

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2021



"ŞANTIERUL NAVAL ORŞOVA" S.A.
No. RC J25/150/1991 CIF: RO 1614734
Issued capital: - subscribed 28.557.297,5 lei
- paid 28.557.297,5 lei
Str. Tufări, no. 4, Orşova, 225200, Mehedinţi
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Code LEI (Legal Entity Identifier): 254900UAXJ8TPIKLXG79
Code IBAN: RO96RNCB0181022634120001- B.C.R. Orşova
Code IBAN: RO59BRDE260SV03176142600- B.R.D. Orşova



**ANNUAL REPORT OF THE BOARD OF DIRECTORS ACCORDING TO LAW NO. 24/2017 AND THE
ASF REGULATION NO. 5/2018 concerning the issuers of financial instruments and market operations
AND OF THE MFP ORDER NO. 2844/12.12.2016 FOR THE FINANCIAL YEAR CONCLUDED ON
31.12.2021**

Date of the Report: 7th of March 2022

- Name of the trading company: ŞANTIERUL NAVAL ORŞOVA S.A.;
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- Registered office: 4, TUFĂRI Street, ORŞOVA, MEHEDINŢI County;
- Telephone/fax:0252/362399 0252/360648;
- Single registration code issued by the Trade Register: RO 1614734;
- Registered number with the Trade Register: J25/150/03.04.1991;
- Regulated market where the issued securities are traded: it is a company whose shares are traded on a regulated market, respectively it is listed in the Bucharest Stock Exchange, symbol: SNO
- Subscribed and paid in share capital: 28,557,297.5 Lei
- Class, type, number and core values of securities issued by the company:11.422.919 common shares, nominative, of 2.5 Lei each;
- The company is registered with ASF– Securities Record Office – with Certificate no. 111/02.03.1998, updated on 06.10.2008 further to the increase in share capital as a result of the merger.

1. ANALYSIS OF THE COMPANY'S ACTIVITY

1.1. Description of the company's core business

a) Description of the company's core business

The main activity of "Şantierul Naval Orşova" S.A. consists in the construction of river ships (CAEN code rev.2: 3011 "Construction of ships and floating structures"). This activity represented 92,47% of the 2021 turnover, most of the ships being exclusively designed for intra-community supplies.

Although in the previous years, at Agigea Branch, the activity which highly contributed to the turnover consisted in renting the ships, especially barges, during the year 2021, the most significant activity for the branch's turnover was that of repair work of river/marine ships (71,03%). The income from the barges' rental represented 16,43% out of the 2021 turnover (26,60% during 2020). The branch's turnover has known a slight increase since the previous year, by 5,05% which also caused an increase in its total turnover by 0,1% (from 6,6% during 2020 to 6,7% during 2021).

b) Stipulation of the set up date of Şantierul Naval Orşova SA

The company was set up under Government Decision No. 19/10.01.1991, by converting and taking over the patrimony of the former Orsova Shipyard from the Ministry of Transports and Telecommunications.

The company is registered with the Trade Register under no. J25/150/1991.

In 1998, it became a privately-owned company, with domestic and foreign capital through the sale of the shares held by the former FPS (*State Owned Property Fund*).

c) Description of any merger or significant reorganization of the company, its subsidiaries or controlled companies during the financial year

There were no such events in 2021.

The only merger since the company's set up until the present days took place in 2008. It is about a merge by absorption between Şantierul Naval Orşova SA, Mehedinţi County – the absorbing company - and S.C. Servicii Construcţii Maritime SA Agigea, Constanţa County – the absorbed company. Following this merge, the headquarters remained in Orşova and the former company in Agigea became a branch of Şantierul Naval Orşova SA. Occasioned by this, the social capital of the company increased from 21.643.150 lei to 28.557.297,5 lei, and the number of the shares increased from 8.657.260 to 11.422.919 shares, each share having a nominal value of 2.5 lei/share. The social capital and the number of shares have remained the same from the fusion until the date of the present report.

d) Description of assets acquisitions and/or sales:

Acquisitions and sales of assets are described in section 5.4 of this report and in the NOTES to the financial statements for 2021, which are attached to this report.

e) Description of the main results of the company's activity assessment:

1.1.1. General assessment elements for the period under review (year 2021):

- total income, out of which: 75.533.784 lei
 - Agigea Branch 5.104.612 lei
- total costs 75.022.945 lei
 - out of which Agigea Branch 7.269.944 lei
- gross profit, out of which: 510.839 lei
 - Agigea Branch -2.165.332 lei
 - Orsova headquarters 2.676.171 lei
- market share held:
 - the production obtained at the headquarters addresses the market share of intra-community river ships, where the company holds a share of approximately 1 - 2%;
 - the rental of ships (barges) through the branch was done during the last part of the year, within the country where the share is approximately 4%;
- as of 31.12.2021, the company's available funds in accounts amounted to 17.452.475 Lei, out of which:
 - 3.094.120 lei in the Lei account
 - 14.347.867 lei in the foreign currency accounts
 - 6.254 lei, petty cash
 - 4.234 lei other values, in petty cash

The main characteristics of the year 2021, compared with the previous years, could be shortly synthesized by:

- Maintenance of a relatively low demand on the river vessel construction market, on which our company performs activity, even if a price growth was felt for the vessels sale, that was a consequence of raw materials price increase on one hand and of services, on the other hand. Even under these conditions, the company succeeded in having covered the entire production capacity for the year 2021 and also to preserve an increased level of efficiency to the head-office.
- A decrease in the activity from Agigea Branch in comparison to the previous years was noticed subsequently to the rental of the 3 barges out of 5 type vessels, that the company owns at this branch. The income from the ships' repairing activities became predominant over the branch's turnover yet not sufficient to cover the operating costs.
- Our good name which our company has on the shipbuilder market in Europe, highly contributed to obtaining new orders.
- The activity of the year 2021 was carried out in the epidemic context of the COVID-19 pandemic.

More information and comments regarding these indicators and the company's activity are presented under 4 point of the present report and in the NOTES to the financial statements, which are attached to this report.

1.1.2 The assessment of the technical level of the trading company

The work scope of the company is diverse, the two head-offices having different purposes, yet complementary for achieving the scope. Thus, the activities carried out consist in: the construction and delivery of

river ships, in the intra-community area (head-office in Orsova), rental of their own barges in the intra and extra-community area and repair of the ships belonging to third parties (Agigea branch). For the construction of ships, the company is equipped with the technical means, the necessary specialists for this type of constructions. Thus, endowments, technical culture, organizational system, specific technological fluxes for shipbuilding, allow the execution and delivery of inland and maritime vessels of different types and high complexity,

Şantierul Naval Orşova makes available for its clients a wide range of products. At present, it is possible to build any type of river ship for transport of goods (containers, fuel transport tanker, chemical products, food products, pharmaceutical) yet also the building of coaster vessels and passenger vessels.

Company management team manifested and manifest a continuously preoccupation for production process modernization through the acquisition of most modern tools specifically for shipbuilding. Being aware that the company should maintain an appropriate equipment level in according to the actual requests, major investments were done, for the acquisition of modern machinery, tools and equipment specific to shipbuilding. Training courses were done, qualified employees were selected, experience share within the country and abroad, yet also modernization of the already existing installations both at the head-office in Orşova and also at the branch in Agigea. Likewise, competitive equipment specific to shipyards has been imported, respectively (electric cranes 80+25to, board cutting machines with numerical control, painting and blasting equipment, welding sources in gas protective environments) and IT equipment, together with the necessary licenses and programs for a good operation.

If during the years 2013 and 2014 was carried out the modernization and capacity increase for launching and lifting of Orsova's slipway, and at present there are in progress of completion of the modernization/repairing works for Agigea's slipway, which was started 4 years ago and is about to be completed during the year 2022 (initially this action should have been completed during the year 2019, but this could not have been achieved because of objective reasons with reference to the delayed delivery of the 14 new wedge bogies which should replace the old ones, namely locking the slipway with the second coaster, respectively with the ships brought to repairing).

In the year 2021, for the head-office in Orşova, several welding machines, effective and automate were procured, as well as an OMNICUT cutting machine, two VTB-18000 air-heaters, an air dryer, an under-pressure pump and a belt saw, IT equipment. Likewise, the process of repair and modernization of the transport and lifting equipment carried on, the blasting station and the vertical quay were modernized.

At Agigea branch they proceeded with the repair and modernization of the launching slipway, 3 WELDYCAR bogies were procured together with two hydraulic pumps, an electrical forklift and two HYSTER forklifts, two welding equipments. As well, a container barrack was modernized into a storage place.

The long and fruitful collaboration with partners from the Netherlands may be attributed to the fact that the company, had been aiming at meeting their requirements, especially, by rigorously observing the quality standards imposed. Special care was given to the execution of the touch up work, especially in the esthetical areas.

The implemented quality system is able to cope with the most modern requirements, and the company is certified by Lloyd Register Quality Assurance. The company has obtained during the year 2019 also the Quality System Certification in compliance with the new standard DIN ISO 9001:2015 (the certificate no. 10186440 field "Construction and repair of ships and boats").

SANTIERUL NAVAL ORSOVA SA has at its disposal:

- A Quality Manual – revision 4/12.01.2015
- Procedures :
 - Documents control – revision 1/03.03.2011
 - Registration Control – revision 1/27.05.2014
 - Control of non-conform product – revision 2/ 12.01.2018
 - Corrective actions – revision 2/12.01.2015
 - Preventive actions – revision 2/12.01.2015

- Working instructions
 - Purchased material/products' acceptance
 - Release from storages – revision 1/13.10.2012
 - Testing the product provided by the Client – revision 1/13.01.2012
 - Maintenance of the equipments– revision 1/08.11.2012

The favourable technical situation of Orşova Shipyard represents the premises for long-lasting progress and is given by the following facts:

- good locations for both the headquarters in Orşova (town situated on the Danube's bank) and the Agigea Branch (Constanța harbour);
- adjustment to the market demands is highly possible, the medium-sized shipyard opens the perspective of business diversity;
- pollution is at normal levels, (pollution does not constitute any disturbing factor);
- range of external deliveries and services is beyond 95% from the turnover;
- personnel structure is balanced and correlated with the requirements of the technological process; we have noticed, though, an increase of medium age of personnel, in parallel;
- endowment with specific fixed assets is to an acceptable level, comparable to other competing shipyards; in this respect and many years ago, the company has started an investment programme aimed, on one hand, at increasing the weight of active fixed assets, and on the other hand at replacing obsolete fixed assets with more efficient ones that can lead to enhanced productivity; by means of this strategy, the company intended to ensure increased flexibility and efficiency of fixed assets and bringing them to a technical and technological level that would allow global alignment and building of products that meet the standards required by foreign partners;
- procurement of ships mean the conclusion of direct contract agreements with the shipyards equipping the ship hulls or with European seafarers;
- for shipbuilding, there is a certain stability of intra-community clients (from Netherlands, Belgium, Germany, Austria);

The year 2021 did not bring any major modifications regarding the shipbuilding requests for marine/inland vessels, these being at a medium level, even most recent information from the ship market shows that the present situation will be preserved also during the year 2022, and also during the years to come. This is the reason why we consider that a strategy for future should be realistically analyzed, in order to can find – continuously- prices and financing policies to ensure the continuity of the activity under performance and competitiveness terms.

