

BILANT PRESCURTAT

Cod 10

la data de 31.12.2019

- lei -

Denumirea elementului <small>(Formulele de calcul se refera la Nr.rd. din cai.BJ)</small>	Nr. rd. <small>Nr. al. OMPF an. 171 2009</small>	Sold la:	
		01.01.2019	31.12.2019
A	B	1	2
A. ACTIVE IMOBILIZATE			
I. IMOBILIZARI NECORPORALE (ct.201 +203+205+206+2071 +4094 +208-280 -290 - 4904)	01	455	455
11. IMOBILIZARI CORPORALE (ct.211 +212+213+214+215+216+217+223+224 +227+231 +235+4093-281-291-2931-2935 - 4903)	02	1.987.768	1.989.788
111. IMOBILIZARI FINANCIARE (ct. 261+262+263+265+267 ^{*)} - 296 ^{*)}	03		
ACTIVE IMOBILIZATE - TOTAL (rd. 01 + 02 + 03)	04	1.988.223	1.990.243
B. ACTIVE CIRCULANTE			
I. STOCURI (ct.301 -302-303+321 +322+/-308-323+326+327 +328+331+332 +341+345+346+347+/-348+351+354+356+357+358+361 +/-368+371 +/-378 +381 +/-388+4091-391-392-393-394-395-396-397-398 - din ct.4428 - 4901)	05	261.630	253.064
11.CREANTE 1. (ct. 267 ^{*)} -296 ^{*)} +4092+411 +413+418 +425+428 2+431 ^{**)} +436 ^{**)} +437 ^{**)} +438 2 +441 ^{**)} +4424+d i n ct.44 28 ^{**)} +444 ^{**)} +445+446 ^{**)} +447 ^{**)} +448 2+451 ^{**)} +453 ^{**)} +456 ^{**)} +4582+461 +4662+473 ^{**)} - 491 - 495 - 496 - 4902 +5187)	06a (901)	83.148	37.421
2. Creante reprezentand dividende repartizate In cursul exercitiului financiar (ct. 463)	06b (902)		
TOTAL (rd. 06a+06b)	06	83.148	37.421
III. INVESTITII PE TERMEN SCURT (ct.501 +505+506+507+ 508 ^{*)} +5113+5114-591-595-596-598)	07		
IV. CASA I CONTURI LA BANCII (ct.508 ^{*)} + 5112+512+531+532+541+542)	08	6.915	4.501
ACTIVE CIRCULANTE - TOTAL (rd. 05 + 06 + 07 + 08)	09	351.693	294.986
C. CHELTUIELI TN AVANS (ct. 471) (rd.11+12)	10		
Sume de rehat intr-o perioada de pana la un an (ct. 471 ^{*)})	11		
Sume de rehat intr-o perioada mai mare de un an (ct. 471 ^{*)})	12		
D. DATORII: SUMELE CARE TREBUIE PLATITE TNTR-O PERIOADA DE PANA LA UN AN (ct.161 +162+166+167+168-169+269+401+403+404+405+408+419 +421+423+424+426+427+4281+431 ^{**)} +436 ^{**)} +437 ^{**)} +4381+441 ^{**)} +44 23 +44 28 ^{**)} +444 ^{**)} +446 ^{**)} +447 ^{**)} +4481 +451 ^{**)} +453 ^{**)} +455+456 ^{**)} +457 +4581+462+4661+473 ^{**)} +509+5186+519)	13	1.098.163	1.119.752
E. ACTIVE CIRCULANTE NETE/DATORII CURENTE NETE (rd.09+11-13-20-23-26)	14	-746.470	-824.766
F. TOTAL ACTIVE MINUS DATORII CURENTE (rd.04 +12+14)	15	1.241.753	1.165.477
