SANTIERUL NAVAL ORSOVA S.A.
ANNUAL REPORT FOR FINANCIAL YEAR 2024

CONTENTS **PAGE**

ȘANTIERUL NAVAL ORȘOVA S.A.

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 31.12.2024

Date of the Report: 12th of March 2025

- Name of the trading company: ŞANTIERUL NAVAL ORŞOVA S.A.;
- 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;
- Code LEI: 254900UXAJ8TPIKLXG79
- Subscribed and paid capital: 28.557.297,5 lei
- Number of shares: 11.422.919 common shares, each of 2,5 lei;
- 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
- 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

The year 2024, marked by the challenges of inflation manifested in the general economic environment but also by the geopolitical developments determined by the war in Ukraine, ended with financial results close to the levels projected for this year, but we still note that the company's performance was superior to recent years.

1.1. Description of the company's core business

a) Description of the company's core business

The company "Șantierul Naval Orșova" S.A. has as its main object of activity the construction of river vessels (NACE code rev.2: 3011 "Construction of ships and floating structures"). This activity, down 9.29% compared to 2023 and carried out at the headquarters in Orsova, accounted for 76.75% of the turnover of 2024, the ships built being intended for intra-community deliveries.

In 2024, the activity with a large share in the turnover of the Agigea branch was that of river/sea ship repairs (55.18%). Of the 5 rooms in the branch's patrimony, rental solutions were found during 2024 for three of them, and the revenues from this activity accounted for 30.70% of the branch's turnover. The turnover achieved by the branch increased by 50.42% compared to the previous year, but its share in total turnover increased by 6.72% (from 13.45% in 2023 to 20.17% in 2024).

b) Stipulation of the setup date of Șantierul Naval Orșova SA

The company was established on the basis of Government Decision no. 19/10.01.1991, by transforming and taking over the patrimony of the former Orsova Shipyard, subordinated to the Ministry of Transport and Telecommunications.

It is registered at the Trade Register Office under no. J25/150/1991.

In 1998, through the sale of the shares held by the former FPS, the company became a company with fully private capital, domestic and foreign.

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

In 2024, no such events were recorded.

The only merger operation, since the establishment of the company until now, took place in 2008. It is a merger by absorption: Societatea Şantierul Naval Orşova SA, jud. Mehedinţi being the absorbing company and the company Servicii Construcţii Maritime SA Agigea, county. Constanta, being the absorbed company. Following this merger, the main headquarters of the company remained in Orşova, and the former company from Agigea became a branch of the company Şantierul Naval Orşova SA. On this occasion, the company's share capital increased from RON 21,643,150 to RON 28,557,297.5, and the number of shares increased from RON 8,657,260 to RON 11,422,919, each share having a nominal value of RON 2.5/share. Since the merger and until the date of this report, the share capital and the number of shares have remained unchanged.

d) Description of assets acquisitions and/or sales:

Acquisitions and disposals of assets are described in paragraph 5.4 of this report, as well as in the NOTES to the 2024 financial statements, 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 2023):

- total income, out of which: 101.160.240 lei
    - Agigea Branch 22.434.764 lei
- total costs 93.618.425 lei
    - out of which Agigea Branch 16.775.322 lei
- gross profit, out of which: 7.541.815 lei
    - Agigea Branch 5.659.442 lei
    - Orsova headquarters 1.882.373 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 5%;
- as of 31.12.2024, the company's available funds in accounts amounted to 10.955.209 Lei, out of which:
    - 3.823.448 lei in the Lei account
    - 7.125.266 lei in the foreign currency accounts
    - 6.144 lei, petty cash
    - 351lei other values

The main characteristics of the year 2024, compared with the previous years, could be shortly synthesized by:

• Maintaining low demand in the river vessel segment, on which our company operates; Even if an increase in the sale prices of ships was felt, this was as a consequence of the increase in the prices of raw materials and materials on the one hand, and of services on the other. Even under these conditions, the company managed to have its entire production capacity covered for 2024.

• An increase in the activity of the Agigea Branch compared to previous years, mainly as a result of the fact that greater attention was paid to the development of the ship repair activity (the revenues from the ship repair activity became preponderant in the turnover of the branch), but also to the revival of the salanda rental activity.

• The good name that the company has on the European builders' market has contributed to a good extent in obtaining new shipbuilding orders.

Further information and comments in relation to these indicators and the company's activity are presented in paragraph 4 of this 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 company's object of activity is diversified, the two offices having different but complementary roles in achieving the objectives. Thus, the activities carried out include: the construction and intra-community delivery of river vessels (headquarters in Orșova), the rental of own barges in the intra and extra-EU space and repairs of ships belonging to third parties (Agigea branch). For shipbuilding, the company has the technical equipment and specialists necessary for this type of construction. The organizational system, the technical culture, the equipment, the technological flows specific to the construction of ships, allow, therefore, the execution and delivery of river and sea ships of various types and increased complexity.

Orsova Shipyard offers customers a wide range of products. Currently, it is possible to build any type of river cargo ship (containers, fuel tanks, chemicals, food, pharmaceuticals), but also to build coastal ships and passenger ships.

The company's management has shown and continues to show a continuous concern for the modernization of production processes, by purchasing the most modern equipment specific to the naval field. Aware of the fact that the company must maintain a level of endowment corresponding to the current requirements, major investments have been made for the purchase of machines, equipment, modern equipment and work facilities for the construction of river vessels. Qualification and selection courses for employees were carried out, exchanges of experience in the country and abroad, as well as actions to modernize the existing equipment, both at the headquarters in Orsova and at the branch in Agigea. Also, competitive equipment specific to shipyards (80+25 ton electric cranes, plasma cutting machines, with numerical control, high definition, sandblasting/painting equipment, welding sources in a gas-protective environment) and IT equipment were purchased, together with the licenses and programs necessary for proper operation, high-performance ventilation systems.

If in 2013 and 2014 the modernization and expansion of the lifting and launching capacity of the Orsova slipway was carried out, the project for the repair and modernization of the Agigea slipway is currently in the completion phase.

In 2024, at the main headquarters in Orșova, high-performance, automatic welding equipment was purchased, including a micro twin welding robot, a 47 ton crane, a belt cutting machine. Also, the process of repairing and modernizing the transport and lifting facilities continued.

At the Agigea branch, an industrial hydroblasting equipment was purchased and the modernization works at the launch slipway continued.

The long and fruitful collaboration with partners from the Netherlands can be attributed to the fact that the company has sought, in a very special way, to satisfy their requirements, by rigorously achieving the imposed quality standards. A special attention is paid to the execution of the finishes, especially in the aesthetic areas.

The implemented quality assurance system is able to cope with the most modern requirements, the company being certified by LLOYD'S REGISTER QUALITY ASSURANCE; During 2019, the company also obtained the Quality System Certification in accordance with the new DIN ISO 9001:2015 standard (certificate no. 10186440 in the field of "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 equipment– revision 1/08.11.2012

The Orsova Shipyard benefits from a favorable conjuncture, a premise for sustainable development, for the following reasons:

- - the geographical location is advantageous, both in the case of the headquarters in Orsova (city located on the banks of the Danube) and in that of the branch in Agigea (in the port of Constanta);
- - the possibilities of adapting to market requirements are increased, the status of medium-sized shipyard opening the prospect of business diversification;
- - pollution is within normal limits (pollution is not a disturbing factor);
- - the share of external deliveries and services in 2024 is over 75% of the turnover;
- - the company has qualified personnel, in accordance with the requirements of the technological process; we note, however, that there is a trend of increasing the average age of employees;
- - the endowment with specific fixed assets is at a reasonable level (comparable to that of other shipyards operating on the same segment); In this direction, the company started, many years ago, an investment program that aimed, on the one hand, at increasing the share of active fixed assets, and on the other hand, at replacing the means of production with a high degree of physical and moral wear and tear with much more efficient ones, likely to ensure a higher productivity; This strategy aimed to increase the flexibility and efficiency of fixed assets and to bring them to a technical and technological level that would allow the production of products that correspond to the standards imposed by external customers;
- - the marketing of ships involves the conclusion of direct contracts with the shipyards that arm the shipyards or with European seafarers;
- - stable clientele, composed of companies belonging to the intra-community area (Netherlands, Austria, Germany, Belgium);
- In 2024 there were no major changes in terms of the demand for new sea/river vessels, which is at an average level, and the latest information on the ship market shows that the current situation will be maintained in 2025, but also in the following years. In terms of shipbuilding, China holds 58% of the global market and is the largest builder, South Korea in second place with 37.02%, the difference of about 5% of the market being held by countries from Europe, Asia and the USA.
- That is why we believe that a future strategy must be realistically analyzed, in order to be able to find – further – pricing and financing policies that ensure the continuation of the activity in conditions of performance and competitiveness.

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

The year 2024 marked changes in terms of the main suppliers of raw materials and materials, Thus, in the second half of 2024, the Company, due to the interruption of the activity of the company Liberty Arcelor Mittal Galați, turned to a company from outside the EU for the purchase of raw materials. As in previous years, the material base was provided mainly by ISO certified suppliers in the country, according to European norms and standards. However, when, following the commercial analyses, the quality-price ratio was more favourable to imports or intra-community purchases, the company opted for this option; We refer especially to naval sheets, stainless steel sheets, pipes, profiles. As far as intra-community acquisitions are concerned, it is mainly about those materials that are not produced in the country or for which the customers of the contracted ships have imposed a certain quality standard; We exemplify such materials: laminates and paints for river/sea ships. The transport of the ships in Germany/Holland, depending on the delivery conditions of the contracted, was carried out on the Orsova – Regensburg segment and on the Regensburg – Rotterdam route with non-resident intra-community providers (CLASSIC CHARTER GMBH – GERMANY, VIGILIA TRADING BV – NETHERLANDS).

As there was a rhythmicity of supplies, the stocks of materials were always at an optimal level, which ensured the continuity of the activity, with 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 ARCELOR MITTAL GALATI: for medium and thick plates;
- DUCTIL Buzău: welding consumables;
- LINDE GAZ Timişoara: technical gases
- PENTAGON SRL TECUCI: grinding stones
- NIMFA COM SRL BUC.: pipes and various profiles
- COMTECH CO SLATINA pipes and different profiles
- DAMILA RM VALCEA steel pipes;
- MIRAS INTERNATIONAL TARGOVISTE different profiles;
- INOX METAL pipes and different profiles
- PLASMASERV welding consumable
- 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,
- INTERCOM GROUP BG, for sheet metal
- MAKSTIL AD, for sheet metal

The subcontracting activity of specific operations continued in 2024, but at a higher level than in previous years. These collaborations were necessary for the proper development of the activity, referring to the activities of ship painting, metal construction, ship equipment components, ship transport, etc. Among the most important collaborating companies we list:

1. SCHIPBUILDING CONSTRUCT – for the metal construction activity;
2. BVE SHIPBUILDING – for ship repair activity;
3. ROMINEX PLANT – for the metal construction activity;
4. ECO STEEL SOLUTION SRL – for ship repair activity;
5. VIGILENT SECURITY – for security services;
6. BERG BANAT - for galvanizing.

1.1.4 Assessment of sales activity

The turnover, on total activity, increased by 0.29% compared to the previous year. In the structure, revenues from the shipbuilding activity decreased by 9.25%, while revenues from the ship repair activity increased - by 25.3% compared to 2023. The turnover achieved was, in particular, on account of external, intra-community deliveries and services for ships built in Orșova, and internal services for ship repair activity, from the Agigea branch. However, we note an increase, compared to 2023, in the revenues made from the sale of residual products (by 335.12%) – mainly due to the recovery of waste resulting from the scrapping of some assets, but also of those made from the rental of waste (by 116.56%).

All 6 ships completed and delivered in 2024, from Orșova, were intended for delivery on the intra-community market.

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

CLIENT / BENEFICIARY	YEAR 2022	YEAR 2023	YEAR 2024
Rensen Driessen Shipbuilding B.V. (NL)	77,07%	38,59%	88,71%
Gebr De Jonge (NL)	-	39,49%	18,29%
GEFO GESELLSCHAFT FUR OEL TRANSP. (DE)	22,93%	12,82%	-
BLACK SEE	-	9,10%	-
TOTAL	100%	100%	100%

In 2024, as in previous years, Rensen Driessen Shipbiulding B.V. held the first position in terms of delivery volume. Thus, for this company, the company completed and delivered 4 hulls and for the Gebr De Jonge company 1 hull was delivered.

The contractual payment conditions, for all these deliveries, were through the payment of initial advances from 10% to 70% and the insurance of the difference in payment through letters of credit, respectively the payment of the difference after the ships arrived at their destination.

As in previous years, the main concern of the Board of Directors and the executive management has been and will remain to find solutions so that the conclusion of commercial contracts is carried out at prices that ensure the profitability of the activity and with the guarantee of the payment of the price. This is also because in the new external conditions there can be rapid, unexpected changes, from one day to the next, on the market on which we operate.

In the new market conditions, the competition in this sector of activity is quite fierce because most of the orders come from the European Community, and the business partners have become more demanding in terms of the quality of the works. The company has a technical and technological level that meets these requirements and has a stable position among shipbuilders, which leads us to appreciate that it is capable of winning other contracts in relation to the competition.

The main competitors of the company in the ship construction and repair activity are, as in previous years:

- in the country - all shipyards

- abroad – especially the shipyards in China and Korea, and then Poland, Serbia, Turkey, Slovakia, the Czech Republic and Ukraine.

1.1.5 Assessment of aspects related to employees / company staff

The most important resource of society is the human resource. The company's efforts to achieve and increase production in 2024 also entailed a greater need for manpower. Thus, given the fact that the average age of employees is high and the age structure is not balanced, the company has faced and continues to face a real risk related to personnel due to the departure from the company of employees who reach retirement age. The steps taken at the level of the executive management to recruit new qualified workers in the professions of welder and locksmith were to replace those who left, especially through retirement, but also to ensure the necessary workforce for the realization of the contracted production for 2024.

As far as the company's staff is concerned, we can conclude that:

• On the one hand, there is an aging phenomenon of salaried personnel that will continue in the coming period;

• On the other hand, there is a certain decrease in the degree of qualification of the newly hired personnel, especially in the basic trades (welders and locksmiths), which will lead to the outsourcing of some metal construction works in the future, as long as there is no competition for employment;

• We are still facing difficulties in filling the positions;

• And last but not least, it is an increase in labor force fluctuation.

In 2024, the number of staff decreased, by 2.08%, compared to 2023.
The average number of personnel performed for the entire year 2024 is 344 employees, compared to 337 employees in the previous year. The effective number on 31.12.2024 was 349 employees, of which 305 at the headquarters in Orşova and 44 at the Agigea Branch.

Of the total number, by sectors of activity as of 31.12.2024, the situation is as follows:
• 347 in industrial activity
• 1 in the canteen activity
• 1 in medical activity
In structure, the situation is as follows:
• 49 technical, economic, specialized and administrative staff, of which:
  o 41 people in Orşova (of which 32 with higher education);
  o 8 in Agigea (of which 5 with higher education).
• 6 foremen, of which 6 in Orşova;
• 294 workers, of which:
  o 258 people in Orşova;
  o 36 people in Agigea.

Another grouping of the staff structure, in terms of gender, is presented as follows:

• men – 305 persons (291 in the previous year);
• women – 44 persons (53 in the previous year).

During 2024, there were 84 new employees and 79 departures; The latter left through: retirements, termination of employment contracts for reasons related to the employee's person, expiration of the individual employment contract and with the agreement of the parties, the latter being the most common.

A permanent concern of the company's management was that of continuous professional improvement of the salaried staff, maintaining health, stimulating the staff, all of which had the effect of increasing the performance at work.

At the level of the company, two trade unions are legally constituted.

The degree of unionization of the workforce is 67.34%.

As for the employees' rights in the Collective Labor Agreement, they were negotiated in such a way as to ensure the profitability of the activity, but at the same time, a balance between the two parties. During 2024, there were no conflicting elements between employees and the company's management.

Other aspects regarding the company's employees/staff are presented in the NOTES to the financial statements, which are an integral part of this report.

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

The environmental policy of Orsova Shipyard SA is based on the principles of precaution, prevention and correction of pollution at source. As a whole of the actions, documentation or programs that identify, describe and evaluate the possible significant effects on the environment, it is closely related both to the observance of the principles of the European directives on the respect and protection of the environment (EC Directive 2002/42/EC, SEA Directive 2001/42/EC, Habitats Directive 92/43/EC, Directive 2004/35/EC on liability for environmental damage and the DRM Directive), as well as the social and economic policy of society.

The company's environmental policy is adopted by the entire staff of the company, being periodically analyzed, in order to continuously adapt to the changes that may occur on environmental factors, given that the entire activity of the company is carried out in an area protected by law, in the area of the "Iron Gates" National Park.

Being aware of the importance of protecting the environment, in order to reduce the negative impact on it, the entire team of the company carries out its activity according to the following principles:

- compliance with the Romanian environmental legislation and alignment with the European Union Directives;
- mitigating the impact of the company's main activity on environmental factors;
- systematic assessment of accident risks and development of prevention measures.
- integration of environmental considerations in the elaboration and adoption of the company's plans and programs;
- Superior capitalization of primary resources of raw materials and energy with effects on minimizing the quantities of waste, wastewater, pollutants in water, air and decreasing unit costs per ton of product;
- continuous improvement of environmental aspects, especially significant ones, based on environmental management programs, the action plan (an integral part of the environmental permit) having established targets, objectives, deadlines and responsibilities;
- increasing the degree of education in terms of environmental protection by ensuring the organizational framework and implementation of projects regarding wastewater disposal, waste storage (especially hazardous waste), soil protection;

The company has in operation a monitoring system of all environmental factors by authorities and specialized companies. The activity of collection and recovery, respectively disposal of waste resulting from production processes is carried out selectively, in strict compliance with the provisions of the mandatory provisions of G.E.O. 92/2021 on waste management records and for the approval of the list of waste, including hazardous waste, only through authorized companies, based on firm contracts.

The impact on the environment through the heating and hot water supply activity for the company's employees is insignificant, given the fact that the heating of our unit (the administrative center and the changing rooms) is done with the help of 8 (eight) power plants for hot water heating, with a power of 36 kw each, and one of 24 KW, of the ROMSTAL EKCO type. L1.

During 2024, the company has exactly complied with the obligations resulting from the Environmental Permit no. 21/27.02.2013, revised on 15.03.2024, valid up to date, endorsed by the National Agency for Environmental Protection Mehedinti for the period 27.02.2025 - 27.02.2026, fulfilling at the same time all the obligations imposed on it by the Water Management Authorization no. 68/01.11.2024, no event with a negative impact on the environment being reported (as evidenced by the control acts of the representatives of the environmental authorities, two during 2024, no pecuniary or coercive measure being ordered on their part).

1.1.7 Assessment of research and development activities

As in previous years, in 2024 the company did not record expenses with research and development activity, and for 2025 it does not intend to make such expenses, due to the fact that – further – the technical projects of the built ships are usually provided by customers or the projects that the company bought in previous years are used with the right to use for new constructions that will be carried out in the future.

1.1.8 Assessment of company activities regarding risk management

Starting from the specifics of the company's main activity, namely the construction of ships and floating structures, as well as the fact that the company's products are sold in the community space, a series of risks can be identified. At the moment, due to the competitive environment, the sudden changes at European and global level, it is normal that the degree of exposure (vulnerability) to risks is much higher than in past periods.
At the same time, society has felt and still feels the effects of the global economic and financial crisis.

