



Transparency Report 2018

(Clarified)

December 2019

**“Crowe DNW” SIA
• License Nr. 154**

On Reporting year ending 31st August 2018

Audit / Tax / Advisory

Smart decisions. Lasting value.

Transparency report

As a certified auditor Company, which provides audit services to financial institutions and companies whose transferable securities are listed on a regulated market of the Member States, "Crowe DNW" SIA (hereinafter: Company) publishes an annual transparency report in accordance with the Law "On Certified Auditors".

All information included in the report refers to the Company's situation as of 31 August 2018, unless stated otherwise.

The Transparency Report has been prepared in accordance with the Article No 331 of the Law of Republic of Latvia "On Auditing Services", as well as with the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts.

30th December, 2019

Iveta Rutkovska
Member of the Board
"Crowe DNW" SIA

“Crowe DNW” SIA ownership and management

“Crowe DNW” is a limited liability company registered in the Republic of Latvia in 2008, reg. No. 40103171002. Our legal address is Dignājas Street 3C-16A, Riga, LV - 1004. The office is located at Bauskas Street 58 - 211, Rīga, LV – 1004.

Owners of the Company are:

| | |
|--|-------|
| 1. CDNW Group OU (The Republic of Estonia) | - 45% |
| 2. Vadims Dončevskis (The Republic of Estonia) | - 35% |
| 3. Iveta Rutkovska | - 20% |

CDNW Group OU is controlled by Vadims Dončevskis.

The company is run by three board members - Iveta Rutkovska, certified auditor, license no. 43, Marija Rubcova, certified Auditor, License Nr. 54 and Vadims Dončevskis, certified auditor of the Republic of Estonia.

Members of the Board work separately and have the right to represent and manage the Company with full rights independently.

The Board with its decisions, approves all major and administrative - legal issues of the Company.

“Crowe DNW” SIA is a member of Crowe Global - international professional services Network.

Crowe Global network

Crowe Global International is the 10th largest international professional services network in the world, providing customers with audit, consulting, risk management and tax services, and unites 200 independent audit, accounting and consulting companies in more than 130 countries with more than 750 offices worldwide. The extensive representation of Crowe Global allows you to continuously provide high-quality audit services in each represented country and globally for over 100 years.

Crowe Global is an international network of independently owned and managed accounting and advisory firms that may be licensed to use the “Crowe” brand in connection with the provision of accounting, auditing, tax, advisory and other professional services to their clients.

Crowe Global International is commercially organized under the laws of Switzerland as a Verein (Association) and is a non-practicing entity, and does not provide professional services in its own right. Crowe Global operates through a wholly-owned subsidiary incorporated under the laws of the State of New York in the United States of America where it is headquartered.

Each member of Crowe Global provides services in a specific geographic region and is subject to national legal and professional regulations

Crowe Global is a full member of the Forum of Firms. (Forum of Firms, IFAC – International Federation of Accountants) The Forum of Firms is an association of networks of international accounting firms that perform transnational audits. The objective of the Forum is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide. As a member, Crowe Global is required to implement and monitor quality control standards that the Forum has prepared. Crowe Global prepare an annual declaration that our members adhere to the Forum's standards.

The Transnational Auditors Committee of the International Federation of Accountants governs the Forum of Firms. The International Accounting & Audit Director of Crowe Global is an elected member of the Committee.

The Crowe Global network companies are committed to providing impeccable quality service, highly

integrated service delivery processes, and a set of shared core values that underpin daily decisions.

Crowe Global prepares a separate Transparency Report, which is available on the website (www.crowe.com/global). The latest one covers the year ended December 31, 2017.

Revenue from services provided by Crowe Global network companies for the year ended December 31, 2017 was \$ 1.7 billion USA dollars.

Internal quality control systems

Our goal is to create, implement, maintain and monitor a quality control system that complies with International Quality Control Standard (ISQC) No.1, Ethical Standards and with Crowe Global.

Crowe DNW quality control systems, policies and procedures are described in the Quality Control Manual.

The Lead Partner of Crowe DNW SIA has the key competence and responsibility for the quality control system in the company.

Crowe DNW responsible auditors or partners, provide the following quality control system features:

- a. Managing Partner - Responsible for overseeing the work of all other senior positions, responsible for all complaints and claims.
- b. EQCR (Engagement Quality Control Reviewer) - a professional (partner) who conducts quality control of tasks.
- c. Ethics Leader - a person to be consulted on all ethical issues, including independence, conflict of interest, privacy and confidentiality.
- d. Money Laundering Reporting Officer (MLRO) - a person who is informed and reports on suspicious transactions to comply with the requirements of anti-money laundering legislation.
- e. HR (Human Resources) - a person (do not have to be a partner) responsible for human resources functions, including accounting for professional duties such as fees and continuous professional development.

Each partner is responsible for several quality control system issues that do not exclude or contradict each other. The division of responsibilities is documented and notified to the company, as appropriate.

Quality control test

Mandatory audit tasks performed by public interest entities and companies whose risk assessment so requires are subject to audit quality control by another partner before the audit report is made public. Quality control is carried out by a partner who has sufficient and appropriate experience and professional qualifications and is not involved in the specific audit engagement.

