

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY S.C. BIOFARM S.A.

### *Report on the financial statements*

1. We have audited the financial statements of **BIOFARM S.A.** (hereinafter referred to as the Company), which include the Statement of the financial position as at December 31, 2015, the Statement of comprehensive income, the Cash Flow statement, the Statement of changes in equity for the year then ended and a summary of accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards adopted by the European Union 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.

### *Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing adopted by the Romanian Chamber of Financial Auditors. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Opinion

5. In our opinion, the financial statements present fairly, in all material respects, the financial position of **BIOFARM S.A.** as at December 31, 2015 and its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

### Report on the Administrators' Report

6. The Administrators are responsible for preparation and presentation of the Administrators' Report as required by Order of the Minister of Public Finance no. 1286/2012 for the approval of *the accounting regulations compliant with International Financial Reporting Standards applicable to companies whose securities are traded on a regulated market*, Annex 1, Section No. 3, paragraphs 10-14, which are free from material misstatement and for such internal control as management considers necessary to enable the preparation of the Administrators' report that is free from material misstatement, whether due to fraud or error.

Administrators' report is presented from page 5 to 45 and is not included in the individual financial statements.

Our opinion on the financial statements does not include the Administrators' report.

In connection with our audit of the financial statements, we have read the Administrators report attached to the individual financial statements and presented from page 5 to 45 and we report that:

- a) we did not identify in the Administrators' report information that is not consistent in all material respects with the information presented in the accompanying individual financial statements;
- b) the Administrators' report identified above include, in all material respects, the information required by Order of the Minister of Public Finance no. 1286/ for the approval of *the accounting regulations compliant with International Financial Reporting Standards applicable to companies whose securities are traded on a regulated market*, Annex 1, Section No. 3, paragraphs 10-14;
- c) based on our knowledge and understanding acquired during the audit of the individual financial statements for the year ended December 31, 2015 on the Company, we did not identify any information included in the Administrators' report to be significantly misstated.

On behalf of  
BDO Audit SRL  
Registered with the Chamber of Financial Auditors of Romania  
Cu nr. 018 / 2001

Name of signatory: Vasile Bulata  
Registered with the Chamber of Financial Auditors of Romania  
With no. 1480/ 2002



Bucharest, Romania  
24 March 2016

Note: This is the translation of the original report in Romanian. For any differences, the original version will prevail.