Therefore, the list of potential sources of risk could include:

1. Market risk
2. Price risk
3. Currency risk
4. Environmental risk
5. Information security risk
6. Liquidity risk, etc.

As already shown, the decrease in the demand for ships accompanied by the reduction in sales prices, as a result of the global economic crisis, has directly affected the company's activity in recent years, including in 2024.

In order to overcome this difficult period, the company's management had to initiate actions and programs to help it manage costs, so as to withstand the river vessel market. This aspect, which aims to reduce costs according to the evolution of foreign markets, continues to be the main concern of the company's management.

Taking into account the estimates/forecasts regarding the evolution of the exchange rate in 2024, the company has carried out currency risk hedging operations. These derivative operations were concluded at an exchange rate above the official one of the respective period, which determined that the favorable exchange rate differences recorded in 2024 from such operations were about 227 thousand lei.

Further, the company has paid special attention to ensuring better security of the information system and database, given that the vurnelabilities of the cyber system can create significant problems for companies.

Other risk management aspects (credit, foreign exchange, liquidity) are presented in the NOTES to the financial statements, which are attached to this report.

1.1.9 Perspectives on the company's activity

The year 2025, analyzed both in terms of external factors related to the market and the geopolitical context, as well as internal factors (inflation, labor), is shaping up to be a difficult year.

As regards the prospects of the company's activity, the following are shown:

- The company has over 31 years of experience in the field of construction and repair of river vessels; they are executed at the level of quality standards imposed by foreign customers, and the name of the company is already well known by Western European shipbuilders;
- The company's activity will continue to be influenced by the uncertainties regarding the demand on the markets in which we operate;
- Currently, the company has concluded contracts for 2025 that partially ensure the coverage of the production capacity at the main headquarters. The negotiations that are currently underway, for the signing of new contracts, give us the perspective of continuing the activity in the following year;
- As regards the Agigea Branch, at the end of 2024 there were five hydroclap barge vessels in its patrimony, vessels that are described in item 2.1 b of this report; In 2024, three ships were leased, but it is estimated that new lease contracts will be concluded in 2025 as well, given that there is demand on the domestic market. At the same time, the branch has the necessary equipment and capacities to be able to execute ship constructions and repairs, the ship repair activity being increasing compared to previous years;
- Taking into account the concluded contracts, the production structure and the evolution of salary costs and those with raw materials and materials, the company has based its Income and Expenditure Budget for 2025 on a volume of revenues at a higher level than that achieved in 2024.
- Efforts will be continued to find new sources of income at the branch level but also to reduce production costs so that the company becomes more competitive;
- Also, after carrying out technical and opportunity analyses, the company aims for 2025 to carry out an investment program consisting mainly of:

  - Completion of the works on the modernization of the launch slipway in Agigea, respectively the replacement of the feather trolleys, which will lead to increased safety of ship lifting-launching operations;
  - Purchase of welding equipment, especially for the Orsova headquarters;
  - IT equipment, software update
  - Purchase of gas exhaust system

- Purchase of a numerical control saw for cutting pipes and profiles
- Modernization of technological platforms and interior roads
- Modernization of the buildings in the branch's patrimony
- Modernization and sanitation of production halls, administrative and social spaces
- Purchase of roller press for ship shell forming
- Stamp Acquisition
- oPurchase of means of transport for people (car/minibus)

2. COMPANY'S FIXED ASSETS

2.1 The land and the most important buildings and production equipment owned by the company are located, on the one hand, at the main headquarters in Orşova (4 Tufări Street, Orşova, Mehedinţi County), and another part at the headquarters of the branch in Agigea Commune, Constanta South Port Premises, Constanta County.

In 2024, there were no significant changes in their composition, the largest investment expenses were those related to the repair, replacement and modernization of the existing ones, as we have shown.

a) In Orsova, the company owns, at the administrative head-office, a total surface amounting to 85.790 sm, confirmed through excerpts of Land Register.

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

- The fixed assets existing at the headquarters in Orşova are mainly made up of:
- a 1,800 t launch slipway with ten wires on a length of 100 linear meters, with the help of which ships with a maximum length of 135 linear meters and a width of 15 linear meters can be launched, and which was modernized in 2014.
- a technological platform that allows the simultaneous assembly of 5 river vessels as well as the execution of sections and blocks related to shipbuilding;
- 5 80+25 t portal cranes purchased in recent years for the assembly platform, 2 16-ton portal cranes together with 2 magnetic sleepers for sheet metal handling at the sheet metal warehouse and the sandblasting station and one 5-ton Portal crane, purchased in 2019; they provide more safety and have led to an increase in labor productivity by replacing existing cranes that were physically and morally worn;
- 1 OMNIMAT coordinate cutting machine based on computer programs and 4 with OMNICUT plasma, put into operation in 2007, respectively 2009, 2018 and 2021;
- Hydraulic sheet bending press, purchased in 2017
- Compressors (4 pieces) type ACU 9L8 from HAFI and a screw compressor;
- an automated horizontal painting sandblasting line purchased in 2009 for sheets up to 3000 mm wide;
- buildings, warehouses, material warehouses, administrative pavilion;
- cranes of 10 - 50 tons, welding and painting equipment, sheet metal rolling machine, 2 hydraulic presses for bending profiles of 200 tons for shaping the profiles at the retreat areas (stern, bow), etc.

b) At the Agigea Branch, the company owned, until the end of 2024, the ownership of a plot of land, located in Constanta, with an area of 210 sqm, on which a building is built, where until 2009 was the old administrative headquarters of the company, before the merger. The company's Board of Directors decided, following the settlement of the dispute with the Constanta City Hall and the completion of the cadastral work and the registration of the property right in the Land Book, the sale of the building and the 210 sqm land, an operation completed by December 31, 2024. Currently, the branch offices are located in Agigea. The area of 57,710 sqm of land in Agigea, where the branch currently operates, is the property of the National Company "Constanta Maritime Ports Administration", and the branch has a contract for the use of the port domain with this company until 2038, but this contract contains clauses regarding the renegotiation of the tariff every 5 years and an annual indexable rent value.

The main fixed assets available to the branch are those existing in previous years, but new equipment was purchased in 2024.

As for the launch track, in 2015 a first stage of replacement of the damaged running rails was completed, in 2016 the problem of the towing system for launching ships was solved, the modernization action continuing in 2017 and 2018. In 2019, the investment plan provided for the change of the trolleys up to this hold. The 14 trolleys to be replaced were made in 2019. By the end of 2024, 9 trolleys have been changed, the replacement action being delayed due to the large volume of ship repair works and the impossibility of blocking the launch slipway to allow the trolley replacement works to be carried out.

The main facilities at the Agigea branch:

- 5 seagoing vessels of different types and capacities, namely:

5 hydroclap boats 940 cubic meters MIDIA type (with own propulsion) - we specify that a salanda, following the decision of the administrators, was reclassified at the end of 2024 as an asset held for sale, and in February 2025 its sale was completed;

- the construction and launching hold, having 14 sheets, on which the lifting / lowering works of the ships can be executed, having the following dimensions:

a maximum length = 90.00 m
a maximum width = 18.00 m
a maximum height = 3.60 m
an empty ship weight = 1,800 t

- 1 mobile boom crane 16 tf x 16 m/ 8 feet x 32m;
- 1 80 ton gantry crane, purchased in 2008;
- an automated horizontal painting sandblasting line purchased in 2009 for sheets up to 3000 mm wide;
- Washing and sandblasting equipment
- Caterpilar forklift
-Compressor
- production halls (for metal works, engine assembly, naval equipment);
- technical gas network;
- workshops for electrical repair activities, lathe (with the possibility of processing parts with a maximum diameter of 600 mm and maximum length of 11,000 mm, equipped with an overhead crane 5 tf x 16.5 m), etc.;
- covered and uncovered storage spaces

- material warehouse 60 x 60 = 3600 sqm;
- 40 x 30 work platform = 1200 sqm;
- Work platform 120 x 40 = 4800 sqm

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

On 31.12.2024, the company proceeded to the revaluation of the group of ships, according to the company's accounting policies, with the results of this revaluation reflected in the financial statements

DENOMINATION	BALANCE AS OF 31.12.2024	BALANCE AS OF 31.12.2023
LAND	625.753	1.201.941
CONSTRUCTIONS	22.462.920	17.706.276
TECH. INSTAL. AND TRANSP. MEANS	17.296.766	15.468.827
OTHER INSTALL, EQUIP. AND FURNIT.	138.469	98.728
REAL ESTATE INVESTMENTS	50.243	2.981.964
ASSETS IN PROGRESS	3.080.295	1.402.835
TOTAL	43.654.446	38.860.571

prepared for this year. The net book value of fixed assets as of 31.12.2024 after this revaluation is presented in the statement below:

The revaluation was carried out by an ANEVAR authorized valuation firm, and the results of the revaluation were recorded and presented in the financial statements for 2024; The company has prepared a special report on the results of this operation, in detail, in order to present it to the shareholders for approval, a report that completes this presentation.

Part of the fixed assets in the category of machinery and buildings were passed into conservation in previous years and many of them were in the same situation on 31.12.2024, while others were scrapped during the year. For this category of fixed assets (other than buildings), impairments totalling RON 130,548.24 were constituted.

The entry value by category and the amount of depreciation of fixed assets, as well as other information regarding fixed assets, can be found in the NOTES to the financial statements.

2.3. Clarification of potential problems related to the ownership of the company's tangible assets

At present, the company has no other disputes related to the right of ownership.

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 the Orşova Shipyard Company are registered and traded, since 1998, at the Bucharest Stock Exchange, having the symbol SNO. At the moment the shares are traded in the category:

STANDARD. The activity of keeping the register of shareholders was and is carried out by S.C. Depozitarul Central S.A., according to contract no. 30808 of September 9, 2022.

The company's securities are not traded on other markets in the country or abroad.

The share capital of Şantierul Naval Orşova SA has not changed in 2024.

In November 2023, there were significant changes in the shareholder structure, in the sense that the shareholders Transilvania Investments Alliance S.A. and Infinity Capital Investments S.A. sold all the holdings in our company to the companies Sea Container Services S.R.L. and SIF 4 Muntenia, respectively. . We mention that during 2024 this structure has also undergone changes as a result of the mandatory takeover bid carried out by the two significant shareholders, but also as a result of transactions between the two significant shareholders.

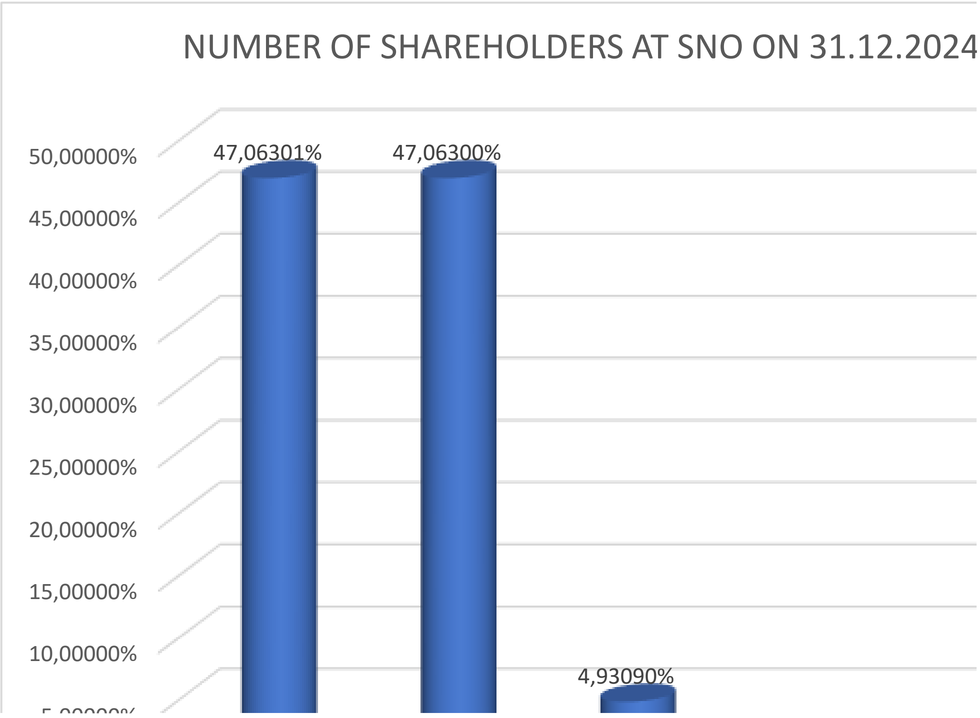
We specify that during June 2024 Societatea de Investitii Financiari Muntenia S.A. changed its name to Longshield Investment Group S.A.

Changes occurred at the level of other shareholders, natural and legal persons, in the sense that there was an increase in the holdings of legal persons to the detriment of natural persons.

According to the last register of shareholders requested from the Central Depository on the reference date 31.12.2024, the shareholder structure is as follows:

Shareholders	Number of shares	Amount	Percentage
Longshield Investment Group S.A.	5.375.969	13.439.923	47,0630
Sea Container Services S.R.L	5.375.968	13.439.920	47,0630
Other shareholders natural persons	563.253	1.408.132	4.9309
Other shareholders legal persons	107.729	269.323	0,9431
	11.422.919	28.557.298	100,000

The structure of the company’s shareholders is given in the graph below:



The subscribed and paid-up share capital is RON 28,557,298, divided into a number of 11,422,919 registered and dematerialized shares, each worth RON 2.50.

The company's shares are ordinary and indivisible.

The identification data of each shareholder, the contribution of each one to the share capital, the number of shares owned and the shareholder's share in the total share capital are mentioned in the register of shareholders kept by the registry company (Bucharest Central Depository)

Each share subscribed and paid by the shareholders, according to the law, gives them the right to one vote in the General Meeting of Shareholders, the right to elect or to be elected to the management bodies, the right to participate in the distribution of profit or any rights derived from the quality of shareholder.

The holding of the action implies the right of adhesion to the statute and to subsequent amendments.

The evolution of the share price of Șantierul Naval Orşova SA, over one year, respectively 5 years, together with the volume of shares traded during this period, is illustrated in the chart below (source: Bucharest Stock Exchange)

According to the data presented on the BVB website, the range of variation of the trading price in the last year was between 5.98 lei/share and 7.90 lei/share (32.10% increase). Referring to the period of the last 5 years, we find that the lowest trading price was recorded at the beginning of March 2020 (2.71 lei per share), and the highest price was recorded in the last decade of October 2024 (7.90 lei per share).

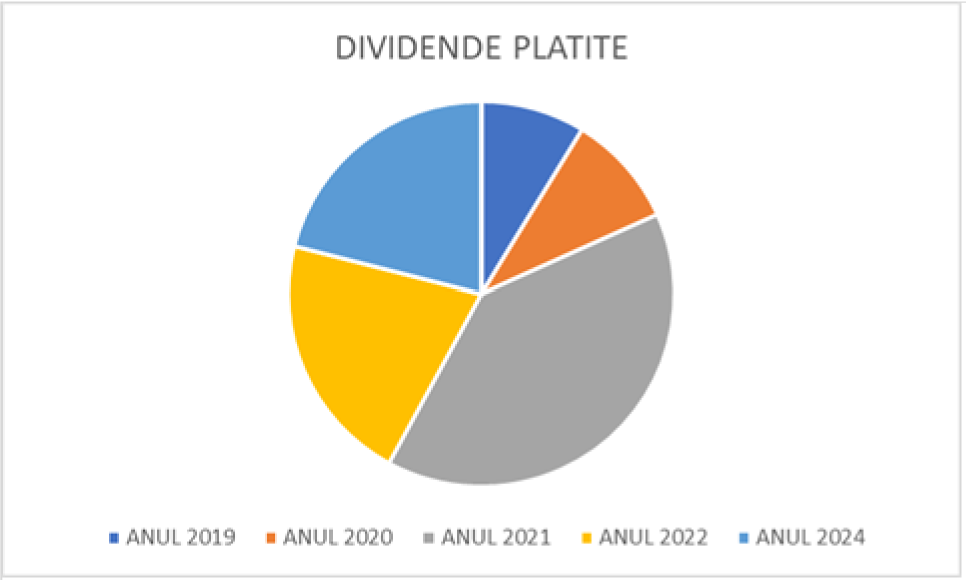
3.2. Description of company's policy on dividends

Taking a look back at the last few years in terms of dividend policy, we can conclude:

- the approach regarding the destination of the net profit was different, depending on the level of profit, the interest of the shareholders and the legal provisions;
- until 2009, as long as the amounts in the profit account were more significant, the General Meeting of Shareholders approved the distribution of dividends from the net profit to be distributed, which represented about 50-60% of the net profit. The value in lei/share was between RON 0.4-0.75/share. The amount, in absolute value of the gross dividend per share, was established according to the company's performance. During the entire period in which the distribution of dividends was approved, their payment was made within the deadline set by the General Meeting of Shareholders, with no delays or complaints from shareholders.
- In the period 2010-2011, when the level of profit was at a relatively low level, the general meeting of shareholders decided that this amount should remain at the disposal of the company, as its own source of financing, without distributing dividends.
- Between 2012 and 2013, the company recorded a loss, so it was not possible to distribute dividends.
- In 2014 and 2015, the company recorded a profit, which was used to partially cover the losses of previous years.
- In 2016, after covering the losses of previous years from "Other reserves", a gross dividend of RON 0.2/share was distributed from the net profit for this year, according to the Decision of the Ordinary General Meeting of Shareholders of April 7, 2017;
- For the financial year 2017, a gross dividend of RON 0.16/share was approved, for 2018 the amount of the gross dividend was RON 0.22/share and in 2019 a gross dividend of RON 0.24/share was approved and distributed.
- For the financial year 2020, the distribution of a total gross dividend of 1 lei/share was approved, of which RON 0.38/share distributed from the net profit of 2020 and RON 0.62/share as additional gross dividend distributed from the deferred result.
- In 2021, the company does not record net profit.
- In 2022, at the OGMS meeting of 24.11.2022 (OGMS Resolution no. 55), the distribution of the amount of RON 6,054,147.07, respectively a gross dividend of RON 0.53/share, from the profit reconstituted by transferring the amount from the balance at 31.12.2021 of the "Other reserves" account to the dividend account, as a result of the reversal of the distribution of the net profit approved by the OGMS in previous years, is approved.
- In 2022, the company does not record profit.
- In 2024, at the OGMS meeting of 21.10.2024 (OGMS Resolution no. 61), the distribution of the amount of RON 6,054,147.07, respectively a gross dividend of RON 0.53/share, from the profit reconstituted by transferring the amount from the balance at 31.12.2023 of the "Other reserves" account to the dividend account, as a result of the reversal of the distribution approved by the OGMS in previous years of the net profit, is approved.

The evolution of the dividends paid by the company, within the last 5 years has been represented in the graph below:

Payment date	Gross dividend lei/share	Paid dividends	Source		
			Net profit of the previous year	Reported result	Restructured profit from other reserves formed in the previous years
31.08.2020	0,24	2.741.500,56	2.741.500,56		
30.06.2021	1	11.422.919,00	4.340.709,22	7.082.209,78	
22.122022	0,53	6.054.147,04			6.054.147,07
2023	-	-	-	-	-
22.11.2024	0,53	6.054.147,04	-	-	6.054.147,07



3.3. Description of any activities to purchase own shares.

Since its establishment until now, there has been no decision on the acquisition of its own shares, so the company has not registered such operations.

3.4. Specifying the number and nominal value of the shares held by the subsidiaries.

The company has no branches in other localities. Since 2008, as mentioned in point 1.1 c), the Orsova Shipyard has a branch in Agigea.