1.1.3 Assessment of the technical supply activity (domestic sources, foreign sources imports).

In the year 2021, there were some major changes in terms of main supply sources of raw materials and materials, yet it was insignificant. As in the previous years, the equipment was mainly bought from domestic ISO certified suppliers according to the European norms and standards. Still, when after analyzing the quality-cost ratio, it turned to be more favourable to the import or intra-community procurement, the company chose that version; we especially refer to the ship plates, stainless steel plates, pipes, profiles. In terms of intra-community acquisitions, we mainly talk about those materials that are not produced in Romania or for which the clients have imposed a certain quality standard; such materials are laminated parts and paints for river/marine ships. Also, according to the handover conditions, the transport of ships to Germany/Netherlands was mainly done on the segment Orsova-Regensburg, and on the route Regensburg-Rotterdam with non-resident intra-community services providers (CLASSIC CHARTER GMBH – GERMANY, VIGILIA TRADING BV – THE NETHERLANDS) .

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Material inventories were always at an optimum level, which ensured business continuity, hence there were no interruptions in the manufacturing process due to lack of raw materials and materials.

The main domestic suppliers of raw materials and materials, according to the value of the supplies and to their importance were:

•LIBERTY GALATI:	for medium and thick plates;
•DUCTIL Buzău:	welding consumables;
•LINDE GAZ Timișoara:	technical gases
•S.C. PENTAGON SRL TECUCI:	grinding stones
•NIMFA COM SRL BUC.:	pipes and various profiles
•MAIRON S.A. GALATI	various profiles
•TRIVALENT RM. VALCEA	pipes and various profiles
•NORDEX TG. JIU	safety gloves and glasses, filters
•EURONERA DISTRIBUTION	gloves, screens, safety goggles, filters

Just as during the previous years, the main foreign supplier of materials:

- JULIUS HANDELS GMBH from Austria for profiles and pipes,
- OUTOKUMPU STAINLESS, for naval plates
- NELF MARINE PAINTS

Even if they were at a lower level than in previous years, collaboration with sub contractors continued also in the year 2021. These collaborations were necessary for the progress of the activity, referring to hull painting, steel construction, hull equipments, hull transport, etc. Among the collaboration companies we are mentioning the most important:

- MANELI SERV	ship painting;
-GRIMEX SRL TARGU JIU	ship equipment parts and metal constructions
-ELECTROSCOICA MAR SRL	metallic structures
-ECO STEEL SOLUTION SRL	for the ships' repair activity
- BERG BANAT	zinc coating

1.1.4 Assessment of sales activity

Turnover knows an increase of approx. 4,06 %, from the previous year. It is to be mentioned that while the income from the ships' construction activity increased by approx. 4,16 %, the income from the ships' renting activity decreased by 35,10% and the income from the ships' repairing activity have known an increase by 14,17% from the year 2020. The turnover was realized, and specially, due to the external deliveries and services: intra community for the vessel built in Orsova and extra community for incomes resulted from renting the ships and repair of ships, from Agigea Branch.

All 7 vessels finalized and delivered from Orsova in 2021 were scoped to be delivered to the West-European market, among which there was the second coastal ship out of the two which constituted the litigation with the company VEKA.

Please see below a comparative statement of intra-community supplies and Romania, for the last three years, expressed in percentage of total ship delivered (according to IFRS 8):

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<u>CLIENT / BENEFICIARY</u>	<u>YEAR</u> <u>2019</u>	<u>YEAR</u> <u>2020</u>	<u>YEAR</u> <u>2021</u>
RensenDriessenShipbuilding B.V. (NL)	71,36%	64,53%	67,76%
VEKA Shipbuilding B.V. (NL)	-	18,32%	17,88%
Vos Kaiser GmbH (DE)	12,27%	-	-
Vos Interceptor (NL)	-	17,15%	-
ZanenShipbuilding B.V. (NL)	16,10%	-	-
TEAMCO BV	-	-	14,02%
ASTO B.V.	-	-	0,34%
TOTAL	100%	100%	100%

According to the above mentioned information, the company Rensen Driessen continued also in 2021 to detain the first position regarding the amount of the deliveries.

The contractual payment terms were ensured either through advance payments from 10% up to 75% and payment of the difference through letter of credits.

For the future, just as during the previous years, the main concern of the board and executive management is to find solutions for concluding contracts at prices that would ensure development in cost-effective conditions and with guaranteeing the price payment. This is also due to the fact that under the new foreign conditions on the market in which we operate, rapid and unexpected changes can always occur from one day to another.

Under the new market conditions, competition in this activity field is quite tough, because most orders come from the European Community and business partners are more demanding in terms of quality work. The company has a technical and technological level that meets these requirements and we believe it is able to win more contracts compared to its competitors.

The company's main competitors in terms of shipbuilding and repair works are the following, just as in the previous years:

- Domestic – all shipyards
- Abroad – especially shipyards in China and Korea, and then Poland, Serbia, Turkey, Slovakia, Czech Republic and Ukraine.

1.1.5 Assessment of aspects related to employees / company staff

Lack of personnel continues to manifest also in the year 2021, yet only to a small extent, all steps taken at executive level by recruiting new skilled workers in the trades of welders and locksmiths who will replace those who left, especially because of retirement. Related to the company's staff, we may conclude the following:

- on one hand, it is registered an aging phenomenon of the staff, which will continue also in the next period;
- on the other hand, it is registered a decrease of qualified staff number, especially on the main works (welders and locksmiths) this fact forced and forcing us to outsource some steel construction works, fact which will not be present concurrency at the hiring.
- Not on the last place it is a growth of working force fluctuation.

Nevertheless, during the year 2021, the number of staff increased by 4,01% in comparison to the year 2020.

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The average number of employees throughout 2021 is 359 employees compared to 374 employees in the previous year. As of 31.12.2021, the number of employees was of 361, out of which 314 at the headquarters in Orșova and 47 at the Agigea Branch.

Out of the total number, as of 31.12.2021, the situation per activity sectors is as following:

- 359 – industrial activity
- 1 – canteen activity
- 1 – medical activity

The structure is as following:

- 45 – technical, financial, professional and administrative staff, out of which:
 - 38 – employees in Orsova (out of which 32 with higher studies);
 - 7 – employees in Agigea (out of which 5 with higher studies).
- 5 foremen, out of which 5 in Orsova;
- 311 workers, out of which:
 - 271 employees in Orsova;
 - 40 employees in Agigea.

Personnel structure in terms of gender is as follows:

- men – 309 persons (325 in the previous year);
- women - 52 persons (51 in the previous year).

During the year 2021, a number of 56 new employees and 77 releases were registered; the latter were released through: retirements, dismissals for reasons of employee's character, expiry of the individual labour contract and with agreement from the parties, the latter being the most common cause.

A permanent preoccupation of the company's management was to improve the skills of its employees, following that this activity becomes a permanent one also in the next period, according to the provisions in the Labour Code.

At the level of the company, there are legally, two unions formed.

Out of the total of employees, approximately 76% are members of a union, and the relations between the administration and the employees on good terms.

Other aspects concerning the employees/the company's staff have been shown in the NOTES to the financial situations which are integer part of the present report.

1.1.6 Assessment of the impact of the company's core business on environment

As a whole of actions, documents or programmes that identify, describe and assess the potential material effects on environment, the environmental policy of SC Santierul Naval Orsova SA is closely related to both the company's economic policy and compliance with the principles of the European Directives on environment protection (CE Directive 2002/42/CE, SEA Directive 2001/42/CE and Habitats Directive 92/43/EC, Directive 2004/35/CE concerning the responsibility for the prejudice brought to the environment and DRM Directive), given that the entire company's activity is developed in an area protected by law, in the area of the National Park "The Iron Gates", focusing on the following main directions:

- integration of environmental considerations in the development and adoption of the company's plans and programs;
- better use of primary resources of raw materials and energy, hence minimising waste, waste water, air and water pollution, and decrease of costs per product tonne;
- continuous improvement of environmental issues, especially the material ones, according to the environment management programs, action plans (integer part of the environmental permit) with targets, objectives, timelines and responsibilities;

- increase education related to environment protection by providing the organisational frame and implementing projects on waste water disposal, waste storage (especially hazardous ones), soil protection;
- compliance with Romanian environment legislation and alignment to the European Union's Directives;
- mitigation of impact of the company's core business on environment;

The company has a monitoring system for all environment factors by specialised institutes and companies, based on firm contracts.

It is worth mentioning the maintenance of insignificant impact on the environment in activity of heating and hot water supplying for the company's employees, following the conservation from 01.09.2010 of heating plant. The heating of our company (administrative centre and locker rooms) being done presently helped by 8 (eight) water heating power plants, with 36 kw power each, and one of 24 KW, type ROMSTAL EKCO. L.1, with boilers of high capacity for hot water provision.

In the same idea, in the second half of 2019, the modernization of the company's cranes started, operation which is carried on also at the moment, in order to restrict influence on the environmental factors.

During 2020, the company fulfilled all the obligations resulting from the Environment Permit no. 21/27.02.2013, valid for a period of 10 years, until 27.02.2023, approved by the National Agency for Environment Protection Mehedinți for the years 2021 and 2022, complying also with the obligation of self-monitoring discharged wastewater imposed by the Waste Water Management Permit no.108/20.08.2020, avoiding the occurrence of any effect with a negative impact on the environment. (proof is the inspection documents issued by the representatives of the environment authorities that are without any measure of correction during 2021).

1.1.7 Assessment of research and development activities

Just as in the previous years, during 2021 the company did not record any research and development expenses, and for 2022 it does not intend to incur such expenditure, due to the fact that the technical design of the built ships is usually provided by clients or they use designs bought in previous years with the right to use them at new constructions to be done in the future.

