

INDEPENDENT AUDITORS' REPORT

To the Shareholders of: Șantierul Naval Constanța S.A.

Report on the Audit of the individual Financial Statements

Opinion

1. We have audited the individual financial statements of Șantierul Naval Constanța S.A. („the Company”), Headquarter: Constanta, Incinta Port 1, Fiscal Identification Code RO1879871 which comprise the balance sheet as at December 31, 2024, and the profit and loss account, the cash flow statement, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

2. The financial statements as at and for the year ended 31 December 2024 are identified as follows:

Net assets/Total equity:	82.479.763 RON
Net loss for the year:	(51.903.385) RON

3. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 1802/2014, with subsequent amendments (OMFP 1802/2014).

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law no. 162/2017 (the Law). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

According to Note 2, “Accounting principles, policies and methods”, revenue is recognized in the period in which the services were provided in accordance with the provisions of OMFP 1802/2014, and in relation to the accounting policies and conditions established by the contract.

Audit tests performed:

Our audit procedures included, but are not limited to:

- ▶ assessment of the principles of revenue recognition in accordance with OMFP 1802/2014 and in relation to the company's accounting policies;

According to the ISA, there is an implicit risk in revenue recognition due to the pressure that management may feel in connection with achieving the planned results.

The key aspect of the audit in this regard concerns the proper application of OMFP 1802/2014;

- ▶ evaluating the processes and controls regarding the existence and accuracy of recorded revenues, including to detect fraud and errors in revenue recognition;
- ▶ inspecting on a sample basis the contracts concluded with clients, to understand the terms and delivery conditions;
- ▶ examining the sales register to identify unusual transactions and inspecting the related documentation to evaluate if the revenues have been recognized appropriately;
- ▶ conducting procedures to test that revenues are recorded in the correct period, for a sample of transactions recorded near the end of the financial year;
- ▶ testing on a sample basis the transactions and trade receivables by sending confirmation letters.

Other matters

6. This report of the Independent Auditor is addressed exclusively to the Company's shareholders, as a body. Our audit was undertaken in order to report to the Company's shareholders all those aspects that we are required to state to them in a financial audit report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for the report on the individual financial statements and the report on the Administrators' Report, or for the opinion we have formed.

Other information - Administrators' Report

7. The administrators are responsible for the preparation and presentation of other information. The other information comprises the Administrator's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With regards to the Administrator's Report, we have read and report whether it was prepared, in all material respects, in accordance with the OMFP 1802/2014, articles 489-492.

Based exclusively on the activities that should be done during the audit of the financial statements, in our opinion:

- a) Information presented in the Administrators' Report for the financial period for which the financial statements have been prepared, is in accordance, in all material respects, with financial statements;

- b) The Administrators' Report has been prepared, in all material respects, in accordance with OMFP 1802/2014, articles 489-492.

Besides this, based on our knowledge and understanding of the Company and its environment gained during the audit of financial statements for the year ended at December 31, 2024, we shall report whether we identified any information included into Administrators' Report that is material misstated. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual financial statements

8. Management is responsible for the preparation of the financial statements in accordance with OMFP 1802/2014, 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.

9. In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Individual financial statements

11. Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, consolidated or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

➤ Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Refer to the original signed
Romanian version

On behalf of, BDO AUDIT
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Registered on Financial Auditors Public Register, code FA18

Name of signing person:
Mircea Tudor

Bucharest, Romania
11 April 2025

Registered on Financial Auditors Public Register, code AF2566