3.5. Issuance of bonds and/or other debt securities.

The company did not issue bonds or other debt securities in 2024, nor before this year, so it has no obligations towards the holders of such securities.

4. MANAGEMENT OF THE ISSUER

4.1. Orsova Shipyard S.A. is managed in a unitary system by the Board of Directors consisting of 5 members, elected by the General Meeting of Shareholders by the cumulative voting method.
At the Ordinary General Meeting of Shareholders (OGMS) on 28.12.2021, the Board of Directors of the company was elected for a period of 4 years. During 2023, there were changes in the composition of the Board of Directors, following changes in the shareholding structure, and in the OGMS of 22.04.2024, a new board of directors was elected, by the cumulative voting method.
The composition of the Board of Directors during the period 01.01-22-04.2024 was as follows:
• MR. ROSCA RADU-CLAUDIU, a 52-year-old Romanian citizen, an economist by profession. On 22.04.2024 he did not hold shares in the company;;

• MR. ION DUMITRU, a 75-year-old Romanian citizen, an economist by profession. On 22.04.2024 he did not hold shares in the company;

• MR. FAINAREA MARIUS, a 55-year-old Romanian citizen, an engineer by profession. On 22.04.2024 he did not hold shares in the company;

• MR. ZOESCU MIHAI, a 45-year-old Romanian citizen, an economist by profession. On 22.04.2024 he did not hold shares in the company;

• MR. MIHAI CONSTANTIN-MARIAN, a 58-year-old Romanian citizen, a lawyer by profession. On 22.04.2024 he did not hold shares in the company;

The composition of the Board of Directors, as resulted from the expression of the shareholders' votes in the OGMS of 22.04.2024, starting with 23.04.2024, is as follows:

• MR. ION DUMITRU, a 75-year-old Romanian citizen, an economist by profession. On 31.12.2023 he did not hold shares in the company;

• MR. PRIPA ALEXANDRU, 40-year-old Romanian citizen, economist by profession. On 31.12.2024 he did not hold shares in the company;

• MR. FAINAREA MARIUS, a 55-year-old Romanian citizen, an engineer by profession. On 31.12.2024 he did not hold shares in the company;

• MRS. DUMITRASCU CATALINA, 35-year-old Romanian citizen, economist by profession. On 31.12.2024 he did not hold shares in the company;

• MRS. PĂTRĂȘCU NADINA ELENA, 29-year-old Romanian citizen, economist by profession. On 31.12.2024 he did not hold shares in the company;
The Company is not aware of any cases of agreements, agreements or family ties between the directors and other persons due to which the directors were appointed to these positions.

In accordance with the legal provisions and those contained in the ARTICLES of INCORPORATION, the Board of Directors met, during 2024, in several meetings (15), the members of the Board of Directors

participating in these meetings in person - physically or by means of remote communication, in a teleconference system, in order to analyze and discuss the current problems of the company and which fall within the powers of this management body.
The main issues that were discussed, analyzed and approved in the meetings of the Board of Directors during 2024 refer to:
- Organizational measures prior to the convening of the general meetings of shareholders in 2024;
- Analysis and approval of financial statements;
- Substantiation of the BVC, analysis of achievements compared to the provisions of the BVC;
- Approval of the composition of the advisory committees;
- Analysis of the evolution of the disputes in which the company is involved;
- Approval of global ceilings in relation to banks;
- Approving the internal audit plans and analyzing the conclusions of the internal audit missions, ordering measures;
- Approval of the sale of assets;
- Approval of salary increases negotiated with trade unions, settlement of various salary demands of trade unions and other current issues on the agenda;
- Analysis of wage costs and deviations between pre-calculation and post-calculation regarding new constructions;
- Analysis and approval of operational measures at the headquarters and at the Agigea branch;
- Discussing other topics and ordering measures on some issues/issues of interest, which fall within the scope of the Board of Directors' decision;

4.2 In relation to the way of ensuring the executive management, we specify that starting with March 2011, Mr. Mircea Ion Sperdea was appointed to the position of general manager, the management of the company being carried out on the basis of a mandate contract. In November 2015, the mandate of Mr. Mircea Ion Sperdea was extended for a period of 4 years. In April 2019, the mandate of Mr. Mircea Ion Sperdea was extended for a period of 1 year, respectively until April 2020.In April 2020, the mandate contract was extended for a period of 4 years, and in October 2020, the new Board of Directors elected in the OGMS on 02.10.2020 concluded a new mandate contract with Mr. Sperdea Ion Mircea for a period of two years. In November 2022, the company's Board of Directors decided to extend Mr. Sperdea Ion Mircea's mandate contract for a period of 4 years.
Starting with 01.01.2024, Mr. Girleanu Daniel was appointed as Director of the Agigea Branch, for a term of 1 year. In January 2025, the Board of Directors decided to extend his mandate for another period of 1 year, until 31.12.2025.

As of 31.12.2024, the executive management had the following composition:

- Eng. Sperdea Mircea - general manager
- Ec. Vișescu Marilena - economic director
- Eng. Stoinel Florin - technical director with preg. Manufacturing
- Eng. Girleanu Daniel - director of the Agigea Branch

Mr. Sperdea Mircea previously held the position of head of the supply office within the company. In 1996 he was promoted to the position of commercial director, and from November 2000 until the end of 2010 he held the position of deputy general manager.
We inform the shareholders that in accordance with the legal provisions (amendment of Law no. 31/1990 - Companies Law, republished) the general manager's employment contract was suspended starting with March 1, 2011, being concluded and signed between the company, represented, on that date, by the chairman of the Board of Directors - Mr. Fercală Mihai - and Mr. Mircea Ion Sperdea, a mandate contract for a period of 2 years and which was subsequently successively extended, as shown. This contract concerns the entrustment and exercise of the position of director based on the delegation by the Board of Directors of the company to the director, of some of the management duties of this management body, within the limits allowed by law and for the purpose of achieving the company's object of activity. As of 31.12.12.2024, Mr. Sperdea Mircea held 14,335 shares, representing 0.125% of the share capital.

Mrs. Marilena Vișescu was employed in this company in 1987, immediately after graduating from the Faculty of Economic Sciences in Craiova, specializing in finance and accounting, as an economist. Starting with 01.11.1990 she held the position of head of the accounting office until 30.06.2019, when she was promoted to the position of economic director. On 31.12.2024, he held a number of 10 shares in the Orsova Shipyard SA.

Mr. Stoinel Florin graduated from the Faculty of Mechanics of the Polytechnic University of Timisoara in 1995, and was hired immediately after graduation as an engineer at the design office of the Orşova Naval Shipyard SA. Between 01.10.1998 - 14.11.2005 he worked as head of the design office, and on 15.11.2005 he was appointed technical director with manufacturing preparation. As of 31.12.2023, he held 400 shares in the Orşova Shipyard SA.

Mr. Girleanu Daniel is a graduate of the Faculty of Finance - Accounting within Danubius University Galati, specializing in finance and accounting. He holds an Executive MBA degree following the graduation of a program at ASEBUSS Business School. Since 2018 he has held the position of General Manager at Sea Container Services S.R.L in Constanta – a significant shareholder of our company, and starting with 01.01.2024 he was appointed by the Board of Directors of the company, as Director of the Agigea Branch, for a one-year term. As of 31.12.2024 he does not hold shares in SNO.

With the exception of the general manager and the branch manager, who have mandate contracts with the company, as shown, the other directors are appointed to the executive management positions by the Board of Directors and are employees of the company with employment contracts for an indefinite period.
The Company is not aware of any cases of agreements, agreements or family ties between directors and other persons due to which the above persons have been appointed to the executive management of the Company.

We specify that the company is not aware that the persons presented in points 4.1 and 4.2 have been involved in litigation or administrative procedures in the last 5 years or have had restrictions on occupying management positions within the company.

4.3 Other aspects regarding CORPORATE GOVERNANCE.

The last important amendment to the Company's Articles of Association was made at the Extraordinary General Meeting of Shareholders on 02.10.2020 and concerned the chapters of the Board of Directors and the Company's Directors. During 2023, it underwent a new amendment, respectively Art.22-(1) was amended. In 2024, in the Extraordinary General Meeting of Shareholders of 212.10.2024, new amendments were made to the chapters referring to the General Meeting of Shareholders and to the Rights and obligations of directors,
Associated Business Auditors S.R.L Timișoara was appointed by the Board of Directors to ensure the internal audit, this company being authorized to carry out this type of activities. The explanatory notes to the financial statements also contain details regarding the fee, as well as other information related to the internal audit activity.
Șantierul Naval Orșova S.A., as issuer, in compliance with the provisions of the Corporate Governance Code of B.V.B., has regularly published information on topics of maximum interest to shareholders, as follows:
- current reports, press releases;
- details regarding the conduct of the General Meeting – conveners, materials related to the agenda, special power of attorney model, rules and procedures for participation in general meetings, shareholders' rights, detailed voting result, decisions taken at the general meetings;
- reports with quarterly, half-yearly, annual financial information;
- information regarding the administrators and members of the executive management, including their contact details, but also changes in the structure of the Board of Directors;
- data regarding the advisory committees set up at the level of the Board of Directors;
- financial calendar;
- decisions of the General Meeting of Shareholders;
- Articles of incorporation in force;

The Board of Directors consists of 5 non-executive members, and the decision-making process within this management body, through the way of organization, is not dominated by one person or a group of people. The procedure for electing the members of the Board of Directors is transparent, the candidacies being public. The company carries out activities regarding social and environmental responsibility, trained employees being designated for this purpose.
At the level of the Board of Directors, two advisory committees are established, namely the Audit Committee and the Nomination and Remuneration Committee, each committee being made up of 3 members.
Given the share of approx. 94% that Longshield Investment Group S.A. and Sea Container Services S.R.L. hold in the share capital, the administrators were proposed/elected as their representatives. Currently, all members of the Board of Directors are independent.
The company aims to improve communication with shareholders and the capital market in the coming period through increased transparency towards investors and solid corporate governance.

5. FINANCIAL-ACCOUNTING SITUATION

Starting with 2012, based on the provisions of the MFP Order no. 881 of 25.06.2012 regarding the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards (IFRS) and Order no. 1.286/01.10.2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards (IFRS), applicable to companies whose securities are admitted to trading on a regulated market, The company has switched to reporting on these standards.

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

The year 2012 was the first year of application of IFRS, and in order to ensure the comparative data with the previous periods, it was necessary to make restatements for both 01.01.2011 and 31.12.2011, so, in other words, adjustments (restatements) were made for 3 years.

In December 2012, the "Manual of accounting policies in accordance with IFRS" was developed, and in its meeting of February 8, 2013, the Board of Directors approved this MANUAL.

The audit of the financial statements for 2024 was carried out by the company A.B.A. AUDIT SRL Timisoara, based on the contract no. 405/22.07.2013, whose initial validity was for 2 years, later it was extended for another 2 years, and in 2017 it was extended for another 3 years, until 30.04.2020, according to the OGMS Decision of 07.04.2017. In the OGMS of 15.04.2022, the contract was extended by 3 years, respectively for the audit of the financial statements for the years 2022, 2023 and 2024.

5.1. Financial position as of 31.12.2024

According to IFRS, as of 31.12.2024, the financial position compared to the last 2 years is as following:

ASSETS, LIABILITIES, EQUITY	*31.12.2023 Lei*	*31.12.2022 Lei*	*31.12.2021 Lei*	*YEAR 2023/2022 GROWTH/ DECREASE (%)*
I. Total tangible assets, out of which:	40,574,151	37,457,736	37,539,757	8.32
- land and constructions	23,088,673	18,908,217	20,998,885	22.11
- technical installations and transportation means	17,347,009	18,450,791	16,464,094	(5.98)
- other tangible assets	138,469	98,728	76,778	40.25
II. Intangible assets	41,677	81,164	27,779	(48.65)
III. Tangible assets ongoing execution	3,080,295	1,402,835	1,220,026	119.58
IV. Real estate investment	-	606,447	596,638	-
IV. Other non-current assets	329,480	110,832	124,725	197.28
V. User rights of rented assets	3,335,469	495,806	1,109,377	572.74
A. TOTAL NON-CURRENT ASSETS	47,361,072	40,154,820	40,618,302	17.95

ASSETS, LIABILITIES, EQUITY	*31.12.2023 Lei*	*31.12.2022 Lei*	*31.12.2021 Lei*	*YEAR 2023/2022 GROWTH/ DECREASE (%)*
I. Inventories	36,479,637	28,967,886	50,813,700	25.93
II. Trade receivables and other receivables	3,096,984	12,089,896	1,987,659	(74.38)
III. Other short-term financial investments	13,514,382	6,495,815	3,485,023	108.05
IV. Cash and cash equivalents	10,955,209	11,943,703	8,852,408	(8.28)
V. Advance expenses	179,843	153,995	161,622	16.78
VI. Assets classified as held for sale	1,048,588	-	-	-
B. TOTAL CURRENT ASSETS	65,274,643	59,651,295	65,300,412	9.43
TOTAL ASSETS	112,635,715	99,806,115	105,918,714	12.85
I. Equity	28,557,298	28,557,298	28,557,298	0.00
II. Share premiums	8,862,843	8,862,843	8,862,843	0.00
III. Reserves	47,454,438	47,157,267	47,901,179	0.63
IV. Result of the year	5,936,340	3,453,687	(4,215,117)	71.88
V. Reported result	1,444,674	(2,848,032)	892,220	-
VI. Other internal equity elements	(4,513,190)	(3,753,867)	(4,014,451)	20.23
C.TOTAL EQUITY	87,742,403	81,429,196	77,983,972	7.75
I. Liabilities related to deferred tax	4,513,190	3,775,937	4,031,923	19.52
II. Other liabilities	2,904,644	60.040	555,829	4,737.85
D. TOTAL LONG TERM LIABILITIES	7,417,834	3.835.977	4,587,752	93.37
I. Trade payables and other payables, including derivatives	15,944,198	13.884.794	21,665,023	14.83
II. Advance registered incomes	317,980	950	2,375	33,371.58
III. Provisions	1,213,300	655,198	1,679,592	85.18
E. TOTAL CURRENT LIABILITIES	17,475,478	14.540.942	23,346,990	20.18
TOTAL EQUITY AND LIABILITIES	112,635,715	99,806,115	105,918,714	12.85

Fixed assets: In this category of assets, in total, there was an increase of 8.32% compared to the previous year, especially as a result of the revaluation operation (for financial reporting purposes) of the construction groups, respectively ships, carried out on 31.12.2024, but also as a result of the acquisitions made for the purpose of modernizing the activity. As for tangible assets in progress, the increase compared to the previous year (by 119.58%) is mainly due to the modernization works of the launch track and some production halls, works that will be completed in 2025.

Intangible assets decreased by 48.65%; The decrease compared to the previous year is due to depreciation.

Rights to use leased assets. In 2021, the company reviewed the land lease agreement concluded with the National Company for the Administration of Ports of Constanta, and found that it meets the recognition criteria under the IFRS 16 standard. Thus, taking into account the fact that the contract concluded in 2019 contains clauses regarding the renegotiation for periods of 5 years, the company recorded an asset related to the right to use and a corresponding leasing debt for a 5-year cycle, consequently proceeding to retroactively restate the errors generated by the non-application of the standard. In 2024, the contract was renegotiated, therefore the increase recorded in this position (by 572.74)% corresponds to the right of use for the new contract period. More information regarding the application of IFRS 16 is presented in the Notes to the financial statements.

Inventories registered, overall, an increase of 25.93% compared to 31.12.2023. The preponderant delivery in 2024 of raw materials and materials related to constructions to be completed in the following year, advance payments to the raw materials supplier but also the increase in production in progress (by 5.24%), led to a higher level of stocks at the end of the year.

Trade receivables and other receivables. There is a significant decrease in trade receivables compared to the previous year (by 74.38%). At the end of 2024, the company had uncollected current receivables, and a good part of them were liquidated in the early period of 2025. Other information regarding trade receivables and other receivables can be found in the Notes to the financial statements.

Cash and cash equivalents also decreased by 8.28% compared to 2023, mainly as a result of dividend payments made towards the end of 2024, respectively placements in interest-bearing deposits, We see an increase in these short-term investments by 108.05% compared to the previous year.

Overall, current assets increased by 12.85%.

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

Shareholders' equity registered an overall increase of 7.75%. In the structure, there is an increase in the result for the year (by 71.88%), but also on account of other equity items following the revaluation (by 20.23%).

The provisions are at a higher level than in 2023 (increase by 85.18%), mainly due to the provisions related to the benefits that will be granted to employees on the occasion of retirement, but also to the constitution of a provision for a dispute. These aspects are presented in detail in section 5.5.

Commercial and other debts also registered an increase of 14.83% compared to 2023, mainly due to purchases made in the last months of 2024. We mention that the company, in accordance with the contractual provisions, complies with the payment deadlines and has no outstanding obligations towards suppliers. Their balance represents current debts, due in the next period. As for the increase recorded in the position Other payables, in the long term, (by 93.37%), this refers to leasing debt. We see a significant increase in the position Revenues recorded in advance, due to the recording of revenues related to repair works completed in 2025.

Overall, equity and debts increased by 12.85%.

5.2. PROFIT AND LOSS (COMPREHENSIVE INCOME)

In 2024, the company's performance was higher than 2023, and the result of the year was above the level provided in the BVC for this year. The unfavorable evolution of the demand for the construction of new ships, river and sea, the problems that occurred in the supply chain of raw materials and basic materials, the evolution of the prices of new constructions in the conditions in which the prices of raw materials and materials, energy, gas, labor increased, were determining factors that significantly influenced the company's financial results. However, due to the prudent approach, the attention paid to optimizing production flows and increasing efficiency, the company's performance has been superior to recent years.

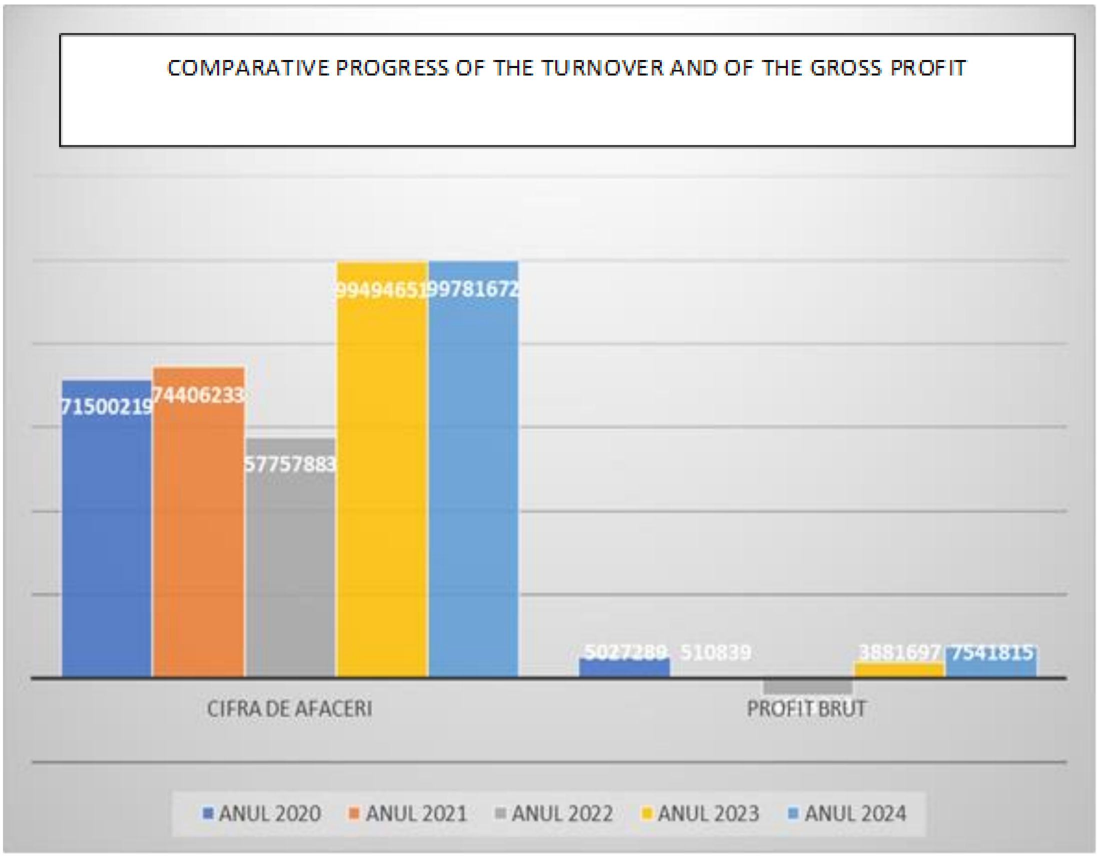
Thus, the turnover achieved in 2024 registered a slight increase compared to the previous year (by 0.29%), but the gross profit recorded by the company at the end of the year is in the amount of 7,541,815 lei (94.29% higher than that achieved in 2023).