1.1.8 Assessment of company activities regarding risk management

Starting from the specific of the main activity of the company, respectively shipbuilding and floating structures construction, and also fact that our products are sold in intra community area, can be identified a series of risks. In this moment, because of the concurrencies medium, of quick swings at European level and worldwide it is normal as the exposure degree (vulnerability) at risks to be much higher than in the past periods.

Also, therewith the company felt and still feels, fully, the effects of the economic and financial worldwide crisis.

Therefore, the list of potential risk sources could include:

- market risk
- price risk
- currencies risk
- environment risk
- information security risks
- cash-flow risk, etc.

As it was shown before, the decrease of ship request, accompanied by lowering of selling prices, as an effect of worldwide economic crisis, affected in latest years, including 2021, directly, the company's activity.

To overcome this difficult period, the executive staff had to initiate actions and program aimed at helping with costs management, thus ensuring its resistance on the river ship market. This aims at reducing costs according to the evolution of foreign markets, which continues to be a basic concern of the company's management.

Considering the estimates/forecasts on the exchange rate developments for 2021, the company made some small transactions for covering the currency risk (hedging). These operations with derivatives were effective, being concluded in 2020 and completed in 2021 at a parity, above the official one from the respective period, which contributed to an unfavourable difference in the exchange rate for 2021 from such operations to be of approximately 34 thousands of lei.

Also, to assure a better security of informatics system and data basis, company continued the action started in the previous years- when a project of reconstruction of computer network was performed and bought an informatics system based on Oracle technology – by purchasing new IT equipments which ensure security.

Other aspects related to the risk management (credit, currency, liquidity) have been submitted in the NOTES to the financial statements, which are an integrant part of this report.

1.1.9 Perspectives on the company's activity

In terms of the company's business perspectives, we can say the following:

- the company has over 29 years of experience in shipbuilding and repairs; these are performed at quality standards imposed by foreign clients and the company's name is already well-known to the West-European shipbuilders;
- the financial crisis has resulted in reduced demand for ships and price decreases, so that starting with 2009 the company was forced to resize its headcount; this action continued until early 2013; as of 2014, no layoffs have been done;
- At present, the company has concluded contracts for 2022 which assure 100% of production capacity. Negotiations which are done in the present, for new contracts signing, give us a perspective of activity continuation, by new contract signing, for the next years also, to this date contracts existing also for the year 2023;
- with regards to the Agigea Branch, it currently has 6 ships (hydro-clap barges, floating cranes, which are described at section 2.1 b of this report), out of which 5 barges have been repaired and obtained the exploitation authorisations; because of the pandemic, during the year 2021, they were lent only during the last part of the year, and at present the branch avails of the necessary facilities and capacity in order to carry out ship building and repair works, the activity of ship repair works having known an increase from the previous years.
- Considering the concluded contracts, the production structure and salary costs evolution and those with raw materials and materials, the company has foreseen in the Budget of income and expenses for the year 2022 on an amount of income, expenses and profit that are close to the one accomplished during the year 2021.
- the company also intends for 2022 to have higher investments, consisting in:
 - o Continue works for finalising the modernisation of the slipway at Agigea, namely replacement of wedge bogies; this work will be finished during 2022 and will increase safety of ships lifting-launching operations;
 - o Welding machines acquisitions, especially for the head-office in Orsova (welding techniques and robots)
 - o IT equipments
 - o Purchase of ventilation systems
 - o Purchase of machinery and equipment for mechanical cutting, profiling

- Purchase of photo-voltaic plants
- Purchase of special tools and devices
- Modernization of cranes
- Modernization of technical platforms, inner roads and buildings
- Modernization/purchase of rolled mill

2 COMPANY'S FIXED ASSETS

2.1 The company's main production capacities are located at the headquarters in Orșova (4 Tufări Street, Orșova, Mehedinți county), and at the branch in Agigea, at the premises of Constanța South Harbour, Constanța County.

During the year 2021, no major change was produced in their consistency, the biggest expenses of investment were those related to the repair, replacement and modernization of the existing ones, as shown. We stipulate the fact that the two lands, amounting to 4.924 sm surface, owned in Orșova, in Gratca area, were sold through bidding at the end of the year 2021.

a) The company owns 85.790 square meters of land, confirmed by Land Registry excerpts, to the administrative building;

The fixed assets at the headquarters in Orșova are mainly formed of:

- a lifting-launching hold of 1,800 t with ten wires on a length of 100 linear meters – used for launching ships with a maximum length of 135 linear meters and a width of 15 linear meters, which one was modernized in 2014;
- a technological platform that allows the simultaneous assembly of 5 ships and the execution of sections and block sections related to shipbuilding;
- 5 portal cranes of 80+25 t purchased in recent years for the assembling platform and 2 portal cranes of 16 t together with 2 magnetic beams for handling plates in the plates warehouse and the blasting station and also a 5 to Gantry crane, purchased during the year 2019; these offer much more safety and lead to increased productivity by replacing the existing crane trucks, which were worn out and obsolete;
- 1 cutting machine in OMNIMAT coordinates based on computer programs and 4 with OMNICUT plasma, commissioned in 2007 and 2009, 2018 and 2021;
- Hydraulic press for plate bending , bought in 2017
- Compressors (4 pcs.) type ACU 9 L8 from HAFI;
- a horizontal automated blasting and painting line purchased in 2009 for plates of up to 3000 mm width;
- buildings, storages, material warehouses, administrative building, a floating dock;
- cranes of 10 - 50 t, welding and painting equipment, plate rolling machine, 2 hydraulic bending-off presses for profiles of 200 t for profiles moulding at the retreat areas (stern, fore part), etc.

b) At the Agigea Branch, the company owns 210 square meters of land located in Constanța, with a building where the company's former administrative headquarters was located until 2009, before the merger. Currently, the company's offices are in Agigea, and the building in Constanța, in the year 2016 was put in conservation, lacking solutions for renting. During the last period of 2019 this building was rented, being re-classified as real estate investment. The rental contract was extended up to the end of 2023, including clauses with regards to the renegotiation of the fee at every 5 years and a value of the annual rent subject to

indexation. The cadastral intabulation work was suspended until the litigation with the Town Hall in Constanta is closed, this litigation concerns certain amendments brought to this building by the old owner. During the first half of the year 2022, the works ordered by the The surface of 57,710 square meters in Agigea, where the branch currently develops its activity, is property of the State-Owned Company “Administrația Porturilor Maritime Constanța” (Administration of Maritime Harbours), and the branch has a usage contract for the harbour area with this company.

Main fixed assets owned by the Branch are the same as in the previous years, mentioning that within the year 2021 were carried on a series of expenses for repairing and modernizations of the slipway.

Regarding the slipway, within year 2015 was done the first stage of replacing damaged railways, in the year 2016 was solved problem of traction system for vessels launching, improvement action continues also along 2017 and 2018. In 2019, the investment plan considered also the replacement of the wedge bogies at this stowage. The 14 bogies which must be replaced had been fabricated in the year 2019, part-wise replaced during 2020, following that during 2021, the replacement is finalized.

The main existing endowments from Agigea branch are:

- 6 marine ships of different types and capacities, out of which:
 - 5 MIDIA hydro-clap barges 940 m³ (with own propulsion);
 - 1 floating crane of 60 t without propulsion;
- building and launching slipway for lifting ships, has 14 files, on whom can be executed works of launching/lifting up vessels, with the following sizes:
 - maximum length = 90,00 m
 - maximum width = 18,00 m
 - maximum height = 3,60 m
 - empty weight of the ship = 1,800 t
- 1 travelling crane 16 feet x 16 m/ 8 feet x 32 m;
- 2 KB cranes 674,25 feet x 15m/8 feet x 35m;
- 1 portal crane of 80 t purchased in 2008;
- a horizontal automated painting and blasting line purchased in 2009 for plates up to 3000 mm width;
- production halls (for metallic works, engine assembly, ship equipment);
- technical gas network;
- workshops for woodwork activities, electric repairs, turnery (with the possibility of processing parts with a maximum diameter of 600 mm and maximum length of 11.000 mm with a gantry crane of 5 feet x 16,5 m), etc;
- covered and uncovered storage areas:
 - material warehouse 60 x 60 = 3600 square meters;
 - work platform 40 x 30 = 1200 square meters;
 - work platform 120 x 40 = 4800 square meters.

2.2 Description and analysis of the company's properties of wear degree

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At 31.12.2021, the company proceeded to re-evaluation of the group of ships and “Constructions”, in compliance with accounting policies of the company reflecting the results of this assessment in the financial situations drawn up for that year. The net book value of the company’s non-current assets as of 31.12.2021, after re-assessment is presented below:

DENOMINATION	BALANCE AS OF 01.01.2021	BALANCE AS OF 31.12.2020
LAND	1.201.941	1.201.941
CONSTRUCTIONS	20.060.165	16.999.328
TECH. INSTAL. AND TRANSP. MEANS	15.641.959	16.351.202
OTHER INSTALL, EQUIP. AND FURNIT.	64.602	53.638
REAL ESTATE INVESTMENTS	-	22.713
ASSETS IN PROGRESS	3.564.578	2.788.492
TOTAL	40.533.245	37.417.314

The revaluation was performed by a company authorised by ANEVAR (*National Association of Certified Evaluators*), and the results were recorded and disclosed in the financial situations of the year 2021; the company has done a special report in regards to the results of this operation detailed, in order to be presented to shareholders for approval, report which completes this presentation.

Part of the fixed assets from the category of equipment was in conservation in the past years and was in the same situation at 31.12.2021 while others were taken out of use during the year. For this category of fixed assets (other than buildings) there were constituted depreciations in the total value of 435.721 lei.

Part of the lands and buildings were re-classified as fixed assets held in scope of selling, approved by the administrators during the previous years to be sold by bidding, during the year 2021 the last assets were valued by sale, as already shown, namely the two lands from Gratca area.

The input value by categories and the value of assets depreciation, as well as other information on non-current assets are presented in the NOTES to the financial statements.

- 2.3 Potential issues related to property rights on the company’s tangible assets
At this moment, the company has no other litigations regarding property rights.

