

Afil

Financial Audit Agency  
Botosani, Aleea Maxim Gorki nr. 14,  
Bl.Corso, Ap.14

## INDEPENDENT AUDITOR'S REPORT

*To the attention of the shareholders of the company CONTED S.A.*

### *Opinion*

We have audited the annexed financial situations of the company CONTED S.A. (Company) which include the situation of the financial position at the date of 31 December 2016 and the situation of the global result, the situation of the shareholders' equity modifications and the situation of the cash flows afferent to the financial year finished at that date, and the notes to the financial situations, including a summary of the significant accounting politics and other explanatory information. The financial situations refer to:

• <b>Total shareholder's equity</b>	<b>10,482,672.00 lei</b>
• <b>The net result of the financial year</b>	<b>195,545,00 lei</b>
• <b>Business turnover</b>	<b>16,890,499.00 lei</b>

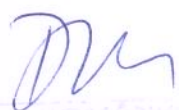
In our opinion, the annexed financial situations supply an exact image of the financial position of the Company at the date of 31 December 2016, as well as the result of the operations and the cash flows for the financial year ended at this date, in accordance with the Order of the Public Finances Ministry number 2844/2016 for the Accounting Regulations in conformity with the International Standards of Financial Reports.

### *The basis of the opinion*

We carried on the audit in accordance with the International Audit Standards (I.A.S.). Our responsibilities based on these standards are described in details in the section: *The responsibilities of the auditor in a financial situations audit* from this report. We are independent towards the company and we fulfilled our responsibilities of professional ethics in accordance with the relevant requests for the financial situations audit in Romania. We believe that the audit proofs that we have got are enough and suitable to supply a basis for our opinion.

### *The key aspects of the audit*

The key aspects of the audit are those aspects that, in accordance with our professional reasoning, had the most importance in doing the financial situations audit within the current period. These aspects have been approached in the context of the financial situations audit in the whole, in order to have an opinion on these financial situations. We don't supply a separate opinion concerning the key aspects of the audit.

  
MINISTERUL JUSTITIEI  
Prof. CATARGHI DENISA  
Inducator / interpret autorizat  
reglementat  
Autoritatea 240-6200

### *Other information – the Report of the Administrators*

Other information includes the report of the administrators. The administrators are responsible for drawing and submitting the administrators' report in accordance with the OMFP requests number 2844/2016, paragraphs 15-19 from the Accounting Regulations in conformity with the Standards of the International Financial Reports, and for the internal control that the administrators consider to be necessary in order to allow the drawing and the submitting of the administrators' report which should not include significant distortions due to the fraud or error.

The Report of the administrators does not belong to the individual financial situations.

Our opinion concerning the financial situation does not cover the administrators' report.

As to the financial situation audit for the financial year ended at 31 December 2016, our responsibility is to read the administrators' report and - in this approach, to see if there are significant inconsistencies between the administrators report and the financial situation - if the administrators' report includes, in all its significant aspects, the information requested by the OMFP 2844/2016, paragraphs 15-19, from the Accounting Regulations in conformity with the International Standards of Financial Report and if, in accordance with our knowledge and comprehension concerning the Company and its circumstances acquired during the financial situation audit, the information included in the administrators' report have significant errors. We are asked to make a report for these aspects. Based on the activity fulfilled, we report that:

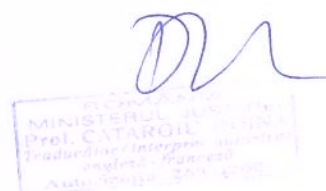
1. In the administrators' report we didn't identify information about incontinences, in all the significant aspect, concerning the information described in the annexed individual financial situation.
2. The administrators' report includes, in all its significant aspects, the information requested by OMFP number 2844/2016, paragraphs 15-19, from the Accounting Regulations in conformity with the International Standards of Financial Report.

Besides, based on our knowledge and comprehension concerning the Company and its circumstances acquired during the financial situations audit for the cash flow ended at 31 December 2016, we didn't identified mistaken information included in the administrators' report.

The responsibilities of the management staff and of the persons responsible with the financial situations

The management staff are responsible for drawing and submitting the financial situations which can supply an exact image in conformity with OMFP number 2844/2016 and for that internal control that the management staff considers to be necessary in order to allow the drawing of the financial situation without significant inconsistencies caused either by fraud or by error.

To draw the financial situation, the management staff is responsible to evaluate the capacity of the Company to continue its activity, to present, if it is the case, the aspects concerning the continuation of the activity and to use the accountancy based on the continuation of the activity, except the case when the management staff intends to liquidate the Company or to stop the operations, or because they don't have other realistic alternative.