The result of 2024 was positively influenced by the increase in branch activity. On the salanda ship rental segment, rental solutions were found during the year for three salands. Also, the revenues from the ship repair activity were up compared to the previous year, so that the branch's activity ended in 2024 with a profit above the budgeted level.

Compared to last year and with the provisions of the BVC, the evolution of the gross profit is as follows:

- Gross profit provided for in the BVC year 2024 6,068,100 lei
- Gross profit achieved in 2024: 7,541,815 lei
- Gross profit in 2023: 3,881,697 lei

An evolution of the gross profit over the last 5 years is shown in the chart below:



The table below summarizes the achievements of 2024 compared to those of the previous year and with the provisions of the income and expenditure budget, with the specification that the revenues and expenses of the 2 years were presented according to the provisions of OMFP no. 2.844/2016 for the approval of the Regulations in accordance with the Financial Reporting Standards.

INDICATORS	*ACHIEVEMENTS PREVIOUS YEAR*	*FI NANCIAL YEAR 2023*			*ACCOMPLISHMENT DEGREE (%) 2023 COMPARED TO:*	
		BVC PROVISIONS	*ACHIEVEMENTS*	*OUT OF WHICH AT THE BRANCH*	*ACHIEVEMNTS 2022*	*BVC PROVISIONS*
TOTAL INCOME, out of which:	100.636.686	103.214.880	101.160.240	22.434.764	100,52	98,01
- Operating income (operational)	99.840.070	102.414.880	100.038.158	22.065.732	100,20	97,68
- Financial income	796.615	800.000	1.122.082	369.032	140,86	140,26
TOTAL EXPENSES, out of which:	96.754.988	97.146.780	93.618.425	16.775.322	96,76	96,37
- operating expenses	96.275.369	96.646.780	93.432.551	16.701.130	97,05	96,67
- financial expenses	479.619	500.000	185.874	74.192	38,75	37,17
GROSS PROFIT / LOSS BEFORE TAX, out of which:	3.881.697	6.068.100	7.541.815	5.659.442 1.454.779	194,29	124,29
- operating profit/loss	3.564.701	5.768.100	6.605.607	5.364.602	185,31	114,52
- financial profit/loss	316.996	300.000	936.208	294.840	295,34	312,07
CURRENT AND DEFERRED PROFIT TAX (PAYABLE OR RECEIVABLE -/+)	(428.010)	(525.643)	(1.605.475)	-	375.10	305,43
NET RESULT	3.453.687	5.542.457	5.936.340	5.659.442	171,88	107,11

NUMBER OF SHARES	11.422.919	11.422.919	11.422.919	-	100,0	100,0
NET PROFIT / LOSS PER SHARE (Lei/share)	0,3023	0,485	0,519	-	171,68	107,01

We note that, both at the main headquarters and at the branch in Agigea, the result of the operational activity of 2024 is positive. As for the financial activity, it also generated profit, as we will show below.

5.2.1 Analysis of operating activity

Operating income for 2024 came from77.94% of the operating revenues for 2024 came from the main headquarters in Orsova, where 6 ships were completed and delivered (in 2023 6 ships and a pontoon were delivered), amounting to 15,392 thousand euros / 76,587 thousand lei (in 2023: 15,476 thousand euros, respectively 76,680 thousand lei, at an average exchange rate of RON 4.9757/€ (in 2023: RON 4.9536/€), compared to a rate of RON 4.98/euro taken into account when substantiating the BVC.

It is noted that the operating revenues were close to those of the previous year (increased by 0.20%) but lower than those forecast in the BVC (a decrease of 2.32%). Operating expenses, in the amount of RON 93,432,551 and in close correlation with operating income, in 2024 decreased by 2.95% compared to their level in the similar period of 2023 (RON 96,275,369). Consequently, the company records a gross profit from the operating activity in the amount of RON 7,541,815. Among the factors that determined the achievement of the indicators, we mention the volume of production completed and sold in 2024, given that the sale price of ships remained at the same level as in the previous year, and inflationary trends continued to manifest themselves on the services market. The activity carried out at the Agigea branch was at a higher level than 2023, and the result exceeded the budgeted level. Labor costs increased in 2024, but we see an increase in labor productivity during the analyzed period. Also in 2024 the company faced difficulties due to the decrease in the number of staff and the aging of the workforce, it was necessary to outsource some works, which also meant additional costs.

The ships built in Orsova were entirely destined for intra-community deliveries, respectively in the Netherlands. As for the structure/type of the ships built, it can be said that it is close to that of recent years. Therefore, in the current year (2024) the following types of ships were delivered:

- 2 TANKERS with a length of 110 m
- 1 CONTAINER SHIP with a length of 86 m
- 2 TANKERS with a length of 135 m
- 1 PASSENGER SHIP

At the end of 2024, we find in the production under execution 3 ship hulls, intended for delivery in the intra-community space in 2025.

The decline on the ship market recorded in previous years, as a consequence of the mutations produced on the foreign market, continued in 2024. The reduction in the volume of goods transported, and implicitly in the number of new orders, was also a result of the economic and geopolitical context that negatively influenced the activity in this market segment in 2024.

As for the Agigea branch, the main source of income was ship repairs, the revenues from this activity registering an increase of 16.25% compared to the previous year. Rental solutions were also found for 3 of the 5 rooms in its patrimony.

Other information related to the analysis of the main economic and financial indicators can be found in the NOTES to the financial statements, which are attached to this report.

5.2.2 Analysis of financial income and expenses

COver 75% of the company's revenues are expressed in euros, coming from ship deliveries in the intra-community area. This fact determined that the company was permanently exposed to currency risk (leu/euro parity). During 2024, this parity was fluctuating, and, in order to protect itself against the depreciation of the exchange rate, the company concluded hedging transactions. The gains from exchange rate differences were recorded both from the revaluation of foreign currency availabilities and as a result of hedging transactions. At the same time, during 2024, the company placed availabilities in interest-bearing bank deposits. Thus, a profit of 936,208 lei is recorded from the financial activity (in the previous year a profit of 316,996 lei was recorded). More information about those influences can be found in the Notes to the financial statements.

Having a balanced flow of receipts throughout the year, the company did not have bank loans contracted in 2024 either. Therefore, as of 31.12.2024, the company had no loans and had sufficient funds in the account to be able to support the financing of the current activity, but also that for investments, from its own sources.

Further information on financial activity can be found in the NOTES to the financial statements.

5.2.3 Provisions/encumbrances and depreciation

Continuing the policy of previous years, the company considered it useful to constitute depreciations and provisions for a correct reflection of the situation of tangible assets in conservation, financial assets, old stocks without movement, litigation receivables, as well as for vacations and other salary rights related to 2024 and which will be paid in 2025.

The concrete situation of these impairments and provisions, in balance as of 31.12.2024, is as follows:

-Lei-

a) For the impairment of tangible assets 130,548

b) For the impairment of financial assets

(shares held in KRITOM in Greece (Crete) 684,495

c) Provisions for holidays and retirement bonus 1,055,348

d) Inventory impairment adjustment 839,664

e) Adjustment of impairment of receivables (customers/debtors) 420,423

f) Provisions for litigation 157,952

TOTAL PROVISIONS AND IMPAIRMENTS 3,288,430

Compared to the previous year, there is an increase in them, in absolute figures, by 228,646 lei (an increase of 7.47%). In the structure there is an increase of 15.67% in depreciation for stocks without movement, an increase of 61.07% in provisions for annual leave and bonuses granted to employees on the occasion of retirement - mainly on account of bonuses for retirement, but also a decrease in depreciation of tangible assets (by 68.87%).

As far as litigation is concerned, the provision constituted, in the amount of 157,952 lei, represented material and moral damages in the file in the file 861/274/2022, established by the court (criminal decision no. 112/2024) regarding the work accident of the employee of the company Cainiceanu Ionel.

More information about this litigation can be found in section 5.5.

Further information regarding provisions and impairment adjustments can be found in the Notes to the financial statements that are attached to this report.

5.3 Analysis of the result and net profit distribution

As of 31.12.2024, the company records gross profit in the amount of RON 7,541,815.

In order to determine the taxable profit, according to the legal provisions, the company took into account both the non-taxable income, elements similar to income or expenses, and the non-tax-deductible expenses.

Non-taxable income refers mainly to the resumption to income of provisions and depreciations that initially, at the time of incorporation, represented non-tax-deductible expenses.

Non-deductible expenses consist of sponsorships, provisions and depreciations (as presented above), social expenses that have exceeded the allowable deductible rate, fines and penalties and other expenses.

A detailed presentation of these items of income and expenditure can be found in the Notes to the financial statements, which are attached to this report.

After the tax deductions from the gross loss, calculated according to the legal norms, the following situation resulted:

- Gross profit 7,541,815
- Expenses/(Revenues) with deferred corporate income tax and specific tax (1,605,475)
- Net profit 5,936,340

In the Ordinary General Meeting of Shareholders, to approve the financial statements for 2024, the method of distributing the net profit is to be established.

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

Depending on the concrete needs of the company, for obtaining letters of guarantee, opening letters of credit for suppliers, but also for a possible coverage of the necessary financing sources, the company also benefited in 2024 from the support of banks. Thus, the company had approved in 2023 a global multi-option and multi-currency ceiling, through BRD, of 1.5 million euros, a ceiling that was used for the company's financing needs.

At the same time, the company requested, and was approved by BRD, a ceiling for currency risk coverage, in the amount of USD 2,069,000, at the same level as in 2023.

The guarantee of these ceilings was carried out with a mix of guarantees consisting of mortgages, assignments of receivables on export contracts (letters of credit open to external contracts) as well as a collateral deposit, in the total amount of EUR 406,015 as of 31,12,2024, and they are used in particular for the issuance of bank guarantee letters. Therefore, the company did not need, during 2024, bank loans, its own sources being sufficient to honor all due obligations.

On 31.12.2024, this ceiling was used in a proportion of about 10%, two letters of guarantee being issued:

• 224,567 lei in favor of the National Company Administration of Maritime Ports Constanta
• EUR 155,000 in favor of Black See.

Investment expenditure was higher than the previous year.

In absolute figures, the volume of investment expenditures amounts to RON 8,498,407 (in 2023: RON 3,467,615), of which:

- 6,062,698 lei at the headquarters in Orsova
- 2,435,709 lei at the Agigea branch

Compared to the provisions of the Income and Expenditure Budget, there is a degree of achievement of 88.35% (through the BVC an investment value of 9,619,400 lei was foreseen).

The non-implementation of the investment program is due, on the one hand, to the acquisition of some of them at a lower price than the one envisaged at the foundation of the BVC, but also to the fact that the company, due to some changes in the development strategy, has postponed the making of some investments for the next period.

At the main headquarters in Orsova, the following more important objectives were put into operation in 2024:

- 47 ton crane
- Micro twin robot for welding
- Belt cutting machine
- Automatic welding equipment
- Computer equipment

By purchasing this equipment, the aim was to reduce physical effort, increase work productivity, work safety, and reduce labor costs.

At the Agigea branch, out of the total expenses for this purpose, we mention the purchase of industrial hydroblasting equipment and the modernization works at the launch slipway and at one of the halls.

During 2024, asset outflows refer to the scrapping of fixed assets that could no longer be used in the production process, due to advanced wear and tear, but also to the sale of the building in Constanta. Also, one of the barns was reclassified as an asset held for sale.

During the analyzed period, the company did not contract loans for investments, all purchases of fixed assets were made from its own sources.

Throughout the year, the company ensured a financial balance, so that it honored its obligations to suppliers, working staff and to the state budget, banks and other creditors on time.

Other information (including the statement of cash flows) can be found in the Notes to the financial statements that are attached to this report.

5.5 Litigation; actions before courts

Following the work accident on 17.04.2019, resulting in the bodily injury of the employee Cainiceanu Ionel, he filed a criminal complaint against our unit and two other individuals, the investigations carried out by the Prosecutor's Office attached to the Orşova Court ending with the indictment no. 183/P/2019 of 25.08.2022 which ordered the indictment of the Orsova Shipyard S.A. for committing in real competition, the facts provided for by the Criminal Code, mentioned in the previous paragraph.

The Orsova Court found the legality of the notification to the Court, by the Conclusion of 24.10.2022, in the Preliminary Chamber, of the indictment no. 183/P/2019 of 25.08.2022 of the Prosecutor's Office attached to the Orşova Court, in the case 861/274/2022, and Mr. Cainiceanu Ionel was constituted as a civil party against our unit.

Subsequently, SANTIERUL NAVAL ORSOVA S.A. was indicted in the criminal case 861/274/2022, pending before the Orsova Court, stage – merits, having as object the failure to take the legal measures of safety and health at work (art. 349 NCP), culpable bodily injury (art. 196 NCP), non-compliance with the legal measures of safety and health at work (art. 350 NCP).

After the trial of the case, on 09.01.2025, the company was notified of the criminal decision no. 112/2024, pronounced on 24.12.2024 in the file 861/274/2022. The court ordered:

- the termination of the criminal proceedings against the defendant S.C. ŞANTIERUL NAVAL ORŞOVA S.A., for committing the crime of "failure to take legal measures of safety and health at work", an act provided for and punished by the provision of art.349 para. l C.pen (deed of 17.04.2019), as a result of the prescription of criminal liability;

At the Agigea branch, several actions from previous years are underway, in various phases, in which our company is a plaintiff. The amounts in question are insignificant and relate in particular to trade receivables, for which the debtor companies are in the process of completing the insolvency or bankruptcy procedure. For all these uncollected receivables, impairments were constituted at the time of ascertaining the debtor's inability to pay. We mention that the Court of Appeal of Constanta is retrial, for the second time, the appeal filed by a former employee of the branch, having as object claims (moral damages and prejudice regarding the unrealized income and the related legal interest).

5.6 Other information

Regarding the work accident, which occurred in August 2022, and as a result of which two employees of the company died, investigations are still being carried out by the competent institutions regarding the causes and conditions in which the explosion that led to the death of the two people occurred.

Also in 2024, the company continued to implement measures aimed at preventing the occurrence of such events, specific equipment was purchased to eliminate gas accumulations in closed spaces, staff retraining was carried out on the obligation to check gas concentrations in closed spaces where work is carried out, with a special emphasis on increasing the awareness of working personnel.

6. INVENTORY OF PATRIMONY AS OF 31.12.2023

The annual inventory of assets and liabilities for 2024 was carried out in accordance with the provisions of the Order of the Ministry of Finance no. 2861/2009 and the Manual with the inventory procedures developed at the company level. To this end, internal decisions were issued to set up the central commission and, respectively, inventory subcommittees for all the management within the company, from the headquarters and the Agigea branch. At two of the administrations located at the headquarters, at the same time as the annual inventory, the handover-receiving management operation was also carried out;

The main conclusions drawn from the inventory are:

- Some differences were found in the management of fixed assets and inventory objects in use, in the sense that those responsible for managing these assets transferred various fixed assets or inventory objects between them without drawing up the related documents. These situations were solved operatively, on the ground, by the commissions appointed at each management.
- At the other managements, no quantitative and value differences were found between the scriptural and factual situations;
- On the occasion of the inventory, the commissions found the existence of goods that need to be removed from the register. The proposals of the commissions regarding the scrapping or decommissioning will be discussed and analyzed at the level of the executive management, from the point of view of the necessity and opportunity of this measure, after which they will be submitted for approval to the Board of Directors;
- For unusable or degraded materials, separate inventory lists have been drawn up, which are to be analyzed by the specialized commissions existing at the level of the company, and depending on the conclusions of these commissions, they are to proceed accordingly.
- At the headquarters in Orsova, certain materials belonging to third parties were found – in temporary custody at the date of the inventory. For these goods, separate lists were drawn up and sent for confirmation to the owners of the respective goods, according to the legal provisions;
- Also, at the headquarters in Orsova, at one of the managements, the handover-receiving operation took place;

- - The external auditors also participated in the annual inventory of the patrimony, in accordance with their legal obligations in this line, who verified the existence of factual stocks by sample at various managements, without finding any deficiencies.

When preparing the balance sheet, the rules approved by the legal norms were observed, and the data were taken from the synthetic balances kept up to date and in accordance with Law no. 82/1991, republished, and with the applicable accounting regulations (Order no. 2.844/12.12.2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards).

For further information, interested shareholders have at their disposal the Notes to the Financial Statements, which are attached to this report.

President of the Board of Directors,

Ec. Dumitru Ion

REMUNERATION REPORT RELATED TO THE FINANCIAL YEAR 2024
regarding the remunerations and other advantages granted to the administrators and directors within the Orsova S.A. Shipyard.

Preamble

In accordance with the Company's remuneration policy, approved by the OGMS on April 16, 2021, the Company's Board of Directors has prepared this annual report which includes the remuneration and other benefits granted to the Company's executives during the financial year ended December 31, 2024.

The Remuneration Report provides an overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, to individual managers, including newly appointed and former executives in accordance with the Remuneration Policy.

The Remuneration Report will be submitted to the advisory vote of the ordinary general meeting of the Company's shareholders, will be published on the Company's website and will remain available to the public for 10 years from publication, in accordance with the applicable legal provisions.

1. **GENERAL LEGAL FRAMEWORK:**

- Law no. 31/1990 on commercial companies
- Law no. 24/2017 on issuers of financial instruments and market operations
- Law no. 158/2020 amending, supplementing and repealing certain legislation, as well as establishing measures for the implementation of Regulation (EU) 2017 / 2.402 of the European Parliament and of the Council of 12 December 2017 establishing a general framework for securitization and creating a specific framework for simple, transparent and standardized security and amending Directives 2009/65 / EC, 2009/138 / EC and 2011/61 / EU, as well as Regulations (EC) No. 1,060 / 2009 and (EU) no. 648/2012.

2. **Internal regulations regarding remuneration and other benefits granted to administrators and directors**

The internal regulations taken into account for determining the rules regarding the remuneration of the Company's administrators and directors are the following:

• The articles of incorporation of the Company

• Decisions of the GMS and decisions of the Board of Directors of the company

3. **The composition of the Nomination and Remuneration Committee The Nomination and Remuneration**

Committee assists the Board of Directors in fulfilling its responsibilities regarding the composition and structure of the Board of Directors, the selection and remuneration of the directors and directors.

