

Cabinet de audit financiar Morar Ioan Dan ;
Oradea, str. Bicaşului, nr. 11 ;
CUI: 20207990
NR. inreg. CAFR: 708.

INDEPENDENT AUDITOR'S REPORT

To shareholders group S.C. SINTEZA S.A.
To, S.C. SINTEZA SA affiliates
Attention S.C. SINTEZA SA administrators
Oradea, str. Borsului, nr. 35, J05/197/1991, CUI : 67329

1. The auditor's opinion

We have audited the consolidated financial statements of SC SINTEZA SA and its subsidiary, which comprise the consolidated statement of financial position at 31 December 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year 31.12.2016 ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

These relate to:

- Total equity: 62.146.504 lei
- consolidated net result for the financial year: 1,887,468 lei

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position The Group's consolidated SC SINTEZA SA, on December 31, 2016 and its financial performance and strengthened its cash flows consolidated for the year then ended in accordance with International Financial Reporting standards (IFRS).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in detail in the section Auditor's Responsibilities in an audit of consolidated financial statements in our report. We are independent of the company, according to the Code of Ethics for Professional Accountants (the Code IESBA) issued by the Council for International Ethics Standards for Accountants in conjunction with the ethical requirements relevant to the audit of financial statements and we met other ethical responsibilities according to these requirements and Code IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key aspects of audit

Key audit issues are those issues that, in our professional reasoning, had the greatest importance to audit the consolidated financial statements of the current period. These issues were addressed in the context of the overall financial statement audit and forming our opinion on them and do not provide a separate opinion on these issues.

4. Assessing the risks of material misstatement

Our audit procedures also include assessing risks of material misstatement of the information contained in the financial statements. Our findings from carrying out these procedures did not influence our audit opinion on the statutory annual financial statements.

Auditing of the risk related to accounting concerning mechanisms for determining revenues and expenditures did not find any distortion on preparing the income and pirdere, prepare the income statement and determining financial results are in line with national accounting regulations and the Group's accounting policies.

5. Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS. (Considering OMFP No: 881/2012 on the application by the companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and OMFP No: 2844/2016 for the approval of accounting regulations compliant with standards international Financial Reporting).

Also, the company is responsible for internal controls that management considers necessary to enable the preparation of consolidated financial statements free of any material misstatement, caused either by fraud or error.

In preparing consolidated financial statements, management is responsible for assessing the Group's ability to continue working, giving, if any, aspects of business continuity and using the accounts on a going concern basis unless management either intends to liquidate the Group or close down operations or has no realistic alternative beyond.

Those charged with governance are responsible for overseeing the financial reporting of the Group.

6. Auditor's Responsibility

Our responsibility is to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as issuing an auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if any. Distortions can be caused either by fraud or error and are considered significant if it can be expected, reasonably, that they, individually or in aggregate, will influence the economic decisions of users taken on the basis of these consolidated financial statements.

An audit involves the performance of procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, due either fraud or error. In achieving those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's financial statements in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the entity. An audit also includes assessing the adequacy of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified audit opinion.

7. Limiting the scope of the auditor's work

Our audit was conducted in order to report Group members those matters we are required to report in the auditor's report and for no other purpose. To the extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its associates as a whole, for our audit work, for this report, or for the opinions we have formed.

The accompanying financial statements are intended to present the financial position and comprehensive income of the Group in accordance with accounting principles and practices contained in IFRS. Therefore, the accompanying financial statements are not designed for those who do not know IFRS accounting rules, regulations contained in OMFP No: 881/2012, OMFP No: 2844/2016 and the accounting policies described in the notes to the financial statements.

8. Report on conformity of the management report with the financial statements

In accordance with accounting regulations contained in IFRS and considering, OMFP no: 2844/2016 and the accounting policies described in the notes to the financial statements, we have read the Administrators attached consolidated financial statements. Administrator's report is not part of the consolidated financial statements

In the Administrators 'Report we have not identified any financial information which is in all material respects with the information presented in the accompanying consolidated financial statements, administrator's report is consistent with the financial statements presented.

9. Business Continuity

In connection with the scale of productive activity and its relation to the volume of fixed assets, it is found that their size would allow a larger scale activity. This aspect was taken into account in the context of ensuring business continuity of business entity in terms of its normal activity.

