

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of National Company "Maritime Ports Administration" S.A. Constanța

Opinion

1. We have audited the enclosed financial statements of National Company "Maritime Ports Administration" S.A. Constanța ("the Company"), having its registered office in Constanța, Constanța Port Premises, Maritime Station, Constanța county, identified by sole tax reference number RO11062831, which comprise the balance sheet as at December 31, 2021, the profit and loss account, the statement of changes in own equity and the statement of cash flows for the fiscal year then ended data, as well as a summary of the significant accounting policies and the explanatory notes.
2. The financial statements as at December 31, 2021 appear as follows:

➤ Net assets/Total own equity:	944,687,446 lei
➤ Fiscal year net outturn – profit:	130,460,821 lei
3. In our opinion, the accompanying financial statements give a true view, in all material respects, of the Company's financial standing as at December 31, 2021, and its financial performance and cash flows pertaining to the fiscal year then ended, in accordance with Order of the Minister of Public Finance no. 2844/2016 on the approval of the Accounting regulations concerning annual individual financial statements and annual consolidated financial statements, as subsequently amended ("OMFP no. 1802/2014").

Grounds for the opinion

4. We have carried out our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation no. 537 of the European Parliament and of the Council (hereafter "the Regulation") and Law no. 162/2017 ("the Law"). Our responsibilities pursuant to these standards are described in detail in the "The auditor's duties in a financial statement audit" section " section in our report. We are independent from the Company, in line with the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (the IESBA Code), in line with the ethical requirements which are relevant to the auditing of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical duties in line with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate in providing a basis for our opinion.

Highlighting certain aspects

5. The previous auditor expressed a scope limitation reserve concerning the value as at December 31, 2021 of the provision for the litigation with Van Oord Dredging and Marine Contractors BV. The Company recorded for this litigation the following amounts:
- The amount of 80.4 million lei (December 31, 2020: the same amount), presented in Note 11 “Provisions for risks and expenses” to the enclosed financial statements; and
 - The amount of 33.7 million lei, paid in October 2020, as stated in Note 6 “Other receivables” to the enclosed financial statements, fully adjusted for impairment.

This year, we carried out additional procedures in order to determine the probable paid-out value and the gain or loss probability. We concluded that it was more likely for the litigation to be lost than to be won and, as such, we agree with the provision recognised by the Company as at December 31, 2021 and December 31, 2020 in its financial statements. Our opinion does not include any reserve in relation to this aspect.

6. The previous auditor expressed a scope limitation reserve concerning the fair value of the classes of tangible assets consisting in lands, buildings and equipment due to their impossibility of concluding whether the valuation methods applied by the Company would have resulted in fair values for the classes of tangible assets consisting in lands, buildings and equipment. On account of this limitation, they extended their qualification to cover the balances, as at December 31, 2020, of the Company’s revaluation reserves (realised and unrealised), as well as the subsidies for non-amortised investments and the corresponding amortisation of the investment subsidies (that is, the proportion of the investment subsidies pertaining to the tangible assets and transferred to the profit and loss account).

This year, we carried out additional procedures designed to acknowledge the values of these tangible assets and reached the conclusion that the amounts included in the financial statements as at December 31, 2020 and as at December 31, 2021 were not overestimated and, as such, the corresponding balances of the revaluation reserves (realised and unrealised) and of the subsidies for non-amortised investments are disclosed in an acceptable manner. Our opinion does not include any reserve in relation to this aspect.

Key audit aspects

7. The key audit aspects are the aspects which, based on our professional judgement, had the greatest significance in the audit of the financial statements for the current period. These aspects were tackled in the context of the audit of financial statements overall, and in formulating our opinion on them, and we do not provide a separate opinion in relation to these key aspects.

In addition to the aspects described in paragraphs 5 and 6 in order to Highlight certain aspects, we considered the following aspects, as well, as key aspects:

Key audit aspects	Audit tackling method in relation to the key aspects
<p>a) Value adjustments for impairments of trade receivables</p>	<p>Our audit procedures included, among others:</p>
<p>As presented in Note 5 “Trade receivables”, in the annual financial statements, trade receivables are recorded at their invoiced value, minus the value adjustments for the impairment of said receivables, their valuation as at the balance sheet date being done at their recoverable value, that is, the probable receipt value.</p>	<p>➤ We analysed the soundness of the policy and the procedures pertaining to the value adjustments for receivables;</p> <p>➤ We carried out additional acknowledgement procedures, including the assessment of the legal procedures applied for the outstanding balances, in order to determine the reasonable nature of the Company’s policy, as well as the resulted estimates.</p>
<p>Due to the specifics of the industry in which it operates, the Company recorded significant value adjustments for trade receivables.</p>	
<p>There is the risk of having these trade receivables recorded at higher values than the recoverable value.</p>	

Key audit aspects

a) Recognition of revenues

The policy on the recognition of revenues is presented in Note 2, paragraph w, "Accounting principles, policies and methods – Recognition of revenues".

The main activities by means of which the Company achieves its revenues are those related to leases on, and the use of, the port domain, energy supply and other port-related services.

The revenues from rendering services are recognised in the period when they were rendered and in conjunction with their progress status.

Audit tackling method in relation to the key aspects

Our audit procedures included, among others:

- assessing the principles of revenue recognition in the correct fiscal year, in accordance with the provisions of OMFP 1802/2014 and keeping in mind the Company's accounting policies;
- understanding and assessing the Company's internal processes and procedures on the recognition of revenues achieved pursuant to contractual terms and the services rendered, as well as how they are entered in the accounting records;
- conducting adequate tests on the relevant internal processes and controls, as well as carrying out acknowledgement procedures and detail tests.