The composition of the Nomination and Remuneration Committee during the period January 1 - April 22, 2024, approved in the meeting of the Board of Directors on December 19, 2023 (Decision no. 16/19.12.2023) was as follows:

1	Radu Rosca Claudiu	President
2	Ion Dumitru	Member
3	Mihai Constantin Marian	Member

In April 2024, the composition of the Nomination and Remuneration Committee underwent changes. The Board of Directors of the company Santierul Naval Orsova, as it resulted from the elections in the Ordinary General Meeting of Shareholders on 22.04.2024, met on 24.04.2024 in its first meeting in order to appoint the president, vice-president and establish the advisory committees subordinate to the Board of Directors. Thus, the Nomination and Remuneration Committee (Decision no. 6/24.04.2024), has the following composition:

1	Ion Dumitru -	President
2	Fainarea Marius -	Member
3	Pripa Alexandru -	Member

4. **The structure of the remuneration of the administrators and directors of the Company and its amount, during the year 2024:**

• the administrators received, for the activity carried out, a fixed monthly indemnity according to the mandate contracts in force for each administrator;

• the general manager and the branch manager received, for the activity carried out, a fixed monthly allowance;

• the fixed allowance for the members of the Board of Directors was approved by the GMS;

• the allowance for the General Manager and the branch manager was approved by the Board of Directors;

• in 2024 no variable indemnity was granted to the administrators or stock and stock options;

• partially the directors and the general manager benefited from professional liability insurance, at the expense of the Company, in the amount approved by the GMS throughout 2024;

• the remuneration granted to the administrators and directors of the company complies with the remuneration policy adopted;

4.1. The structure of the remuneration granted to the Company's administrators

Total gross remuneration for all members of the Company's Board of Directors for the year 2024 it was 600,732 lei.

4.1.1. **Fixed monthly remuneration**: it was established according to the legal provisions presented above and provided by the mandate contracts of each administrator as approved by the GMS decision. The net fixed remuneration granted to all members of the Company's Board of Directors during 2024, and related entirely to this year, was 351,444 lei.

4.1.2. **Variable remuneration**: In 2024 no variable remuneration was granted.

4.1.3. The details of the net remuneration related to each administrator are included in the following table:

	Nume and surname	Remuneration Gross fixed	Remuneration Fixed net	Remuneration Variable	Other benefits according to the contract
1	Rosca Radu Claudiu	42.335	24.766	0	0
2	Ion Dumitru	131.947	77.194	0	0
3	Fainarea Marius	112.836	66.012	0	0
4	Zoescu Mihai	35.281	20.640	0	0
5	Mihai Constantin Marian	35.281	20.640	0	0
6	Pripa Alexandru	86.232	50.450	0	0
7	Dumitrascu Catalina	78.410	45.871	0	0
8	Patrascu Nadina Elena	78.410	45.871	0	0

4.1.4. **The general performance objectives** completed by the specific criteria, which are the basis for granting the variable component of the directors' remuneration, are subject to the approval of the GMS.

4.2. The structure of the remuneration granted to the General Manager

The remuneration of the General Manager of the Company was established by the Board of Directors in the mandate contract, within the limits approved by the GMS.

The total gross remuneration granted to the General Manager of the Company for 2024 was 470,400 lei.

The total net fixed remuneration granted to the General Manager of the Company for 2024 was 275,184 lei.

No variable remuneration was granted in 2024.

4.3. The structure of remuneration granted to the Director of the Agigea Branch

The remuneration of the branch director was established by the Board of Directors in the mandate contract, within the limits approved by the AGM. The total gross remuneration granted to the branch director for the year 2024 was 198,000 lei. The total net fixed remuneration granted to the branch director for the year 2024 was 115,824 lei.

5. Information regarding the mandate contracts of the administrators and executive directors

5.1. **Mandate contracts of administrators**

The mandate contracts of the company's administrators in 2024 were concluded for periods between 4 (four) years.

During 2024, changes occurred in the structure of the Board of Directors, following the elections in the Ordinary General Meeting of Shareholders on 22.04.2024. The situation of the mandate contracts for the administrators who were part of the Board of Directors of Șantierului Naval Orșova S.A. during 2024 is presented as follows:

	Name and surname	Start date mandate under contract	End date mandate	Appointment document
1	Rosca Radu Claudiu	28.12.2021	22.04.2024	Hotărârea AGOA nr.53/2021
2	Zoescu Mihai	28.12.2021	22.04.2024	Hotărârea AGOA nr.53/2021
3	Mihai Constantin Marian	28.12.2021	22.04.2024	Hotărârea AGOA nr.53/2021
4	Ion Dumitru	21.11.2023	23.04.2028	Decizia CA nr.14/20.11.2023 Hotărârea AGOA nr.59/2024
5	Fainarea Marius	21.11.2023	23.04.2028	Decizia CA nr.14/20.11.2023 Hotărârea AGOA nr.59/2024
6	Pripa Alexandru	22.04.2024	23.04.2028	Hotărârea AGOA nr.59/2024
7	Dumitrascu Catalina	22.04.2024	23.04.2028	Hotărârea AGOA nr.59/2024
8	Patrascu Nadina Elena	22.04.2024	23.04.2028	Hotărârea AGOA nr.59/2024

Mandate contracts contain clauses regarding:

- rights and obligations of the parties;
- liability of administrators;

The mandate contracts concluded with the administrators of the company elected in the OGMS of 22.04.2024 do not provide for the granting of variable compensation.

During 2024, there were no cases of revocation of members of the Board of Directors for failure to fulfill the obligations provided for in the contract.

5.2. The mandate contract of the executive directors

Mandate contracts contain clauses regarding:

• awarding damages for revocation without just cause, before the expiration of the term of office entrusted;

• the notice period of 30 days for the situation in which the director resigns;

• the right to be insured for professional liability;

• the right to service housing at the expense of the Company or, as the case may be, if the Company does not provide the service housing, the settlement of all expenses occasioned by accommodation in specialized units;

• the right to reimbursement of expenses related to the execution of the mandate (accommodation, subsistence, transport and any other types of expenses related to the execution of the mandate and regardless of whether they were caused by travel in the country or abroad, as well as the use of inventory items / fixed assets necessary to carry out the activity.

5.2.1. **The mandate contract of the general manager**

By Decision no. 13 of November 8, 2022, the Board of Directors extends the term of office for the position of General Manager of the Company of Mr. Sperdea Mircea Ion, for a period of 4 years, between November 10, 2022 and November 9, 2026.

The mandate contract concluded by the General Manager with the Company does not include performance indicators and criteria. For the year 2023, they were approved by the AGOA in the meeting of April 20, 2024.

5.2.2. Mandate contract of the director of Agigea Branch

By Decision no. 15 of December 14, 2024, the Board of Directors approves the appointment of Mr. Girleanu Daniel Remus as director of the Agigea Branch, for a one-year term, starting on January 1, 2024. The mandate contract concluded by the Branch Director does not contain the clause regarding the granting of variable remuneration.

6. Comparative information on changes in remuneration and performance of the Company

Annual change	Financial year 2024 compared to the financial year 2023 +(-)**	Financial year 2023 compared to the financial year 2022 +(-)*	Financial year 2022 compared to the financial year 2021 +(-)	Financial year 2021 compared to the financial year 2020 +(-)	Financial year 2020 compared to the financial year 2019 +(-)
Average gross remuneration of managers					
Board of Directors	1,23%	(0,76%)	1,72%	(41,62%)	16,35%
Executive management	12,27%	7,66%	(6,94%)	14,13	1,91%
Company performance					
Turnover	0,29%	72,26%	(22,37%)	4,06%	7,36%
Gross profit	94,29%	-	-	(89,88%)	26,92%
Work productivity	6,59%	27.18%	33%	3,42%	(12,64%)
Average gross remuneration based on the full-time equivalent of the Company's employees					
Employees of society	14,71%	10,29%	9,61%	3,67%	5,92%

*In 2022, the company registered a loss in the gross amount of 4,233,703 lei

** In 2023, the company registered a profit in the gross amount of 3,881,697 lei

PRESIDENT

Nomination and Remuneration Committee,

Ec. Ion Dumitru

STATEMENT OF COMPLIANCE WITH THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE as of 31.12.2024

Code provision		Compliance Yes/No/Partially	Explanations
SECTION A – RESPONSABILITIES			
A.1	All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	
A.2	Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES	
A.3	The Board of Directors or the Supervisory Board should have at least five members.	YES	
A.4	The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in xcharacter and judgement in practice [1].	YES	
A.5	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES	

A.6	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES	
A.7	The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	
A.8	The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	YES	
A.9	The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	
A.10	The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES	
A.11	The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the Nomination Committee should be independent.	NOT IN CASE	Company is included in the standard category
SECTION B -System of risk management and internal control			
B.1	The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and most the audit committee should be independent.	YES	
B.2	The Audit Committee should be chaired by an independent non-executive member.	YES	
B.3	Among its responsibilities, the Audit Committee should undertake an annual assessment of the system of internal control.	YES	

B.4	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B.5	The Audit Committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	
B.6	The Audit Committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B.7	The Audit Committee should monitor the application of statutory and generally accepted standards of internal auditing. The Audit Committee should receive and evaluate the reports of the internal audit team.	YES	
B.8	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B.9	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES	
B.10	The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES	
B.11	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	
B.12	To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	
SECTION C -Fair reward and motivation			
C.1	***a. Remuneration policy***	YES	

	The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. […] Any essential change of the remuneration policy should be published on the corporate website in a timely fashion. ***b. Remuneration report*** The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. […] The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review.		
SECTION D -adding value to the investor relations			
D.1	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES	
D.1.1	Principal corporate regulations: the articles of association, general shareholders' meeting procedures.	YES	

D.1.2	Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	
D.1.3	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES	
D.1.4	Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES	
D.1.5	Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	
D.1.6	The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	
D.1.7	Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2	A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES	
D.3	A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES	

D.4	The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect at the earliest as of the next general meeting of shareholders.	YES	
D.5	The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6	The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8	The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9	A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	NO	Organization of such events will be analyzed by the Board of Directors and executive management, if it will such requests from investors. In this moment, we appreciate that the information offered by yearly reports, current reports and periodic reports are complete and offers a high degree of transparencies, as so can take decision aware of the cause
D.10	If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	NO	Company has not such a policy. This request is in Board of Directors attention.

Chairman of the Board of Directors

Ec. Ion Dumitru

ORŞOVA SHIPYARD S.A.

ANNUAL INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED AT
DECEMBER 31, 2024

Prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions.

TABLE OF CONTENTS PAGE

Reference **STATEMENT OF FINANCIAL POSITION**

Reference	As at 31 December	Note	2024	2023
			RON	**RON**
	Assets			
	Fixed assets			
IAS 1.54(a)	Tangible assets	*15*	43,654,446	38,860,571
	Freehold land and land improvements	*15*	625,753	1,201,941
	Buildings	*15*	22,462,920	17,706,276
	Plant and machinery, motor vehicles	*15*	17,347,009	18,450,791
	Fixtures and fittings […]	*15*	138,469	98,728
	Tangible assets in progress	*15*	3,080,295	1,402,835
IAS 1.54(c)	Intangible assets	*16*	41,677	81,164
	Other intangible assets	*16*	41,677	81,164
IFRS 16, IAS 8	Rights-of-use for leased assets	*17*	3,335,469	495,806
IAS 1.54(b)	Investment property	*19*	0	606,447
IAS 1.54(h)	Trade receivables and other receivables		160,624	6,000
IAS 1.54(o), 56	Deferred tax assets		168,856	104,832
IAS 1.60	**Total fixed assets**		**47,361,072**	**40,154,820**
IAS 1.54 (g)	Inventories	*20*	36,479,637	28,967,886
IAS 1.54(h)	Trade receivables and other receivables	*22*	3,096,984	12,089,896
IAS 1.55	Accrued expenses	*22*	179,843	153,995
IAS 1.54(d)	Short term investments	*23*	13,514,382	6,495,815
IAS 1.54(i)	Cash and cash equivalents	*24*	10,955,209	11,943,703
IFRS 5.38-40	Assets classified as held for sale		1,048,588	0
IAS 1.60	**Total Current Assets**		**65,274,643**	**59,651,295**
	Total Assets		**112,635,715**	**99,806,115**
	Equity			
IAS 1.54(r), 78(e)	Share capital	*25*	28,557,298	28,557,298
IAS 1.55, 78(e)	Share premium	*25*	8,862,843	8,862,843
IAS 1.54(r), 78(e)	Reserves	*25*	47,454,438	47,157,267
	Result for the period	*25*	5,936,340	3,453,687
IAS 1.55, 78(e)	Retained earnings	*25*	1,444,674	(2,848,032)

Reference	**STATEMENT OF FINANCIAL POSITION (continued)**			
	As at 31 December	Note	**2024**	**2023**
			RON	**RON**
	Other elements of equity	*25*	(4,513,190)	(3,753,867)
	Total equity		**87,742,403**	**81,429,196**
	Liabilities			
	Long-term liabilities			
IAS 1.54(o), 56	Deferred tax liabilities		4,513,190	3,775,937
IFRS 16, IAS 8	Other debts, including lease liability	*28*	2,904,644	60,040
IAS 1.60	**Total long-term liabilities**		**7,417,834**	**3,835,977**
	Current liabilities			
IAS 1.54(k)	Trade payables and other debts, including derivatives	*31*	15,944,198	13,884,794
IAS 1.55, 11.42(b)	Deferred income		317,980	950
IAS 1.54(l)	Provisions	*30*	1,213,300	655,198
IAS 1.60	**Total current liabilities**		**17,475,478**	**14,540,942**
	Total Liabilities		**24,893,312**	**18,376,919**
	Total Equity and Liabilities		**112,635,715**	**99,806,115**

The separate financial statements were approved by the Board of Directors on March 12, 2025 and were signed by:

Administrator,	Prepared by,
Ec. Dumitru Ion	Ec. Marilena Vișescu

Reference	**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**			
IAS 1.10(b), 81(a)	**For the financial year ended at 31 December**	**Note**	**2024** **RON**	**2023** **RON**
	Continuing operations			
IAS 1. 82(a)	Income	*5*	93,582,437	96,632,014
IAS 1.99,103	Other income	*6*	6,455,721	3,208,056
	Total Operational Income		**100,038,158**	**99,840,070**
	Expenses related to inventories	*7*	(31,405,122)	(43,352,929)
	Utility expenses	*8*	(2,298,160)	(2,062,928)
	Employee benefits expenses	*9*	(34,803,825)	(30,408,001)
	Depreciation and amortization expenses	*15,16*	(5,792,451)	(5,074,087)
	Depreciation expenses related to rights-of-use for leased assets	*17*	(663,926)	(658,463)
	Gains/losses on disposal of property		(21,996)	(5,390)
	Increase/(Decrease) of receivables allowances and inventory write-down	*10*	(103,835)	(55,842)
	Increase/(Decrease) of provision expenses	*30*	(413,531)	(1,024,394)
IAS 1.99, 103	Other expenses	*11*	(17,929,705)	(15,682,123)
	Total Operational expenses		**(93,432,551)**	**(96,275,369)**
	The result of operational activities		**6,605,607**	**3,564,701**
	Financial income	*12*	1,122,082	796,615
IAS 1.82(b)	Financial expenses	*12*	(185,874)	(479,619)
	Net financial result	***12***	**936,208**	**316,996**
IAS 1.85	**Result before taxation**		**7,541,815**	**3,881,697**
IAS 1.82(d), IAS 12.77	Current income tax expenses	*13a*	(1,691,569)	(412,474)
	Deferred income tax expenses	*13a*	(636,620)	(120,367)
	Deferred income tax income		722,714	104,831
IAS 1.85	**Result for continuing operations**		**5,936,340**	**3,453,687**
IAS 1.82(f)	**Result for the period**		**5,936,340**	**3,453,687**

Reference **(continued)**	**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**			
		Note	**2024**	**2023**
IAS 1.10(b), 81(a)	**For the financial year ended at 31 December**		**RON**	**RON**
	Other comprehensive income			
IAS 1.82(g)	Reevaluation of tangible assets		5,745,663	(746,912)
IAS 1.85	Other comprehensive income after taxation		**5,745,663**	**(746,912)**
IAS 1.82 (i)	**Total comprehensive income for the period**		**11,682,003**	**2,706,775**
	Attributable profit			
IAS 1.83(b)(ii)	Shareholders	*26*	5,936,340	3,453,687
	Profit for the period		**5,936,340**	**3,453,687**
	Total attributable comprehensive income			
IAS 1.83(b)(ii)	Shareholders		11,682,003	2,706,775
	Earnings per share			
IAS 33.66	Basic earnings per share		0,52	0,30
IAS 33.66	Diluted earnings per share		0,52	0,30
	Continuing operations			
IAS 33.66	Basic earnings per share		0,52	0,30
IAS 33.66	Diluted earnings per share		0,52	0,30

The separate financial statements were approved by the Board of Directors on March, 12, 2025 and were signed by:

Administrator,	Prepared by,
Ec. Dumitru Ion	Ec. Marilena Vișescu

Reference **STATEMENT OF CHANGES IN EQUITY**

IAS 1.108,109

						Attributable to equity holders			
	Share capital	**Share premium account**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Result for the period**	**Other elements of equity**	**Profit appropriation**	**Total equity**
Balance at December 31, 2022	**28,557,298**	**8,862,843**	**29,304,680**	**18,596,499**	**892,220**	**(4,215,117)**	**(4,014,451)**	**-**	**77,983,972**
Loss/ Net profit for the year	-	-	-	-	(4,215,117)	7,668,804	-	-	3,453,687
Transfer in reserve	-	-	(782,550)	-	474,865	-	260,584	-	(47,101)
Revaluation reserve			38,638	-	-	-	-	-	38,638
Balance at December 31, 2023	**28,557,298**	**8,862,843**	**28,560,768**	**18,596,499**	**(2,848,032)**	**3,453,687**	**(3,753,687)**	**-**	**81,429,196**
Loss/ Net profit for the year	-	-	-	-	3,453,687	2,482.653	-	-	5,936,340
Transfer in reserve	-	-	(1,444,674)	(5,448,492)	6,893,166	-	759,323	-	(759,323)
Revaluation reserve	-	-	7,190,337	-	-	-	-	-	7,190,337
Dividends	-	-	-	-	(6,054,147)				(6,054,147)
Balance at December 31, 2024	**28,557,298**	**8,862,843**	**34,306,431**	**13,148,007**	**1,444,674**	**5.936,340**	**(4,513,190)**	**-**	**-** **87,742,403**

The separate financial statements were approved by the Board of Directors on March 12, 2025 and were signed by:

Administrator:
Ec. Dumitru Ion

Prepared by:
Ec. Marilena Vișescu

Reference	**STATEMENT OF CASH FLOWS**			
IAS 1.10(d), 113	**For the financial year ended at 31 December**	**Note**	**2024**	**2023**
			RON	**RON**
	Cash flows from operating activities			
	Profit for the period		5,936,340	3,453,687
	Adjustments for:			
	Amortization of intangible and tangible assets	*15,16,17*	6,712,393	5,620,872
	Depreciation of fixed assets		(288,824)	13,784
	Losses from various receivables and debtors	*10*	0	(109,362)
	Expenses from revaluation of tangible assets			
	Net expenses/(net income) with provisions		413,531	(1,024,394)
	Impairment of current assets	*10,20*	103,835	55,842
	Loss from the sale of tangible assets		21,996	5,390
	Current income tax expenses	*13*	1,691,569	412,474
	Deferred income tax expenses	*13*	636,620	120,367
	Deferred tax income		(722,714)	(104,831)
	Cash - flows from operating activities before changes in working capital		**14,504,746**	**8,662,553**
	Changes in working capital			
	Changes related to inventories		(8,674,064)	21,794,247
	Changes related to trade receivables and other receivables		8,809,177	(10,078,401)
	Changes in accrued expenses		(25,848)	7,627
	Changes in trade payables and other liabilities		(6,238,469)	(9,842,736)
	Cash generated / (used) from / (in) operating activities		**8,735,542**	**10,543,290**
	Interest paid (leasing)	*12,17*	(67,889)	(57,548)
IAS 7.35	Income tax paid		(1,570,326)	(373,953)
IAS 7.10	**Net cash from operating activities**		**6,737,327**	**10,111,789**
	Cash flows from investing activities			
IAS 7.31	Interest received		809,698	179,434
IAS 7.16(a)	Proceeds from the sale of tangible assets		1,745,426	0
IAS 7.16(a)	Purchases of tangible and intangible assets	*15,16*	(8,498,407)	(3,467,615)
	Short term investments		(7,018,567)	(3,010,792)
IAS 7.10	**Net cash used in investing activities**		**(12,961,850)**	**(6,298,973)**

Reference	STATEMENT OF CASH FLOWS (continued)			
IAS 1.10(d), 113	**For the financial year ended at 31 December**	**Note**	**2024**	**2023**
	Cash flows from financing activities			
IAS 7.31	Proceeds from loans / (loans refunds)			
	Paid dividends		(5,929,502)	(86,549)
	Increase (reimbursement) in loans (leasing)	*28*	(693,473)	(634,972)
IAS 7.10	**Net cash from (used in) financing activities**		**5,236,029**	**(721,521)**
	Increase/(Decrease) Net cash and cash equivalents decreases		**(988,494)**	**3,091,295**
	Cash and cash equivalents at 1 January		**11,943,703**	8,852,408
	Cash and cash equivalents at 31 December		**10,955,209**	**11,943,703**

The separate financial statements were approved by the Board of Directors on March 12, 2025 and were signed by:

Administrator:	Prepared by:
Ec. Dumitru Ion	Ec. Marilena Vișescu

TABLE OF CONTENTS

Disclaimer: This is a free translation of the original Romanian financial statements of Şantierul Naval Orşova SA. In the event of any discrepancy between this translation and the original document, the original Romanian financial statements of Şantierul Naval Orşova SA shall prevail.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.10(e) **1. Reporting company**

IAS 1.138 (a),(b) **Şantierul Naval Orşova S.A**. is a company headquartered in Romania. The registered office address of the Company is: Tufari Street, no.4, Orşova, Mehedinți county.

