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[Autorizatie C.A.F.R. nr.318/2003](#)  
[Autorizatie C.C.Fiscali nr.409/2010](#)

## Independent auditor's report

To the Shareholders of COMPA S.A. Sibiu

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

#### *Opinion*

- 1 We have audited the accompanying separate financial statements of COMPA S.A. ("the Company"), which comprise the Separate statement of financial position as at December 31, 2018, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.
- 2 The separate financial statements refer to:

- Net Assets/Total equity:	440.153 thousand lei
- Net profit of the year:	35.429 thousand lei
- 3 In our opinion, the accompanying separate 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

#### *Basis for Opinion*

- 4 We conducted our audit in accordance with International Standards on Auditing (ISAs), EU Regulation no. 537 of the Parliament and of the European Council („Regulation”) and Law no. 162/2017 („Law”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

- 5 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Separate financial statements of the current period. These matters were addressed in the context of our audit of the Separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Recognition of deferred tax assets**

*See Note 10 to the Separate financial statements*

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Company has recognised deferred tax assets for deductible temporary differences considered recoverable.</p> <p>The recoverability of recognised deferred tax assets is dependent of the Company's ability to generate future taxable profits sufficient to utilise deductible temporary differences.</p> <p>Due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, we consider that evaluation of deferred tax assets to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>- Using our own professional judgement to evaluate measures taken by the Company that should be able to allow the recovery of deferred tax assets.</li><li>- Assessing the accuracy of forecast future taxable profits by evaluating the accuracy of previous estimates and by comparing the assumptions, such as projected growth rates, with our own expectations of those assumptions derived from our knowledge of the industry and our understanding obtained during our audit.</li><li>- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</li></ul>

### **Tax exemption for profits reinvested in technological equipment**

*See Note 10 to the Separate financial statements*

<b>The key audit matter</b>	<b>The key audit matter</b>
<p>The management of the Company expects to retain the technological equipment for a period of a least five years and to not use the reserves created as a result of using the tax exemption for a period of at least five years.</p> <p>The additional deduction for reinvested profits depends on retaining in the patrimony of the technological equipment. Evaluating deferred tax debt and deferred tax assets reflect the tax consequences arising from the way the Company expects to recover the value of the equipment.</p> <p>Due to the inherent uncertainty in estimating the retention period of at least five years, we consider that evaluation of deferred tax assets to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>- Using our own professional judgement to evaluate the assumptions and judgements of management. In doing so we evaluated technical specifications of the equipment, information from commercial contracts, market information about the Company's products and the equipment's adaptive capability.</li><li>- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</li></ul>

Our procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the matters described above, and the findings described do not express a separate opinion on these individual matters.

### ***Other information – the Separate Administrator's Report***

- 6 The administrators are responsible for the preparation and presentation of other information. This other information includes the Administrator's Report, but do not include the Separate Financial Statements and the Auditor's report on the financial statements and neither the Non-financial Statement, this being presented in a separate report.

Our opinion on the financial statements does not cover this other informations and except when we explicit mention this in our report, we are not expressing any statement of assurance regarding this other information.

In connection with our audit of the separate financial statements as at 31 December 2018, our responsibility is to read this other informations and, doing so, to assess whether this other information is not consistent, in all material respects, with the information presented in the separate financial statements, or with the knowledge we gained during our audit of the separate financial statements, or if this other information appear to be significantly distorted.

We have read the Administrator's Report and report that it includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, Annex 1, points 15-19.

Based exclusively on activities that need to be carried during the audit of the financial statements, in our opinion:

- a) Information in Administrator's Report for the period that the financial statements were prepared is consistent, in all material respects, with the information presented in the accompanying separate financial statements as at 31 December 2018;
- b) the Administrator's Report identified above include, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, Annex 1, points 15-19.

In addition, based on our knowledge and understanding concerning the Company and its environment gained during our audit of the financial statements as at 31 December 2018, we are asked to report if we have identified information included in the Administrator's Report that contains a material misstatement of fact. We have nothing to report on this aspect.

### ***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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 8 In preparing the 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.
- 9 Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

- 10 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.
- 11 As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.
- 12 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.
- 13 We also provide to those charged with governance a declaration regarding our conformity with the ethic requirements referring to independence and we communicate all relations and other aspects which can reasonably be considered, that it might affect our independence and, if applicable, the associated safety measures.
- 14 Out of all aspects we communicated to those charged with governance, we determine those aspects that had an increased importance during our audit on the Separate financial statements as at 31 December 2018 and, consequently, represent key audit matters. We describe this aspects in our audit report, except when legislation or regulations forbids the public presentation of a certain aspect or, in extremely rare circumstances, we consider that an certain aspect should not be communicated in our audit report because it's resonable to assume that the benefits of the public interest are overcome by the negative consequences of this communication.

## **Report on other legal and regulation directives**

15 We were appointed by the General Meeting of Shareholders on the 26th of April 2018 to audit the separate financial statements of COMPA S.A. for the period ending on the 31 December 2018.

We confirm that:

- Our opinion is in accordance with the supplementary report presented to the Company's Audit Committee, which we issued at the same date as this Report. We also, during our audit, we have kept our independence from the audited entity.
- We have not provided forbidden **non-audit services**, mentioned at article 5 paragraph (1) from the EU Regulation no. 537/2014.

On behalf of

### **Sib Expert SRL**

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Registered with the Chamber of Financial Auditors in  
Romania with no. 318/2003

### **Pacurariu Ioan**

Registered with the Chamber of Financial Auditors in  
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Sibiu, 22 March 2019