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904/16.03.2026

## **INDEPENDENT AUDIT REPORT**

**on the Financial Statements as at 31 December 2025**

*To the Shareholders of the Company*

**ȘANTIERUL NAVAL ORȘOVA S.A.**

### ***Unmodified Opinion***

1. We have audited the accompanying standalone financial statements of **ȘANTIERUL NAVAL ORȘOVA S.A.**, with its registered office in Orșova, 4 Tufari street, registered with the Trade Register under number J 25/150/1991 and having the unique tax identification code (TIN) RO 1614734, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the financial year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

The financial statements referred to above are identified as follows:

- Total equity RON 94,669,256
  - Net profit for the financial year: RON 8,762,422
2. In our opinion, the accompanying standalone financial statements of the Company present fairly, in all material respects, its financial position as at 31 December 2025, as well as its financial performance and its cash flows for the year then ended, in accordance with the provisions of Accounting Law no. 82/1991, as subsequently amended and supplemented, with Order of the Romanian Minister of Public Finance no. 881/2012 regarding the application of International Financial Reporting Standards (IFRS) by companies whose securities are admitted to trading on a regulated market, with Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, as subsequently amended and supplemented, as well as with Order of the Minister of Finance no. 2036/2025.

***Basis for Opinion***

3. We conducted our audit in accordance with the International Standards on Auditing ("ISA") as adopted by the Chamber of Financial Auditors of Romania, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (hereinafter referred to as the "Regulation"), 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 Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Regulation and the Law, 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 Matter***

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the current period. In this report, we have identified revenue recognition risk as the key audit matter.

***Revenue Recognition***

Revenue recognition from the Company's core operations, given that the production of river vessels - representing 84% of turnover - was delivered to a single customer, while the provision of services, primarily vessel repairs, accounted for 8.92% of turnover.

The risks associated with revenue relate to the manner in which it is recognized over time (specifically, the assessment of contract progress, as well as the determination of the timing and amount at which revenue is recognized), considering the complexity of the contracts and the potential for material misstatements arising from the application of the accrual accounting principle.

***Our response to the key audit matter***

Our audit procedures in this area included, among others, the following:

- Assessing the revenue recognition principles in accordance with IFRS 15, in conjunction with the Company's accounting policies, as well as evaluating the appropriate application of analytical procedures; inspecting relevant contracts concluded with customers in order to understand the terms and conditions of delivery.
- Testing the design and operating effectiveness of internal controls to ensure the proper authorization, recording, and monitoring of transactions.
- Performing procedures to verify that revenue was recognized in the appropriate financial period, in accordance with the accrual accounting principle.
- Testing, on a sample basis, trade receivables balances as at 31 December 2025 by sending confirmation letters.



***Other matters***

5. The going concern principle is considered to be appropriate, as also indicated in the Directors' Report. The Company has firm orders and contracts covering a period of more than two years (even though its customer base is limited), which supports the continuity of its operations in the short and medium term. However, this assessment must also be made in the context of external uncertainty factors, such as volatility in energy markets, the effects of the Russia–Ukraine conflict on the European economy, as well as geopolitical tensions in the Middle East, all of which may influence gas and oil price developments and, implicitly, the recovery prospects of Western economies.

Furthermore, the European shipbuilding industry has, for several years, experienced a declining trend in its global market share. At the same time, the Romanian shipbuilding industry is also affected by a shortage of skilled labor. This issue also affects SANTIERUL NAVAL ORȘOVA, which is additionally located at a distance of only 30 km from a competing shipyard in Turnu Severin.

In light of the above conditions, we consider that the Company should continue, at a sustained pace, its efforts to attract highly qualified personnel, as well as the investments already initiated in new technologies, with the aim of improving the efficiency of its operations.