G. DATORII:SUMELE CARE TREBUIE PLATITE INTR-O PERIOADA MAI MARE DE UN AN (ct.161 +162+166+167+168-169+269+401+403+404+405+408+419 +421+423+424+426+427+4281+431 ^{**)} +436 ^{**)} +437 ^{**)} +4381+441 ^{**)} +44 23 +44 28 ^{**)} +444 ^{**)} +446 ^{**)} + 447 ^{**)} +4481 +451 ^{**)} +453 ^{**)} +455+456 ^{**)} +4581 +462+4661+473 ^{**)} +509+5186+519)	16		
H. PROVIZIOANE (ct. 151)	17		
I. VENITURI IN AVANS (rd. 19 + 22 + 25 + 28)	18		
1. Subventii pentru investitii (ct. 475). (rd.20+21)	19		
Sume de rehat intr-o perioada de pana la un an (ct. 475 ^{*)})	20		
Sume de rehat intr-o perioada mai mare de un an (ct. 475 ^{*)})	21		
2. Venituri Inregistrate In avans (ct. 472) (rd.23+24)	22		
Sume de rehat intr-o perioada de pana la un an (ct. 472 ^{*)})	23		
Sume de rehat intr-o perioada mai mare de un an (ct. 472 ^{*)})	24		
3. Venituri In avans aferente activelor primite prin transfer de la clienti (ct. 478) (rd.26+27)	25		
Sume de rehat intr-o perioada de pana la un an (ct. 478 ^{*)})	26		
Sume de rehat intr-o perioada mai mare de un an (ct. 478 ^{*)})	27		
Fondul comercial negativ (ct.2075)	28		
J. CAPITAL I REZERVE			
I. CAPITAL (rd. 30+31+32+33+34)	29	1.075.511	1.075.511
1. Capital subscris varsat (ct. 1012)	30	1.075.511	1.075.511
2. Capital subscris nevarsat (ct. 1011)	31		
3. Patrimoniul regiei (ct. 1015)	32		
4. Patrimoniul institutelor nationale de cercetare-dezvoltare (ct. 1018)	33		
5. Alte elemente de capitaluri proprii (ct. 1031)	34		
II. PRIME DE CAPITAL (ct. 104)	35		
III. REZERVE DIN REEVALUARE (ct. 105)	36	2.973.184	2.973.184
IV. REZERVE (ct.106)	37		
Actiuni proprii (ct. 109)	38		
Ca tiguri legate de instrumentele de capitaluri proprii (ct. 141)	39		
Pierderi legate de instrumentele de capitaluri proprii (ct. 149)	40		
V. PROFITUL SAU PIERDEREA REPORTAT(A)	41	0	0
VI. PROFITUL SAU PIERDEREA EXERCITIULUI FINANCIAR	42	2.724.077	2.824.158
SOLD C (ct. 117)			
SOLD D (ct. 117)			
SOLD C (ct. 121)	43	0	0
SOLDD(ct.121)	44	82.865	59.060
Repartizarea profitului (ct. 129)	45		
CAPITALURI PROPRII-TOTAL (rd. 29+35+36+37-38+39-40+41-42+43-44-45)	46	1.241.753	1.165.477
Patrimoniul public (ct. 1016)	47		
Patrimoniul privat (ct. 1017) 7J	48		
CAPITALURI -TOTAL (rd. 46+47+48) (rd.04+09+10-13-16-17-18)	49	1.241.753	1.165.477

