

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of S.C. Societatea Națională a Sării S.A

1. We have audited the enclosed financial statements of S.C. Societatea Națională a Sării S.A. ("the Company"), with registered office at 220 Calea Victoriei, District 1, Bucharest, identified with fiscal registration number 1590430, which comprise the statement of financial position as of December 31, 2022, the comprehensive income statement, the statement of changes in own equity and the statement of cash flows for the fiscal year then ended, as well as a summary of the significant accounting policies and the explanatory notes.
2. The individual financial statements as of December 31, 2021 are as follows:
 - Net assets/Total own equity: RON 583,815,398
 - Fiscal year net outturn – profit: RON 120,749,395 lei
3. In our opinion, the accompanying individual financial statements give a true view, in all, material respects, of the Company's financial standing as of December 31, 2022, and its financial performance and cash flows pertaining to the fiscal year then ended, in accordance with Order of the Minister of Public Finance no. 2844/2016 on the approval of the Accounting regulations compliant with the International Financial Reporting Standards ("OMFP no. 2844/2016").

Grounds for the opinion

4. We have carried out our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation no. 537 of the European Parliament and of the Council (hereafter "the Regulation") and Law no. 162/2017 ("the Law"). Our responsibilities, pursuant to these standards, are described in detail in the "The auditor's duties in audit of financial statement" section in our report. We are independent from the Company, in line with the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (the IESBA Code), in line with the ethical requirements which are relevant to the auditing of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical duties in line with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate in providing a basis for our opinion.

Highlighting certain aspects

5. We will draw attention to note 18.1, Revenues that present a further analysis of the accurate classification of revenues from sales of goods and the related expenses, which should have been included in the comprehensive income statement for 2021, with impact on comparatives for the financial year ended on December 31, 2022. Our opinion does not contain a reservation regarding this aspect.

Key audit aspects

The key audit aspects are those aspects which, based on our professional judgment, had the greatest importance for the audit of the financial statements of the current period. These aspects were addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them and we do not offer a separate opinion on these key aspects. We considered the following key aspects:

Audit Key aspect

a) Provisions for litigation

The company is involved in numerous litigations with business partners, authorities, and employees, thus there is a risk of future economic losses.

The decision to register a provision for litigation or to present a contingent liability involves professional judgment/reasoning and certain estimates of the Company's management.

How to approach the key issue

Our audit procedures included, among others:

- ✓ Analysis of the litigation situation received from the Company's legal advisors/lawyers and discussions with them on the status of significant litigation in which the Company is involved;
- ✓ Analysis of the assumptions used and the estimates made by the Company regarding litigation, including the value of the provisions recognized in the financial statements or the contingent liabilities presented;
- ✓ Analysis of the minutes of the meetings of the Board of Directors and the General Meeting of Shareholders for relevant aspects regarding the important disputes of the Company.

b) IT & MIS systems

The Company does not have an integrated financial system and different IT systems and applications are used at the level of the Company's branches, which implies the need for additional reconciliations and manual controls, with the consequent increase in the risk of errors or omissions.

Our audit procedures included, among others:

- understanding the IT environment, the architecture of the systems involved in financial reporting and general IT controls;
- reconciliations of data from different sources;
- carrying out detailed procedures, analytical review and balance confirmation procedures.

Other information – the Directors' Report

7. Other information includes the Directors' Report, which also includes the non-financial statement, but does not include the financial statements and the auditor's report on them. Directors are responsible for the preparation and presentation of this other information.

8. Our opinion on the financial statements does not cover this other information and, unless explicitly mentioned in our report, we do not express any kind of assurance conclusion regarding them.

9. In connection with the audit of the financial statements for the financial year ended on December 31, 2022, our responsibility is to read this other information and, in doing so, to assess whether they are significantly inconsistent with the financial statements or with the knowledge we have obtained during the audit, or if they appear to be significantly distorted.

