

ENTITY LETTERHEAD

Entity's Details

To:
Certified Public Accountant Sergei Tšistjakov
Assertum Audit OÜ
(registry number: 10990446)

*/date, which is the date of
digital signature of the
document/*

This representation letter is provided in connection with your audit of the consolidated financial statements of Entity (registry code: registry code) (the entity) for the year ended at DD.MM.YYYY (the financial statements) for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the consolidated financial position of the entity as at DD.MM.YYYY, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the Estonian Financial Reporting Standard / International Financial Reporting Standards as adopted by the European Union (the applicable financial reporting framework).

Representations regarding the responsibility of the executive management¹

We confirm that all members of the entity's executive management (such as the members of the management board who are responsible for the day-to-day management of the entity) have signed this management representation letter and understand and acknowledge their responsibility, as set out in the Estonian Commercial Code, the Estonian Accounting Act and other regulations, including the applicable financial reporting framework, for:

- 1) designing, implementing and maintaining internal controls to prevent and detect fraud 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;
- 2) managing the entity;
- 3) arranging the entity's financial accounting and reporting; and
- 4) the accuracy and completeness of the information presented in the financial statements forming the subject matter of the engagement², including the preparation of the financial

¹ Section 55(3) of the Estonian Auditors Activities Act provides that all members of the client's executive management have to confirm in writing that they acknowledge the responsibility of the executive management and that the confirmation has to be provided before the independent auditor's report is issued.

² Section 15(1) of the Estonian Accounting Act: 'The purpose of the preparation and publication of annual financial statements is to enable users of financial statements that have sufficient financial knowledge to

statements in accordance with the applicable financial reporting framework as specified in section 17(1) of the Estonian Accounting Act, and for the financial statements providing relevant and reliable information about the entity's consolidated financial position and financial performance and cash flows or providing the information required by the said Act.

Representations regarding the financial statements

1. We confirm, to the best of our knowledge and belief and based on the inquiries we considered necessary to obtain relevant information, that:
 - a. We have fulfilled the obligations set out in the terms of the audit engagement agreement which relate to the preparation of the financial statements in accordance with the applicable financial reporting framework. Specifically, the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.
 - b. We are responsible for the preparation of financial statements that contain relevant, reliable and fairly presented information (which knowledgeable users of the financial statements can use to make economic decisions) and the presentation of the financial statements in accordance with the applicable financial reporting framework.
 - c. We are also responsible for designing, implementing and maintaining such internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
 - d. All assets, liabilities, contingent liabilities, income and expenses have been recorded in the financial statements as required by the applicable financial reporting framework.
 - e. We are responsible for the selection and application of appropriate accounting policies and for making accounting estimates. The methods, inputs and significant assumptions used in making accounting estimates and in the disclosure of associated information have been appropriate and reasonable to achieve the recognition, measurement, presentation and disclosure objectives of the applicable financial reporting framework.
 - f. Any restrictions on the use of the entity's bank accounts and any collateral, security and guarantees provided by the entity are disclosed in the financial statements.
 - g. The entity's related party relationships and transactions have been properly accounted for and disclosed in accordance with the requirements of the applicable financial reporting framework. We have disclosed to you the identities of the related parties and the beneficial owners as well as all related party relationships and transactions of the entity we are aware of.

obtain relevant and fairly presented information about the financial position, financial performance and cash flows of the reporting entity which they can use in making their economic decisions.'

- h. According to our assessment, the entity is a going concern and, therefore, the financial statements have been prepared on a going concern basis. We are aware of our responsibility to assess the entity's ability to continue as a going concern³, to disclose, as applicable, matters related to going concern, and to use the going concern basis of accounting in preparing the financial statements unless we either intend to liquidate the entity or to cease its operations, or have no realistic alternative but to do so⁴.
- i. If there are events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, but according to our assessment the entity is a going concern, we have provided you with our plans for future action.
- j. All significant risks and uncertainties associated with the operation of the entity have been disclosed in the financial statements. We have also disclosed to you our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- k. All events after the date of the financial statements which require adjustment of, or disclosure in, the financial statements have been reflected in the financial statements as required by the applicable financial reporting framework.
- l. The financial statements do not include misstatements which are material either individually or in the aggregate, i.e. the effect of any uncorrected misstatements, whether taken individually or in the aggregate, on the financial statements as a whole is immaterial. Where such misstatements existed and were identified by you, the list of those misstatements is included in Appendix 1 to this representation letter. Where we do not agree that the data, if any, included in Appendix 1 constitute misstatements, we have presented our reasons for this in an appendix to this representation letter.
- m. We are aware of the content of, and the modifications, if any, to the opinion in, your auditor's report
- n. We are not aware of any significant circumstances which would require the comparative information presented for earlier periods to be adjusted.
- o. If applicable, the financial statements include appropriate disclosures about the entity's parent/the parent of the group.
- p. We have disclosed to you all information, of which we are aware, in relation to noncompliance or suspected noncompliance with laws and regulations which has to be considered in preparing the financial statements.
- q. We have disclosed to you all information in relation to allegations of fraud or suspected fraud which affect the entity's financial statements and have been

³ In preparing the financial statements, management is required to assess the entity's ability to continue as a going concern for at least twelve months after the reporting date (Estonian Accounting Standards Board Guideline 1.37).