Suma de control FI O: 33298369/63968293

*) Conturi de repartizati dupa natura elementelor respective.
**) Solduri debitoare ale conturilor respective.
***) Solduri creditoare ale conturilor respective.

*) Se va completa de catre entitatile carora le sunt incidente prevederile Ordinului ministrului Finantelor publice / al ministrului delegat pentru buget nr. 668/2014 pentru aprobarea Precizariilor privind inlocuirea actualizarii inventarului centralizat al bunurilor imobile proprietas private a statului la desigurile reale inopu inventarului, cu modificarile i completari ulterioare.

Amount of control FI O: 33298369/63968293

*) Accounts to be assigned by nature of the items.
**) Debt balances of those accounts.
***) Credit balances of those accounts.

1) It will be completed by the entities affected by the provisions of the Order of the Minister of Public Finances and of the Minister Delegated for Budget no. 668/2014 for the approval of the specifications regarding the elaboration and updating of the centralized inventory of real estate, private property of the state and of the rights

ADMINISTRATOR,

Numele si prenumele

INTOCMIT,

Numele si prenumele

Semnatura

Calitatea
112--CONTABIL SEF

Formular
VALIDAT

ENGLISH TRANSLATION

A. FIXED ASSETS

I. INTANGIBLE ASSETS (ct.201+203+205+206+2071+4094+208-280-290)

II. TANGIBLE ASSETS

III. FINANCIAL ASSETS

FIXED ASSETS- TOTAL (rd. 01 + 02 + 03)

B. CURRENT ASSETS

I. STOCKS

II. DEBTS

2. Receivables representing dividends distributed during the financial year (item 463)

TOTAL

III. SHORT TERM INVESTMENTS

IV. CASH AND BANK BALANCES

CURRENT ASSETS - TOTAL

C. EXPENSES IN ADVANCE

Amounts taken over a period of up to one year

Amounts taken up in a period exceeding one year

D. DEBTORS- AMOUNTS WHICH NEED TO BE PAID WITHIN ONE YEAR

E. CURRENT ASSETS/NET CURRENT LIABILITIES

F. TOTAL ASSETS LESS CURRENT LIABILITIES (rd.04 +12+14)

G. DEBTORS: AMOUNTS WHICH NEED TO BE PAID IN PERIOD MORE THEN ONE YEAR

H. PROVISIONS

I. REVENUES IN ADVANCE

1. SUBVENTIONS FOR INVESTMENTS

Amounts taken over a period of up to one year

Amounts taken up in a period exceeding one year

2. INCOMES REGISTERED IN ADVANCE

Amounts taken over a period of up to one year

Amounts taken over a period longer than one year

3. Income received in advance for assets transferred from customers

Amounts taken over a period of up to one year

Amounts taken up in a period exceeding one year

Negative commercial funds

J. CAPITAL AND RESERVES

I. CAPITAL

1. SUBSCRIBED PAIDUP CAPITAL

2. SUBSCRIBED CAPITAL NOT PAIDUP (ct. 1011)

3. STATE PATRIMONY

4. PATRIMONY OF NATIONAL RESEARCH AND DEVELOPMENT INSTITUTES

5. OTHER ELEMENTS OF PROPRIETARY CAPITAL

II. SHARE PREMIUM

III. RESERVES FROM REEVALUATION

IV. RESERVES

OWN SHARES

PROFIT RELATED TO INSTRUMENTS OF SHAREHOLDERS EQUITY

LOSSES RELATED TO INSTRUMENTS OF SHARELODERS EQUITY

V REPORTED PROFIT OR LOSS (A)

