

Tel: +40-21-319 9476
Fax: +40-21-319 9477
www.bdo.ro

Victory Business Center
24 Invingatorilor Street
Bucharest 3
Romania
030922

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of the company SARANTIS ROMANIA S.A.

Report on the audit of the individual financial statements

Opinion

1. We have audited the individual financial statements of the company SARANTIS ROMANIA S.A. ("the Company"), headquartered in Bucharest, identified by the unique tax registration code 8601391, containing the balance sheet on December 31, 2019, the profit and loss account, the statements of the modifications of equities and statement of the treasury flow, as well as a summary of the significant accounting policies and the explanatory notes.

The individual financial statements on December 31, 2019 are identified as follows:

- Net turnover: Lei 352,761,523
- Net profit of the financial year: Lei 28,614,107
- Net assets / total own equities: Lei 79,458,917

2. In our opinion, the individual financial statements provides an accurate image, in all the significant aspects, of the financial standing of the Company on December 31, 2019 as well as of the financial performance for the financial year ended on that date, in accordance with the Order of the Minister of Public Finance no. 1802/2014 for approving the Accounting Regulations concerning the annual individual financial statements and the consolidated annual financial statements, as further amended ("OMPF 1802/2014").

Basis for opinion

3. We carried out the audit in accordance with the International Standards of Audit (ISA) and the Law no. 162/2017 ("Law"). Our responsibilities based on these standards are described in details in the section "Auditor's Responsibilities in an audit of financial statements" in this report. We are independent towards the Company according to the Ethical Code of Chartered Accountants issued by the International Ethics Standards Board for Accountants (IESBA code), according to the ethics requirements that are relevant for the audit of the financial statements in Romania, including the Law, and we fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidences, which we obtained, are sufficient and adequate for providing a basis for our opinion

Other information - Director's report

4. The Directors are responsible for drawing out and presentation of other information. That information contains the Director's Report, but does not contain the financial statements and the auditor's report concerning it.

Our opinion concerning the financial statements does not cover also that information and unless expressly mentioned in our report, we do not express any kind of assuring conclusion on that.

In relation to the audit of the financial statements for the financial year ended on December 31, 2019, our responsibility is to read that other information, and during such steps, to consider whether that



information is significantly inconsistent with the financial statements or with the knowledge which we obtained during the audit, or if they seem to be significantly distorted.

Concerning the Directors' Report, we read and we report that it was drawn out, in all the significant aspects, in accordance with the OMPF no. 1802/2014, points 489-492 of the Accounting Regulations on the annual individual financial statements and consolidated annual financial statements.

Based exclusively on the activities that must be developed during the audit of the financial statements, in our opinion:

a) the information disclose din the Directors' Report for the financial year for which the financial statements were drawn out are in accordance in all the significant aspects, with the financial statements;

b) The Directors' Report was prepared, in all significant aspects, in accordance with the OMPF no. 1802/2014, points 489-492 of the Accounting Regulations on the annual individual financial statements and consolidated annual financial statements.

5. Moreover, based on our knowledge and understanding in relation to the Company and its environment, acquired throughout the audit of the financial statements for the financial year ended on December 31, 2019, we are being asked to report whether we have identified any significant distortions within the Director's Report. We have no issues to report on this matter.

Responsibilities of the Management and Governance Officers in Relation to the Financial Statements

6. The company's' management is responsible for preparing the financial statements that would provide an accurate image in accordance with the OMPF no. 1802/2014 and for such internal control as deemed necessary by Management so as to allow the drawing up of the financial statements without any significant distortions, caused either by fraud, or by error.

7. Within the drawing up of the financial statements, the Management is liable for assessing the Company's ability observe the going concern principle, for the presentation, if appropriate, of aspects related to the continuation of the business and for using the accounting based on the continuity of the business, unless the Company either intends to liquidate the Company or to cease operations, or has no other realistic alternative apart from the latter two.

8. Governance Officers are liable for the supervision of the Company's financial reporting process.

The Liability of the Auditor within an Audit of Financial Statements

9. Our aims were to obtain a reasonable insurance in relation to the extent to which the financial statements, as a whole, lack any significant distortions, caused either by fraud, or by error, as well as to issue an auditor report that includes our opinion. The reasonable insurance is a high level of assurance, however, it is not a guarantee of the fact that an audit performed in compliance with the ISA would always detect a significant distortion, if there is any. Distortions may be caused either by fraud, or by error, and they are deemed significant if it may reasonably be envisaged that they will, either individually or as a whole, influence the economic decisions of users, taken based on such financial statements.

10. As part of an ISA-compliant audit, we exercise professional reason and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risk for significant distortion of financial statements, caused either by fraud, or by error, we design and execute audit procedures as a response to the respective risks and we obtain sufficient and adequate audit evidence so as to be able to form a foundation for our opinion. The risk of non-detection of a significant distortion caused by fraud



is higher than that of non-detection of a significant distortion caused by error, as fraud may entail unreal understandings, forgery, intentional omissions, misrepresentation and avoidance of internal control.

- We understand the internal control relevant for the audit, in view of designing audit procedures adequate for the circumstances, without however the aim of expressing an opinion on the efficiency of the Company's internal control system.
- We assess the level of adequacy and reasonability of the accounting forecasts and related presentations of information made by Management.
- We issue a conclusion concerning the adequacy level for the use of accounting based on Company business by Management and we establish, based on the audit evidence obtained, whether there is a significant uncertainty in relation to elements or conditions potentially generating significant doubts on the Company's ability related to the going concern principle. Should we conclude that a significant uncertainty is present, we must, in the audit report, draw the attention to the related presentations in the financial statements or, if such presentations are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. Notwithstanding, any future events or conditions may lead to the Company ceasing its business based on the going concern principle.

11. We communicate, to the Governance Officers, among other aspects, the planned area and the scheduling of the audit, as well as the main findings of the audit, including any significant deficiencies of the internal control, which we identify throughout the audit.

Other aspects

12. This report is addressed exclusively to the company's shareholder, as aggregate. Our audit was performed in order to be able to report to the company's shareholders all the aspects that we must report in a financial audit report and not for other purposes. To the extent permitted by the law, we accept and undertake the liability only towards the Company and its shareholders, as a whole, for our audit, for this report or for the expressed opinion.

On behalf of BDO Audit S.R.L.

Registered in the Public Electronic Registry of the Financial Auditors and audit companies under no. FA18

The partner name: Cristian Iliescu

Registered in the Public Electronic Registry of the Financial Auditors and audit companies under no. AF1530

June 15, 2020

Bucharest, Romania

Square stamp applied of the Authority for public supervision of the statutory audit activity (ASPAAS)

Financial auditor CRISTIAN ILIESCU , Public Electronic Registry of the Financial Auditors AF1530

(Illegible signature)

Square stamp applied of the Authority for public supervision of the statutory audit activity (ASPAAS)

Financial auditor BDO AUDIT SRL , Public Electronic Registry of the Financial Auditors FA18

