



## Independent Auditor's Report

To the Shareholders of COMVEX SA

### Report on the audit of the financial statements

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#### 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 of 31 December 2021, 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 changes and 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 2022.

#### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity 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 2021 are identified as follows:

- |                           |                      |
|---------------------------|----------------------|
| • Total equity            | Thousand lei 308,146 |
| • Net profit for the year | Thousand lei 32,388  |

The Company's registered office is in Constanța Harbour, Dana 80-84, Romania and the Company's unique fiscal registration code is RO19093360.

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#### 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

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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.



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.

To the best of our knowledge and belief, we declare that no services other than audit were provided to the Company in the period from 1 December 2021 to 31 December 2021.

### **Emphasis of matter**

We draw attention to Note 10 a) in the financial statements, which describes the uncertainty related to the outcome of the lawsuit filed against the Company by Compania Națională Administrația Porturilor Maritime Constanța (CN APM). Our opinion is not modified in respect of this matter.

### **Our audit approach**

#### **Overview**

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**Overall materiality:** Company overall materiality is Thousand lei 3,081, which represent 1% of equity.

**Key audit matter** Measurement of inventories and property plant and equipment at balance sheet date.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### **Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole



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<b>Overall Company materiality</b>	Thousand lei 3,081
<b>How we determined it</b>	1% of equity (net assets)
<b>Rationale for the materiality benchmark applied</b>	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by its stakeholders, and it is a generally accepted benchmark. We consider that the equity is the most appropriate benchmark considering the nature of the Company's activity. We chose 1 %, which in our experience is an acceptable quantitative materiality threshold for this benchmark.

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#### **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**

#### **Measurement of inventories and property plant and equipment at balance sheet date**

The Company has 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 inflows received from customers. As of 31 December 2021, the value of tangible fixed assets is Thousand lei 435,405, adding a value of Thousand lei 17,100 related to strategic spare parts utilized in the mineral terminal activity.

We focused on this aspect because in the yearly evaluation of potential impairment indicators related to the book values of the classes of assets, carried out in the previous periods and most recently on 31 December 2020, the Company's Management prepared plans and estimates related to the future periods, considering a series of hypothesis, on each of the two terminals, considered as separate units of "Cash Generating Units" ("CGU").

During 2021, the Company's management has assessed the extent to which the plans and estimates considered in the impairment test for the assets related to each terminal, performed as of 31 December 2020, were met for the financial year ended 31 December 2021.

The Company's management concluded that on 31 December 2021 the Company reached the

To analyse the key audit matter, our audit was based on understanding and evaluation of the operating performance of the Company for the year ended 31 December 2021 for each terminal.

In this regard, we have assessed to what extent the Company has fulfilled during the year ended 31 December 2021, the results planned in the budgets used for the valuation conducted as of 31 December 2020 on each terminal.

We conclude that the planned results used in the impairment test for the year ended 31 December 2020, for the year ended 31 December 2021 have been met, which supports the recoverability of property, plant and equipment and related inventory as of 31 December 2021, without the need for an impairment test as of this date like previous year.



planned results for each of the two terminals (see note 5 D1 from the financial statements), and therefore concluded that a detailed valuation exercise as of 31 December 2021, similar to the previous year, is not needed.

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### 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.

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.

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### 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.

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### 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.

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## 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 5 years, covering the financial years ended 31 December 2017 up to 31 December 2021.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Doina Bîrsan.

**Refer to the original signed  
Romanian version**

Doina Bîrsan

Financial Auditor registered with

the Public Electronic Register of financial auditors and audit firms under no. AF 4407

Audit firm registered with

the Public Electronic Register of financial auditors and audit firms under no FA6

Bucharest, 23 March 2022