3 MARKET OF SECURITIES ISSUED BY THE COMPANY AND CORPORATE GOVERNANCE

3.1 Romanian and foreign markets where the company’s securities are traded

The shares of Şantierul Naval Orşova are listed and traded since 1998 at the Bucharest Stock Exchange with the symbol SNO. In this moment shares are traded on STANDARD category. S.C. Depozitarul Central S.A. keeps the shareholders’ registry, according to the contract no. 24494 dated 17 May 2007.

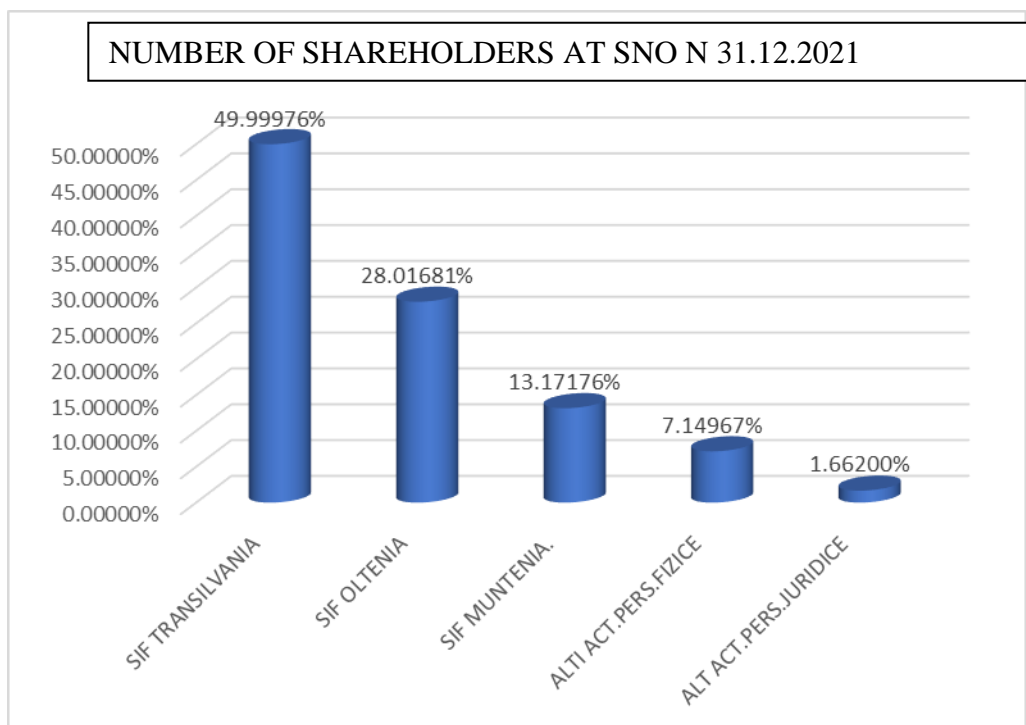
The company’s securities are not traded on other domestic or foreign markets.

The share capital of Şantierul Naval Orşova SA did not register changes in 2021.

According to the shareholders’ registry, as of 31.12.2021, the structure of shareholders is as following:

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<u>Shareholders</u>	<u>Number of shares</u>	<u>Amount</u> (Lei)	<u>Percentage</u> (%)
SIF 3 Transilvania	5.711.432	14.278.580	49,9998
SIF 5 Oltenia	3.200.337	8.000.843	28,0168
SIF 4 Muntenia	1.504.600	3.761.500	13,1718
Other shareholders natural persons	816.701	2.041.752	7,1497
Other shareholders legal persons	189.849	474.623	1,6620
	<u>11.422.919</u>	<u>28.557.298</u>	<u>100,000</u>



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The subscribed and paid in capital is of 28,557,298 Lei, divided into a number of 11,422.919 nominal dematerialised shares, each in amount of 2.50 Lei.

Compared to the shareholder's structure as of 31 December 2020, no modification has been noticed in 31.12.2021, in what the ownership of significant shareholders are concerned, yet a slight increase of shareholders legal persons has been noticed, compared to shareholders natural persons. The company's shares are ordinary and indivisible.

The identification data of each shareholder, their contribution to the share capital, number of shares and participation weight in total share capital are mentioned in the shareholders registry held by the registrar company (Depozitarul Central București)

According to the law, each share subscribed and paid in by shareholders gives them the right to a vote in the General Meeting of Shareholders, the right to elect or to be elected in the company's governing bodies, the right to participate in profit distribution or any other rights deriving from the shareholder position.

By holding the share, the shareholder automatically adheres to the company's articles of incorporation and subsequent amendments.

The evolution in share of the company Santierul Naval Orsova SA, for one year, respectively for 5 years, together with the amount of shares traded during this period, has been represented in the graph below (source: Stock Exchange Bucharest).

Published on TradingView.com, February 08, 2022 10:06:24 EET
BVB:SNO, D O:5,7000 H:5,7000 L:5,7000 C:5,7000



TradingView

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2021

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BVB:SNO, M O:5,5000 H:5,7000 L:5,5000 C:5,7000



TradingView

According to the data shown on the BVB site, the variation range of the trading cost from the previous year was between 3,74 lei/share and 7,09 lei/share (increase by 89,57%). Related to the last 5 years, we notice that the smallest trading cost was registered at the beginning of April 2016 (2,3026 lei/share), and the biggest price was recorded at the beginning of May 2021 (7,3 lei per share).

3.2 Description of company's policy on dividends

With retrospection on the last 10 years, we may conclude on the following, in relation to the policy of dividends:

- Approach regarding net profit was different, in compliance with the level of profit, shareholder's interests and respecting the legal dispositions.

- Up to 2009, as long as amounts in the income statement were more significant, the General Meeting of Shareholders approved the distribution of dividends from net profits, which represented approximately 50-60% of net profit. The value in Lei/share was between 0.4-0.75 Lei/share. Size, in absolute value of the gross dividend per share, was established according to the performances of the company. During the entire period where the dividends' distribution was approved, their payment was done within the term concluded by the General Meeting of the Shareholders, without being registered delays or complaints from the share holders.

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- During the period 2010-2011 when the profit was at a relatively low level, the General Meeting of Shareholders decided this amount to remain at company disposal, as own financing source, without being distributed dividends.

- In the year 2012 and 2013, the company registered losses, thus dividends distribution was not possible.

- In the years 2014 and 2015, the company registered a profit, it being used for partial coverage of losses from the previous years.

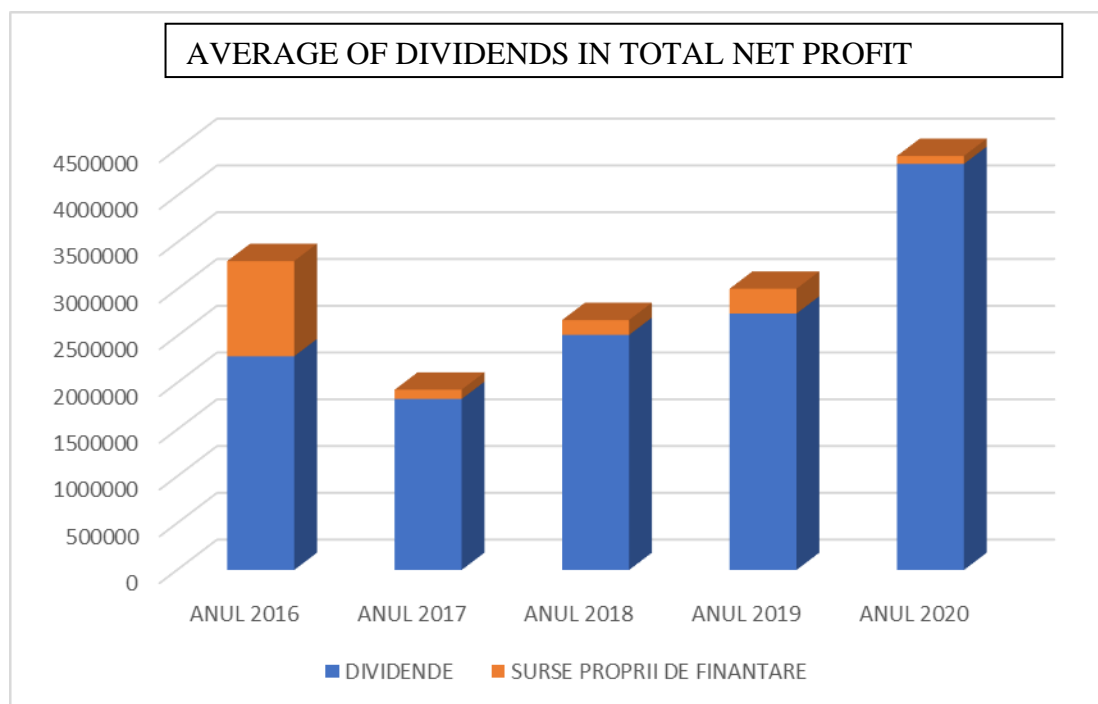
In the year 2016, after covering losses from previous years from "Other reserves", the net profit for this year was distributed according to the Decision of the Ordinary General Meeting of Shareholders from 07 April 2017 for: the payment of a gross dividend amounting to 0,2 lei/share

- For the fiscal year 2017, a gross dividend of 0,16 lei/share was approved, for 2018, the amount of the gross dividend was 0,22 lei/share and during 2019 the gross dividend approved was 0,24 lei/share.

- for the year 2020, the General Meeting of the Shareholders have approved the allotment of the gross profit amounting to 1 leu/share, out of which 0,38 lei/share allotted from the net profit of the year 2020 and 0,62 lei/share as gross additional share allotted from the result reported.

- during the year 2021, the company has not registered any net profit.

The evolution of the average of dividends and own financing sources in total net profit, during the last 5 years has been represented in the graph below:



3.3 Description of any activities relating to purchasing own shares

From the set up to current days, there was no decision on the purchase of own shares, so that the company did not incur such operations.

3.4 Number and nominal value of shares hold by subsidiaries

The company does not have subsidiaries in other cities. Starting with 2008, Șantierul Naval Orsova has a branch in Agigea, as mentioned at section 1.1 c).

3.5 Issuance of bonds and/or debt securities

The company did not issue bonds or other debt securities in 2021 or in the previous year, hence there are no liabilities towards holders of such securities.

4 MANAGEMENT OF THE ISSUER

4.1 Șantierul Naval Orșova S.A. is unitarily managed by the Managing Board consisting of 5 members, appointed by the General Meeting of the Shareholders through cumulated vote.