In the financial year ended August 31, 2018, Crowe DNW SIA had three auditors - partners.

Performance check

Crowe DNW SIA is subject to regular review of its operations.

The performance or work quality check is performed by checking:

1. General business risk management and quality control policies and procedures:

- a. Customer Acceptance, Acceptance, Continuation,
- b. Risk Management,
- c. Independence Practice,
- d. Professional Development
- e. Work with staff,
- f. Project quality control

2. Individual projects:

- a. Operation of Quality Management Procedures in a specific audit project
- b. Audit or review approach and its relevance
- c. Work quality assessment.

Crowe DNW SIA performance verification is provided by:

1. Internal quality control of Crowe DNW SIA, where the auditor (partner) not involved in the audit of a particular client randomly checks the quality of the audit work performed by another auditor - once a year. Crowe DNW usually invites other Crowe network partners to perform this task.
2. Crowe Global representative, independent of Crowe DNW SIA, once every three years.

Crowe Global conducted its last quality check in October 2017.

The results of the performance review and recommendations are submitted to the management of the company. Their goal is to give recommendations about the necessary improvements. The Lead Partner establishes a detailed action plan to address the shortcomings.

Management report

We are confident that the internal control system described above is effective, provides reasonable assurance that Crowe DNW SIA and its personnel comply with applicable professional standards and regulatory and legal requirements, and that audit reports are appropriate.

Independent quality assurance review date

The last independent quality assurance review was carried out by the Association of Certified Auditors of Latvia in 2016. The company was rated "A", which is the highest possible rating.

List of audited public interest entities

1. AS "Moda Kapitāls"
2. AS "AQUARIUM INVESTMENTS" IPS

Confirmation of independence

The company is responsible for developing, implementing, monitoring and implementing policies and procedures that help all partners and employees understand, identify, document, and manage independence threats and independence issues.

Policies and procedures are maintained in writing and comply with the requirements with the Law on Auditing Services of the Republic of Latvia and the Code of Professional Ethics approved by the Association of Certified Auditors of Latvia.

The Ethics Leader (EL) is responsible for reporting any identified non-compliance cases to the engagement partner and other relevant parties. EL ensures adequate resolution of independence threats, which are not adequately resolved or reduced to acceptable levels, and reports non-compliance to lead partner (MP).

EL is also responsible for maintaining a database that provides a complete list of clients who need independence, and therefore prohibits financial transactions with these customers. Public interest customers also include related parties in the database. All partners and employees are aware of the database and how to access it.

All partners and employees each year submit a written declaration of independence. All partners and employees have a duty to review their circumstances, which may pose a threat to independence and immediately inform EL of all such incidents. It is also necessary to notify EL of any threat to the independence of any members of the working group that they have in mind before the audit commences or during the execution of the task. The audit partner shall take all necessary, possible measures to prevent or reduce the threat of independence to an acceptable level by applying appropriate security measures.

Crowe DNW SIA provides regular training for partners and members on ethics and independence issues.

The last internal review of compliance with the principles of independence was made on July 31, 2018.

Further education

Certified auditors, as well as all other specialists, are involved in the Crowe Education Program. Crowe DNW SIA ensures that its certified auditors follow the rules on compulsory training issued by the Association of Certified Auditors of Latvia, which provide training for at least 120 academic hours every three years and not less than 30 academic hours per year.

Financial indicators

Crowe DNW SIA financial indicators for the year ended 31 August 2018:

| Type of services | EUR |
|--|----------------|
| Revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity | 9 750 |
| Revenues from the statutory audit of annual and consolidated financial statements of other entities | 209 540 |
| Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm | 0 |
| Revenues from non-audit services to other entities | 51 607 |
| Total net turnover | 270 897 |

Remuneration of Certified Auditors - Partners

Certified auditors are remunerated according to their contribution to the overall management of Crowe DNW and to the client's assignments. Each year, the partners' pay may increase or decrease.

Rotation of partners and certified auditors

The rotation policies of Crowe DNW SIA partners and certified auditors agree the Code of Ethics of the International Ethics Standards Board for Accountants and determines that a member firm must comply with the strictest rotation requirements in force. We monitor compliance of rotation requirements with the requirements of Regulation of the Republic of Latvia, independence rules and with Crowe Global requirements.

Licensing requirement within the law

| | |
|-----------------|---------------------|
| Crowe DNW SIA | – License No 154 |
| Iveta Rutkovska | – Certificate No 43 |
| Marija Rubcova | – Certificate No 54 |

