

S.C. CODEXPERT OFFICE SRL SUCEAVA

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Trade Register no. J33/599/1999, Tax identification number RO 12454426

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Chamber of Financial Auditors of Romania – Permit no. 126/2001

## **INDEPENDENT AUDITOR'S REPORT**

*For the shareholders of S.C. BERMAS S.A. SUCEAVA*

### *Opinion*

1. 1. We have audited the separate financial statements of the Company BERMAS S.A. (The "Company") which comprise the Statement of the financial position as of 31.12. 2016, the Statement of comprehensive income, the Statement of changes in equity, the cash flow statement for the year then ended and the notes to financial statements, including a summary of significant accounting policies.

The separate financial statements mentioned refer to:

- Equity: 23.561.849 lei
- The overall result for the period - profit: 1.528.840 lei

2. In our opinion, the accompanying separate financial statements are fairly presented, in all material respects of the financial position of the Company as of 31.12.2016 and of its financial performance and of cash flows for the year then ended in accordance with the Order no. 2844/2016 for the approval of accounting regulations compliant with International Financial Reporting Standards (IFRSs).

### ***Basis for opinion***

3. We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under these standards are described in detail in Section *Responsibilities of auditors in the audit of financial statements* in our report. We are independent of the Company according to the ethical requirements relevant to the audit of financial statements in Romania and we have met other ethical responsibilities according to the same requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit aspects***

4. The key audit aspects are those aspects that, based on our professional reasoning, had the highest importance in the audit of financial statements of the current year. These aspects were addressed in the context of our audit of financial statements in their entirety and to form an opinion on them and not to issue a separate opinion on these aspects.

Key audit aspects	The way in which the audit addressed the
Fair presentation of income: accounting treatment, identification, evaluation,	key aspect
	Our audit procedures included:

<p>recognition.</p> <p>We have identified revenue recognition as a key aspect, since the revenues of the Company, amounting to 28.291.803 lei, provided the major source of economic benefits during the accounting period audited.</p> <p>Revenue recognition policy is described in Note 3 "Significant accounting policies"</p> <p>The statement of revenue in comparable figures is presented in notes 17 and 18.</p>	<ul style="list-style-type: none"> <li>- Testing the effectiveness of internal controls of the Company to prevent și detect material misrepresentations in terms of revenue recognition;</li> <li>- Ensuring that accounting policies for sales / revenues are in line with the applicable accounting standards and legislation;</li> <li>- The analysis of sample contracts with customers to assess the contractual terms in order to identify potential risks of material misrepresentation;</li> <li>- Ensuring that revenues are properly classified and evaluated and have been processed in the same period;</li> <li>- Detailed tests on the application and recognition of the return policies and trade discounts;</li> <li>- Testing of balances of trade receivables by sending confirmation letters.</li> </ul>
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### ***Other information - Directors' Report***

5. Directors are responsible for preparing and presenting the directors' report as required by the Order of the Ministry of Public Finances no. 2844/2016 for the approval of accounting regulations compliant with International Financial Reporting Standards, chapter 3, that doesn't have material misrepresentations and for such internal control that the management considers necessary to allow the preparation of the directors' report that doesn't include material misrepresentations due to fraud or error.

The directors' report is not part of the separate financial statements of the Company.

Our opinion on the financial statements of the Company does not cover the directors' report.

In connection with our audit on the separate financial statements of the Company ended on 31.12.2016, we have read the directors' report attached to financial statements and we report that:

- in the directors' report we haven't identified information that is not consistent in all material respects with disclosures in the financial statements accompanying the separate financial statements attached;
- the directors' report includes, in all material respects, the information required by the Order of the Ministry of Public Finances no. 2844/2016, chapter 3, section. 15-19
- based on our knowledge and understanding acquired during the audit of financial statements for the

year ended on 31.12.2016 concerning the company and its environment, we have not identified any information contained in the directors' report to be significantly wrong.

***Responsibilities of the management and of the persons in charge with the governance for separate financial statements***

6. The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and the Order no. 2844/2016 of 12.12.2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards, and for such internal control as management considers necessary to allow the preparation of financial statements free of material misrepresentation, whether due to fraud or error.

7. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its operation, showing, if applicable, aspects referring to the business continuity and using the accounts based on the business continuity, unless the management either intends to liquidate the company or to stop its operations, or has no other realistic alternative besides thereof.

The persons in charge with the governance are responsible for the surveillance of the financial reporting process of the Company.

***Auditor's responsibility in the audit of financial statements***

8. Our objectives are to obtain reasonable assurance on whether the separate financial statements as a whole are free from material misrepresentation, whether due to fraud or error, as well as issuing an auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with ISAs will always detect a material misrepresentation, if any. Misrepresentations can be caused either by fraud or error and are considered significant if one could reasonably expect that these ones, individually or in aggregate, will influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with ISAs, we express a professional judgment and maintain professional skepticism throughout the audit. Also:

- we identify and assess the risks of material misrepresentation of the financial statements, either due to fraud or error, we design and execute audit procedures in response to such risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misrepresentation due to fraud is higher than the risk of not detecting a material misrepresentation due to error because fraud may involve collusion, forgery, deliberate omissions, false statements and avoidance of internal control.
- we understand internal control relevant to the audit, in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- we assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and of related disclosures made by the management

- we draw a conclusion on the appropriateness of the use by management of accounts based on the business continuity principles and we determine, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may cast significant doubt on the ability of company to continue its business. If we conclude that a material uncertainty exists, we should draw the attention in the auditor's report on the corresponding disclosures in financial statement or, if these disclosures are inadequate, to change our opinion. Our conclusions are based on the audit evidence obtained until the date of the auditor's report. However, future events or conditions may determine the Company not to carry on its business based on the continuity principle.

- we assess the presentation, structure and general content of the separate financial statements, including disclosure of information, and whether the individual financial statements reflect basic transactions and events in a fair manner.

10. We communicate to those responsible for governance, among other things, the planned scope and timing of the audit and the main audit findings, including any significant deficiencies in internal control that we identified during the audit.

11. We also provide to those responsible for governance a statement that we have complied with ethical requirements relevant in terms of independence and that we have communicated all relationships and other matters which we reasonably might assume that affect our independence and where appropriate, the corresponding protective measures.

12. Among the matters communicated to those in charged with the governance we determine which ones are the most important for the audit of financial statements of the current period and therefore which ones represent key audit aspects. We describe these aspects in the auditor's report, unless laws or regulations prohibit public disclosure of the aspect or of the case in which, in extremely rare circumstances, we believe that should not be communicated in our report since they are reasonably envisaged that the public interest overcomes the negative consequences of this communication.

On behalf of S.C. CODEXPERT OFFICE S.R.L.

Member of the Chamber of Financial Auditors of Romania

Permit no. 126/2001

Auditor, Codau Stelian, illegible signature, seal of Codau Stelian

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Certificate no. 798/2001

Suceava, Romania

24.03.2017