BAL C

VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR

BAL D

BAL C

BAL D

DISTRIBUTION OF PROFIT

OWN CAPITAL - TOTAL

PUBLIC PATRIMONY

CAPITAL- TOTAL

CAPITAL - TOTAL

F20 - pag. 1				
CONTUL DE PROFIT SI PIERDERE				
la data de 31.12.2019				
Cod 20 - lei -				
Denumirea indicatorilor <small>(formulele de calcul se refera la Nr.rd. din col.BJ)</small>	Nr. rd.	Exercitiul financiar		
		2018	2019	
A	B	1	2	
1. Cifra de afaceri neta (rd. 02+03-04+06)	01	01	9.540	83.518
Productia vanduta (ct.701+702+703+704+705+706+708)	02	02	9.540	83.342
Venituri din vanzarea marfurilor (ct. 707)	03	03		176
Reduceri comerciale acordate (ct. 709)	04	04		
Venituri din dobanzi inregistrate de entitățile radiate din Registrul general si care mai au in derulare contracte de leasing (ct.766*)	c-5			
Venituri din subventii de exploatare aferente cifrei de afaceri nete (ct.7411)	06	06		
2. Venituri aferente costului productiei 1n curs de executie (ct.711+712)				
Sold C	07	07		
Sold D	08	08		
3. Venituri din productia de imobilizari necorporale si corporale (ct.721+ 722)	09	09		
4. Venituri din reevaluarea imobilizarilor corporale (ct. 755)	10	10		
5. Venituri din productia de investitii imobiliare (ct. 725)	11	11		
6. Venituri din subventii de exploatare (ct. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12	12		
7. Alte venituri din exploatare (ct.751+758+7815)	13	13	16.031	13.488
-din care, venituri din subventii pentru investitii (ct.7584)	14	14		
-din care, venituri din fondul comercial negativ (ct.7815)	15	15		
VENITURI DIN EXPLOATARE -TOTAL (rd. 01+07-08+09+10+11+12+13)	16	16	25.571	97.006
8. a) Cheltuieli cu materialele prime i materialele consumabile (ct.601+602)	17	17		8.818
Alte cheltuieli materiale (ct.603+604+606+608)	18	18	8	3.593
b) Alte cheltuieli externe (cu energie i apa)(ct.605)	19	19	10.960	2.403
c) Cheltuieli privind marfurile (ct.607)	20	20		203
Reduceri comerciale primite (ct. 609)	21	21		
9. Cheltuieli cu personalul (rd. 23+24)	22	22	44.566	44.568
a) Salarii i indemnizatii (ct.641+642+643+644)	23	23	43.584	43.584
b) Cheltuieli cu asigurarile i protectia sociala (ct.645+646)	24	24	982	984
10.a) Ajustari de valoare privind imobilizarile corporale i necorporale (rd.26- 27)	25	25	579	
a.1) Cheltuieli (ct.6811+6813+6817 + din ct.6818)	26	26	579	
a.2) Venituri (ct.7813 + din ct.7818)	27	27		
b) Ajustari de valoare privind activele circulante (rd. 29 - 30)	28	28		
b.1) Cheltuieli (ct.654+6814 + din ct.6818)	29	29		
b.2) Venituri (ct.754+7814 + din ct.7818)	30	30		
11. Alte cheltuieli de exploatare (rd. 32 la 37)	31	31	52.276	96.450
11.1. Cheltuieli privind prestatii externe (ct.611+612+613+614+615+621+622+623+624+625+626+627+628)	32	32	32.013	64.962
11.2. Cheltuieli cu alte impozite, taxe i varsaminte asimilate; cheltuieli reprezentand transferuri i contributii datorate 1n baza unor acte normative speciale(ct. 635 + 6586*)	33	33	19.053	17.425
11.3. Cheltuieli cu protectia mediului 1nconjurator (ct. 652)	34	34		
11.4 Cheltuieli din reevaluarea imobilizarilor corpora le (ct. 655)	35	35		
11.5. Cheltuieli privind calamitatile i alte evenimente similare (ct. 6587)	36	36		
11.6. Alte cheltuieli (ct.651+ 6581+ 6582 + 6583 + 6584 + 6588)	37	37	1.210	14.063
Cheltuieli cu dobanzile de refinantare inregistrate de entitățile radiate din Registrul general si care mai au in derulare contracte de leasing (ct.666*)	-38			
Ajustari privind provizioanele (rd. 40 - 41)	39	39		
- Cheltuieli (ct.6812)	40	40		
- Venituri (ct.7812)	41	41		
CHELTUIELI DE EXPLOATARE-TOTAL (rd. 17 la 20 - 21+22+23+28+31 + 39)	42	42	108.389	156.035
PROFITUL SAU PIERDEREA DIN EXPLOATARE:				
- Profit (rd. 16 - 42)	43	43	0	0
- Pierdere (rd. 42 - 16)	44	44	82.818	59.029
12. Venituri din interese de participare (ct.7611+761 2+7613)	45	45		
-din care, veniturile obtinute de la entitatile afiliate	46	46		
13. Venituri din dobanzi (ct. 766)	47	47		
-din care, veniturile obtinute de la entitatile afiliate	48	48		
14. Venituri din subventii de exploatare pentru dobanda datorata (ct. 7418)	49	49		
15. Alte venituri financiare (ct.762+764+765+767+768+7615)	50	50		
-din care, venituri din alte imobilizari financiare (ct. 7615)	51	51		
VENITURI FINANCIARE - TOTAL (rd. 45+47+49+50)	52	52		
16. Ajustari de valoare privind imobilizarile financiare i investitiile financiare detinute ca active circulante (rd. 54 - 55)	53	53		
- Cheltuieli (ct.686)	54	54		
- Venituri (ct.786)	55	55		
17. Cheltuieli privind dobanzile (ct.666)	56	56		
-din care, cheltuielile 1n relatie cu entitatile afiliate	57	57		
18. Alte cheltuieli financiare (ct.663+664+665+667+668)	58	58	47	31
CHELTUIELI FINANCIARE - TOTAL (rd. 53+56+58)	59	59	47	31
PROFITUL SAU PIERDEREA FINANCIAR(A):				
- Profit (rd. 52 - 59)	60	60	0	0
- Pierdere (rd. 59 - 52)	61	61	47	31
VENITURI TOTALE (rd. 16 + 52)	62	62	25.571	97.006
CHELTUIELI TOTALE (rd. 42 + 59)	63	63	108.436	156.066
19. PROFITUL SAU PIERDEREA BRUT(A):				
- Profit (rd. 62 - 63)	64	64	0	0