The General Meeting of Shareholders (AGOA) of 02.10.2020 appointed the company's new Board of Directors for a period of 4 years, with the following structure:

- MISTER ANDANUT CRINEL-VALER – Romanian citizen, aged 63, engineer. On 31.12.2020 did not own any shares, of the company's social capital;
- MISTER MOLDOVAN MARIUS-ADRIAN – Romanian citizen, aged 40, economist. On 31.12.2020 did not own any shares, of the company's social capital;
- MISS DUMITRESCU LUCIA-CARMEN – Romanian citizen, aged 58, engineer. On 31.12.2020 did not own any shares, of the company's social capital;
- MISTER CIUREZU TUDOR – Romanian citizen, aged 66, economist. On 31.12.2020 owned a number of 16.500 shares, representing 0,14% from the company's social capital;
- MISTER MIHAI CONSTANTIN-MARIAN – Romanian citizen, aged 54, lawyer. On 31.12.2020 did not own any shares, of the company's social capital;

Upon the request of the main shareholder, SIF Transilvania, on the date of 28.12.2021, a new managing board was chosen, through the cumulative voting, for a period of 4 years, with the following consistency:

- MISTER ROȘCA RADU-CLAUDIU – Romanian citizen, aged 49, economist. On 31.12.2021, he did not own any shares, of the company's social capital;
- MISTER ENESCU RADU-VALENTIN – Romanian citizen, aged 52, engineer. On 31.12.2021, he did not own any shares, of the company's social capital;
- MISTER SPERDEA MIRCEA-ION – Romanian citizen, aged 68, engineer. On 31.12.2021 owned a number of 12.000 shares, representing 0,11% of the company's social capital;
- MISTER ZOESCU MIHAI – Romanian citizen, aged 42, economist On 31.12.2021, he did not own any shares, of the company's social capital;
- MISTER MIHAI CONSTANTIN-MARIAN – Romanian citizen, aged 55, lawyer. On 31.12.2021 did not own any shares, of the company's social capital;

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Additional information on the shareholders' professional preparation and experience, may be obtained from their CVs which may be consulted on the company's website: www.snorsova.ro, section: Investors/Corporate management-Managing Board& Executive management.

The company does not have knowledge of agreements or family relationships between the board members and other persons, due to which the board members could have been appointed to these positions.

According to the legal provisions and those included in the company's articles of incorporation, the Board of Directors had several meetings (12) in 2021, either physical or online, by phone and e-mail, in order to analyse and discuss the company's current issues, which fall under the responsibility of this governing body.

The main issues discussed, analysed and approved in the meetings of the Board of Directors in 2021 refer to:

- organizational measurements precursory to the General Meeting of Shareholders from 2021,
- analysis and approval of the financial statements,
- substantiation of the BVC, analysis of accomplishment in comparison to the BVC provisions,
- analysis of accomplishment of the investment program for the year 2021,
- approval of internal procedures existing at the level of the company and approval of the measures with regards to the filling/drawing up of new operating procedures;
- approval of forming a new negotiation commission for the external contracts of river ships building;
- analysis of developments in the litigation with VEKA Netherlands at the Court of Arbitration in Rotterdam,
- approval of global ceilings in relationships with banks,
- approval of internal audit plans and analysis of the internal audit engagements' conclusions,
- approval of goods' disposals and decommissioning, and also of other aspects which depend on the approval of the Managing Board.
- Approval of wages' increase that had been negotiated with the trade unions, solving various requests of the trade unions related to the salaries and other current issues on the agenda
- Analysis of the wages costs and deviations between the preliminary calculation and the post-calculation concerning the new constructions;
- Analysis and approval of operational measures at Agigea branch.
- Settling measures to increase the company's compliance degree with the principles of a corporate governance.

4.2 As regards the executive management, we highlight that starting with March 2011, the Board of Directors has validated the appointment of Mr Mircea Ion Sperdea as General Manager, by concluding a mandate agreement. On April 2015 the mandate of Mr. Sperdea Mircea Ion was extended for a 4 years period. On April 2019, the mandate of Mr. Sperdea Mircea Ion was extended for a period of 1 year, namely until April 2020. In April 2020, the mandate was extended for a period of 4 years, and in October 2020, the new Managing Board selected during the AGOA, from 02.10.2020 had concluded a new mandate contract with Mr. Sperdea Ion Mircea, for a period of two years.

On 31.12.2021 the executive management has the following structures:

- | | |
|------------------------|--|
| - Ing. Sperdea Mircea | - General Manager |
| - Ec. Vişescu Marilena | - Economical Manager |
| - Ing. Stoinel Florin | - Technical Manager for Production Preparation |
| - Ing. Lascu Adrian | - Agigea's Branch interim in charge |

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Mr Sperdea Mircea was previously the head of the company's supply department. In 1996, he was promoted to commercial manager and between November 2000 and the end of 2010 he was appointed second general manager.

We inform the shareholders that according to the legal provisions (amendment to Law no. 31/1990 – Company Law, republished), the company suspended the employment contract of the general manager as of 1 March 2011. The company, represented by the president of the Board of Directors – Mr Fercală Mihai - and Mr Mircea Ion Sperdea have concluded and signed a mandate agreement for 2 years and this one was extended successively as shown. This agreement refers to the fact that based on the delegation provided by the company's Board of Directors, the General Manager shall exert some of the management attributions of this body, to the extent permitted by the law and in order to fulfil the company's activities. As of 31.12.2021, Mr Sperdea Mircea held a number of 12,000 shares, representing 0.11 % of the share capital.

Miss Vişescu Marilena was employed at this company, during the year 1987, immediately after having graduated the Economical Sciences Faculty in Craiova, with specialization in finances -accounting, as economist. Starting with 01.11.1990, she was promoted to head of the accounting department until 30.06.2019 when she was promoted to economic director. On 31.12.2021, she owned a number of 10 shares at the company Santierul Naval Orsova SA.

Mr Stoinel Florin graduated the Mechanics Faculty of the Timisoara "Politehnica" University in 1995 and was immediately employed as an engineer with the Design Department of Şantierul Naval Orşova SA. During 01.10.1998 - 14.11.2005 he was the head of the Design Department within Santierul Naval Orsova SA. During the period 01.10.1998-14.11.2005 he has worked as head of the design department, and on 15.11.2005 he was appointed technical manager in charge with preparation of the fabrication process. On 31.12.2021 he owned a number of 400 shares in Şantierul Naval Orşova SA.

Mr Lascu Adrian graduated the Ovidiu University Faculty of Engineering in Constanta, with a major in Naval machinery and equipments in 1995. Starting with April 2005 he was chief engineer of repair works at the former company Servicii Construcţii Maritime SA Constanţa, carrying on this activity on this position also after the merger between SCM and Santierul Naval Orsova S.A. Starting with September 2021 he is also an interim responsible in charge of Agigea Branch. On 31.12.2021, he did not own any shares in SNO.

We stipulate that during 2021 changes happened in the management of Agigea Branch, namely on 29.03.2021 Mr. Candea Alexandru was replaced by Mr. Varlan Alexandru in the manager position, for a mandate between 01.04.2021 and 31.12.2021. Starting with 30.08.2021 the mandate agreement ceases for Mr. Varlan Alexandru subsequently to his resignation, and Mr. Lascu Adrian is appointed as Interim responsible in charge over a period between 01.09.2021-28.02.2022. The Managing Board of the company has decided, on the date of 22.02.2022 the extension of Mr. Lascu Adrian's mandate for another 6 months.

Except for the general manager, who has a mandate agreement with the company, as already mentioned, all the other directors are appointed as executive directors by the Board of Directors and they are employees of the company with employment contracts concluded for indefinite period.

The company does not have knowledge of agreements or family relationships between the directors and other persons due to which the above-mentioned.

The company does not have knowledge about involvement of the persons mentioned at sections 4.1 and 4.2 in litigations or administrative procedures in the last 5 years or to have had restrictions on occupying management positions within the company.

4.3 Other aspects on CORPORATE GOVERNANCE

The latest amendment of the company's Articles of Incorporation was realized during the General Extraordinary Meeting of Shareholders on 02.10.2020 and focused on the chapters related to the Managing Board and the Company's Directors.

For the internal control, the Board of Directors has contracted the internal audit to an authorised company; respectively S.C. ASSOCIATED BUSINESS AUDITORS S.R.L. Timișoara. This company is certified to carry out these types of activities. More details regarding the fee and other information related to the internal audit activity can be found in the Notes of the financial situations.

According to the provisions under the Code of Corporate Governance of BVB, the issuer Șantierul Naval Orșova S.A. publishes on its website details of maximum importance for shareholders, respectively:

- Current reports, media notes;
- Details about the progress of the general meetings of the shareholders: convenors, materials related to the agenda, special proxy model, shareholders' rights and the rules and procedures of participation to the general meetings, detailed voting result, decisions taken in the meetings
- reports with annual, biannual, quarterly financial information
- information on the members of the board of directors and executive management, including contact details, yet also amendments in the structure of the Managing Board;
- data concerning the consulate committees constituted at the level of the Managing Board;
- fiscal calendar;
- resolutions of the General Meeting of the Shareholders;
- functional articles of incorporation;

The current Board of Directors consists of 4 non-executive members and one executive member, and the decision-making process of this management body is not dominated by a person or a group of persons, due to its organisation. The election of the members of the Board of Directors is based on a transparent procedure, nominations are public. The company performs activities related to social responsibility and environment, and instructed employees are appointed for handling these issues.

At the CA level 2 committees were formed: Audit Committee and Retribution Committee each consisting of 3 members.

Considering the shareholders' structure, according to which approx. 91% of the shares are owned by the three SIFs (SIF3, SIF4, SIF5), the administrators were proposed/elected as being their representatives.

At present, out of the five managers, three are independent.

5 FINANCIAL-ACCOUNTING SITUATION

Starting with the year 2012, according to the provisions under the Order of the Minister of Public Finances no. 881 / 25.06.2012 on the application of International Financial Reporting Standards (IFRS) and of the Order no. 1286/01.10.2012 for the approval of the Accounting regulations in conformity with International Standards

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Reporting Standards, applicable to by companies whose securities are traded on a regulated market, on certain movable values, the company passed to these standards reporting.

For the financial year 2012, the annual individual financial statements based on IFRS were prepared by restating the information in the accounting conducted based on Order MFP no. 3055/2009, and starting with the financial year 2013 accounting shall be conducted based on IFRS provisions as reporting basis.

2012 was the first year of applying IFRS and in order to ensure comparative data with prior periods we restated the data for both 01.01.2011 and 31.12.2011, hence we adjusted (restated) 3 years.

