

***INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CIECH SODA ROMANIA SOCIETATE PE ACȚIUNI***

Our Opinion

- 1 In our opinion, the financial statements give a true and fair view of the financial position of CIECH SODA ROMANIA SOCIETATE PE ACȚIUNI (the "Company"), as of 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the requirements of the Order of the Minister of Public Finance of Romania no. 1802/2014 ("OMF 1802/2014") and subsequent amendments and the accounting policies presented in the Note 5 to these financial statements.

What we have audited

- 2 The Company's financial statements, set out on pages 1 to 35, comprise:
- the balance sheet as at 31 December 2017;
 - the statement of 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 a summary of significant accounting policies.

The financial statements as at 31 December 2017 are identified as follows:

- | | |
|----------------------------|------------------|
| • Total equity: | RON 290.685.217; |
| • Net profit for the year: | RON 15.609.660. |

The Company's registered office is in Ramnicu Valcea, and the Company's unique fiscal registration code is RO 1467188.

Basis for opinion

- 3 We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.
- 4 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

6 Emphasis of matter

We draw attention to Note 8.2 to these financial statements, which states that most of the Company’s sales are carried out with related parties. Also, a significant proportion of receivables arise from transactions with related parties. The ability of the Company to continue as going concern and the financial performance of the Company depends on maintaining these relationships in future. Our opinion is not modified in respect of this matter.

Other matters

- 7 The accompanying financial statements are not intended to present the financial position, results of operations and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the OMF 1802/2014 and subsequent amendments.

Reporting on other information including the Administrators’ Report

The administrators are responsible for the preparation and fair presentation of other information. The other information comprises the Administrators’ Report, but does not include the financial statements and our auditor’s report thereon. We obtained these other information prior to the date of this auditor’s report.

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 we read it and we report whether this was prepared in all material respects, in accordance with OMF 1802/2014, articles 489 - 492.

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

- the information given in the Administrators' Report for the financial year for which the financial statements are prepared is consistent in all material matters with the financial statements;
- the Administrators' Report has been prepared in all material matters 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 of the financial statements as at 31 December 2017, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this respect.

Responsibilities of Management for the financial statements

- 8 Management is responsible for the preparation and fair presentation of the financial statements in accordance with the OMF 1802/2014 and subsequent amendments 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.

Auditor's responsibilities for the audit of the financial statements

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This version of our report/the accompanying documents 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.

- 9 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 Management 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.

**Refer to the original
signed Romanian version**

Francesca Postolache
Statutory auditor registered with
the Chamber of Financial Auditors of Romania under no 1716/19 September 2006

On behalf of

PricewaterhouseCoopers Audit SRL
301-311 Barbu Văcărescu Street, Bucharest
Audit firm registered with
the Chamber of Financial Auditors of Romania under no 6/25 June 2001

Bucharest, 20 April 2018