01. Net Turnover
Production sold
Income from sale of Goods
Commercial Discounts Granted
Income from interest accrued by the entities in the general ledger whose object of activity is leasing
Revenue from operating grants related to net turnover
2. Income related to production cost in progress
Balance C
Balance D
3. Income from the production of intangible and tangible assets
4. Income from revaluation of property, plant and equipment
5. Revenues from the production of real estate investments
6. Income from operating subventions/grants
7. Other operating Income
- from which, income from negative commercial funds
- from which, income from investment grants
Operating Income - Total
8 a) Expenditure on raw materials and consumables
Other material expenses
b) Other external costs (with electricity and water)
c) Expenditure on goods
Commercial discounts received
9. Personnel expenses
a) Salaries and allowances
b) Expenditure on insurance and social protection
10. a) Value adjustments on tangible and intangible assets
a.1) Expenses
a.2) Revenue
b) Value adjustments for current assets
b.1) Expenses
b.2) Revenue
11. Other Operating costs
11.1 Expenditure regarding external services
11.2 Expenses with other taxes, taxes and similar charges
11.3 Other expences
11.4 Expenses from revaluation of property, plant and equipment
11.5. Expenditure on calamities and other similar events
11.6. Other expenses
Refinancing interest expense incurred by entities in the General Ledger and ongoing leases (ct.666 *)
Adjustments for Provisions
- Expenses
- Revenue
OPERATING COSTS - TOTAL
OPERATIONAL PROFIT OR LOSS
PROFIT
LOSS
12. Income from participation interests
Of which, income earned from affiliated entities
13. Income from Interests (ct.766*)
Of which, income earned from affiliated entities
14. Income from operating grants for interest due (item 7418)
15. Other financial income (ct.762 + 764 + 765 + 767 + 768 + 7615)
- Of which, income from other financial assets (cf. 7615)
FINANCIAL INCOME-TOTAL
16. Valuation adjustments on financial assets and financial investments held as current assets (lines 54-55)
- Expenses
- Revenue
17. Interest expense (ct.666 *)
- of which, expenses in relation to affiliated entities
18. Other Financial expenses
FINANCIAL EXPENCES - TOTAL
FINANCIAL PROFIT OR LOSS
PROFIT
LOSS
TOTAL REVENUE
TOTAL EXPENCES
19. PROFIT OR LOSS NET - PROFIT
Profit