In December 2012, the “Handbook for accounting policies in accordance with IFRS” was prepared, and in the meeting from 08 February 2013, the Board of Directors has approved this HANDBOOK.

The audit of the financial statements for 2021 was performed by A.B.A. AUDIT SRL Timisoara, based on the contract no. 405/22.07.2013, whose initial validity was for 2 years and subsequently extended, for 2 more years and in 2017 was extended for 3 more years, until 30.04.2020, in compliance with AGOA resolution from 07.04.2017. During the AGOA from 10.04.2020, their contract was extended by 2 years, namely for the audit of the fiscal situations corresponding to the years 2020 and 2021.

5.1 Financial position as of 31.12.2021

During 2021, after the re-assessment of the IFRS 16 requirements, the company framed the renting contract with the National Company The Administration of the Sea Harbours Constanta, concluded during the last part of 2019, under the incidence of this standard and dealt accordingly with the indicators and assets, debts and capitals for the year 2020. More information on this may be found in the Notes to the financial statements.

According to IFRS, as of 31.12.2021, the financial position compared to the last 2 years is as following:

<i>ASSETS, LIABILITIES, EQUITY</i>	<i>31.12.2021</i>	<i>31.12.2020</i>	<i>31.12.2019</i>	<i>YEAR 2020/2019 GROWTH/ DECREASE (%)</i>
	<i>Lei</i>	<i>Lei</i>	<i>Lei</i>	
I. Total tangible assets, out of which:	36.968.667	34.628.822	36.069.891	6,76
- land and constructions	21.262.106	18.201.269	19.718.780	16,82
- technical installations and transportation means	15.641.959	16.373.915	16.277.471	(4,47)
- other tangible assets	64.602	53.638	73.640	20,44
II. Intangible assets	20.138	6.192	3.083	225,23
III. Real estate investments	3.564.578	2.788.492	2.862.195	27,83
IV. Real estate investment	522.236	508.019	517.515	2,8
IV. Other non-current assets	621.530	496.543	110.824	25,17
V. User rights of rented assets	1.559.962	1.950.983	2.377.179	(20,04)
A. TOTAL NON-CURRENT ASSETS	43.257.111	40.379.051	41.940.687	7,13

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<i>ASSETS, LIABILITIES, EQUITY</i>	<i>31.12.2021</i>	<i>31.12.2020</i>	<i>31.12.2019</i>	<i>YEAR 2020/2019 GROWTH/ DECREASE (%)</i>
	<i>Lei</i>	<i>Lei</i>	<i>Lei</i>	
I. Inventories	22.400.725	34.611.321	44.839.962	(35,28)
II. Trade receivables and other receivables	20.330.881	1.185.231	2.091.262	1615,35
III. Other short-term financial investments	3.087.107	3.857.609	6.677.460	(19,97)
IV. Cash and cash equivalents	14.365.368	30.825.273	13.939.382	(53,40)
V. Receivables related to current tax	-	18.637	318.158	-
VI. Expenses paid in advance	165.412	130.348	67.119	26,90
B.TOTAL CURRENT ASSETS	60.349.493	70.628.419	67.933.343	(14,55)
TOTAL ASSETS	103.606.604	111.007.470	109.874.030	(6,67)
I. Equity	28.557.298	28.557.298	28.557.298	0
II. Share premiums	8.862.843	8.862.843	8.862.843	0
III. Reserves	54.896.946	51.777.818	52.191.937	6,02
IV. Result of the year	(153.870)	4.635.374	3.199.201	-
V. Reported result	941.454	7.737.995	7.431.918	(87,83)
VI. Profit distribution	-	(191.823)	(198.765)	-
VII. Other internal equity elements	(4.338.244)	(4.028.932)	(4.290.219)	7,68
C.TOTAL EQUITY	88.766.427	97.350.573	95.754.213	(8,82)
I. Liabilities related to deferred tax	4.352.333	4.037.136	4.299.942	7,81
II. Other liabilities	1.047.860	1.449.720	1.880.893	(27,72)
D. TOTAL LONG TERM LIABILITIES	5.400.193	5.486.856	6.180.835	(1,58)
I. Short term loans	-	-	-	-
II. Trade payables and other payables, including derivatives	8.804.168	7.144.568	7.306.501	23,23
III. Advance registered incomes	3.801	215	1.246	1.667,91
IV. Provisions	1.032.015	1.025.258	631.235	0,66
E. TOTAL CURRENT LIABILITIES	9.439.984	8.170.041	7.938.982	15,54
TOTAL EQUITY AND LIABILITIES	103.606.604	111.007.470	109.874.030	(6,67)

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2021

Non-current assets: This category of assets, per total, has increased by 6,76% from the previous year, especially subsequently to the re-evaluation operation (in terms of financial reporting) of the construction units, namely ships, realized on 31.12.2021, yet also subsequently to the procurement realized for the modernization of the activity. An increase by 27,83% had been registered for the tangible assets under execution from the previous year mainly due to the modernization works of the launching way to be completed during 2022. As well, an increase by 25,17% for other non-current assets, mostly because of fiscal receivables corresponding to the registered amounts.

Non-tangible assets have increased by 225,23% (licenses have been purchased).

The user's rights of the rented assets. During the year 2021, the company re-analyzed the renting contract of the land that had been concluded with the National Company The Administration of the Harbors in Constanta and concluded that it must be framed within the acknowledgement of the standard IFRS 16. Thus, the company registered an operative corresponding to the user's right and a corresponding leasing debt, proceeding subsequently to the retroactive restatement of the errors generated by the failure to apply the standard. The decrease registered for this position (by 20,04%) is according to having reduced the right of use for the remained contractual period. More information on the application of the IFRS 16 standard and the restatement of the errors generated because of this failure of application have been defined in the Notes to the financial situations.

Stocks registered per total a decrease by 35,28 %, from 31.12.2020, especially based on the production in execution. To be stipulated also, that in structure, the production in progress had decreased by approx. 48,97% because of the delivery of the last coastal ship of the two which were the object of the dispute with the company VEKA.

Trade receivables and other receivables A significant increase has been noticed in the trade receivables in comparison to the previous year (by 1.615,35%). At the end of 2021, the company had outstanding current trade receivables and a significant part had been liquidated during the beginning of the year 2021, by cashing-in, yet an outstanding receivable has been registered out of the commercial relation with the company Veka, receivable whose payment had been deferred, in compliance with the agreement concluded during the month of February 2022, the final payment due date being the month of October 2022. Other information related to the trade receivables and other receivables can be found in the Notes to the financial situations.

Cash and cash equivalents, registered a significant decrease by 53,40 % against 2020, as a direct connection to the increase of the receivables from the previous position yet also to the payment of the dividends allotted during the year 2021.

Advance expenses have also recorded a growth, by 26,90%, subsequently to having procured pavilions for the barges in the patrimony of Agigea branch yet also due to several expenses within the designing department.

Totally, current assets know a decrease by 14,55 %.

More information on all these elements can be obtained by consulting the Notes to the financial statements attached to this report.

Own capitals, even if they register a total decrease by 8,82%, especially because of the significant decrease of the reported result (by 87,83%) , because of the allotment of the additional dividend in the year 2021 yet also because of the result of the fiscal year, at the end of the year the company having registered net loss. The increase of the Reserves has been registered according to Other components from the internal capitals, subsequently to the re-assessment carried out by the company within the constructions and ships' units.

The provisions maintain at a level which is close to the one from 2020.

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The commercial debts and other debts have known an increase, (by 23,23%) in comparison to 2020, yet mainly they represent current debts, with decrease during the following period.

The internal capitals and debts have known a decrease by 6,67% overall.

5.2 PROFIT AND LOSS (COMPREHENSIVE INCOME)

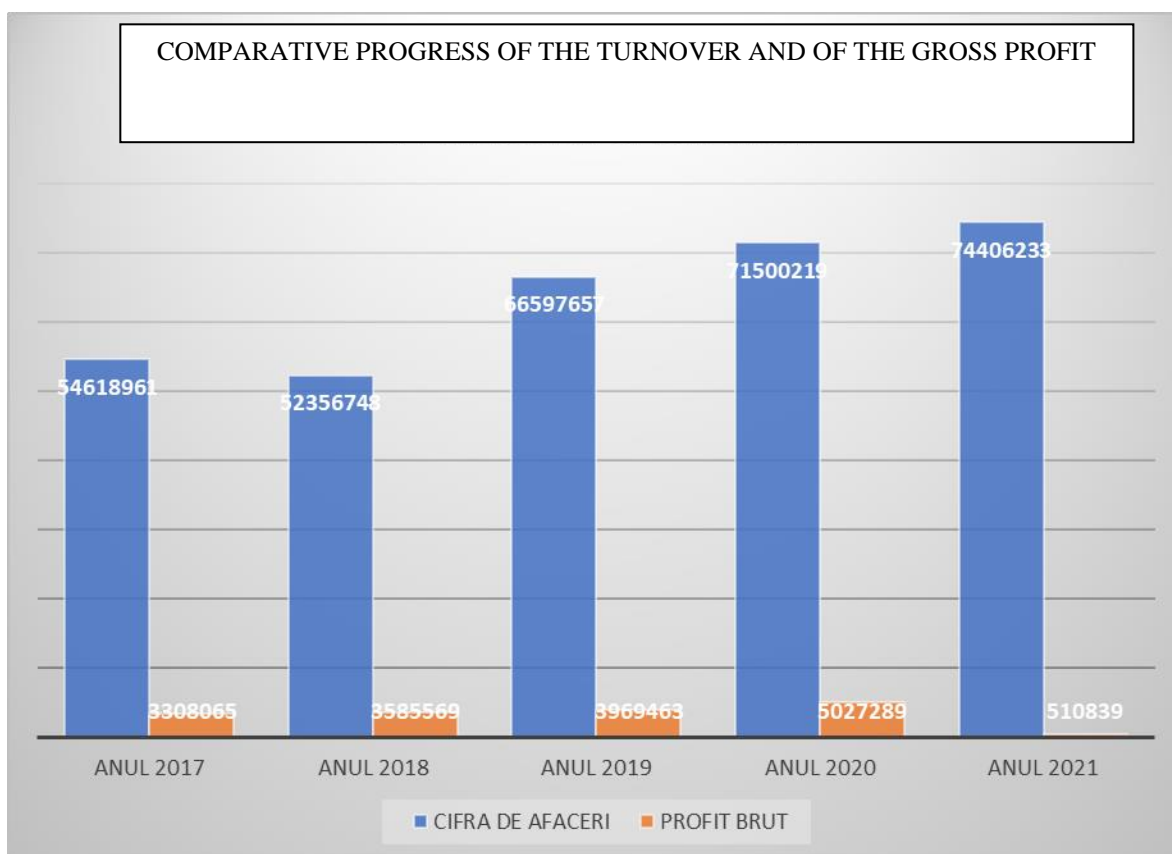
The gross result prior to taxation realized in the year 2021 is below the one realized in 2020 (decrease by 89,84%), but also above the one stipulated in the BVC, the deficit registered is by 85,40%. These aspects were resulting from the fact that the turnover for 2021 registered an increase, from the previous year by 4,06%.

