

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of: ROMCARBON S.A.

Headquarter: Transilvaniei street, no. 132, Buzău, Buzău county, România

Fiscal registration code: RO 1158050

### Report on the Audit of the individual Financial Statements

#### Opinion

1. We have audited the individual financial statements of Romcarbon S.A. („the Company”), which comprise the individual statement of financial position as at December 31, 2024, and the individual statement of comprehensive income, individual statement of changes in equity and individual statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the individual financial statements.

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

|                          |                 |
|--------------------------|-----------------|
| Net assets/Total equity: | 236.984.161 RON |
| Net loss for the year:   | (5.992.980) RON |

2. In our opinion, the accompanying individual 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 Ministry of Public Finance Order 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU (“Order 2844/2016”).

#### Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named The “Regulation”) and Law 162/2017 (“the Law”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Individual 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), in accordance with ethical requirements relevant for the 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 Matters

4. 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.

##### Key Audit Matter

##### Revenue Recognition

Revenues from contracts with customers represent a significant value of RON 226 million, consisting of a large volume of transactions.

Identified types of transactions, related to revenue recognition, lead to the following risks:

##### Audit tests performed:

To address this key audit matter, our audit procedures included, but are not limited to:

- ▶ Assessment of the principles of revenue recognition in accordance with the provisions of IFRS and in relation to the Company’s accounting policies;

- ▶ Completeness and existence of recorded revenue;
  - ▶ Numerous transactions recorded near the end of the financial year;
- The revenue recognition policy is set out in Note 2 “Significant accounting policies”.
- Also, in accordance with ISA, there is an inherent risk in revenue recognition, due to the pressure that management may feel in relation to achieving planned results.
- ▶ 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**

5. The financial statements for the fiscal year ended December 31, 2023, were audited by another auditor who issued an unmodified opinion.
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**

7. The Company’s management is responsible for the Other Information. The Other Information includes the Administrator’s Report, which incorporates the Sustainability Report and the Remuneration Report for the year 2024 (“Remuneration Report”). The Other Information does not include the individual financial statements and the auditor’s report thereon. Our opinion on the individual financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon as part of our audit of the individual financial statements. With respect to the Sustainability Report, included in the Administrator’s report, we performed a limited assurance engagement, the conclusions of which are presented in a separate assurance report.
8. In connection with our audit of the individual financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the individual financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated.
9. If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report that fact. We have nothing to report on in this regard.

#### **Additional Reporting Responsibilities Regarding Other Information - Administrator’s Report**

10. With respect to the Administrator’s Report, we have read it and, based solely on the procedures required to be performed in the course of the audit of the individual financial statements, as required by Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations in line with International Financial Reporting Standards (“OMFP no. 2844/2016”), we report that, in our opinion:

a) The information presented in the Administrator's Report for the financial year for which the individual financial statements were prepared is consistent, in all material respects, with the individual financial statements;

b) The Administrator's Report has been prepared, in all material respects, in accordance with OMFP no. 2844/2016, paragraphs 15-19 of the Accounting Regulations in line with International Financial Reporting Standards.

11. Moreover, based on the knowledge and understanding of the Company and its environment obtained during the audit, we are required to report if we have identified any material misstatements in the Administrator's Report. We have nothing to report in this regard.

#### **Additional Reporting Responsibilities Regarding Other Information - Remuneration Report**

12. With respect to the Remuneration Report, we have read the report to determine whether it includes, in all material respects, the information required by Article 107, paragraphs (1) and (2) of Law 24/2017 on issuers of financial instruments and market operations, as subsequently amended. We have nothing to report in this regard.

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

13. Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with Order 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

14. 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.

15. 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***

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

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

21. We have been appointed by the General Assembly of Shareholders held on April 29, 2024 to audit the individual and consolidated financial statements of **Romcarbon S.A.** for the financial year ended December 31, 2024. The uninterrupted total duration of our commitment is one year, covering the financial year 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- We have not provided for the Company the non-audit services referred to in Article 5 (1) of EU Regulation No.537 / 2014

#### **Report on compliance with Commission Delegated Regulation (EU) 2018/815 (European Single Electronic Format Regulatory Technical Standard or ESEF)**

22. We have undertaken a reasonable assurance engagement on the compliance with Commission Delegated Regulation (EU) 2018/815 applicable to the individual financial statements included in the annual financial report of **Romcarbon S.A.** (the Company) as shown in the digital files containing the unique code 315700RJSU856JJMH064 (Digital Files).

#### **Responsibility of management and those charged with governance for Digital Files prepared in accordance with ESEF**

23. Management is responsible for preparing the Digital Files in accordance with ESEF. This responsibility includes:

- the design, implementation and maintenance of the internal control relevant to the application of ESEF;

- ensuring consistency between the Digital Files and the individual financial statements that will be published in accordance with Order no. 2844/2016 with subsequent amendments.

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

#### **Auditor's Responsibilities for Audit the Digital Files**

25. Our responsibility is to express a conclusion on whether the individual financial statements included in the annual financial report complies in all material respects with the requirements of the ESEF, based on the evidence we have obtained. We conducted our reasonable assurance assignment in accordance with International Standard on Assurance Assignments 3000 (revised), Assurance Assignments other than audits or reviews of historical financial information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

26. 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 the procedures selected depend on the auditor's judgement, including the assessment of the risk 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 Company's process for the preparation of the Digital Files in accordance with the ESEF, including the relevant internal controls;
- reconciling the Digital Files with the audited individual financial statements of the Company that will be published in accordance with Order no. 2844/2016 with subsequent amendments.
- evaluating if all individual financial statements that are included in the annual financial report have been prepared in a valid XHTML format.

27. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the individual financial statements for the financial year ended December 31, 2024 included in the annual financial report and presented in the Digital Files comply, in all material respects, with the requirements of ESEF.

28. In this section we do not express an audit opinion, a review conclusion or any other assurance conclusion on individual financial statements. Our audit opinion on the Company's individual financial statements for the financial year ended December 31, 2024 is included in the " Report on the Audit of the Individual financial statements" section above.

Refer to the original signed  
Romanian version

#### **On behalf of, BDO AUDIT**

Victory Business Center, 24 Invingatorilor Street

Bucharest 3, Romania, 030922

Registered on Financial Auditors Public Register, code FA18

**Name of signing person:**  
**Mircea Tudor**

Bucharest, Romania  
31.03.2025

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