



S.C. EVALEX S.A.

Capital social: 100.000 lei
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Member of SN Registrars (Holdings) Ltd



8327

No. of registration: 036/19.06.2020

Independent Auditor's Report

To the shareholder of **MARSOROM S.R.L.**,

Opinion

1. We audited the financial statements of the company **MARSOROM S.R.L.** (the "Company"), which comprise the balance sheet as at December 31st 2019, the income statement, the statement of changes in equity and the cash flow statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies. Those financial statements relate to:
 - Total equity: 3.711.500 lei
 - Net result of financial year (profit): 713.836 lei
2. In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Company as of 31 December 2019, and its financial performance and its cash flows for the year then ended, in accordance with O.M.F.P. 1802/2014 for the approval of the Accounting Regulations on the annual individual and consolidated financial statements, with the subsequent amendments.

Basis for opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in detail in the section „Auditor's Responsibilities in an audit of financial statements” of our report. We are independent of the Company under the Code of Ethics for Professional Accountants (IESBA Code) issued by the Council for International Ethics Standards for Accountants in conjunction with the ethical requirements relevant to the audit of financial statements in Romania and we met other ethical responsibilities under these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
4. At the time of the audit report, the macroeconomic situation in the country necessitated the establishment of a state of emergency in the context of the SARS-CoV-2 pandemic. From the auditor's perspective, the continuity of the Company's activity considers the premise that it will continue its activity in the foreseeable future, which leads to the idea that the Company will not go into liquidation or a significant reduction of the activity. It is the auditor's responsibility in this context to obtain adequate and sufficient audit

evidence as to the appropriateness of management's use of the presumption of continuing to prepare and present financial statements and to conclude to what extent there is significant uncertainty as to whether the company's ability to continue its activity. At the date of approval of the financial statements, the Company faces the situation of not being able to anticipate the economic effects of the pandemic, a context that indicates the existence of significant uncertainty that could call into question the Company's ability to continue operating under ISA 570. There is a risk that the Company will not be able to generate cash flows or will not be able to obtain sufficient financing to enable it to meet its financial obligations.

5. International Accounting Standard 10 "Events after the reporting period" records those events, favorable and unfavorable, that occur between the end of the reporting period and the date on which the financial statements are approved for issuance. We are in the situation of an event that does not lead to the adjustment of the financial statements after the reporting period but the mentioned pandemic that required the establishment of the state of emergency requires an estimate of the financial effect or a statement that such an estimate cannot be made (point 21 at IAS 10). We are unable to make such an estimate.

Other information – Administrator's annual report

6. Other information include Administrator's annual report. The administrators are responsible for the preparation and presentation of the Administrator's Report as required by O.M.F.P. no. 1802/2014 „Accounting regulations on the annual individual and consolidated financial statements”, paragraphs 489-492, which do not contain material misstatements and for such internal control as management considers necessary to enable the preparation of the Administrator's Report that does not contain material misstatement, whether due to fraud or error.

The Administrator's Report is not part of the financial statements.

Our opinion on the individual financial statements do not cover Administrator's report.

In connection to our audit of the financial statements for the year ended 31 December 2019, our responsibility is to read the Administrator's Report and, in this regard, to assess whether there are significant inconsistencies between the Administrator's Report and the financial statements, if the Administrator's Report includes, in all material respects, the information requested by OMFP no. 1802/2014, paragraphs 489-492 of the Accounting Regulations on Individual Annual Financial Statements, and if, based on our knowledge and understanding acquired during the audit of the financial statements about the Company and its environment, the information included in the Administrator's Report is materially misstated. We are asked to report on these issues. Based on our activity, we report that:

- a. In the Administrator's Report, we have not identified any information that is not consistent in all material aspects with the information presented in the attached financial statements;
- b. The above mentioned Administrator's Report includes, in all material respects, the information required by OMFP no. 1802/2014, paragraphs 489-492 of the Accounting Regulations on Individual Annual Accounts.

Additionally, based on our knowledge and understanding of the financial statements for the year ended December 31, 2019 regarding the Company and its environment, we have not identified any information included in the Administrator's Report that is materially misstated.

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

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with O.M.F.P. no. 1802/2014 „Accounting regulations on the annual individual and consolidated financial statements” and for that internal control the management considers necessary to ensure the preparation of financial statements free of material misstatement, whether due to fraud or error.
8. In preparing financial statements, management is responsible for assessing the ability of the Company to continue its activity, presenting, if any, aspects of business continuity and using the accounts on a continuous activity basis, unless management either intends to liquidate the Company or shut down operations, or has no realistic alternative.
9. Persons responsible with governance are responsible for overseeing the financial reporting of the Company.

Auditor's Responsibilities for the Audit of Financial Statements

10. Our objectives consist of reasonable assurance on whether the financial statements as a whole are free from material misstatement, 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 not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, whether it exists. The distortions can be caused either by fraud or error and are considered significant if it can be expected, reasonably, that they, individually or in aggregate, will influence the economic decisions of users taken on the basis of these financial statements..
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:
 - We identify and assess the risks of material misstatement of the financial statements, either due to fraud or error, we design and execute audit procedures in response to such risks and obtain sufficient appropriate audit evidence to provide a basis for our opinion. Non-detection risk that a material misstatement due to fraud is higher than the non-detection of a material misstatement due to error, because fraud may involve collusion, forgery, deliberate omission, misrepresentation and avoidance of internal control..
 - We understand internal control as being 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 internal control of the Company.

- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We draw a conclusion on the appropriateness of the management's use of the accounts on a continuous activity basis and determine, based on audit evidence obtained, whether a material uncertainty exists regarding events or conditions that may cast significant doubt on the ability of the Company to continue its activity. If we conclude that a material uncertainty exists, we should draw attention in the auditor's report on related financial statement presentations or, if such disclosures are inadequate, to change our opinion. Our conclusions are based on the audit evidence obtained until the auditor's report. However, future events or circumstances may cause the Company to no longer operate by the continuous activity principle.
- We evaluate the presentation, structure and overall content of the financial statements, including disclosures, and the extent to which financial statements reflect transactions and basic in a manner that ensure fair presentation.

12. 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 identify during the audit.

For and in the name of EVALEX S.A.

Mircea Simionescu
registered at the Chamber of Financial Auditors of Romania No.1032/2001

Audit Company registered at the Chamber of Financial Auditors of Romania No. 90/2001

Ernei, June 19, 2020



A handwritten signature in blue ink, appearing to be "Mircea".