IAS 1.51(a)-(c) The individual financial statements in accordance with IFRS have been prepared for the year ended 31 December 2024. The Company's main activity is the **construction of ships and floating structures (NACE code: 3011).**

IAS 1.112(a) **2. Basis of preparation**

a. Statement of compliance

IAS 1.16 The Company has prepared Annual Individual Financial Statements for the financial year ended December 31, 2024 in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, according to the Order of the Minister of Public Finance no. 881/2012 regarding the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as subsequently amended and supplemented.

IAS.10.17 The financial statements were authorized for issuance by the Board of Directors on March 12, 2025.

The financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position, for which the revaluation model (fair value) has been chosen:

IAS 1.117(a)

- Real estate investments;
- Buildings and grounds;
- Means of naval transport.

b. Functional currency and presentation currency

IAS1.51(d),(e) These financial statements are presented in RON, which is also the functional currency of the Company. All financial information presented in RON, rounded to 0 decimal places. All financial information presented in RON, without decimals rounded (rounding the RON fractions over 50 money, including the neglect of money fractions to 50). Where amounts are presented in other currency than RON, it will be specified accordingly.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

a. Professional judgements and key assumptions

The preparation of financial statements in accordance with IFRS requires the use of management's professional judgment, estimates and assumptions which affects the application of accounting policies and the reported value of assets, liabilities, income and expenses. Actual results may differ from estimated values.
The estimates and assumptions are reviewed regularly. Revisions of estimates are recognized in the period in which the estimate was revised and in future periods affected by the change.

IAS 1.122,12 5,129,130 Information regarding professional judgments that are critical in applying accounting policies which can significantly affect the values presented in the financial statements are included in the following notes:

- Note 19 –Investment property classification;
- Note 27 – Loans.

b. New International Financial Standards not applied by the Company

The Company does not apply some IFRSs or new IFRS provisions issued and not effective at the date of the financial statements. The Company cannot estimate the impact of the application of these provisions on the financial statements and intends to apply these provisions upon their entry into force. Of the standards issued but not yet in force, the company will not be in a position to apply prospectively any of them.

These are:

• Amendments to IAS 1 "Presentation of Financial Statements" effective 1 January 2024

• Amendments to IFRS 16 "Leases" effective 1 January 2024

• Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" effective 1 January 2025

• Amendments to IAS 7 "Statement of Cash Flows" effective 1 January 2024.

Reference	**NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**
IAS 1.112(a)	**2. Basis of preparation (continued)**

c. Presentation of financial statements

IAS 8.28(f) The Company applies IAS 1 *Presentation of Financial Statements* (2007) revised, which has been enforced on 1 January 2009. As a result, the Company presents in the Statement of Changes in Equity all changes related to shareholders' equity, while changes in equity unrelated to shareholders are presented in the Statement of Comprehensive Income.

Comparative information has been presented so that they are in accordance with the revised standard. As the impact of change in accounting policy is reflected only on presentation aspects, there is no impact on earnings per share.
IAS 1 Presentation of Financial Statements is basis for the financial statements presentation to ensure comparability both with the entity's financial statements for previous periods and with the financial statements of other entities.

The Company has adopted a presentation based on liquidity in the Statement of Financial Position and a presentation of income and expenses according to their nature in the Statement of Comprehensive Income, considering that these methods of presentation provide more relevant information than other methods that have been permitted by IAS 1.

IAS 1.57 The aggregation method is optional depending on the manner in which the Company's management considers relevant information for the presentation of the financial position, respectively financial performance.

Separate financial statements are prepared using the historical cost principle, except for buildings, means of shipping and property investments reclassified in accordance with IAS 40 which are presented at their fair value.

For assets and liabilities that were presented at their fair value the company has applied IFRS 13.

Expenses representing inventories consumption, depreciation of fixed assets, interest expenses, employee expenses etc. and which according to the IFRS stipulations, are included in some assets value, are recognized during the period depending on their nature. Complementarily, the accounting records related to assets in progress, on recognize of the related income accounts.
In preparation of the annual accounting reports, as well as those submitted during the year to the territorial units of the Ministry of Public Finance, which are prepared in accordance with the format established by the Ministry of Public Finance, the Company which, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, does not present either the value of these expenses or the value of the corresponding revenues as it is stipulation by OMFP 2844 of December 12, 2016 for approving the Accounting Regulations compliant with International Financial Reporting Standards (paragraph 182).

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

d. Standards and interpretations available in the current period

The following standards, issued by the International Accounting Standards Board (IASB) and adopted by the European Union, are available in the current period:

IAS 1	Presentation of financial statements	Fundamental Accounting Principles, structure and content of financial statements, mandatory posts and the concept of true and fair view, completed with amendments applicable from 1 January 2013.
IAS 2	Inventories	Defining of the accounting process applicable to inventories in the historical cost system: evaluation (first in - first out, weighted average cost and net realisable value) and the perimeter of allowed costs.
IAS 7	Statement of Cash Flows	Analysis of cash variations, classified into three categories: cash-flows from operating activities, cash-flows from investing activities, cash-flows from financing activities.
IAS 8	Accounting policies, Changes in Accounting Estimates and Errors	Defining the classification, the information that need to be disclosed and the accounting treatment of certain items in the income statement.
IAS 10	Events after the reporting period	Requirements for when events after the reporting period should generate an adjustment to the financial statements: definitions, terms and conditions, particular cases (dividends)
IAS 12	Income Taxes	Definition of tax accounting processing on the period result and detailed stipulations on deferred taxes, supplemented by amendments applicable from 1 January 2013.
IAS 16	Property, plant and equipment	Accounting treatments, net book value calculation and relevant principles regarding depreciation for most types of property, plant and equipment.
IAS 19	Employee benefits	Accounting principles regarding employee benefits: short and long term benefits, post-employment benefits, advantages on equity and allowances on termination of employment, with revisions made in 2011, applicable from January 1, 2013.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Accounting principles for direct or indirect public aid (clear identification, concept of fair value, restraining subsidized connection etc.).
IAS 21	The Effects of changes in Foreign Exchange Rates	Accounting treatments of abroad activities, foreign currency transactions and restating financial statements of a foreign entity.
IAS 23	Borrowing Costs	The definition of borrowing costs and accounting treatments: the notion of qualifying asset, how to capitalize borrowing costs in the amount of qualifying assets.
IAS 24	Related Party Disclosures	Details of related party relationships and transactions (legal and natural persons) who exercises control or significant influence over one of the group's companies or the management.
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Principles and information on the retirement schemes (funds), distinguishing defined contribution schemes and defined-benefit.
IAS 27	Separate Financial Statements	IAS 27 outlines when an entity must consolidate another entity, how to account for a change in ownership, how to prepare separate financial statements, and related disclosures. The financial statements prepared by the company for year ended 31 December, 2014 are separate financial statements, therefore, consolidated financial statements are not applicable in this case. The Transilvanian Financial Investment Company, headquartered in Braşov, Nicolae Iorga Street, No. 2, helds, in present, 49,9998% of the share capital of SC Șantierul Naval Orşova SA, so, they have obligation to prepare the consolidated financial statements.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

IAS 28	Investments in associated entities	Defining the evaluation and information principles regarding investments in associates, except those held by: a) Venture capital organizations b) Mutual funds, unit trusts and similar entities, including insurance funds with an investment component which are considered to be at their fair value through profit or loss or classified as held for trading and accounted in accordance to IAS 39.
IAS 29	Financial Reporting in Hyperinflationary Economies	The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the current unit of measure at the financial statement preparation date, meaning non-monetary elements should be restated using a general price index from the date of purchase or contribution. IAS 29 provides that an economy is considered to be hyperinflationary if, among other factors, the cumulative index of inflation exceeds 100% over a period of three years.Continuous decrease of inflation and other factors related to the characteristics of the economic environment in Romania indicates that the economy whose functional currency was adopted by the Company, ceased to be hyperinflationary, affecting periods beginning 1 January 2004. Thus, amounts expressed in the measuring unit, current at 31 December 2003 are treated as the basis for the carrying amounts in the financial statements of the Company.
IAS 31	Interests in Joint Ventures	Accounting principles and policies to joint venture operations performed assets or holdings in a joint venture.
IAS 32	Financial instruments: presentation	Rules of presentation (classification of debt equity, expenses or income/equity).
IAS 33	Earnings per Share	Principles of determination and representation of earnings per share.
IAS 36	Impairment of Assets	Key definitions (recoverable amount, fair value less costs of disposal, value in use, cash-generating units), the frequency of impairment tests, accounting for the impairments, and for goodwill impairment.

Reference	**NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Defining provisions and approach of estimating provisions, individual cases examined (including the problem of restructuring).
IAS 38	Intangible Assets	Definition and accounting treatments for intangible assets, recognition and measurement policies on the processing costs for research and development etc.
IAS 39	Financial Instruments: Recognition and Measurement	Recognition and measurement principles regarding financial assets and liabilities, the definition of derivatives, hedge accounting operations, the issue of fair value etc.
IAS 40	Investment Property	Establishing the evaluation method: fair value model or cost model, transfers between different categories of assets etc.
IFRS 1	First-time Adoption of International Financial Reporting Standards	The procedures for financial statements according to IAS / IFRS optional exemptions and mandatory exceptions to retrospective application of IAS / IFRS, supplemented by amendments applicable from 1 January 2013.
IFRS 5	Non-current Assets Held for Sale and Discontinued Operation	Defining an asset held for sale and discontinued operations, and the, evaluation of these elements.
IFRS 7	Financial Information: Disclosures	Financial information related to financial instruments are referring primarily to: (i) information about the significance of financial instruments; and (ii) information about the nature and extent of risks arising from financial instruments, supplemented by amendments applicable from 1 January 2013.
IFRS 9	Financial instruments	The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting of financial instruments. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) **2. Basis of preparation (continued)**

IFRS 10	Consolidated Financial Statements	Establishing principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
IFRS 11	Joint Arrangements	Establishing principles for financial reporting for entities that hold interests in jointly controlled commitments..
IFRS 12	Disclosure of Interests in Other Entities	Requires an entity to disclose information that will enable users of its financial statements to evaluate: the nature and risks associated with interests held in other entities; and the effects of those interests on the financial position, financial performance and its cash flows.
IFRS 13	Fair value measurement	The definition of fair value, establishing, in a single IFRS, a framework for measuring fair value, requiring the presentation of information on fair value.
IFRS 15	Revenue from Contracts with Customers	It aims to establish principles that an entity must apply to report information useful to users of financial statements about the nature, amount, timing and uncertainty of income and cash flows arising from a contract with a customer. It applies to an entity's first annual IFRS financial statements for the period beginning on or after 1 January 2018, published in May 2014 and adopted by the European Union in September 2016, effective in the EU on 1 January 2018.
IFRS 16	Leasing contract	Its objective is to standardize the way in which financial and operational leasing contracts are recognized in order to have a better comparability in the financial statements between the entities that use different types of contracts
IFRS 17	Insurance contracts	Aims to ensure that an entity provides relevant information that accurately represents those contracts.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies

The accounting policies presented below have been applied consistently in all periods presented in these financial statements by the Company, except for matters described in note 2 (e) of changes in accounting policies.

IAS 1.41

Certain comparative amounts have been reclassified to conform with current year presentation.

a. Foreign currency

(i) Transactions in foreign currency

The Company's foreign currency transactions are registered at exchange rates communicated by the National Bank of Romania ("NBR") for the transaction date. Foreign currency balances are converted in RON at the exchange rates communicated by NBR for the balance sheet date. Gains and losses resulting from the settlement of transactions in a foreign currency and the conversion of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the financial result.

b. Financial instruments

(ii) Share capital

The share capital may be increased or reduced on the basis of decision of the extraordinary General Assembly of shareholders, under the conditions and in accordance with law No. 31/1990, company law, republished. Prior to any capital increase by subscription of new consideration, the company will proceed to update the value of tangible and intangible fixed assets owned. Ordinary shares are classified as equity.

c. Tangible Assets

IAS 16.73 (a)

(i) Recognition and evaluation

Tangible assets are initially measured at cost, (those purchased from suppliers) or if the input value received as a contribution in kind to the establishment of share capital or increase of share capital.

For subsequent recognition of plant, naval means of transport and investment properties, the company has opted for the revaluation model (fair value model).

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

Some of the tangible non-current assets were revalued based on government decisions ("GD") no. 945/1990, no. 26/1992, no. 500/1994, no. 983/1998, no. 403/200 and no. 1553/2003 by indexing the historical cost with indices prescribed in the respective government decisions. Increases of the tangible non-current assets' value resulting from these revaluations were initially credited to revaluation reserves and thereafter, except for the reevaluation made under GD. 1553/2003, in equity, in accordance with the respective government decisions. GD 1553/2003 foresaw the need to adjust the index value by comparing the utility value and market value. At 31 December 2006, the Company proceeded to review the value of buildings and special constructions using the opinion of specialists employed in the Company.

On 31 December 2007, the Company has not proceeded to review the value of fixed assets at the Orşova headquarters, instead Agigea Branch conducted a revaluation of fixed assets from the structures and ships category, before the merger, for the old company: SC Servicii Construcţii Maritime SA Agigea. During the years 2007, 2008 and 2009 were recorded entries in the technological equipment category and other intangible assets category which led to a presentation in the financial statements, of the assets from these categories both at historical cost indexed in accordance with government decisions (" GD "), which have been applied to date, as well as historical cost.

At 31 December 2009 the Company revalued the buildings and special constructions using the opinion of an independent external evaluator.

At 31 December 2010 and 31 December 2011 the Company has not made any revaluations of tangible assets held.

On 31 December 2012, the Company proceeded to the revaluation of naval buildings and vehicles, both at headquarters in the town of Orşova, as well as at Agigea branch using the opinion of an independent external evaluator.

On 31 December 2013, the Company revalued naval vehicles, both at headquarters in the town of Orşova, as well as at Agigea branch using the opinion of an independent external evaluator.

On 31 December 2014, the evaluated naval vehicles, using the opinion of an independent external evaluator.

On 31 December 2015, the Company proceeded to the revaluation of naval buildings and vehicles, both at headquarters in the town of Orşova, as well as at Agigea branch using the opinion of an independent external evaluator.

Reference	**NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

On 31 December 2016, the Company proceeded to the revaluation of buildings and naval vehicles amounted to the nature of shipping assets located at Agigea branch using the opinion of an independent external evaluator.

On 31 December 2017, the company proceeded to the revaluation of tangible assets such as naval vehicles amounted to the nature of shipping assets located in the branch Agigea using the opinion of an independent external evaluator.

On December 31, 2018, the Company proceeded to reevaluate tangible assets such as shipbuilding buildings and means of transport both at the head office in Orşova and at Agigea branch using the opinion of an independent external evaluator.

On December 31, 2019, the Company proceeded to reevaluate tangible assets such as shipbuilding buildings and means of transport located in the branch Agigea using the opinion of an independent external evaluator.

On December 31, 2020, the Company proceeded to reevaluate tangible assets such as shipbuilding buildings and means of transport located at the branch Agigea using the opinion of an independent external evaluator.

On December 31, 2021, the Company proceeded to reevaluate tangible assets such as shipbuilding buildings and means of transport located at the branch Agigea using the opinion of an independent external evaluator.

On December 31, 2022, the Company proceeded to the revaluation of property, plant and equipment of the nature of the means of naval transport located at the Agigea branch using the opinion of an independent external evaluator.

On December 31, 2023, the Company proceeded to the revaluation of tangible assets of the nature of the means of shipping located at the Agigea branch using the opinion of an independent external valuer.

On December 31, 2024, the Company proceeded to the revaluation of tangible assets of the nature of buildings and means of naval transport, both at the main headquarters in Orșova and at the Agigea branch using the opinion of an independent external valuer.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a) **3. Significant accounting policies (continued)**

With regard to the accounting treatment of revaluation differences, it was in accordance with IAS 16, as follows:
- If the carrying amount of an asset is increased as a result of the revaluation, then the increase should be recognised in other comprehensive income and cumulated in equity as a revaluation surplus. However, the increase must be recognised in profit or loss to the extent that it offsets a reduction in the revaluation of the same asset, previously recognised as profit or loss.
- If the carrying amount of an asset is diminished as a result of a revaluation, this impairment must be recognised as a profit or loss. However, the reduction must be recognised in other comprehensive income to the extent that the revaluation surplus shows a credit balance for that asset. The reduction recognised in other comprehensive income reduces the cumulative amount in equity as revaluation surplus.

The method of reflecting the revaluation in the Company's accounting was that of eliminating the depreciation from
the book value of the assets. The revaluation surplus amount was credited to the revaluation reserve balance for those objectives whose fair value was greater than the net carrying amount, and for the other objectives for which the fair value was less than
The net carrying amount was reflected by the decrease in the revaluation surplus that existed previously, i.e. the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised or the recognised reserve was insufficient to cover the decrease.