- Pierdere (rd. 63 - 62)	63	65	82.865	59.060	Loss
20. Impozitul pe profit (ct.691)	64	66			20. Tax on Income
21. Impozitul specific unor activitati (ct. 695)	65	67			21. Activity-specific tax
22. Alte impozite reprezentate la elementele de mai sus (ct.698)	66	68			22. Other taxes not shown in the above elements
23. PROFITUL SAU PIERDEREA NET(A) A EXERCIIULUI FINANCIAR:					23. NET PROFIT OR LOSS OF THE FINANCIAL YEAR:
- Profit (rd. 64 - 65 - 66 - 67 - 68)	67	69	0	0	- Profit
- Pierdere (rd. 65 + 66 + 67 + 68 - 64)	68	70	82.865	59.060	- Loss

Suma de control F20: 1918509/63968293

*) Conturi de repartizat dupa natura elementelor respective.

La randul 22 (cf.OMFP 3781/ 2019)- se cuprind i drepturile colaboratorilor, stabilite potrivit legislatiei muncii, care se preiau din rulajul debitor al contului 621 „Cheltuieli cu colaboratorii”, analitic „Colaboratori persoane fizice”.

La randul 32 (cf.OMFP 3781/ 2019)- In contul 6586 „Cheltuieli reprezentand transferuri i contributii datorate in baza unor acte normative speciale” se evidenziaza cheltuielile reprezentand transferuri i contributii datorate in baza unor acte normative speciale, altele decat cele prevazute de Codul fiscal.

Amount of control F20: 1918509/63968293

**) Accounts to be allocated according to the nature of the respective elements.

Line 22 (cf. OMFP 3781/2019) - Includes the rights of employees, established according to labor legislation, which are taken from the debit turnover of account 621 "Expenses with employees"", analytically" Individual employees "".

In line 32 (cf. OMFP 3781/2019) - In account 6586 „ Expenses representing transfers and contributions due based on normative acts

"" the expenses representing transfers and contributions due based on special normative acts, other than those provided by the Fiscal Code, are highlighted. "

ADMINISTRATOR,

INTOCMIT,

Numele si prenumele

Numele si prenumele

Calitatea

Semnatura

I12--CONTABIL SEF

Formular

VALIDAT

INDEPENDENT AUDITOR'S REPORT

For,
Shareholders of FORMA S.A.

Report on the audit of individual financial statements

Reserved opinion

1. We have audited the accompanying individual financial statements of FORMA S.A. ("Society"), headquartered in Botoani, Str. Calea Nationala, Nr. 3, identified by the unique fiscal registration code RO611977, which include the Balance Sheet as of December 31, 2019, the Profit and Loss Account related to the financial year ended on this date, as well as a summary of significant accounting and explanatory notes.

2. The individual financial statements as of December 31, 2019 are identified as follows:

+ Total owned Capital	: 1,165,477.00 lei
+ The net result of the financial year	: (59,060.00) lei

3. In our opinion, except for the possible effects on the corresponding figures of the aspects mentioned in the Base of the opinion with reservations, the attached individual financial statements provide a true and fair view of the Company's financial position as of December 31, 2019, as well as the financial performance and the cash flows for the financial year ended at this date, in accordance with the provisions of the Accounting Law no. 82/1991 republished and the Order of the Minister of Public Finance no. 1802/2014, for the approval of the Accounting Regulations compliant with the European directives with the subsequent modifications and completions.

The basis for the opinion with reservations

4. During the year 2019, the company did not realize incomes from the activities related to the CAEN code 2892 (Manufacture of equipment for extraction and construction), practically the production is non-existent, the consequence of this fact is the non-observance of the continuity of principle activity. According to the provisions of point 49 (1) of the Accounting Regulations approved by OMFP no. 1802/2014 in order to fulfill the principle of continuity of activity, it must be presumed that the entity carries out its activity based on the principle of continuity of activity. This principle requires the entity to continue its normal operation, rarely entering a state of liquidation or significant reduction in activity. As a result, our opinion on the financial statements for the financial year ended December 31, 2019 includes a reserve due to the possible effects of the recorded image, compliance with the principle of business continuity is debatable, being significantly affected.