***Other Information – Directors' Report and Remuneration Report***

6. Management is responsible for the preparation and presentation of other information, which comprises the Directors' Report, including the Remuneration Report. Our opinion on the financial statements does not cover this other information and, except to the extent explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In this regard, our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or with the knowledge we obtained during the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we have read it and report that it has been prepared, in all material respects, in accordance with the provisions of Order of the Minister of Public Finance no. 2844/2016, Chapter 3, points 15–20. The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with those financial statements.

In addition, based on our knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements for the financial year ended 31 December 2025, we are required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report in this regard.

7. We have read the Remuneration Report for the financial year 2025 in order to determine whether it presents, in all material respects, the information required by Article 107, paragraphs (1) and (2) of Law no. 24/2017 on issuers of financial instruments and market operations, as republished. We have nothing to report in respect of this matter.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

8. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of Accounting Law no. 82/1991, republished, Order of the Minister of Public Finance no. 881/2012 regarding the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market, and Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, as well as 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 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 Financial Statements***

11. Our objectives are to obtain reasonable assurance about whether the 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 ISA will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, 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.
  - 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, determine 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 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 (economic or otherwise) may cause the Company to cease to continue as a going concern. We are not aware of such circumstances.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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 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 because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on Other Legal and Regulatory Requirements***

#### ***16. Requirements regarding the audit of public interest entities***

We were appointed by the Ordinary General Meeting of Shareholders on 28 April 2025 to audit the Company's financial statements for the financial year ended 31 December 2025, this being the first year of our engagement.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we have maintained our independence from the audited entity.
  - We have not provided the Company with any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.
17. *Report on compliance with Law no. 162/2017 regarding the statutory audit of annual financial statements and consolidated annual financial statements and Commission Delegated Regulation (EU) 2018/815 on the Regulatory Technical Standard on the European Single Electronic Format ("ESEF")*

We have performed a reasonable assurance engagement on compliance with Law no. 162/2017 and Commission Delegated Regulation (EU) 2018/815 as applied to the financial statements included in the Company's annual financial report, as presented in digital files.

*a) Responsibilities of management and those charged with governance for the Digital Files prepared in accordance with ESEF*

Management is responsible for the preparation of the Digital Files in accordance with ESEF, which includes:

- Designing, implementing and maintaining internal control relevant to the application of ESEF;
- Ensuring consistency between the Digital Files and the financial statements to be filed in accordance with Order of the Minister of Public Finance no. 2844/2016.

Those charged with governance are responsible for overseeing the preparation of the Digital Files in accordance with ESEF.

*b) Auditor's responsibilities for the audit of the Digital Files*

Our responsibility is to express a conclusion as to whether the financial statements included in the annual financial report are compliant with ESEF, in all material respects, based on the evidence obtained.

Our firm applies the International Standard on Quality Management (ISQM 1) and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- Obtaining an understanding of the process for preparing the Digital Files in accordance with ESEF, including relevant internal controls;
- Reconciling the Digital Files with the Company's financial statements to be published in accordance with Order of the Minister of Public Finance no. 2844/2016;
- Evaluating whether the financial statements included in the annual financial report are prepared in a valid XHTML format.

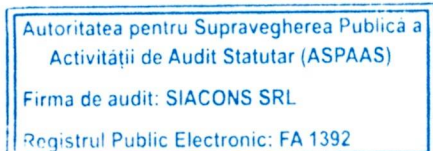
We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements for the year ended 31 December 2025 included in the annual financial report and presented in the Digital Files comply, in all material respects, with the requirements of ESEF.

In this section, we do not express an audit opinion, a review conclusion, or any other form of assurance on the financial statements. Our audit opinion on the Company's financial statements for the financial year ended 31 December 2025 is included in the opening paragraph - **Unmodified Opinion** - of our report.

**SIACONS S.R.L.**

Audit firm registered in the Electronic Public Register FA 1392

**ȘTEFAN SZITAS**

Statutory auditor registered in the Electronic Public Register AF 436



A handwritten signature in black ink, appearing to be "SZITAS ȘTEFAN".