

Independent Limited Assurance Report on the information included in the current reports issued by the Company in accordance with requirements of Law 24/2017 (Article 82) and Regulation no. 5/2018

*To the management of the **TMK ARTROM S.A.***

We were engaged by the **TMK ARTROM S.A.** (hereinafter "the Company ") to perform certain procedures in accordance with Regulation no. 5/2018 of Financial Supervisory Authority ("ASF") with all its subsequent amendments and updates and report on the information included in the attached current report (hereinafter "Reporting Schedule") **related to the contracts included in the Annex - centralizing the current reports (Report 102/267 from 04.02.2020, Report 102/276 from 11.02.2020, Report 102/282 from 17.02.2020, Report 102/308 from 09.03.2020, Report 102/309 from 17.03.2020, Report 102/320 from 01.04.2020, Report 102/326 from 07.04.2020, Report 102/391 from 13.05.2020)** that have been prepared by the Company in accordance with the requirements of the Law 24/2017 (Article 82) (" the criteria") to report to the Financial Supervisory Authority ("FSA") and to the Bucharest Stock Exchange for the period from 1 January 2020 to 30 June 2020. The Reporting Schedules have been prepared by the Company based on legal documents signed by the Company with its administrators, employees and significant shareholders as well as with the persons related to them. The Reporting Schedules are the responsibility of the Company's management. Our procedures have been performed exclusively on the Reporting Schedules mentioned above covering the period 1 January 2020 to 30 June 2020.

Specific Purpose

This report is intended solely for the purposes specified in the first paragraph above and for your information and must not be used for any other purpose. The report refers exclusively to the Reporting Schedules and must not be associated with any Company's financial statements as a whole. Our procedures have been performed exclusively on the contracts included by the Company in the Reporting Schedules for the period 1 January 2020 to 30 June 2020.

Management's Responsibilities

The Company's management is responsible for the preparation of the Reporting Schedules in accordance with the requirements of the Law 24/2017 (Article 82) (" the criteria"). In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Reporting Schedules from being materially misstated.

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In addition, the Company's management is responsible for ensuring that the documentation provided to the auditor is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Reporting Schedules.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the auditor's judgment. The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the Reporting Schedules.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

In respect of the Reporting Schedules of the Company we have performed the following procedures:

- 1) We have obtained the attached Reporting Schedules from the Company and agreed that the approving persons included on the Reporting Schedules are those of relevant representatives of the Company and we have undertaken a comparison of the details required to be included in the Reporting Schedules as indicated in Law 24/2017 (Article 82) to the information actually included by the Company.

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- 2) We have compared details, for the individual contracts/agreements we have considered, as detailed in this Report, to determine if the content of the Reporting Schedules is consistent, in all material respects, with information as per signed contracts and agreements presented to us and that the presented documents have been signed by representatives of the Company that are indicated in the authorized signature schedule provided to us by the Company. As applicable, our procedures have compared Reporting Schedules to the contract and agreement documentation for consistency of details on: the parties which signed the legal document; the date when documentation was signed and the nature of the documentation; the description of the type of goods/services as indicated in the documentation; the total value of the contract/agreement documentation, and, as applicable, contract related terms and conditions.
- 3) We have compared details disclosed in the Reporting Schedules for consistency with the information provided to us from discussion with management and to the extent indicated in contract/agreement documentation, in relation to the basis and nature of the contract/agreement entered into by the parties.
- 4) From discussions with the management and from perusal of Company policies and procedures provided to us, we have considered the consistency of the transactions performed with administrators, employees and significant shareholders, as well as with persons related to them with the Company's policies and procedures.
- 5) To the extent that there is a market price for the goods or services provided by administrators, employees and significant shareholders, as well as with persons related to them, we have discussed the basis for the price agreement and considered if, to the extent applicable, the prices agreed are consistent with that used for third (other) parties, where similar goods or services could be provided. To the extent that no market prices are available, we have analyzed if the transactions have been performed based on the signed approved contracts.

Our procedures have been performed only on the contracts included in the attached Reporting Schedules, that have been concluded/modified during 1 January 2012 to 30 June 2020 and that have an estimated value during the reporting period above 50,000 Euros. We have not performed any procedures to verify whether the Reporting Schedules include all the transactions and details that the Company has to report according to Article 82 of Law 24/2017 for the reporting period.

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Conclusion

Based on the procedures performed and evidence obtained, as described above, regarding the legal documents which are included in the Reporting Schedules, nothing has come to our attention that causes us to believe that:

- a) The details as indicated in the Reporting Schedules are not in accordance with the related contracts/agreements presented to us.
- b) The details in the Reporting Schedules are not, in all material respects, consistent with the requirements of the legislation.
- c) The related contracts/agreements provided to us were not properly authorized by representatives of the Company.
- d) The prices have not been established by mutual agreement between the parties in accordance with the type of goods/services and also by considering other terms and conditions mentioned in the respective contracts signed between the parties.
- e) The terms and conditions of the contracts reported by the Company under which transactions have been completed with administrators, employees, significant shareholders, as well as with the persons related to them, are not established on the basis of the contracts signed by the Company according to the type of services and to other terms and conditions agreed between the parties.

Our report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose.

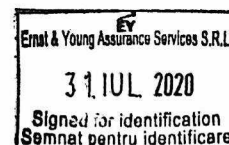
This Report relates only to the Reporting Schedules as mentioned above and does not extend to any other reports of the Company, individually or taken as a whole.