MINISTERUL FINANTELOR  
Prof. CĂTĂRIGĂ ȘTEIN  
Auditor Intern  
Aut. nr. 201/2016

The persons responsible with the governance are responsible to supervise the process of financial report of the Company.

***The responsibilities of the auditor in the audit of the financial situation.***

Our objective are to get a reasonable assurance concerning the extent to which the financial situation, in the whole, do not include significant inconsistencies caused either by fraud or by error, as well as to issue an auditor's report which includes our opinion.

The reasonable assurance represents a high level assurance but it is not a guarantee of the fact that, an audit done in accordance with I.A.S. will always detect a significant inconsistency, if it exists. The inconsistencies can be caused either by fraud or by error and are considered significant if they could have, partly or cumulated, influence the users on the economic decisions taken on the basis of this financial situation.

As a part of an audit in conformity with I.A.S., we exercise the professional reasoning and we maintain the professional skepticism during the audit. We also:

- Identify and evaluate the risks of significant distortion of the financial situation caused either by fraud or by error, select and realize audit procedures as response to the respective risks and get sufficient and suitable proofs to supply a basis for our opinion. The risk of not detecting a significant distortion caused either by fraud or by error is higher than that of not detecting a significant distortion caused by fraud or error, because the fraud can imply a secret agreement, false, intended omissions, false declarations, and avoidance of the internal control.
- Understand the internal control relevant for the audit in order to settle audit procedures suitable to the circumstances, but without having the purpose to express an opinion about the efficiency of the internal control of the Company.
- Evaluate the suitability degree of the accountancy politics used and the responsibility of the accounting estimations, as well as the presentations afferent to the information done by the management staff.
- Formulate a conclusion concerning the suitability degree of the management staff utilization of the accountancy based on the continuity of the activity and we settle, based on the audit proofs obtained, if there is any significant incertitude regarding the events or the conditions which could generate significant doubts concerning the Company capacity continuation of the activity. If our conclusion is that there is a significant distortion, we have to come into notice in our report on the afferent presentations from the financial situation or, if these presentations are not suitable, to change our opinion. Our conclusions are based on the audit proofs obtained until the date of this report. However, future events or conditions can determine the Company not to carry on its activity based on the principle of activity continuation.
- We overall evaluate the presentation, the structure and the content of the financial situation, including the information presentation and the extent at which the financial situation reflects the transactions and the events in such a way that they supply an exact presentation.

We notify the persons responsible with the governance, among other aspects, the planned area and the schedule in time of the audit, as well as the main observations of the audit including any significant distortion of the internal control that we identify along the audit.

We also supply to the persons responsible with the governance a statement that we respected the requests of professional relevant ethics concerning the independence and that we have noticed all

the relations and other aspects which can affect our independence and, if it is the case, the afferent protection measures.

Among the aspects notified to the persons responsible with the governance, we settle which are the most important aspects for the financial situation within the current period and which represent, consequently, key aspect for the audit. We describe these aspects in our report, except the case when the laws or regulations forbid the public presentation of the aspects, or if in extremely rare circumstances, we consider that an aspect shouldn't have to be notified in our report as it thought that the public interest benefits are overcame by thenegative consequences of this notification.

### *Other aspects*

This report of the independent auditor is addressed exclusively to the shareholders of the Company, in the whole. Our audit was done in order to report to the shareholders of the Company those aspects which should be reported in a financial audit report, and not for other purposes. As far as the law allows, we do not accept and we do not undertake the responsibility but only towards the Company and its shareholders, in the whole, for our audit, for this report or for our opinion.

The audit partner based on which the hereby independent auditor report was done is Irina Lunca.

On behalf,  
AFIL Financial Audit Agency SRL Botosani  
Registered at the Financial Auditors Chamber from Romania  
Authorization number 858/12.11.2008  
Signature illegible/seal

Name of the person who signs: Irina Lunca  
Registered at the Financial Auditors Chamber from Romania  
With Certificate number: 2337/28.11. 2007

Locality: DOROHOI, ROMANIA/27.03.2017

The undersigned Catargiu Doina Elena, authorized translator for the French and English languages, in accordance with the Authorization number 2681/21 February 2000, issued by the Ministry of Justice from Romania, I do certify the exactness of the translation from Romanian into English, that the document submitted has been fully translated, without omissions and that, by the translation, the content and the meaning of the document haven't been changed.

Translator : Catargiu Doina Elena

ROMANIA  
MINISTERUL JUSTITIEI  
Prof. CATARGIU DOINA  
Traducător / interpret autorizat  
engleză - franceză  
nr. lege 2681/2000