⁴ If there is uncertainty about the entity's ability to continue as a going concern (for example, the entity's equity does not meet the requirements of the Commercial Code), management is required to disclose the circumstances causing the uncertainty in the notes to the financial statements. If management has started to liquidate the entity or to cease operations or is likely or forced to do so within the next twelve months, the financial statements have to be prepared in accordance with the guidance of Estonian Accounting Standards Board Guideline 13 *Liquidation and Final Reports*, which regulates the reporting of entities to be liquidated.

reported by employees, former employees, analysts, supervision authorities or other parties.

- r. *[Any other matters which the auditor may consider relevant such as the information underlying the value in use of assets applied in impairment testing, judgements made regarding the classification of leases, etc.]*

Representations regarding the management report

- s. We have prepared the management report in accordance with all applicable legal and regulatory requirements. All material information required by law or regulation has been disclosed and no information required by law or regulation has been omitted.
- t. The information presented in the management report is consistent with the information presented in the financial statements and the management report does not contain any material misstatements.
- u. The information presented in the management report is true and fair.

Representations regarding information and documents provided to you

We confirm that we have provided you with:

- i. access to all information known to us that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- ii. additional information that you have requested from us for the purpose of the review; and
- iii. unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence for the purpose of the engagement.
- v. We have made available to you all accounting documents and records as well as the minutes of the meetings of the entity's shareholders/owners and, if applicable, the governing, management and supervisory bodies that took place in the reporting period and summaries of the resolutions adopted by such meetings after the reporting period.
- w. The amounts presented in the financial statements are our best estimates of the fair values of the assets and liabilities to be reported in the financial statements.
- x. The information presented both in the financial statements and provided to you is true, fair and appropriate.
- y. We have not provided you with false or incorrect information.
- z. All transactions have been recorded in accounting records and the financial statements, and all transactions recorded in accounting records and the financial statements are genuine (not ostensible (sham) as defined in Section 89(1) of the Estonian General Part of the Civil Code Act) and have been accounted for based on the parties' actual intentionsⁱ.
- aa. We are aware that consistent with section 381 of the Estonian Penal Code providing the auditor with knowingly false essential information about the

reporting entity's financial position or other verifiable circumstances is punishable by a pecuniary penalty or imprisonment of up to one year.

- bb. We have disclosed to you all information in relation to fraud or suspected fraud known to us that affects the entity and involves:
 - i. management;
 - ii. employees who have significant roles in internal control; or
 - iii. others where the fraud could have a material effect on the financial statements.
- cc. We have disclosed to you, and have appropriately accounted for and/or disclosed in the financial statements in accordance with the applicable financial reporting framework, all known actual or possible litigation and claims whose effects are to be considered when preparing the financial statements.
- dd. We have disclosed to you all material non-monetary transactions or transactions for no consideration conducted by the entity during the reporting period under consideration.
- ee. We have disclosed to you the entity's related parties and all related party relationships and transactions known to us.
- ff. In respect of going concern:
 - i. We have disclosed to you all information relevant to the application of the going concern assumption in the preparation of the financial statements.
 - ii. We confirm that the entity is a going concern. **If applicable, we confirm that although (*specify the events or circumstances which may cast significant doubt on the entity's ability to continue as a going concern by including a reference to the situation as at the reporting date or an event after the reporting date*), the entity is a going concern and our future action to ensure the entity's ability to continue as a going concern is feasible.**

Management⁵

ⁱ Section 89(1) of the General Part of the Civil Code Act provides: 'An ostensible (sham) transaction is a transaction in respect of which the parties have agreed that the manifestations of intent made in carrying out the transaction will not have the legal consequences of the intent that was manifested because the parties intend to create an impression of the existence of a transaction, or to conceal the transaction they actually wish to carry out.' The Supreme Court has stated that the ostensible (sham) nature of a transaction depends on the intent of the parties and, therefore, the parties' manifestations of intent and actual intentions need to be assessed (Supreme Court rulings No. 3-2-1-137-09 p 11 and 3-2-1-139-08 p 8).

⁵ For example, the members of the entity's management board who are responsible for directing the day-to-day activities of the entity and the person(s) responsible for arranging the entity's accounting.