The maintenance and repairs of tangible assets are passed on to expenses when they occur, and significant improvements made to tangible assets that increase their value or lifespan, or that significantly increase their ability to generate economic benefits are capitalized.
Fixed assets of the nature of inventory objects, including tools and tools, are recorded as expenses at the time of acquisition and are not included in the book value of tangible fixed assets.

(ii) Reclassification to investment property

The transfer to or from investment properties shall be made if, and only if, there is a change in use.

(iii) Depreciation of tangible non-current assets

Depreciation is the equivalent to irreversible impairment of an asset, as a result of normal use, natural factors, technical progress or other causes. Fixed assets' depreciation shall be accounted as an expense (recognized in profit or loss).

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a) **3. Significant accounting policies (continued)**

The company uses straight-line depreciation method for all tangible assets owned, by dividing the book value equally, over its useful life. The depreciation method is applied consistently to all assets of the same type and with identical conditions of use. If tangible assets are placed in conservation, the company did not account the depreciation expense, instead at the end of the period, the company will record a corresponding expense adjustment for the impairment of the asset. The degree of impairment will be determined as much as possible by a certified evaluator.
A significant change in the conditions of use of tangible assets or aging may justify a revision of the useful life. Also, if the tangible non-current assets are placed in conservation (their use is discontinued for a long period), the useful life can be revised.
The residual value and service life shall be reviewed at least at each financial year end.

Depreciation is calculated on the fair value, using the straight-line method over the estimated useful life of the assets as follows:

Asset	Years
Constructions	5 - 45
Equipment	3 - 20
Other equipment and furniture	3 - 30

Lands are not a subject of depreciation, as they are deemed to have an indefinite life.
The management continually evaluates the development plan. The effect of lifetime review, based on GD. 2139/2004, was reflected in the depreciation expense in the year 2005 and in future periods in the amount of depreciation expenses without any temporary differences.

(iv) Derecognition

The account value of a fixed asset shall be derecognised:
- when disposed, or
- when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of a fixed asset shall be included in profit or loss when the item is derecognised. Gains shall not be classified as revenue.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

d. Intangible Assets

(1) Cost

(i) Software

Costs for the development or maintenance of computer software programs are recognized as an expense when they occur. Costs that are directly associated with identifiable and unique products, controlled by the Company and will probably generate economic benefits exceeding costs for a period longer than one year are recognized as intangible assets. Direct costs include the development team staff costs and an appropriate proportion of overhead expenses.

Expenditure which results in extending the useful life and increasing the benefits of software over the initial specifications are added to the original cost. These costs are capitalized as intangible assets if they are not part of tangible assets.

(ii) Other intangible assets

All other intangible assets are recognized at cost.

Intangible assets are not revalued.

(2) Amortization

(i) Software

Software development costs capitalized and they are amortized using the straight-line method over a period between 3 and 5 years.

(ii) Other intangible assets

Patents, trademarks and other intangible assets are amortized using the straight-line method over their useful life. Software licenses are amortized over a period of 3 years.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a) **3. Significant accounting policies (continued)**

e. Rights-of-use for leases assets

The company as a lessees
At the beginning of the contract the company assesses whether a contract is or contains a lease clause. The company recognizes a right to use the asset and a lease liability in relation to all leases in which he is a lessee/user, except for short-term contracts (defined as leasing with a lease term of 12 months or less) and rental of low value assets (such as licenses, oxygen tubes, mailbox, etc.). For these leases, the company recognizes the lease payments as operating expenses on a straight-line basis over the term of the lease.

Leasing liability

The lease debt is initially measured at the present value of the lease payments that are not paid at the start date, discounted with the implied interest rate in the lease.
If this rate cannot be easily identified, the Company uses the NBR's monetary policy interest rate.
The lease debt is initially measured at the present value of the lease payments that are not paid at the start date of the contract, discounted using the interest rate.
The leasing debt is presented as a separate line in the financial statement.
Lease liabilities are subsequently discounted by increasing the carrying amount to reflect the amount of the revalued lease debt and by reducing the carrying amount to reflect the lease payments made. The Company shall revalue the lease liability (and make an appropriate adjustment to the right to use the asset) when:

- The lease term has changed, in which case the lease debt is revalued by updating the lease payments.
- The lease is amended and the change in the lease is not accounted for as a separate lease, in which case the lease liability is revalued based on the terms of the amended lease by updating the revised lease payments using an updated interest rate on the effective date of the change.

Rights-of-use assets

The rights to use the assets comprise the initial valuation of the corresponding lease debt, the lease payments made on or before the start day, less the lease incentives received and any upfront direct costs. Subsequently, they are measured on the basis of cost minus accumulated depreciation and impairment losses.
The rights to use the assets are amortized during the lease period of the underlying asset.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

f. Investment property

An investment property is a real property (land or a building - or part of a building - or both) owned rather to earn rentals or for capital appreciation or both, rather than:

(a) used for production or supply of goods or services or for administrative purposes; or

(b) to be sold in the ordinary course of business.

For the evaluation after recognition, the company uses the fair value model, this accounting treatment has been applied to all investment properties.

A gain or loss arising from a change in fair value of investment property shall be recognized as an income or as an expense in the statement of comprehensive income for the period.

In determining the fair value of investment property, the company uses the services of certified values.

g. Inventories

I Stocks are assets:

- which are held for sale in the ordinary course of business,
- in the course of production with a view to sale in the ordinary course of business,
- in the form of raw materials, materials and other consumables to be used in the production process or provision of services.

Measurement of inventories

Inventories are required to be stated at the lower value between cost and net realizable value. Inventories should not be reflected in the statement of financial position an amount greater than the amount that can be obtained through their sale or use. In this case, the inventories value should be decreased to the net realizable value by reflecting a write-down.

Cost of inventories

The primary basis for accounting inventories is the cost .

The cost of inventories should comprise all costs of acquisition and processing and other costs incurred in bringing the inventories to the shape and place in which they are currently.

Price differences over the cost of acquisition or production should be disclosed separately in the accounts and are recognized in cost of the asset.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

Regarding the method of valuation, the company used, until December 31, 2010, the weighted average cost method, but starting from January 1, 2011, the company is using the first-in - first out method.

The cost of finished goods and work in progress includes materials, labor and indirect production costs associated. Where necessary, adjustments are made for wasted or obsolete inventories. The net realizable value is calculated as the selling price less costs to complete and costs necessary to make the sale

h. Impairment

(i) Financial assets (including receivables)

A financial asset or group of financial assets is impaired if, and only if, there are any objective evidence of impairment arising as a result of one or more events that occurred after the initial recognition of the asset, and these events have an impact on future cash flows of the financial asset or group of financial assets that can be estimated reliably. On each financial year date, the company examines whether there is any objective evidence that the financial asset or a group of financial assets is impaired. The loss is given by the difference between the asset's book value and the present value of future cash flows using the effective interest rate of the financial asset at initial recognition.
If in a subsequent period, an event occurring after the recognition of the impairment will determine an increase of the asset’s value, the impairment will be reversed.

i. Employee benefits

The Company makes payments to pension funds, health funds, unemployment funds, allowances and vacations for all staff. These expenses are recognized in the statement of comprehensive income for the period covered. At retirement, the company granted, as a stimulant, between one and four salaries to every person who ceases contractual relationship with the company.

The Company does not operate any other pension plan or retirement benefits so it has no other obligations in respect of pensions.

During the year, according to the collective labor agreement, depending on the possibilities of the company, employees can receive awards, financial aid for deaths in the family, serious and incurable illness etc.

j. Provisions

Provisions are recognized when the Entity has a present legal or constructive obligation, arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and when a reliable estimate can be made of its amount.

(1) Provisions for annual vacations and other similar staff rights.

Company debt regarding annual employee vacations is recognized in proportion to the duration of untaken vacation days by the end of the year. At the balance sheet date, a provision for the estimated obligation is recognized, provision which includes both the actual amount of untaken vacation days and related social contributions. Also, for the retirement of employees who are qualified for this matter, the company established a provision according to the collective agreement stipulations through the valid period.

(2) Provisions for litigation

For those pending lawsuits, in which the company is the defendant and courts have not issued a final and executory judgment, the company made provisions for the amounts estimated. The amounts paid to the company customers, for any damage caused to the ship during transport, and which have failed to be recovered from the insurance company which issued the insurance policy and for whom there is a pending lawsuit, are treated similarly.

(3) Provisions for guarantees

For river vessels produced by the Company, it is stipulated in the export contracts that the seller is obliged to guarantee the proper execution, for a period of 6-9 months from date of sale (ownership transfer), depending on the complexity of the ships.
Provisions made for this purpose are based on calculation of the average share of total claims paid customer deliveries during the last period (previous year).

k. Revenue

Revenue refers to goods sold and services rendered.

Sales revenues include sales of ships and services provided (rentals and ship repairs) made in the ordinary course of business (excluding value added tax).

Revenue is recognized upon delivery of goods to the buyer or carrier, delivery against invoice, and for export products, after being charged and all the customs formalities are completed, or delivered to the place specified in the contract (port of destination), with the transfer of risks to the buyer.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.112(a) 117(a) **3. Significant accounting policies (continued)**

Revenue is measured at the fair value of the counter performance received or to receive.

Interest incomes are recognized using the effective interest method in proportion to the relevant period of time, based on the principal and the effective rate until the maturity date or for a shorter period if this period is linked to the transaction costs, when it is established that the company will obtain such income.

IFRS 7.20,24 **l. Financial income and expenses**

Interest income is recognized as the income generates, on an accrual basis using the effective interest method in proportion to the relevant time, based on the principal and the effective rate over the period to maturity or a shorter period if this period is link to transaction costs, when it is established that the company will obtain such income.
Income from financial assets or dividends receivable from entities in which the Company is a shareholder, are recognized in the financial statements of the financial year in which they are approved by the General Meeting of each entity.

m. Income tax

The Company records current income tax using the taxable income from tax reporting, determined by the relevant Romanian legislation.
Income tax obligation for the reporting period and prior periods is recognized to the extent that is not paid.
If the amounts paid on the current and prior periods exceed the amounts due for those periods, the excess is recognized as recoverable amount.

Recognition of deferred tax assets and liabilities
Deferred income tax is, using the balance sheet method, based on temporary differences arising between the tax bases of assets and their carrying amount. Deferred tax assets are recognized to the extent that there is the possibility of achieving future taxable profit from which the temporary differences can be recovered.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

4. Determination of fair value

Certain accounting policies of the Company and disclosure requirements demand the determination of fair value for both financial and non-financial assets and liabilities. Fair values were determined for evaluation and / or disclosure purposes based on the methods described below. Where appropriate, additional information about the assumptions used in determining the fair value are presented in the notes that are specific to the asset or the liability.

In the assessment of tangible and intangible assets, fair value measurement is an option. Fair value assessment is made for categories of assets and is treated as a revaluation. The excess resulting from revaluation directly affects equity, unless previously it was recognized as a revaluation loss. Revaluation losses affect the statement of comprehensive income, unless there is an added value previously accounted directly in equity. There are differences between the two asset structures in terms of how to determine the fair value.

IAS 16 “Property, plant and equipment” asserts that: *“After recognition as an asset, an item of tangible assets whose fair value can be measured reliably shall be carried at a revalued amount, representing its fair value at the revaluation date minus any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ significantly from that which would be determined using fair value at the balance sheet date.”* **[9]**

IAS 38 ”Intangible Assets” indicates: *“The purpose of revaluations under this standard, fair value shall be determined by reference to an active market”.***[10]**

If IAS 16 “Property, plant and equipment” allows the determination of fair value through other methods if there isn't an active market, IAS 38 “Intangible Assets” narrow the assets that can be revalued, showing that only the assets for which an active market exists, can be revalued.

A special structure of non-current assets is the investment property. IAS 40 “Investment Property” offers two options for their evaluation: cost model or fair value model. As compared to IAS 16“ Property, plant and equipment”, where, if cost model is applicable, entities are only encouraged to disclose the fair value in the notes, IAS 40 “Investment Property” requires the estimation of fair value, for evaluation (fair value model) or to present in the notes (cost model).

For in assets held for continuing use, it can sometimes be difficult to estimate fair value minus costs of disposal. In the absence of a reliable basis for estimating the amount that an entity could obtain, from the sale of these assets in an arm's length transaction between knowledgeable, willing

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

4. Determination of fair value (continued)

parties, IAS 36 ”Impairment of Assets” indicates that the entity may use the asset's value as its recoverable amount (fair value is equal with the value in use).

As of January 1, 2013 requirements are applicable to the valuation of assets and liabilities at fair value under IFRS 13 “Fair Value Measurement”. IFRS 13 applies to assets and liabilities held by an entity for which, in accordance with other standards, it is required or permitted a fair value measurement or disclosure about fair value is required.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.. The price used to assess the asset or liability at fair value is not adjusted by the amount of transaction costs because they are not a feature of the asset or liability, but a feature of the transaction.

Fair value assessment of an asset or liability considers the characteristics of the asset or liability which that market participants would consider in determining the price of the asset or liability at the measurement date.

Fair value measurement is performed on the assumption that an asset or liability is traded between market participants according to the normal conditions of sale of an asset or the transfer of a liability that characterizes the market at the measurement date. A normal transaction involves access to the market for a period that precedes evaluation enabling typical marketing activities and usual for those trading the respective assets or liabilities.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

5. Revenue

		2024	2023
		RON	**RON**
IFRS 15.113 (a)	Sales of goods	76,586,595	84.391.535
IFRS 15.113 (a)	Rendering of services	13,601,590	11.394.954
IFRS 15.113 (a)	Sales of residual products and goods	3,361,136	772.453
IAS 40.75 (f) (i)	Incomes from rental of investment properties	33,116	73.072
	Total	**93,582,437**	**96.632.014**

Sales of goods, made from the sale of ships built at the main headquarters in Orșova, registered a decrease of 9.25% in 2024 compared to the previous year. In 2024, the Company completed and handed over to external customers a number of 5 vessels. We specify that at the end of the year, a hull was 90% completed, being delivered to the intra-community market in the first decade of February 2025. Given that the structure and complexity of the ships built is different from one year to the next, this is also reflected in the level of income earned during these periods.

Further, although the Company had the entire production capacity of 2024 covered, the river/sea vessel construction market continued to be deficient.

As for the ship repair activity, the revenues achieved in 2024, mainly by the Agigea branch, amounted to RON 12,939,036 (RON 10,326,816 in 2023), registering an increase of 25.3% compared to the previous year.

In 2024, the company achieved revenues from the sale of residual products, higher by 335.12% compared to the previous year, an increase mainly due to the recovery of iron waste resulting from the scrapping of assets.

These presentations are made by the Company in accordance with IFRS 8.

6. Other income

	2024	2023
	RON	**RON**
Rental income (other than rental of investment property)	6,199,235	2,862,636
Other operating incomes	256,486	345,420
Total	**6,455,721**	**3,208,056**

The amounts recorded under the Rental income item refer to the amounts from the rental of three shallots during 2024, but also from the rental of premises at the Agigea branch,

Thus, in the analyzed period, the rental income is at a higher level than in the corresponding period of the previous year (increase by 116.56%), one of the main concerns of the company's management being to find solutions for renting all the barns in the branch's patrimony.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

6. Other income (continued)

As for the amount entered under the item "Other operating income", it is due to the income received as penalties as a result of non-compliance with the delivery deadlines by the partners, as well as other operating income.

7. Expenses related to inventories

	2024	**2023**
	RON	**RON**
Raw materials	18,810,076	28,992,832
Consumables, including:	11,886,401	13,434,480
Auxiliary materials	*10,718,856*	*12,305,480*
Fuel	*354,033*	*428,331*
Spare parts	*377,424*	*444,663*
Other consumables	*436,088*	*257,006*
Materials in the form of small inventory	455,450	478,153
Materials not stored	239,465	415,325
Goods for resale	16,677	36,463
Trade discounts received	(2,947)	(5,324)
Total	**31,405,122**	**43,352,929**

As of 31.12.2024, the significant share in total inventory expenditure is still held by raw materials (shipboard). The 35.12% decrease in raw material expenses in 2024 compared to 2023 is due to both the decrease in production volume and the structure of ship constructions sold in 2024. And overall, there is a decrease in inventory expenses, by 27.56% compared to the previous year, this decrease being also correlated with the fact that revenues from the sale of ships also decreased by 9.25%.

Expenses representing inventory consumption that, according to IFRS, are included in the value of assets are recognized during the period depending on their nature. Accordingly, the value of the assets in execution is recorded in the accounting, on account of the related income accounts. It should be noted that the Company, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, and therefore does not present either the amount of these expenses or the amount of the corresponding income.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

8. Utility expenses

	2024	2023
	RON	RON
Electricity	2,239,677	2,011,388
Water	58,483	51,540
Total	**2,298,160**	**2,062,928**

In 2024, utility expenses increased compared to last year (by 11.40%), as the production achieved and revenues decreased, but supply tariffs increased slightly.
We specify that an influencing factor in this increase is also the method of presenting expenses using a classification based on their nature, according to IAS 1.

IAS 1.104

9. Personnel expenses

	2024	2023
	RON	RON
Salaries	32,097,358	27,856,130
Social expenses	2,706,467	2,551,871
Total	**34,803,825**	**30,408,001**
Number of employees	**344**	**337**

In 2024, expenses with employee benefits are at a higher level, by 14.46% compared to 2023. This increase is mainly due to the increase in the salaries of the Company's staff, starting with May 2024, by an average percentage of 10.2%, respectively to the increase, during the analyzed period, of the value of the meal voucher from 30 lei/meal voucher to 40 lei/meal voucher.
Among other factors that influenced payroll expenses in 2024, we mention the increase in the number of staff, but also the structure of production costs from the perspective of presenting the cost of goods sold according to IAS 1 requirements.
As in the case of the other categories of expenses, in the presentation of personnel expenses, an influencing factor in this increase is the method of presenting expenses using a classification based on their nature.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

10. Receivables allowances and inventories write-down

	2024 RON	2023 RON
Losses due to various debts and debtors	-	109,362
Impairment of current assets	154,529	60,329
Income from current assets Impairment	(50,694)	(113,849)
Total	**(103,835)**	**(55,842)**

The amounts presented above refer to the adjustment of impairments related to inventories and other receivables, operations carried out during 2024.

IAS 1.97 **11. Other expenses**

	2024 RON	2023 RON
Maintenance and repair expenses	1,063,746	350,246
Royalties and rental expenses	93,158	83,566
Insurance premiums	198,472	156,242
Commissions and fees	504	23,502
Protocol, promotion and advertising	40,351	37,809
Transport of goods and personnel	2,447,388	1,752,204
Travel	45,343	108,890
Postage and telecommunications	43,264	50,052
Bank commissions and similar charges	59,859	54,274
Other third party services	13,076,338	12,465,675
Other taxes, duties and similar expenses	717,035	434,888
Expenses with the environment protection	14,362	10,592
Other operating expenses	107,243	146,589
Compensations, fines and penalties	22,642	7,594
Total	**17,929,705**	**15,682,123**

In 2024, the level of the above expenses increased compared to the previous year (by 14.33%), those with a significant share referring to:

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.97 **11. Other expenses**

- There is an increase in maintenance and repair expenses (by 203.71%). In 2024, the Company continued the repair/painting/painting works of the workspaces (industrial halls), but the repair actions of the transport and lifting equipment from the patrimony also continued.
- As for rental expenses, they increased by 11.48% in 2024 compared to 2023, due to the slight increase in asset rental rates but also to the influences due to the production in progress.
- Expenditure on the transport of goods and persons increased (by 39.67%). These expenses are closely related to the volume of sales revenues, but we are also seeing an increase in the goods supply segment. An influencing factor in this increase is also the method of presenting expenses using a classification based on their nature.
- We also note an increase in the services provided by third parties in 2024 compared to 2023 (by 4.90%). And in 2024, given the schedule but also the production volume, the company turned to subcontractors. As regards the auditors' fees, included in the total amount of this item, it is noted that their level is close to that of the previous year. Specifically, they recorded the following values this year: RON 70,399, including VAT, fees to statutory auditors (in the financial year 2023 these amounts totaled RON 69,841, including VAT), and for internal audit services, the amounts paid during the financial year 2024 were RON 31,975, including VAT (for the financial year 2023, fees of RON 42,508 were paid, including VAT). The company did not contract tax consultancy services during the analyzed period.
- Regarding the position on compensation expenses, fines, in 2024 the company paid higher amounts compared to 2023, mainly fines to the state authorities.
- A significant decrease (by 58.36%) can be found in the position Expenses with travel, secondments and transfers. In 2024, the company recorded lower expenses of this nature.
- Regarding the position Expenses with other taxes and fees, we see an increase of 64.88%, due to the increase in local taxes and fees.

