***(Letterhead of Client)***

Name of the Certified Public Accountant

*Certified Public Accountant*

Assertum Audit OÜ

A. H. Tammsaare tee 47,

11316 Tallinn

Date (**not earlier than the date of the statement of management responsibility, which is included in the annual report**)

This representation letter is provided in connection with your audit of the financial statements of ***the*** ***Company’s name*** (the Company) as of and for the year ended 31.12.20\_\_ for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects the financial position of ***the Company’s name*** as of 31.12.20\_\_ and of the results of its operations and its cash flows for the year then ended in accordance with effective legal acts that regulate financial reporting.

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with effective legal acts that regulate financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if it is probable, that their omission or misstatement would affect the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. There have been no irregularities involving management or employees and others who have a significant role in the accounting and internal control systems or any other irregular events that could have a material effect on the financial statements.

2 We confirm that:

* 1. We are responsible for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error;
	2. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to management that may have affected the Company; and
	3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with International Financial Reporting Standards.

3 We have considered the list of unadjusted audit differences attached to this letter and believe that the effects of these uncorrected financial statement misstatements are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

1. We have made available to you all books of account and supporting documentation and all minutes of the meetings of shareholders, and management and supervisory boards, as well as summaries of the actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been properly recorded in the accounting records underlying the financial statements.
3. We confirm the completeness of information provided regarding agreements, which on account of their nature, length of period, potential contractual penalties or for other reasons are or may become significant for an assessment of the financial position of the Company.
4. The Company has complied with all contractual agreements and with the requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
5. There are no claims by third parties other than those already disclosed to you.
6. There have been no:
7. Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices.
8. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
9. Allegations, either written or oral, of misstatements or other misapplications of accounting principles in the Company’s financial statements that have not been disclosed to you in writing.
10. Allegations, either written or oral, of deficiencies in internal control that could have a material effect on the Company’s financial statements that have not been disclosed to you in writing.
11. False statements affecting the Company’s financial statements made to you, our internal auditors, or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audits.
12. We confirm the completeness of the information provided regarding the identification of related parties, including significant subsidiaries and associates, and interests in significant joint ventures and special purpose entities.
13. The following have been properly recorded or disclosed in the financial statements:
	1. Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
	2. Identification of the parent enterprise and the ultimate parent enterprise of the group, which controls the Company.
	3. Significant off-balance sheet activities.
	4. Options or agreements to purchase or sell the Company’s share capital and share capital reserved for options, warrants, conversions, or other transactions involving the share capital.
	5. Arrangements involving restrictions on cash balances and lines of credit or similar arrangements.
	6. Agreements and options to repurchase assets previously sold.
	7. Changes in accounting policies affecting consistency.
	8. Assets pledged as collateral.
14. We have recorded and disclosed all liabilities, both actual and contingent, and all guarantees, whether written or oral, that we have given to third parties.
15. Provisions have been made for losses to be sustained in the fulfilment of, or from inability to fulfil, any sales or purchase commitments.
16. Agreements with executive management and members of the highest management body as well as employees that oblige the Company to provide termination benefits have been recorded in accordance with effective legal acts that regulate financial reporting.
17. The Company has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.
18. At the compilation of the annual accounts:
19. All trade and other receivables that arose during the financial year or at the balance sheet date were properly recognized and possible losses from doubtful items were adequately provided for.
20. Inventories whose acquisition cost exceeded their net realizable value were written down to their net realizable value.
21. Fixed assets whose realizable value had fallen permanently below their net carrying amount were written down to their net realizable value.
22. Appropriate write-downs of other assets were effected in line with the principle of prudence.
23. 17 The Company has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements
24. There have been no events subsequent to the year-end which require adjustment of or disclosure in the financial statements or notes thereto, other than as already disclosed in the notes to the financial statements.
25. There have been no circumstances that could adversely affect the continuation of the Company or the presentation of a true and fair view of the Company’s net assets, financial position and results of operations

20 The financial statements disclose all matters of which we are aware that are relevant to the Company’s ability to continue as a going concern, including significant conditions, events, and plans.

Signatures (all members of the management board and director of finance/chief accountant)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ***(Members of the Management Board)***

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ***(Director of Finance)***