

## Independent Auditor's Report

To,

**The Shareholders and Administrators of ROMCOLOR 2000 SA**

### *Opinion*

We have audited the financial statements of **ROMCOLOR 2000 SA ("the Company")** which comprise the balance sheets as at December 31, 2023, the income statement, the statement of cash flow, statement of changes in equity for the year then ended and a summary of significant accounting policies, and explanatory notes. This financial information refers to:

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	<u>December 31, 2023</u>
Equity	158,667,816
Net sales for the year	183,415,422
Net result, profit	18,897,824

In our opinion, the accompanying stand-alone financial statements present fairly, in all material respects the financial position of the Company as at December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Order of the Romanian Minister of Public Finances no.1802/2014 regarding the approval of the accounting regulations aligned to the EU Directives ("OMFP 1802") and with the company's accounting policies detailed in the notes to the financial statements.

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of matter Paragraph*

*Without qualifying our opinion, we draw attention to the following matters:*

Due to the fact that the Romanian tax legislation is changing frequently and is subject for more than one interpretation of certain matters, in case of a tax audit, the tax inspector's' approach of these matters may not correspond to Company's ones and they may impose additional tax liabilities and penalties.

### *Other aspect - Report of the administrators*

The company's administrators are responsible for preparing and presenting the management report according to the Order of the Romanian Minister of Public Finances no.1802/2014, articles 489-492, that does not contain significant errors 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.

The management report is not part of the stand- alone financial statements. Our audit opinion with respect to the stand-alone financial statements does not cover the management report. In connection to our audit of the stand-alone financial statements, we have read the management report and:

- a) We have not identified information that is not consistent, in all material respects, with information presented in the financial statements.
- b) The above mentioned management report includes, in all material respects, the information requested by the Order of the Romanian Minister of Public Finances no.1802/2014, art.489-492,
- c) Based on our knowledge and understanding of the company and its environment gathered during the audit of the stand-alone financial statements as of December 31, 2023, we have not identified material misstatements in the management report.

The present Auditor's Report was prepared with a view to its use by the company and its shareholder gathered in General Meeting of Shareholder at the date of our report. To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the company or the company's members as a body, for our audit work, for this report or for the opinions we have formed.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Romanian Accounting Standards (OMFP 1802/2014) 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 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 misstatements, 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 it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatements 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 ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal controls 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.

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 deficiencies in internal control that we identify during our audit.

#### **Other aspects**

The present Auditor's Report was prepared with a view to its use by the company and its shareholders gathered in General Meeting of Shareholders according to the provisions of Law no. 31/1990 (republished). To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the company or the company's members as a body, for our audit work, for this report or for the opinions we have formed.

#### **RSM ROMANIA SRL**

**Bucharest, 16 Frumoasa street,**

Member of the Romanian Chamber of Financial Auditors

In the electronic public register with the registration number FA 322

**Maria Plesoiu**

**Audit Partner**

Member of the Romanian Chamber of Financial Auditors

In the electronic public register with the registration number AF3594



11.04.2024