10. As far as the Directors' Report is concerned, we have read and are reporting whether it has been drawn up, in all material respects, in accordance with the requirements of provided at items 15-19 in OMPF no. 2844/2016.

11. Based exclusively on the activities that have to be carried out during the auditing of financial statements, in our opinion:

a) The information presented in the Directors' Report, for the fiscal year in relation to which the financial statements were drawn up, is in all material respects in accordance with the financial statements;

b) The Directors' Report was drawn up, in all material respects, in accordance with the information provided at items 15-19 in OMFP no. 2844/2016.

The responsibility of the management and the persons in charge with governance for the financial statements

12. The management is responsible for drawing up and presenting, in a true and accurate manner, the financial statements in line with OMPF no. 2844/2016, and for that internal control which the management may deem necessary in order to allow drawing up financial statements free of any material misstatements, caused either through fraud or error.

13. In drawing up the financial statements, the management is responsible for estimating the Company's capacity to continue its activity by presenting, where necessary, the aspects pertaining to business continuity and using the business continuity principle as an accounting basis, except for cases where the management either intend to wind the Company up or shut down operations or have no realistic alternative beyond the former.

14. The persons in charge with governance are responsible for supervising the Company's financial reporting process.

The auditor's responsibility during an audit of financial statements

15. Our objectives consisted in obtaining reasonable assurances concerning the extent to which the financial statements, on the whole, are free of material misstatements, caused either through fraud or error, as well as in issuing an auditor's report that would include our opinion. Reasonable assurances indicate a high level of assurance, however, without guaranteeing the fact that an audit carried out in compliance with the International Audit Standards will always detect a material misstatement, if any. Misstatements can be caused by fraud or by error and are deemed significant if one can reasonably forecast that they will individually or cumulatively influence the users' economic decisions made based on these financial statements.

16. As part of an audit compliant with the IAS, we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore, we:

➤ Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in reply 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 the one of not detecting a material misstatement resulting from error, 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 the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

➤ Formulate a conclusion on the appropriateness of management's use of accounting based on business continuity and, based on the audit evidence obtained, determine whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue its activity. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease conducting business based on the business continuity principle.

➤ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

17. We communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, as well as significant audit results, including any deficiencies in internal control that we identify during our audit.

18. In addition, we provide to those in charge with governance an affidavit according to which we have complied with the relevant ethical requirements on independence and have mentioned to them all the relations and other aspects that one would reasonably presume affect our independence and, where necessary, the related protection measures.

19. Among the aspects we have mentioned to those in charge with governance, we underline those aspects with greater significance, throughout the audit, for the financial statements of the current period and operate, therefore, as key audit aspects. We describe these aspects in our audit report, save for the case where the legislation or the regulations prevent the public disclosure of the respective aspect or the extremely rare case where we believe that a particular aspect should not be stated in our report as it can reasonably be estimated that the benefits to the public interest will be outweighed by the negative outcomes of such disclosure.

Report concerning other legal and regulatory provisions

20. We were appointed by the Shareholders' General Assembly, as per decision no. 18 from November 24, 2020, to audit the financial statements of Societatea Națională a Sării S.A. for the following fiscal years: the ones concluded on December 31, 2020 and December 31, 2021 and the one to be concluded on December 31, 2022. The total uninterrupted duration of our engagement is 2 years, covering the fiscal year ended on December 31, 2020 and the one ended on December 31, 2021.

21. We acknowledge that:

➤ Our audit opinion is in line with the additional report presented to the Company's Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we remained independent from the audited entity.

➤ We have not rendered for the Company any of the forbidden non-auditing services, mentioned by article 5 paragraph (1) in EU Regulation no. 537/2014.

Bucharest. April 27, 2022

Christodoulos Seferis

Registered with the Electronic Public Register of ASPAAS (Authority for the Public Supervision of the Statutory Audit Activity) under no. AF1585

On behalf of TGS ROMANIA ASSURANCE AND ADVISORY BUSINESS SERVICES SRL
A company Registered with the Electronic Public Register of ASPAAS under no. FA91