The result from 2021 was negatively influenced by the decrease in the branch's activity caused by the COVID-19 pandemic. The department of barges' rental was seriously affected and the incomes realized out of this activity have decreased significantly which led to loss at the level of the branch.

In comparison to the previous year and BVC provisions, the gross profit evolution is presented as follows:

- Gross profit provisioned in BVC year 2021 3.500.000 lei
- Gross profit realized in 2021 510.839 lei
- Gross profit obtained in 2020-re-stated 5.027.289 lei

An evolution of the gross profit for the past 5 years is shown in the diagram below:



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In the table below there are written, synthetically, in structure, the realizations of the year 2021 in comparison to those from the previous year and to the provisions from the income and expenses budget, with the stipulation that the income and expense of the 2 years have been shown according to the provisions from the OMFP no. 2.844/2016 for the approval of the Regulations according to the Standards of Financial Reporting.

LEI

<i>INDICATORS</i>	<i>ACHIEVEMENTS PRIOR YEAR (2020-restated)</i>	<i>FI NANCIAL YEAR 2021</i>			<i>ACCOMPLISHMENT DEGREE (%) 2021 COMPARED TO:</i>	
		<i>BVC PROVISIO NS</i>	<i>ACHIEVE MENTS</i>	<i>OUT OF WHICH AT THE BRANCH</i>	<i>ACHIEVE MNTS 2020</i>	<i>BVC PROVISIO NS</i>
TOTAL INCOME, out of which:	73.660.173	72.790.000	75.533.784	5.104.612	102,54	103,77
- Operating income	72.982.950	72.190.000	74.669.943	5.003.991	102,31	103,44
- Financial income	677.223	600.000	863.841	100.621	127,56	143,97
TOTAL EXPENSES, out of which:	67.632.884	69.290.000	75.022.945	7.269.944	110,96	108,27
- operating expenses	68.359.248	68.890.000	74.660.228	7.223.241	109,22	108,38
- financial expenses	273.636	400.000	362.717	46.703	135,55	90,68
GROSS PROFIT / LOSS BEFORE TAX, out of which:	5.027.289	3.500.000	510.839	-2.165.332	10,16	14,60
- operating profit/loss	4.623.702	3.300.000	9.715	-2.219.250	0,21	0,29
- financial profit/loss	403.587	200.000	501.124	53.918	124,17	250,56
CURRENT AND DEFERRED PROFIT TAX (PAYABLE OR RECEIVABLE +/-)	(391.915)	(560.000)	(664.709)	-	169,61	118,70
NET PROFIT / LOSS	4.635.374	2.940.000	(153.870)	-	-	-
NUMBER OF SHARES	11.422.919	11.422.919	11.422.919	-	100,0	100,0

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NET PROFIT / LOSS PER SHARE (Lei/share)	0,4057	0,2573	(0.0134)	-	-	-
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It is to be noticed that the gross profit was realized at the main office in Orsova while Agigea Branch recorded loss. A significant contribution to the realization of the total gross profit is attributed also to the financial activity, both at the main office and at the branch, as we are about to show.

5.2.1 Analysis of operating activity

As already shown, the operational incomes of the year 2021 have resulted approximately 93,3% from the head-office in Orsova, where there were finalized and delivered a number of 7 vessels (in 2020:6 vessels), in total value of 13.985 thousands of Euro/68.802 thousands of lei (in 2020: 13.642 thousands of Euro, respectively 66.052 thousands of lei, at an average parity of 4.9196 lei/€ (in 2020: 4.8418 lei/€), against a rate of 4.88 lei/euro having taken in consideration for the BVC substantiation.

Per total, the operational incomes were higher than the ones from the previous year (increased by 2,31%) yet also from those stipulated in the BVC (exceeding by 3,44%).

Still, the result from operation is not significant, the company registered out of the operating activity a profit amounting to 9.715 lei. The failure to accomplish the profit from operation from the one in the BVC at Orsova head-office (by 35,21%) has been caused mainly by the increase of the costs of first hand materials (plate and steel profiles). The loss registered by Agigea Branch is the effect of objective causes, namely the COVID-19 pandemic which influenced negatively the market of ships' renting, and the income realized for the ships' repairing activities did not cover the operating expenses.

Negative influences on the operating activity are also because of the lack of possibility to receive supply within the country, from the traditional suppliers, of special naval materials which triggered their procurement from abroad, at higher costs, on one side, and on the other side, in order to be able to meet the contractual delivery dates, we had to subcontract certain works which also added up additional costs.

The ships built in Orsova were completely scoped to be delivered intra-community, respectively in the Netherlands. Referring to the structure/type of the vessels built, it may be stipulated that it is close to the ones built during the previous years. Subsequently, during the year (2021), the following types of ships had been delivered:

- 1 SS-STEEL TANK with a length of 110 m;
- 2 TANKS with a length of 110 m;
- 3 MONEY MAKER type of ships of 110 m length;
- 1 COASTAL SHIP.

Decline of the vessels market registered in the past years, as a consequence of movements produced on external market, continued also in 2021. The cut by approximately 30% in comparison to 2020, in the amount of transported goods, by approx. 80% of the number of new orders, according to the market analysts was also caused by the COVID-19 pandemic which marked the activity on this market department during the year 2021.

Even so, under these terms, SANTIÉRUL NAVAL ORSOVA SA succeeded in having covered the entire capacity of production in Orsova and at Agigea branch, the main income source was represented by the ships' repair, only 3 barges being rented internally, within the last part of the year.

Other information on the analysis of the main financial indicators can be found in the NOTES to the financial statements, which are an integrant part of this report.

5.2.2 Analysis of financial income and expenses

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Considering that over 95% of the company's cashing in is expressed in euro, coming from deliveries of ships in the intra-community area, the company was permanently exposed to the monetary risk (parity lei/euro). Hence, during 2021, this parity was floating, the company did not conclude new transactions yet transactions conclude during 2020 and completed in 2021 were processed. Thus from the financial activity, there has been realized a profit of 501.124 lei (during the previous year the profit recorded was 448.543 lei), out of which favourable exchange rate difference: 838.609 lei. More information related to the named influences may be found in the Notes to the financial situations.

Having a balanced flow of cash in during the entire year, the company did not contract bank credits during 2021. Subsequently, on 31.12.2021, the company did not have credits and had enough availabilities in the account to support the financing of its current activity, but also that for the investments, out of internal sources.

Other information on the financial activity is shown in the NOTES to the financial statements.

5.2.3 Provisions/encumbrances and depreciation

Just like in the previous years, the company considered it useful to form encumbrances and depreciation for an accurate analysis of tangible assets in conservation, financial assets, seniority of materials stocks, also the litigious receivable as well as for leaves and other salary rights corresponding to the year 2021 and which will be paid in 2022.

The situation of these provisions and depreciation for 31.12.2021 is the following:

	- Lei-
a) For depreciation of tangible assets	435.721
b) For depreciation of financial assets (shares hold at KRITOM Greece (Crete)	684.495
c) Litigations	531.210
d) Provisions for holidays and retirement bonus	500.805
e) Adjustment for depreciation of inventories	589.947
f) Adjustment for depreciation of receivables (clients/debtors)	568.675
TOTAL PROVISIONS AND DEPRECIATION	3.310.853

Compared to the previous year, per total, decrease has been noticed, in absolute numbers, by 2.390.466 lei. In structure, it may be noticed that, there is a significant decrease of the depreciation stock related (especially because of uncompleted production). The other provisions and depreciations have not registered significant deviations from the previous year.

Regarding the volume of depreciation at stock materials, in absolute numbers, decrease by 2.280.233 lei has been registered from the previous year, out of which:

- 2.086.840 lei adjustment (by decrease) of the depreciations for the delivery of the second coastal ships under dispute, the last of the two which were in litigation with the company VEKA. The depreciations were cancelled by being moved to income.

- 194.000 lei decrease of the depreciations for material stock which is not mobile, as a consequence of their use during the production process.

The provision for disputes amounting to 531.210 lei refer to a file which had been pending at the court of trial (Mehedinti County), registered at the end of the year 2020, in which the former president of the managing Board – Mr. Mihai Fercala – claimed interests on compensation for his dismissal from the management prior to the expiry of his mandate. At present, the file is set on the High Court of Review and Justice.

Other information on provisions and adjustments for depreciation of assets are shown in the Notes to the financial statements, which are an integer part of this report.

5.3 Analysis of the result and net profit distribution

Gross profit realized at 31.12.2021 is amounting to 153.870 lei.

Given the legal provisions on profit tax calculation, according to the legal provisions, the company has considered the non-taxable income and the non-deductible expenses for its determination, as these are similar to income/expenses elements.

It was also considered that for the activity at the canteen which is administered by the company, the company owes a specific tax according to the Law no. 170/2016.

Non-taxable incomes refer mainly to resumption in income of provisions and depreciations that originally were set up as non-taxable expenses.

Non-deductible expenses consist of sponsorship, provisions and depreciation (according to the above description), social expenses exceeding the approved share of deduction, fines and penalties and other expenses.

A significant influence for the calculation of the taxable profit was represented by the amount allotted as dividends out of the result reported, being the surplus realized from the reserves out of the re-evaluations, amount taxable at the moment of allotment.

A detailed presentation of these income and expenses elements can be found in the Notes to the financial statements, which are an integer part of this report.

After deduction of tax on profit from the gross profits, as per the law, the following situation has resulted:

No.	Indicator	Amount – lei -
1.	Gross profit	510.839
2.	Profit tax + specific tax	664.709
3.	Net loss (2-1),	<u>153.870</u>

We stipulate that during the fiscal year 2021, the company did no longer form legal reserves, on 31.12.2020, the company reached the fifth share out of the social capital according to art. 183 from the Companies La no. 31/1990, republished, further amended and abridged.

