



Transparency Report 2018

(Clarified)

December 2019

“Crowe DNW” SIA
License Nr. 154

On Reporting year ending 31st August 2018

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 Fidurévion 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

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 Revisjon
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

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