

SC MONITOR SRL

Member of the profiled and authorized professional body for the provision of services in the field of financial audit.

C.I.F. 11270484 NO. ROC J18/431/1998

Tg-Jiu str. Tudor Vladimirescu, no. 17, Gorj, tel. 0757577557; fax 0353415044

Independent auditor's report

To the Shareholders of SC ARTEGO SA TG JIU

Report on the audit of the financial statements

Opinion

- 1 We have audited the attached individual financial statements of SC ARTEGO SA ("the Company"), with registered office in Tg Jiu, str. Ciocarlau, no. 38, identified by the unique tax registration code RO 2157428, which include the balance sheet as of 31st December ,2022, the profit and loss account, the statement of changes in equity and the statement of cash flows for the financial year ended on this date, as well as a summary of significant accounting policies and explanatory notes.

- 2 The individual financial statements on December 31st, 2022 are identified as follows:
 - Total equity: 93.530.664 lei
 - Net profit for the financial year: 12.315.948 lei
 - Subscribed capital: 20.286.865 lei

- 3 **In our opinion, the attached individual financial statements provide a true picture of the financial position of the Company on December 31st, 2022, as well as the financial performance and cash flows for the financial year ended on this date, in accordance with the Order of the Minister of Public Finance no. . 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards ("OMFP no. 2844/2016").**

Basis for opinion

- 4 We conducted our audit in accordance with International Auditing Standards ("ISA"), EU Regulation no. 537 of the Parliament and of the European Council (hereinafter the "Regulation") and Law no. 162/2022 ("the Law"). Our responsibilities based on these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent from the Company, according to the Code of Ethics of Accounting Professionals issued by the Council for International Ethics Standards for Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

- 5 The key aspects of the audit are those aspects that, based on our professional judgment, had the greatest importance for the audit of the financial statements of the current period. These aspects were addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them and we do not offer a separate opinion on these key aspects.

Key audit matters	Approach within the audit mission
<p>The revenues mainly include the revenues from sales related to the manufacture of rubber products to a range of both internal and external clients. The income is recognized upon the delivery of the sold goods, and the sales are adjusted with the commercial discounts, in accordance with the contracts concluded with the customers.</p> <p>We have identified revenue recognition as a key aspect of the audit, because revenue represents one of the Company's key performance indicators and, therefore, there is an inherent risk in relation to their recognition by management for the fulfillment of specific objectives or expectations.</p>	<p>Our audit procedures for evaluating sales revenue recognition included the following:</p> <ul style="list-style-type: none">• testing the effectiveness of the Company's main controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on the deliveries made, by referring to a sample of transactions;• inspecting contracts of the customers, on a sample basis, to understand the terms of sales transactions, including the ways in which discounts are applied, to assess whether the Company's revenue recognition criteria were in accordance with the requirements and accounting standards in force;• evaluation, on a sample basis, of the recognition in the corresponding financial period of the revenues recorded near the end of the financial year, by comparing the selected transactions with the relevant documentation, including shipping notices;• obtaining confirmations of clients' balances at the end of the year, on a sample basis;• examining the sales register after the end of the financial year to identify significant credit notes issued and inspecting the relevant documentation to assess whether the related revenues have been accounted for in the corresponding financial period.

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Other information – Directors' Report and Non-Financial Statement

- 6 Administrators are responsible for preparing and presenting other information. That other information includes the Directors' Report and the Non-Financial Statement, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information and, with the exception of the case where it is explicitly mentioned in our report, we do not express any kind of assurance conclusion regarding them.

In connection with the audit of the financial statements for the financial year ended on December 31st, 2022, our responsibility is to read that other information and, in doing so, to assess whether that other information is significantly inconsistent with the financial statements, or with the knowledge that we obtained during the audit, or if they appear to be significantly distorted.

Regarding the Administrators' Report and the Non-Financial Declaration, we have read and report whether they were drawn up, in all significant aspects, in accordance with the requirements of the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

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

- a) The information presented in the Administrators' Report and the Non-Financial Declaration for the financial year for which the financial statements were drawn up are consistent, in all significant aspects, with the financial statements;
- b) The Administrators' Report and the Non-Financial Statement were drawn up, in all significant aspects, in accordance with the requirements of the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the financial year ended on December 31st, 2022, we are required to report if we have identified significant distortions in the Directors' Report and the Non-Financial Statement. We have nothing to report on this matter.