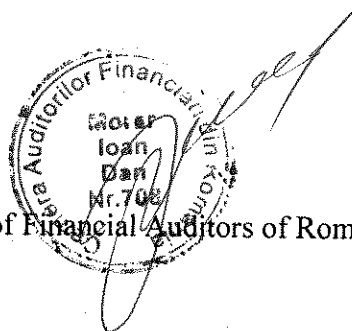
10. Alte issues

This report is made solely to Group shareholders as a whole to the shareholders those matters we are required to report in an auditor's report and for no other purposes. To the extent permitted by law, we do not accept or assume responsibility to anyone other than the group and to its shareholders, for this report and for the opinions we have formed. Also, the report includes the Annexes 1 and 2, shown below.

The report was issued on 10.03.2017.

Financial Auditor,
Ioan Dan Morar

Registered with the Chamber of Financial Auditors of Romania
with nr.708



Annex. 1 audit report - the exercise of judgment professional

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

- a). Identify and assess the risks of material misstatement of the consolidated financial statements, due either to fraud or error, and execute design audit procedures in response to such risks and obtain sufficient appropriate audit evidence to provide a basis for our opinion. Detection risk that a material misstatement due to fraud is higher than the detection of significant distortions it caused error because fraud may involve collusion, forgery, deliberate omissions, misrepresentations and avoiding internal control.
- b). We understand internal control relevant to the audit, in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group.
- c). Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related presentations made by management.
- d). Form a conclusion on the appropriateness of the use by management of accounts on a going concern basis and determine, based on the audit evidence obtained, whether a material uncertainty exists regarding events or conditions that may cast significant doubt on the Group's ability to continue the work. If we conclude that there is significant uncertainty, we must note the auditor's report on the consolidated financial statements related presentations or, where such disclosures are inadequate to change our opinion. Our conclusions are based on the audit evidence obtained until the auditor's report. However, future events or conditions may cause the Group will no longer operate on a going concern basis.
- e). Evaluate the presentation, structure and general content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements reflect basic transactions and events in a manner that achieve fair presentation.
- f). Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the coordination, supervision and execution of group audit. We are only responsible for our audit opinion.

Communicate those responsible for governance, among other things, the planned scope and timing of the audit and the main audit findings, including any significant deficiencies in internal control that we identified during the audit.

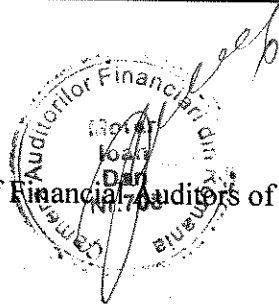
Also, provide those responsible for governance statement that we comply with ethical requirements relevant to independence and that we communicate all relationships and other

matters which might assume, reasonably, that affect our independence and, where appropriate protection measures related.

g) .Dintre communicated to the persons responsible governance issues, determine which are the most important to audit the consolidated financial statements for the current period and is therefore key audit issues. We describe these issues in the auditor's report, unless laws or regulations prohibit public disclosure of their appearance or where, in extremely rare circumstances, we determine that it should not be communicated in our report as envisaged in reasonably the public interest to overcome the negative consequences of this communication.

Financial Auditor,
Ioan Dan Morar

Registered with the Chamber of Financial Auditors of Romania
with nr.708



Annex 2 to the audit report, significant analytical information

1. ADMINISTRATION OF THE COMPANY

SC SINTEZA SA is managed by the Board of Administrator's consists of:

Claudiu Sorin Pasula - President

Radu Vasilescu - Member

Gavin Nicolas Ryan - Member

2 CAPITAL STRUCTURE AT 31.12.2016

The share capital of SC SINTEZA SA at 31.12.2016 is 9,916,889 lei, divided into 66.11259 million shares with face value of 0.15 lei / share. The shares are traded on the Bucharest Stock Exchange, Standard category. At the end of 2016 the shareholder structure was as follows:

F.I.I. BT Invest	51.8898%
Tibor Tincău	28.1346%
Other natural and legal persons	19.9756%
Total:	100.0000%

3. STRUCTURE TURNOVER AND REVENUE(lei)

Net turnover 26,647,594

Changes in inventories prod.finite 1,434,438.

Ven.din fixed assets 204.750

Other operating income 22.774.263

Total operating income 51.061.045

Financial income 532.664

Extraordinary income -

INCOME-total 51.593.709

4. Preparation and Presentation of Financial Statements

Financial statements prepared and presented by the company for the year 2016 have been prepared in accordance with IFRS. (OMFP No: 881/2012 on the application by the companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and OMFP No: 2844/2016 for the approval of accounting regulations compliant with standards international Financial Reporting).

The financial statements are presented on the company website

Financial Auditor,
Ioan Dan Morar
Registered with the Chamber of Financial Auditors of Romania
with nr.708

