounting Reporting on 31.03.2018**

	<u>3 months</u> <u>2018</u> <u>lei</u>	<u>3 months</u> <u>2017</u> <u>lei</u>
<b>Operation revenue</b>		
<b>Total operation income, of which:</b>	<b>19.801.942</b>	<b>8.879.369</b>
Turnover	13.517.674	6.627.279
Income related to the cost of finished product stocks and production in progress	4.867.184	2.128.949
Income from the production of intangible and tangible assets	1.365	36.766
Other operating revenues	1.415.719	86.375
<b>Operation expenses</b>		
<b>Total operation expenses, of which:</b>	<b>19.093.321</b>	<b>16.163.629</b>
Raw material and consumables costs	9.178.170	5.976.352
Other material expenses	355.367	181.247
Other external expenses (power and water)	996.727	821.362
The expenditures on goods	482	67.139
Staff costs	5.513.070	5.058.028
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	936.705	1.292.399
Value adjustments on assets	-	328
Other operating expenses	2.112.800	2.766.774
<b>Operation result</b>		
<b>Total operating result of which:</b>	<b>708.621</b>	<b>(7.284.260)</b>
Total Operation Revenue	19.801.942	8.879.369
Total Operation Expenditure	19.093.321	16.163.629

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<b>Financial Income</b>	<b><u>3 months</u> <u>2018</u> <u>lei</u></b>	<b><u>3 months</u> <u>2017</u> <u>lei</u></b>
<b>Total financial income, of which</b>	<b>155.168</b>	<b>129.989</b>
Income from exchange rate fluctuations	153.936	128.420
Interest income	1.231	1.569
Other incomes	1	-
<b>Financial expenses</b>	<b><u>3 months</u> <u>2018</u> <u>lei</u></b>	<b><u>3 months</u> <u>2017</u> <u>lei</u></b>
<b>Total Financial expenses , of which:</b>	<b>305.282</b>	<b>188.934</b>
Interest charges	67.562	57.364
Other financial expenses	237.720	131.570
<b>Rezultatul financiar</b>	<b><u>3 months</u> <u>2018</u> <u>lei</u></b>	<b><u>3 months</u> <u>2017</u> <u>lei</u></b>
<b>Total Financial result, of which:</b>	<b>(150.114)</b>	<b>(58.945)</b>
Total Financial Revenue	155.168	129.989
Total Financial Expenses	305.282	188.934



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## **Explanatory Notes to Interim Financial Statements for Accounting Report on 31.03.2018**

### **INCOME TAX**

The profit tax for the period 01.01.2018 – 31.03.2018 includes the current tax. Income tax is recognized in the statement of comprehensive income or in other components of comprehensive income, if the tax is attributable to equity.

#### **Current income tax**

Current tax is the tax payable on the taxable profit realized between 01.01.2018 – 31.03.2018 , determined on the basis of the tax regulations applicable at the reporting date. The applicable corporate tax rate for the financial period from January 01, 2018 – 31 March 2018 was 16 % .

**31 March 2018**

Expenditure on current income tax

0 lei



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**Annex 30 B**

**Economic and Financial Indicators  
for Accounting Report on 31.03.2018**

<b>Economic - Financial Indicators</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Current Liquidity</b> - Current Assets / Current Liabilities	1,84	2,37
<b>Debt grade</b> - Borrowed capital / Equity * 100	10,94	12,23
<b>Speed of rotation debits - clients</b> - Receivables / Turnover * 90 days	105 days	187 days
<b>Turning Speed of Fixed Assets</b> - Fixed Assets / Fixed Assets	0,29	0,13

General Director  
Ing. Zidaru Ion

Economic Director  
Ec. Popescu Ileana

Head of Gen Act Dept.  
Ec. Ilie Marian