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## COMCEREAL S.A.

73 Isaceei Street,  
Tulcea

### INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of COMCEREAL SA.*

#### Report on the Audit of the Financial Statements

##### Opinion on the Individual Financial Statements

We have audited the financial statements of the COMCEREAL S.A. (Comcereal or the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income and statement of changes in equity statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

These financial statements include:

Shareholder's Equity

32.540.541 Lei

Profit

1.491.319 Lei

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with the Order No. 1802/2014 of the Ministry of Public Finances for the approval of the accounting regulations on the individual and consolidated annual financial statements, along with subsequent changes.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA), EU Regulation no. 537 of the European Parliament and the European Council (hereafter "the Regulation") and the Law no. 162/2017 ("the Law"). 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 within the meaning of the Ethics Code for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants, according to ethical requirements relevant to the audit of the financial statements in Romania and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Other information – Administrators' Report*

The administrators are responsible for the preparation and presentation of the directors' report in accordance with the Order no. 1802/2014 of the Ministry of Public Finances

on the approval of the accounting regulations of the individual and consolidated annual financial statements, as such as this report is free from material misstatements and for such internal control as management determines is necessary to enable the preparation of the directors' report that is free from material misstatement, whether due to fraud or error.

Our opinion on the financial statements does not cover these other information, and unless is expressly stated in our report, we do not express any assurance conclusion about them.

Regarding the audit of the financial statements for the financial year ended December 31, 2018, it is our responsibility to read that other information and to assess whether that other information is materially inconsistent with the financial statements or knowledge, we obtain during the audit, or if they appear to be material misstatement.

With respect to the Administrators' Report, we have read it and we report on whether it was prepared, in all material aspects, in accordance with OMFP no. 1802/2014 for the approval of the accounting regulations on the individual and consolidated annual financial statements.

On the sole basis of the activities which shall be performed during the audit of the financial statements, in our opinion:

- a) Nothing was identified by us that make us believe that the information presented in the Administrators' Report, in material respects, is not in accordance with the financial statements.
- b) The Administrators' Report mentioned above includes, in all material respects, the information requested by the OMFP no. 1802/2014 (accounting regulations on the individual and consolidated annual financial statements).

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the year ended December 31, 2018, we are required to report whether we have identified significant misstatements in the Administrators' Report. We have nothing to report on this issue.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Order no. 1802/2014 and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual 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.



Those charged with governance are responsible for overseeing the Company's financial reporting process

*Auditor's Responsibilities for the Audit of the Financial Statements*

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 auditor's 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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.

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.

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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Report on other legal and regulatory provisions*

We have been appointed as auditors by the Shareholder's Assembly dated March, 32, 2017 for the years ended December 31, 2017 and December 31, 2018. The total duration of our engagement is for two years, covering the years 2017 and 2018.

We confirm that:

- In conducting our audit, we have retained our independence with the audited entity.

We have not provided for the Company non-audit services prohibited under Article 5 (1) of the EU Regulation no. 537/2014.

March 11, 2019

In the name of  
**JPA Audit și Consultanta S.R.L.**  
Registered Auditor C.A.F.R. no. 319



Florin Toma  
Registered Auditor C.A.F.R. no. 1747