



Independent Auditor's Report

To the Shareholders of COMVEX SA S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of COMVEX S.A. (the "Company") as at 31 December 2020, and the Company's financial performance and cash flows for the year then ended in accordance with the Order of the Minister of Public Finance of Romania no. 1802/2014 and subsequent amendments ("OMF 1802/2014") and the accounting policies presented in Note 5 to these financial statements.

Our opinion is consistent with our additional report to the Audit Committee dated 23 March 2021.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

The financial statements as at 31 December 2020 are identified as follows:

Total equity: lei 275,758,670;

Net profit for the year: lei 1,172,520.

The Company's registered office is Constanta harbour, dana 80-84, Romania and the Company's unique fiscal registration code is 19093360.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments ("Law 162/2017"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements of the Law 162/2017 that are relevant to our audit of financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law 162/2017.

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company are in accordance with the applicable law and regulations in Romania and that we have not provided non-audit services.

Key audit matter

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

Key audit matter

How our audit addressed the key audit matter

Evaluation of property plant and equipment including stock of spare parts

Evaluation of tangible assets.

We focused our attention on this point because when establishing the fair value as at year end, management of the Company utilizes external appointed appraisers. Because, in some cases, comparable transactions are limited on the market, therefore it is often difficult to corroborate fair value with market transactions and, there is an inherent risk in establishing the fair value, especially for assets for which alternative methods are applied such as Net Replacement Cost ("NRC") followed by an impairment testing.

The Company uses a series of tangible assets grouped based on the two activities: cereal terminal and mineral terminal, that operate with intermittence and seasonality, in strict correlation with operating levels received from customers. As at 31 December 2020 the value of tangible fixed assets is 444,7 million lei, adding a value of 8.3 million lei related to strategic spare parts utilized in the mineral terminal activity.

Considering that during 2020 the Company did not meet the operating budgets due to external factors; this aspect represents an indicator that the above assets might be impaired. As a consequence, the Company decided to perform an evaluation exercise as at 31 December 2020, based on utilizing a specialist appraiser, the approach chosen was market value where such information is available or NRC, followed by an impairment test for each group of assets: assets used for operation and manipulation of bulk minerals and respectively assets used for operation and manipulation of bulk cereals, considered two "Cash Generating Units" ("CGU") including all assets used in the operating activity, including assets in course of construction and stock of spare parts. The impairment testing has been described on note 5) D) from the attached financial statements.

We have analysed the Company's accounting policies related to measurement of property plant and equipment in order to determine if these policies are in accordance with OMFP 1802/2014. In order to analyse the key audit matter, our audit was based on analysing and understanding the assumptions used by the external appraiser.

In this respect, we have used an internal specialist and evaluated the work done by the appraiser, following the below steps:

i) We validated the method used for evaluation, the mathematical accuracy of the model, the completeness of data inserted in the model together with discounting and capitalization rates.

ii) We validated the reasonableness of forecasted inputs inserted in the impairment testing model for each cluster of assets. We also assessed the information made available by the management regarding the budgetary exercise for next years and we concluded that the assumptions used are reasonable;



Reporting on other information including the Administrators' Report

The Administrators are responsible for the other information. The other information comprises the Administrators' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Administrators' Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In connection with our audit of the financial statements, our responsibility is to verify whether the Non-Financial Statement was prepared. We confirm that the Non-Financial Statement has been prepared together with the Administrators' Report.

With respect to the Administrators' Report our responsibility is to consider whether the Administrators' Report was prepared in accordance with OMF 1802/2014, articles 489 - 492.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Administrators' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Administrators' Report has been prepared in accordance with OMF 1802/2014, articles 489 - 492.

In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements, that give a true and fair view in accordance with OMF 1802/2014 and with the accounting policies presented in the Note 5 to the financial statements, 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. 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.

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 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.

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, actions taken to eliminate threats or safeguards applied.

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 requirements

Appointment

We were first appointed by Ordinary General Shareholders Meeting as auditors of COMVEX S.A. on 26 January 2018. Our appointment has been renewed by Ordinary General Shareholders Meeting representing a total period of uninterrupted engagement appointment of 4 years, covering the financial years ended 31 December 2017 up to 31 December 2020.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's



report is Mihai Anita

Mihai Anita
Financial Auditor registered with
the Public Electronic Register of financial auditors and audit firms under no. AF 489

On behalf of
PricewaterhouseCoopers Audit S.R.L
Audit firm registered with
the Public Electronic Register of financial auditors and audit firms under no. FA6

Bucharest, 23 March 2021