Crowe Global network companies providing audit services

| Country | Name |
|--------------------|--|
| UAE | Crowe MAK |
| Albania | Crowe AL |
| Algeria | Hamza & Associes |
| Angola | Crowe Horwath Angola SA |
| Argentina | Canepa, Kopec y Asociados Argentina |
| United States | Crowe LLP |
| Australia | Crowe Horwath Australasia |
| Austria | Crowe SOT GmbH |
| Azerbaijan | Baltic Caspian Audit ABAK-Az Crowe Ltd. |
| Bahamas | Crowe Horwath Bahamas |
| Bahrain | Horwath Bahrain |
| Belgium | Callens, Pirenne & Co Crowe Spark |
| Brazil | Crowe Horwath Macro Auditoria e Consultoria |
| Bulgaria | Crowe Bulgaria |
| Czech Republic | Crowe Advartis |
| Chile | Crowe Chile |
| Denmark | Crowe |
| South Africa | Crowe |
| South Korea | Hanual LLC |
| Dominican Republic | Horwath, Sotero, Peralta & Asociados |
| Egypt | Crowe Dr. A.M. Hegazy & Co |
| Philippines | Ramon Garcia & Co. |
| In France | AdLink & Associés Avvens Becouze Associes Cifralex Cogefis Associés Crowe Fidelio Dauge and Associes Dupouy et Associés Exenco Ficorec Fideliance Fiduciaire de Mascareignes Fiduciaire Rochelaise Gineste & Associés Groupe Fidurévision Group Rocard HAF Audit et Conseil RSA |

| | Sustainable Metrics Sogec |
|----------------|---|
| Ghana | Veritas |
| Greece | SOL |
| Georgia | Crowe Horwath GE LLC |
| Guatemala | Horwath de Guatemala |
| Croatia | Crowe Croatia |
| Honduras | Horwath Central America |
| Hong Kong | Crowe HK |
| Estonia | Crowe DNW |
| India | V.P. Thacker & Co. JDNT Associates |
| Indonesia | Crowe Indonesia |
| Italy | Crowe AS |
| Israeli | Ovadia Pick Kriheli and Co |
| Ireland | Crowe Ireland |
| Jamaica | Crowe Jamaica Crowe Trinidad |
| Japan | Crowe Japan |
| New Zealand | Crowe Horwath Auckland |
| Yemen | Crowe AHFAD |
| Cameroon | Okalla Ahanda & Associes |
| Canada | Crowe Soberman LLP Crowe BGK LLP Crowe MacKay LLP |
| Cayman Islands | Crowe Cayman |
| Qatar | Crowe Qatar |
| Kazakhstan | Crowe Kazakhstan |
| Kenya | Crowe Erastus & Co. |
| Cyprus | Crowe Cyprus |
| Colombia | Crowe Colombia |
| Costa Rica | Samos Crowe |
| Ivory Coast | Uniconseil |
| Russia | Crowe Expertiza Crowe RussAudit |
| Curacao | ACC & Partners BV |
| Kuwait | Horwath Al-Muhanna & Co |
| China | Ruihua CPAs |
| Latvia | Crowe DNW SIA |
| Great Britain | Crowe U.K LLP |
| Lithuania | Crowe LT UAB |
| Luxembourg | Crowe Luxembourg |
| Malawi | Crowe Horwath Malawi |

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| Maldives | Crowe Maldives |
| Malaysia | Crowe Malaysia |
| Malta | Horwath Malta |
| Morocco | Crowe Horwath Maroc |
| Mexico | Crowe Mexico |
| Nepal | Crowe Horwath Nepal |
| Nigeria | Horwath DaFinone |
| The Netherlands | Crowe Foederer Crowe Peak |
| Norway | Vidi Revision |
| Oman | Crowe Oman |
| Pakistan | Crowe Pakistan |
| Paraguay | J.C. Descalzo y Asociados |
| Peru | Roncal, D'Angelo y Asociados |
| Poland | Crowe Advartis |
| Portugal | Horwath & Associados |
| Puerto Rico | Horwath Velez & Co |
| Romania | Boscolo & Partners |
| El Salvador | Crowe El Salvador |
| Saudi Arabia | Al-Azem & Al-Sudariy |
| Senegal | Max Consulting Group |
| Serbia | Crowe RS |
| Singapore | Crowe Horwath First Trust |
| Slovakia | Crowe Advartis |
| Finland | DHS Oy Audit Partners |
| Spain | Crowe Spain |
| Suriname | Crowe Horwath Burgos Accountants |
| Sri Lanka | Gajma & Co |
| Switzerland | Alfa Treuhand and Revisions Crowe Berney Curator & Horwath S&A Tax and Audit |
| Tajikistan | Crowe in Tajikistan |
| Taiwan | Crowe Horwath (TW) |
| Thailand | ANS |
| Tanzania | Crowe Tanzania |
| Tunisia | Horwath ACF Cabinet Zahaf & Associes |
| Turkey | Horwath Olgu HSY Audit Kavram Denetim Mert Yeminli Mali Musavirlik ve Bagimsiz Denetim |
| Uganda | Crowe Horwath AIA |

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|-----------|---|
| Hungary | Crowe FST |
| Ukraine | Crowe Horwath AC Ukraine Crowe Donoway |
| Uruguay | Crowe Uruguay |
| Germany | Crowe Frankfurt Crowe Hamburg Crowe Kleeberg RWT Crowe Trinavis |
| Venezuela | Márquez, Perdomo & Asociados |
| Vietnam | Crowe Vietnam |
| Zimbabwe | Crowe Horwath Welsa, Chartered Accountants |
| Sweden | Crowe Sweden |