We conducted our audit in accordance with International Standards on Auditing ("ISA") and Law no. Our responsibilities under these standards are described in detail in the section "Auditor's Responsibilities in an Audit of Financial Statements" in our report. The Council for International Standards of Ethics for Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including Law and we have fulfilled our ethical responsibilities according to these requirements 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.

Other information - Directors' Report

5. The administrators are responsible for preparing and presenting other information. That other information includes the Directors' Report, 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 unless explicitly mentioned in our report, we do not express any assurance about them.

In connection with the audit of the financial statements for the financial year ended December 31, 2019, our responsibility is to read that other information and, in this regard, to assess whether that other information is significantly inconsistent with the financial statements, or with the knowledge we have obtained during the audit, or if they appear to be significantly distorted.

Regarding the Administrators' Report, we read and report that it was prepared in all significant aspects in accordance with the Order of the Minister of Public Finance no. 1802/2014, points 489 - 492 of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements.

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

a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is in accordance in all significant respects with the financial statements concluded on December 31, 2019;

b) The report of the administrators was drawn up in all significant aspects in accordance with the Order of the Minister of Public Finance no. 1802/2014, points 489 - 492 of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements.

In addition, based on our knowledge and understanding of the Company and its work environment, acquired during the audit of the financial statements for the financial year ended December 31, 2019, we are required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report on this issue.

The responsibilities of the management and of the persons responsible with governance for the financial statements

6. The management of the Company is responsible for drawing up the financial statements to provide a true and fair view in accordance with the Order of the Minister of Public Finance no. 1802/2014 and for that internal control that the management considers necessary to allow the preparation of financial statements without significant distortions, caused either by fraud or error.

7. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its activity, presenting if necessary the aspects related to the continuity of the activity and using the accounting based on the continuity of the activity, unless the management intends to liquidate the Company or stop operations, or have no other realistic alternative besides them.

8. The persons responsible for governance are responsible for supervising the financial reporting process of the Company.

The auditor's responsibilities in an audit of financial statements

9. Our objectives are to obtain reasonable assurance as to the extent to which the financial statements as a whole are free from material misstatement caused by either fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with the ISA will always detect significant misstatement, if any. Distortions may be caused by either fraud or error and are considered significant if they can reasonably be expected to individually or cumulatively affect the economic decisions of users based on these financial statements.

10. As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional skepticism during the audit. Also:

- We identify and evaluate the risks of material misstatement of the financial statements, caused by either fraud or error, design and perform audit procedures in response to those risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a significant misstatement caused by fraud is higher than the risk of not detecting a significant misstatement caused by error, as fraud can involve secret agreements, forgery, intentional omissions, false statements and avoidance of internal control.
- We understand the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without 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 the related presentations of information made by the management.
- We formulate a conclusion regarding the degree of adequacy of the management's use of accounting based on business continuity and determine based on the audit evidence obtained, whether there is significant uncertainty about events or conditions that could generate significant doubts about capacity. The company to continue its activity. If we conclude that there is significant uncertainty, we must draw attention in the auditor's report to the related disclosures in the financial statements or, if these disclosures are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained at the date of the auditor's report. However, future events or conditions may cause the Company to discontinue its business based on the principle of business continuity.
- We evaluate the presentation, structure and content of financial statements, including disclosures and the extent to which financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

11. We communicate to the persons responsible for governance, among other aspects, the planning and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control that we identify during the audit.

In the name of,

AGENTIA DE AUDIT FINANCIAR AFIL S.R.L.

Sediul social: Aleea Maxim Gorki, Nr.14, Jud. Botoani

Member of the CHAMBER OF FINANCIAL AUDITORS from ROMANIA

AUTHORIZATION NR. 858/12.11.2008

Irina Lunca

Financial Auditor - Team Coordinator
Registered at the Romanian Chamber of
Financial Auditors with Certificate
no.2337/28.11.2007

Dated 14.04.2020