Other information – the Administrators' Report and the Non-financial Statement

8. The administrators shall be responsible for drawing up and presenting other information in accordance with OMFP no. 1802/2014, items 489-491 in the Accounting regulations on annual individual financial statements and annual consolidated financial statements. The administrators are also in charge with conducting internal controls they may deem necessary in order to allow drawing up and presenting the Administrators' Report and the Non-financial Statement which must not contain material misstatement due to fraud or error.
9. This extra information comprises the Administrators' Report and the Non-financial Statement, while not including the financial statements and the auditor's report on these statements.
10. Our opinion concerning the financial statements does not cover this extra information, as well, and, unless it is expressly mentioned in our report, we do not express any sort of assurance conclusion in relation to it.

11. In regard to the audit of financial statements for the fiscal year ended on December 31, 2021, our duty is to read the extra information and, in the process, determine whether that extra information is significantly inconsistent with the financial statements or with the knowledge we have acquired throughout the audit or appears to be materially misstated.
12. As far as the Administrators' Report and the Non-financial Statement are concerned, we have read and are reporting whether they have been drawn up, in all material respects, in accordance with the requirements of OMFP no. 1802/2014, items 489-491 in the Accounting regulations on annual individual financial statements and annual consolidated financial statements.

Based exclusively on the activities that have to be carried out during the auditing of financial statements, in our opinion:

- a) The information presented in the Administrators' Report and the Non-financial Statement, for the fiscal year in relation to which the financial statements were drawn up, is in all material respects in accordance with the financial statements;
 - b) The Administrators' Report and the Non-financial Statement were drawn up, in all material respects, in accordance with the information provided at items 489-491 in OMFP no. 1802/2014.
13. Furthermore, based on our knowledge and understanding of the Company and its environment, gained during the audit of financial statements for the fiscal year ended on December 31, 2021, we are requested to report whether we have identified material misstatements in the Administrators' Report and the Non-financial Statement. We have nothing to report in that respect.

The responsibility of the management and the persons in charge with governance for the financial statements

14. The management is responsible for drawing up and presenting, in a true and accurate manner, the financial statements in line with OMFP no. 1802/2014, and for that internal control which the management may deem necessary in order to allow drawing up financial statements free of any material misstatements, caused either through fraud or error.

15. In drawing up the financial statements, the management are responsible for estimating the Company's capacity to continue its activity by presenting, where necessary, the aspects pertaining to business continuity and using the business continuity principle as an accounting basis, except for cases where the management either intend to wind the Company up or shut down operations, or have no realistic alternative beyond the former.
16. The persons in charge with governance are responsible for supervising the Company's financial reporting process.

The auditor's responsibility during an audit of financial statements

17. Our objectives consisted in obtaining reasonable assurances concerning the extent to which the financial statements, on the whole, are free of material misstatements, caused either through fraud or error, as well as in issuing an auditor's report that would include our opinion. Reasonable assurances indicate a high level of assurance, however, without guaranteeing the fact that an audit carried out in compliance with the International Audit Standards will always detect a material misstatement, if any. Misstatements can be caused by fraud or by error and are deemed significant if one can reasonably forecast that they will individually or cumulatively influence the users' economic decisions made based on these financial statements.
18. As part of an audit compliant with the IAS, we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore, we:
 - Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in reply 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 the one of not detecting a material misstatement 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 the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Formulate a conclusion on the appropriateness of management's use of accounting based on business continuity 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 its activity. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease conducting business based on the business continuity principle.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.
19. We communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any deficiencies in internal control that we identify during our audit.
20. In addition, we provide to those in charge with governance an affidavit according to which we have complied with the relevant ethical requirements on independence and have mentioned to them all the relations and other aspects that one would reasonably presume affect our independence and, where necessary, the related protection measures.
21. Among the aspects we have mentioned to those in charge with governance, we underline those aspects with greater significance, throughout the audit, for the financial statements of the current period and operate, therefore, as key audit aspects. We describe these aspects in our audit report, save for the case where the legislation or the regulations prevent the public disclosure of the respective aspect or the extremely rare case where we believe that a particular aspect should not be stated in our report as it can reasonably be estimated that the benefits to the public interest will be outweighed by the negative outcome of such disclosure.

Report concerning other legal and regulatory provisions

22. We were appointed by the Shareholders' General Assembly, as per decision no. 2 from 09.02.2022, to audit the financial statements of National Company "Maritime Ports Administration" S.A. Constanța for the following fiscal years: the one concluded on December 31, 2021 and those to be concluded on December 31, 2022 and December 31, 2023, respectively. The total uninterrupted duration of our engagement is 1 year, covering the fiscal year ended on December 31, 2021.

We acknowledge that:

- Our audit opinion is in line with the additional report presented to the Company's Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we remained independent from the audited entity.
- We have not rendered for the Company any of the forbidden non-auditing services, mentioned by article 5 paragraph (1) in EU Regulation no. 537/2014.

Bucharest,
April 20, 2022

Stamp: [Authority for the Public Supervision of
the Statutory Audit Activity (ASPAAS)]

Financial auditor: SEFERIS CHRISTODOULOS CONSTANDINOU
Electronic Public Register: AF1585]

Christodoulos Seferis
Registered with the Electronic Public Register of ASPAAS under no. AF1585

For and on behalf of **TGS Romania Assurance and Advisory Business Services SRL** company
Registered with the Electronic Public Register of ASPAAS under no. FA91

Stamp: [Authority for the Public Supervision of
the Statutory Audit Activity (ASPAAS)]

Audit company: TGS ROMANIA ASSURANCE & ADVISORY BUSINESS SERVICES S.R.L.
Electronic Public Register: FA91]