On behalf of
Ernst & Young Assurance Services SRL

Sebastian Mocanu
Partner

31 July 2020
Bucharest, Romania

Attachment
1) Report 102/447 from 28 July 2020



The English version of the limited assurance report on the information included in the current reports issued by the Company in accordance with requirements of Law 24/2017 (Article 82) and Regulation no. 5/2018 represents a translation of the original limited assurance report issued in Romanian language.



TMK-ARTROM S.A.

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E-mail: office.slatina@tmk-artrom.eu www.tmk-artrom.eu
EUID: ROONRC.J28/9/1991; J28/9/31.01.1991
VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

102/447 from 28.07.2020

No

List of the Current Reports submitted to A.S.F
during first Semester of 2020 regarding the information provided in art. 82 paragraph (1)
of Law no. 24/2017 and in Regulation no. 5/2018 on issuers of financial instruments
and market operation

1. Addendum no.1/2020 dated 31.01.2020 to the sale-purchase contract no. 2919 dated 04.01.2016 with TMK-RESITA S.A. (the "Buyer"), having as object the establishment of the value of the contract for the period 01.01.2020 – 30.06.2021, respectively 240,000 eur + / - 20%, as well as the extension of its validity until 30.06.2021.
2. Addendum no. 1 dated 06.02.2020 to the sale - purchase contract no. 19-5001 ART dated 27.05.2019 with TMK EUROPE GmbH (the "Seller"), having as object the addition of a new specification of purchase of steel bars in value of 26,526 euro, the payment term being 90 days from the date of delivery.
3. Sale - purchase contract no. 19-5010 ART dated 13.02.2020 with TMK EUROPE GmbH (the "Seller"), having as object the purchase of steel bars in grade in value of 314,377 euro, the payment term being 60 days from the date of invoice DAP Slatina and the validity of the contract is one year.
4. Sale - purchase contract no. 19-5009 ART dated 06.03.2020 with TMK EUROPE GmbH (the "Seller"), having as object the a purchase of three-phase asynchronous electric motors in total value of 79,521 euro, the payment term being 45 days from the date of invoice.
5. Addendum no. 6 dated 16.03.2020 the agent contract no. 1818 dated 07.11.2013 with TMK EUROPE GmbH (the "Agent"), having as object the estimation of the quantity of promoted and sold products on behalf of the Principal by the Agent in the year 2020 at 52,930 tons +/- 10% tons of products.
6. Agent agreement no. 142 (ref IT 2776) dated 31.03.2020 with TMK INDUSTRIAL SOLUTIONS LLC (the "Agent"), having as object the appointment of the Agent by the Principal to promote the products in North America, South America, Australia and Singapore, to identify potential clients for the products for the purpose of selling the products, to negotiate with the clients sale-purchase contracts for the following products: seamless seel pipes in production range of TMK-ARTROM S.A., industrial pipes in production range of Russian TMK Manufacturers, continous cast steel billets and blooms in production range of TMK-RESITA S.A. and Russian TMK Manufacturers, to act as the buyer of goods in relation with the Principal for certain clients and/or sales-purchase agreements mutually agreed by the Parties ad as seller of goods in relation with the clients the Agent being entitled to a fix margin and commercial costs, to be nominated as the Principal's cash collector for selected clients and based on a written notice of the Principal, the Agent being paid a service fee. For certain countries the Parties have agreed subagents which will be paid a comission: for Canada



API:
5CT-0440

LR:
ISO 9001

TUV:
PED/AD-2000 WQ/W4

TUV CPR:
EN 10210-1,2

LR:
DNV-GL Rules

LR:
IATE 16949

– Mark Madigan, for Brazil – ETS-Tubos E Acos Comercial LTDA (for customer deliveries Diferro Acos Especiais LTDA and Pcp Produtos Siderurgicos LTDA). The contract is valid until 31.12.2020.

7. Addendum no.16 dated 01.04.2020 to the sale-purchase of goods contract no. TA-003/6A from 20.04.2017 with PAO TMK (the "Seller"), having as object the extension of validity of the contract until 20.04.2022.
8. Sale-purchase contract no. 259 dated 03.04.2020 with TMK-RESITA S.A. (the "Buyer"), having as object the sale of EUA greenhouse gas emission certificates (the transaction will be carried out as a transfer of EUA certificates in the European Union's Environmental Registry for emissions trading application), with a value of 85,000 EUR, without VAT (equivalent of 410,448 RON). The price will be paid in RON within 5 business days from the date of the transaction and receipt of the invoice issued by the Seller.
9. Sale-purchase of goods contract no. TA-005/6A from 12.05.2020 with PAO TMK (the "Seller"), having as object the purchase of pipes and metal products from the related companies Volzhsky Pipe Plant, Tagnarog Metallurgical Plant, Seversky Pipe Plant, Sinarsky Pipe Plant and Orsky Machine Building Plant from Russia, according to the contract specifications, the sum of these specifications determines the value of the contract valid until 11.05.2022, payment for the goods shall be effected by the Buyer in Euro within 150 (one hundred fifty) days after the date of transfer of the right of ownership for the goods but within the validity term of the contract.

C.E.O.
Ing. Popescu Adrian



Digitally signed by Adrian Popescu
DN: c=RO, o=TMK-ARTROM SA,
cn=Adrian Popescu,
serialNumber=PA889,
givenName=Adrian, sn=Popescu,
2.5.4.97=RO1510210
Date: 2020.07.29 09:47:50 +03'00'

C.E.A.O.
Ec. Văduva Cristiana



Semnat digital de
Cristiana Văduva
Data: 2020.07.28
15:37:02 +03'00'