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Responsibilities of the management and the persons responsible for governance for the financial statements

- 7 The Company's management is responsible for preparing the financial statements that provide a faithful image in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations compliant with the Standards International Financial Reporting Standards ("OMFP no. 2844/2016") and for that internal control that the management considers necessary in order to allow the preparation of financial statements free of significant distortions, caused either by fraud or error.
- 8 In preparing the financial statements, the management is responsible for the evaluation of the Company's ability to continue its activity, for the presentation, if necessary, of aspects related to the continuity of the activity and for the use of accounting on the basis of the continuity of the activity, with the exception of the case where the management either intends to liquidate the Company or stop operations, or has no other realistically alternative outside of them.
- 9 The persons responsible for governance are responsible for supervision of the financial reporting process of the Company.

Auditor's responsibilities in an audit of financial statements

- 10 Our objectives consist in obtaining a reasonable assurance regarding the measure in that the financial statements, as a whole, are free of significant distortions, caused either by fraud or error, as well as in issuing an auditor's report which includes our opinion. Reasonable insurance means a high level of insurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect a significant distortion, if it exists. Distortions can be caused by either fraud or error and are considered significant if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of the users, taken on the basis of these financial statements.
- 11 As part of an audit in accordance with ISAs, we exercise professional judgement and we maintain professional skepticism during the audit.
Also:
 - We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of not detecting a material misstatement caused by error, because fraud may involve collusion, forgery, intentional omissions, false statements and avoidance of internal control.

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- We understand the internal control relevant for the audit, in order to design audit procedures appropriate to the circumstances, but without having the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - We evaluate the degree of adequacy of the accounting policies used and the reasonableness of the accounting estimates and related presentations of information made by the management.
 - We formulate a conclusion regarding the degree of adequacy of management's use of accounting based on the continuity of the activity and determine, based on the audit evidence obtained, if there is a significant uncertainty regarding events or conditions that could generate significant doubts regarding the ability of The Company to continue its activity. If we conclude that there is a significant uncertainty, we must draw attention in the auditor's report to the related presentations from the financial statements or, if these presentations are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to no longer carry out its activity based on the principle of continuity of activity.
 - We evaluate the presentation, structure and content of the financial statements, including the presentation of information, and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a faithful presentation.
- 12 We communicate to the people responsible for governance, among other aspects, the area planned and timely scheduling of the audit, as well as the main findings of the audit, including any significant internal control deficiencies, which we identify during the audit.
- 13 We also provide the persons responsible for governance with a statement regarding our compliance with the ethical requirements regarding independence and we communicate all relationships and other aspects that can be considered, reasonably, that could affect our independence and, where appropriate, related security measures.
- 14 Among the aspects that we communicated to the people in charge of governance, we establish those aspects that were of greater importance in the audit on financial statements from the current period and, therefore, represent key aspects of audit. We describe these aspects in our audit report, with the exception of the case where legislation or regulations prevent the public presentation of the respective aspect or of the case in which, in extremely rare circumstances, we consider that an aspect would not should be communicated in our report because it is reasonably expected that the benefits of the public interest to be exceeded by the negative consequences thereof communications.

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Report on other legal and regulatory provisions

- 15 We were appointed by the General Meeting of Shareholders on 13.04.2022 to audit the financial statements of SC ARTEGO SA TG-JIU for the exercise financial year ended on December 31st, 2022. Total uninterrupted duration our commitment is for 3 years covering the financial years ended on December 31st, 2022 until December 31st, 2024.

We confirm that:

- *In carrying out our audit, we maintained our independence from the audited entity.*
- *We did not provide the prohibited non-audit services for the Company, mentioned in Article 5 paragraph (1) of EU Regulation no. 537/2014.*

In the name

SC MONITOR SRL

Tg-Jiu, Gorj.

*Registered with the Chamber of Financial Auditors
from Romania with number 1526/2021*

Giubalca Andrei

*registered at the Chamber of Financial Auditors
from Romania with number 3039/22.07.2009*

Targu-Jiu, March 10th, 2023