The general ordinary meeting of the shareholders for the approval of the financial statements for the year 2021, will aim at settling the manner of covering the net loss, according to the above stipulated.

5.4 Cash flow, financial resources, investment expenses, payment of liabilities.

According to the objective needs of the company, for obtaining guarantee letters, the opening of credit letters, for suppliers, and also for a possible covering of the necessary of financing sources, the company continued also in 2021 to benefit from the bank's support. Thus, the company had approved also in 2021, a ceiling for the multi-options and multi foreign exchange, approved by BRD, 1,54 million Euro, ceiling used for the financing needs of the company.

At the same time, the company benefited from a limit for currencies risk through BRD, covering in amount of 2.069.000 USD, at the same level as in 2020.

These ceilings were guaranteed with a mix of guarantees consisting of mortgages, pledges, assignment of receivables on export contracts (guarantee letters opened for external contracts) and two cash collateral in amount

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of 441.201 EURO. These ceilings were used specially for issuance of bank guarantee letters, the company not needing bank credits during 2021, as its internal sources were enough to pay all due liabilities.

As of 31.12.2021, this ceiling was used 99,8%, the 2 guarantee letters issued within this ceiling were amounting to 456.880 lei, in favour of the National Company for Administration of the Sea Harbour Constanta, yet also 3 advance return securities, amounting to 1.445.250 EURO, in favour of the company TEAMCO.

Investment expenses realized have known an increase compared to the previous year by 24,04%.

In figures/In absolute digits, the expenses volume for investments was at a level of 3.566.260 lei (in the year 2020: 2.875.047 lei) from which:

- 1.741.890 Lei in Orșova
- 1.824.370 Lei in Agigea

As from the BVC (income and expense budget) it is registered a realization degree of 79,18% (the BVC provided a value of the investments of 4.504.240 lei).

The failure to realize the numbers proposed in the BVC has been caused on one side by the procurement of some of them at a lower cost than the one considered at the BVC substantiation, yet also because the company, under some changes in the development strategy, delayed some investments for the forthcoming period.

At headquarter in Orsova was put into operation the following most important objectives:

- Cutting machine OMNICUT
- Air-radiators VTB-18000
- Air dryer MNX 8000
- Automate welding equipment
- Under-pressure pump 1509LP MONO
- Belt-saw
- Modernization and provision of additional devices to the already existing equipment
- Modernization of vertical quay, cranes and crane bridges
- Adjusting stands for block sections
- IT equipment

The purchase of these equipments was scoped to reduce the physical effort, to increase productivity of work, to secure the work, to reduce the manpower costs, to secure the IT systems.

At the branch in Agigea, out of a total of expenses for this scope, we stipulate the procurement of technological equipment (for welding, thickness measurements), two forklifts and one front loader. As well, the modernization of the slipway and the replacement of the wedge bogies belonging to the branch continued and the modernization of a container barrack as storage place was completed.

During 2021, among the most important output of assets, through sale, are 2 lands, owned in Gratca area (Orsova) being re-classified accordingly, as intangible assets hold for selling, as shown at point 2.2 above. The other outputs refer to cash in of fixed assets which could no longer be used in the production, because of advance wear out.

During the period analyzed the company did not contract any credits for investment, all the acquisitions of fixed means were carried out of internal sources.

During the entire year, the company ensured a financial balance, thus its obligations to the suppliers, to the working staff and to the state budget, as well as to the banks and other creditors could be paid in time.

Other information (including cash flow statement) can be found in the Notes to the financial statements, which are an integrant part of this report.

5.5 Litigation; actions before courts

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Reference will be made firstly to the old dispute which Santierul Naval Orsova had with one of his external clients: Veka Shipbuilding BV The Netherlands and which is in process of a final solving.

As we have informed the shareholders in the current report from 14.06.2019, subsequently to the settlement from the Arbitration Court of Rotterdam (AKD N.V.), released on the 13th of June 2019, the company Veka Shipbuilding B.V. was obliged to open the credit letters (L/Cs) for the 2 ships, at the level of the cost agreed previously between the parties, and if failed to consider the decision on the opening of the L/C within 4 weeks since the settlement, the client is obliged to pay penalties.

As the debtor did not abide by this resolution, Santierul Naval Orsova sent several notifications and formal notices to them requesting the consideration of the decision and notice to claim foreclosure. At last, in September 2020, after Veka found a client for selling the coastal ships under discussion, an agreement was concluded, for the taking over of the 2 ships, at a cost negotiated between the parties, following that the first of the two is paid during September 2020, afterwards to be taken over from the Branch in Agigea, at their own expense (meaning that all the expenses related to the transport, insurance, agencies, etc. is paid by Veka). The second coastal ship is to be paid and taken over at the beginning of 2021.

Up to the present moment, only the first coastal ship was sold, the ship being delivered and cashed in, according to the agreement. As for the second coastal ship it has been delivered during the month of March 2021, yet the agreement concerning the cashing-in had not been observed, The company VEKA only paid partially the debt, at the end of the year, the amount of 1.000.000 euro was not cashed in. The enterprises of the company concerning the cashing in of the pending amount, respectively notifications and even introducing the claim to start the insolvency procedure of the company VEKA Shipbuilding B.V. were objectified at the beginning of this year by signing on 10.02.2022 an agreement, before a notary public from the Netherlands, between SNO and the company VEKA, agreement offering additional guarantees, according to the Civil Code from the Netherlands, thus existing firm premises that during 2022, the litigation is to be solved.

Concerning the litigation in which our company is the respondent, for the amount of 531.210 lei interests on compensation. The petitioner of this litigation is the former president of the Managing Board – Mr. Fercala Mihai – who considered to have been dismissed before the expiry of his mandate, without reasoned grounds and is entitled to receive interests on compensation for the period up to the expiry of his mandate, as well as the payment of the legal interests calculated to this amount. The claim was introduced in November 2020 and the Court in Mehedinti, through the Civil sentence no. 14/23.02.2021 rejected the summoning claim as having no grounds and decided for the petitioner to pay the amount of 21.331 lei as court expenses in favour of our company. Against this decision, Mr. Fercala Mihai formed an appeal accepted through the Civil Resolution no. 596/11.10.2021 by the Court in Craiova, in the manner of accepting the Summoning Claim having as consequence the engaging of Santierul Naval Orsova in paying the amount of 531.210 lei, the payment of the penalty legal fee amounting to 3.852,65 lei, as well as of the court expenses amounting to 32.540 lei. Against this resolution of the court, Santierul Naval Orsova started an appeal which at present is filtered by the High Court of Review and Justice.

We mention that Mr. Fercala Mihai started during the month of November 2021, the foreclosure procedure. Consequently, our company registered the amounts, with specified purpose, upon the disposition of the judicial executor S.C.P.E.J. Drumea-Nicut si Ciovisa and formed an appeal to the foreclosure procedure which is at present pending at the Orsova Court.

At the main head-office, from the previous years, there was also pending the commercial dispute with INNOTEHNIC Satu Mare, in which our company was the petitioner. As the respondent claimed back, through a reconvention request, on the last meeting from 27.11.2020, the court, according to the parties' request, delayed the cause for the date of 19.02.2021, term in which they should amiably solve each other's claims. On 17.02.2021, the

2 companies have concluded the Transaction contract no. 367/17.02.2021 in which they agreed to the amiable closure of this dispute, document submitted to the court, as well. The litigation was finally and irrevocably settled through the civil sentence no. 36/Ap/26.02.2021 by the Court Satu Mare.

At the Agigea Branch, several previous claims are pending, in various stages, in which our company is the petitioner. The amounts under discussion are not significant and refer especially to commercial receivables, for which the debtor companies are to complete insolvency or bankruptcy. For all these outstanding receivables, depreciations had been constituted at the moment when the debtor's incapacity of payment was settled.

6 INVENTORY OF PATRIMONY AS OF 31.12.2021

The company has performed an annual stock take of assets and liabilities for 2021 according to the provisions of the Order of the Minister of Public Finances no. 2861/2009 and to the Manual with the inventory procedures issued at the level of the company. In this respect, there are internal decisions for the set-up of a central stock take commission and respectively sub-commissions for all units within the company, the headquarters and Agigea branch.

The main conclusions of the stock take are the following:

- At the inventory of fixed assets, the commission found differences and objects of inventory in usage, in the sense that the people in charge with the management of these assets shared various fixed assets or objects of inventory without drawing up the corresponding documents. These situations were solved, operatively, on spot, by the commission appointed for each inventory.
- At the other inventories no differences were noticed in the quantity or value between the documents and the real situation;
- On the occasion of the inventory, the commissions noticed the existence of certain assets which should be taken out of the inventory. The proposals of the commission are cassation or taking out of operation and they will be discussed and analyzed at the level of the managing board, from the point of view of their necessity and opportunity of this measure, after which they will be submitted for the approval of the Management Committee;
- For the unusable or damaged materials, separate inventory lists were created, and they are to be analyzed by the special commissions within the company, and according to the conclusions, it will be proceed accordingly.
- At the head-office in Orsova, certain materials were detected to belong to third parties in temporary custody on the date of the inventory. For these assets, separate lists were drawn up and sent for confirmation, to the owners of the named assets, according to the legal provisions;
- For the annual inventory of the patrimony, also external auditors were present in compliance with the legal obligations which are to be considered applicable, and they checked at random, various inventories for existence of real stock; no deficiencies were detected.

For the preparation of the balance sheet, the company complied with the rules approved through legal norms and data was taken over from the updated synthetic balances and according to the Law no. 82/1991, republished, and the applicable accounting regulations (Order no. 2844/12.12.2016 for approving the accounting regulations in compliance with the International Financial Reporting Standards).

For additional information, the interested shareholders have available the Notes to the financial statements, which are presented separately of this report and are attached to the present report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2021

President of the Board of Directors,
Ec. Roșca Radu Claudiu

.....
The undersigned Fonea Cristina, certified translator and interpreter for English and French languages, based on the Certification no. 24740, from 31.03.2009, issued by the Ministry of Justice from Romania, I certify the conformity of the translation realized from Romanian into English Language, that the text submitted for translation was translated completely, without any omissions and that, the document didn't change its meaning or sense through the translation made.....

The document whose translation was requested has 34 pages totally, is described as a Raportul Administratorilor 2021 and was submitted to me for translation as a complete document.....

CERTIFIED TRANSLATOR AND INTERPRETER,

FONEA CRISTINA