Also in the case of these categories of expenses, an influencing factor in these increases/decreases is the method of presenting the expenses using a classification based on their nature.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 1.86 **12. Financial Revenue and Expenses**

Recognized in income statement

		2024	2023
		RON	**RON**
IFRS 7.20 (b)	Interest income on loans and receivables	-	-
IFRS 7.20 (b)	Interest income related to deposits	844,344	196,607
IAS 21.52 (a)	Income from exchange rate differences	277,738	600,008
	Total financial revenue	**1,122,082**	**796,615**
	Value adjustments in respect of financial assets	0	0
IAS 7.20 (b)	Interest expense on leasing contracts	67,888	57,548
IAS 21.52 (a)	Exchange rate differences expenses	117,986	422,071
	Total financial expenses	**185,874**	**479,619**
	Net financial result	**936,208**	**316,996**

In relation to the structure of financial revenues and expenses, the following clarifications are made:

- interest income is mainly related to bank deposits made during the financial year ended on 31.12.2024;
- in 2024, the company did not take out bank loans, did not use credit lines and, therefore, did not record bank interest expenses;
- the expenses from exchange rate differences were lower than the income from exchange rate differences, so that, for the total year 2024, the Company recorded a net gain of RON 159,752 (in 2023: RON 177,937). The gains from exchange rate differences were recorded both from the revaluation of foreign currency availabilities and as a result of hedging transactions, concluded by the Company to protect itself against the depreciation of the exchange rate.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

13a. Income tax expenses

Reference		2024 RON	2023 RON
	a) Current income tax expenses		
IAS 12.80 (a)	Current period	1,691,569	412,474
	b) Deferred income tax expenses		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	636,620	120,367
	Total income tax expenses	**2,328,189**	**120,367**
IAS 12.81 (c)	**c) Reconciliation of effective tax rate**		
	Profit for the period	7,541,815	3,881,697
	Non-deductible expenses	1,448,966	892,303
	Non-taxable incomes	(1,139,183)	(1,803,246)
	Elements similar to expenses	2,894,648	1,493,615
	Legal reserve	-	-
	Other taxable amounts	291,821	-
	Tax loss deduction	-	(1,761,405)
	Tax profit/loss	11,038,067	2,702,964
	Sponsorships	40,000	20,000
	Tax incentives	34,522	-
	Current income tax expense	1,691,569	412,474
	Profit after tax	5,213,626	3,348,856

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

14. Deferred tax assets and liabilities

On May 1, 2009, the stipulations of Emergency Government Ordinance no. 34 were enforced, which have limited the deductibility of certain expenses in calculating the income tax. The greatest influence is due to the non-deductibility of revaluation surpluses transferred to retained earnings since 2004, the impact on income tax expenses of the Company being significantly.

Deferred tax liabilities are represented by the amounts of income taxes payable in future periods as a result of existing taxable temporary differences. In the determination of deferred tax, the tax rate used is stipulated in fiscal regulations in force at the date of the financial statements, respectively 16%.

Deferred tax assets and liabilities are attributable to the following items:

	ASSETS		**LIABILITIES**		**NET**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Tangible Non-Current Assets	416,601	237,578	1,175,924	(15,423)	759,323	253,001
Stocks	-	-	-	-	-	-
Commercial receivables	-	-	-	-	-	-
Commercial debts	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employee Benefits	168,856	104,832	104,832	115,769	(64,024)	(10,937)
Tax loss carried forward	-	-	-	-	-	-
Receivables/liabilities	531,789	-	531,789	-	-	-
Tax incentives	22,070	1,400	-	(1,584)	(22,070)	2,984
Tax offsets	-	-	-	-	-	-
Net Deferred tax assets/liabilities	**1,139,316**	**343,810**	**1,812,545**	**98,762**	**673,229**	**245,048**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-Current Assets**

		Land and buildings	Machines and Equipment	Furniture and fixtures	Work in progress	Total
		RON	**RON**	**RON**	**RON**	**RON**
	Cost or assumed cost					
IAS 16.73 (d)	Balance at 1 January 2024	23,081,953	61,570,014	576,596	1,402,835	86,631,398
IAS 16.73 (e)(i)	Acquisition	222,039	3,930,942	64,533	2,968,255	7,185,769
IAS 16.73 (e)(ii)	Disposals of tangible non-current assets	644,061	7,016,628	54,309	1,290,795	9,005,793
	Net reevaluation	428,742	(678,043)			(249,301)
IAS 16.73 (d)	Balance at 31 December 2024	23,088,673	57,806,285	586,820	3,080,295	84,562,073
	Depreciation and impairments					
IAS 16.73 (d)	Balance at 1 January 2024	4,173,736	43,119,223	477,868	-	47,770,827
IAS 16.73 (d)(vii)	Depreciation for the year	1,988,005	3,996,183	24,792	-	6,008,980
IAS 16.73 (d)(vi)	Reversal of impairment losses		(288,824)		-	(288,824)
IAS 16.73 (d)(ii)	Disposal of tangible non-current assets	-	5,097,032	54,309	-	5,151,341
	Discounts representing cancellation of depreciation due to revaluation	6,161,741	1,270,274	-	-	7,432,015
IAS 16.73 (d)	Balance at 31 December 2024	-	40,459,276	448,351	-	40,907,627
IAS 1.78 (a)	**Net book value**					
	Balance at 1 January 2024	**18,908,217**	**18,450,791**	**98,728**	**1,402,835**	**38,860,571**
	Balance at 31 December 2024	**23,088,673**	**17,347,009**	**138,469**	**3,080,295**	**43,654,446**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

The land, as of December 31, 2024, has a book value of 625,753 lei (historical cost) and represents an area of 85,790 sqm located at the headquarters in Orşova.

During December 2024, the land with an area of 210 sqm from the patrimony of the Agigea Branch was sold (Decision of the administrators of 16.12.2024). We also specify that the Company has put up for sale by auction two plots of land owned in the Gratca area, of 937 sqm and 3,988 sqm respectively, according to the decision of the directors of 16.02.2017, which were duly restated as fixed assets held for sale (according to IFRS 5). We mention that the sale transaction was completed in 2021.
The company has finalized the cadastral situation for the entire area owned at the headquarters in Orșova.

Revaluation of tangible non-current assets

As of December 31, 2004, the value of property, plant and equipment is presented either at historical cost indexed in accordance with government decisions ("GD"), which have been applied up to that date, or at historical cost.
On December 31, 2005, the Company proceeded to revise the value of tangible fixed assets using the opinion of specialists employed by the Company. On December 31, 2006, the Company proceeded to revise the value of the buildings and special constructions by using the opinion of specialists, employed within the Company. As of December 31, 2007, the Company did not revise the value of the fixed assets at the headquarters in Orşova, but the Agigea Branch carried out a revaluation for the fixed assets in the Constructions and Maritime Vessels group, before the merger was completed, under the old name: Servicii Construcţii Maritime SA Agigea.

During the years 2007, 2008 and 2009, entries were recorded in the category of technological equipment and in the category of other fixed assets, which leads to a presentation, in the financial statements, of the fixed assets in these groups both at historical cost indexed in accordance with the government decisions ("GD"), which were applied, and at historical cost.

On December 31, 2009, the Company proceeded to the revaluation of tangible fixed assets of the nature of buildings and special constructions both at the main headquarters in Orsova and at the Agigea branch using the opinion of independent external appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate depreciation from the book value of assets. The revaluation surplus was credited to the revaluation reserve balance for those objectives whose fair value was greater than the net carrying amount, and for the other objectives for which the fair value was less than the net carrying amount, the decrease in the revaluation surplus previously existed, i.e. the allocation of operating expenses in the case of objectives for which a revaluation

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

reserve had not previously been recognised, or The recognized revaluation reserve was insufficient to cover the decrease.
As of December 31, 2010 and 2012, respectively, the Company did not proceed with the revaluation of the property, plant and equipment held**.**

At 31 December 2012, the company revalued buildings and means of naval transport, both at headquarters in the town of Orşova and Agigea branch using the opinion of an independent external value. The Company has used the net value model. The amount of the revaluation surplus was credited to revaluation reserves for those assets which fair value was higher than the net book value, and for the other assets which fair value has been lower than the book value a reduction of the existing revaluation surplus, was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease. For the fixed assets that are under conservation at Agigea branch, an impairment of 6,739 RON was recognized.

At 31 December 2013, the company proceeded to the revaluation of means of naval transport, both at headquarters in the town of Orșova and Agigea branch using the opinion of some independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets. The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair value was higher than the net book value, and for the other purposes for which the fair value has been less than the book value a reduction of the existing revaluation surplus was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease.
For the fixed assets that are under conservation at Agigea branch, an impairment of 155,474 RON was recognized, at the end of 2013; at 31.12.2012 the impairment was 6,739 RON.

At 31 December 2014, the company proceeded to the revaluation of means of naval transport using the opinion of some independent external evaluators, applying the same rules and methods regarding the registration of the resulting differences.
For the fixed assets that are under conservation at Agigea branch, an impairment of 195,218 RON was recognized, at the end of 2014; at 31.12.2013 the impairment was 155,474 RON.

At 31 December 2015, the company proceeded to the revaluation of means of naval transport, both at headquarters in the town of Orșova and Agigea branch using the opinion of some independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair value was higher than the net book value, and for the other purposes for which the fair value has been less than the book value a reduction of the existing revaluation surplus was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease.

For constructions and ships, an increase amounted at 2,181,569 RON was recorded. However analyzed individually, there are positions that present decreases, their total value is amounted at 3,591,056 RON, out of which 3,416,821 RON were incurred from revaluation surplus previously recorded for these items and 174,235 RON were supported on costs.
Please note that further information regarding the revaluation can be found in the Administrators' report prepared and presented separately in the general meeting of shareholders.

On December 31, 2016, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda. For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2016 total of 287,458.76 RON (to 31.12.2015 this impairment was of 252,756,17 RON).

On December 31, 2017, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda.
For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2017 total of 304,490.18 RON (to 31.12.2016 this impairment was of 287,458.76 RON).

On December 31, 2018, the company proceeded to re-evaluate the property, buildings and ships, both at the headquarters of Orşova and at Agigea branch using the opinion of independent external evaluators. The method of reflecting revaluation in the Company's accounts was that of eliminating depreciation from the carrying amount of assets.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

With the value of the revaluation surplus, the balance of revaluation reserves was credited for those items whose fair value was higher than net book value, and for the other objectives for which the fair value was less than the net book value reflected the decrease of the existing revaluation surplus and / or the impairment of operating expenses in the case of previously unrecognized revaluation reserves or recognized revaluation reserves was insufficient to cover the decrease. In both the construction group and the ship, by total group, there are increases, totaling 5,330,995 RON. However, individually analyzed were positions where there were decreases, their total value being 1,054,765 RON, out of which: 1,047,790 RON were borne from the revaluation surplus previously recorded in these positions and the amount of 6,975 was incurred on costs.

At December 31, 2019, the Company proceeded to reevaluation the tangible assets of the nature of the means of ship transport, using the opinion of the same independent external evaluator and based on the same rules regarding the recording of the resulting differences. In the ordinary general meeting of the shareholders, the results of this reassessment will be presented as a separate item on the agenda.

At December 31, 2020, the Company proceeded to reevaluation the tangible assets of the nature of the means of ship transport, using the opinion of the same independent external evaluator and based on the same rules regarding the recording of the resulting differences. At the ordinary general meeting of shareholders, the results of this revaluation will be presented as a separate item on the agenda.

At 31 December 2021, the Company proceeded to the revaluation of tangible assets such as buildings and means of shipping, both at the headquarters in Orsova and at the Agigea branch using the opinion of independent external evaluators. The method of reflecting the revaluation in the Company's accounting was that of removing the depreciation from the carrying amount of assets. The revaluation surplus was credited with the balance of revaluation reserves for those objectives whose fair value was greater than the net book value, and for other objectives in which the fair value was less than the net book value, the decrease in the existing revaluation surplus was reflected in the decrease in the previous revaluation surplus, respectively the allocation of operating expenses in the case of objectives for which a revaluation reserve had no previously been recognizes was insufficient to cover the decrease. In both the construction group and the ships group, there are increases in the total amount of 3,301,954 RON. However, analyzed individually, there were assets where there were decreases, their total value being 999,697 RON, all decreases being supported by the revaluation surplus previously recoded under these items.

On 31 December 2022, the Company proceeded to the revaluation of property, plant and equipment of the nature of the means of naval transport, using the opinion of the same independent external

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

valuer and based on the same rules on the registration of the resulting differences. For fixed assets located in conservation at the Agigea branch was recognized a total depreciation at the end of 2022 of 395,779.82 lei (as of 31.12.2021 this depreciation was of 435,721.16 lei).

On 31 December 2023, the Company proceeded to revalue tangible assets of the nature of means of shipping using the opinion of the same independent external valuer and relying on the same rules on recording the resulting differences. For fixed assets under conservation at the Agigea branch, a total depreciation of 419,372.21 lei was recognized at the end of 2023 (on 31.12.2022 this depreciation was 395,779.82 lei).

On December 31, 2024, the Company proceeded to the revaluation of tangible fixed assets of the nature of buildings and means of naval transport, both at the main headquarters in Orsova and at the Agigea branch using the opinion of independent external evaluators. The method of reflecting the revaluation in the Company's accounting was to eliminate depreciation from the book value of assets. The revaluation surplus was credited to the revaluation reserve balance for those objectives whose fair value was greater than the net carrying amount, and for the other objectives for which the fair value was less than the net carrying amount, the decrease in the revaluation surplus previously existed, i.e. the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised, or The recognized revaluation reserve was insufficient to cover the decrease. Both in the construction group and in ships, on the total group, there are increases, in a total amount of 7,1822,713 lei. However, analyzed individually, there were positions for which decreases were recorded, their total value being RON 326,827, all decreases being borne from the revaluation surplus previously recorded for these positions, except for one position (the amount of RON 7,624.61 affected costs).

In order to carry out these operations, the company turned to the specialized services of the evaluator DARIAN DRS S.A., headquarters in Timisoara.
Valuation techniques used by the evaluator for fixed assets under IFRS 13.91, were as follows:

• The cost approach for naval means of transport and for fixed assets in conservation
• The income approach for leased buildings (investment properties).

According to IFRS 13, valuation at fair value of buildings and means of naval shipping supposed taking into consideration the characteristics of the assets, which users of financial statements would consider in determining the price of the asset at the balance sheet date. Fair value determination was carried out by an independent external evaluator and shall be treated as level 2 under IFRS 13 for the data taken into account in determining the fair values as at 31 December 2023, the date of financial reporting. At the company level, there has not been any change of the level presented by IFRS 13 for the data taken into account in determining the fair values. Also, the maximum amount for assets valued at fair value does not differ from the current amount of use.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

Tangible non-current assets presented at fair value, compared with cost model according to IAS 16.77 (e)

- RON-

Name	Land	Plant	Equipment (Means of transport)
Fair value at 31.12.2023	625,753	22,462,920	4,485,439
Revaluation surplus	-	15,618,047	1,497,974
Net book value according to cost model	625,753	6,844,873	2,987,465

Impairment losses and subsequent reversals

On the occasion of the revaluation on December 31, 2024, the impairment test was also carried out for the fixed assets in conservation at the Agigea branch, and as a result of the processing of the respective data, a

depreciation, in balance, in the amount of RON 130,548.28, related to fixed assets other than buildings. In the previous year, the value of the impairments found was RON 419,372.21.

Pledged or mortgaged tangible assets

To guarantee the multi-option and multi-currency global limit, in value of 1,500,000 EUR , made available by BRD-GSG SA, the Company established the following

- First rank mortgage on the following properties: Repair hall, New Hall, Thermal power station, Compressors Station and PSI Shed, Operating Group, Cafeteria, Merged building, all together with the related land, buildings assessed in accordance with the Warranty Monitoring Report at 1,512,800 EUR market value, registered in the Land Registry under the following numbers 1133, 1146, 1121, 1145, 1134, 1135 and 1132;

- Security interest with dispossession on a deposit in value of 406,015 EUR.

- Warrant in form of Assignment of receivables in total value of 17,459,000 EUR, resulting from signed contracts concluded by the company with third parties, contracts not received on 31.12.2024.

Tangible assets in progress

As of 31.12.2024, the company had unfinished investment objectives in the total amount of RON 3,080,295, consisting mainly of modernization works of the launch track, respectively of some spaces at the Agigea subunit.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 16 **15. Tangible Non-current Assets (continued)**

Changes in Accounting Estimates

On the occasion of the revaluation carried out on 31 December 2018 and 31 December 2021, some of the fixed assets that were fully depreciated were assigned a new use value, which led to a reconsideration of the service life, durations that were used starting with 2019 to calculate accounting depreciation.

Changes in classification

In 2024, the Company proceeded to reclassify some assets.

According to IAS 40, in the financial year 2019, a building under the management of the Agigea branch (headquarters) was transferred from the category of fixed assets to the category of real estate investments, which was given for use, by lease, to third parties, this rental regime being maintained in the first part of 2024. At the end of the year, the company sold this building. In this regard, the presentations in Explanatory Note 19 Real Estate Investments will also be seen.

In December 2024, the company's Board of Directors decided to sell a company, and following this decision, the company reclassified this asset, in accordance with IFRS 5, as an asset held for sale.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 38 **16. Intangible Assets**

Reference		Goodwill	Patents and trademarks	Costuri dezvoltare	Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)						
	Cost					
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at January 1, 2024	-	-	-	1.120.152	1.120.152
IAS 38.118(e)	Acquisitions	-	-	-	-	-
	Disposal of intangible assets				6.894	6.894
IAS 38.118	Balance at December 31,2024	-	-	-	1.113.258	1.113.258
	Amortizare şi pierderi din depreciere					
IFRS 3.B67 (d)(i),IAS 38.118	Balance at January 1, 2024	-	-	-	1.038.988	1.038.988
IAS 38.118(e)(vi)	Amortization during the year	-	-	-	39.487	39.487
IAS 38.118(e)(iv)	Impaiments					
	Disposal of intangible assets				6.894	6.894
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at December 31,2024	-	-	-	1.071.581	1.071.581
	Valori contabile					
IAS 38.118(c)	**Balance at January 1, 2024**	**-**	**-**	**-**	**81.164**	**81.1649**
IAS 38.118(c)	**Balance at December 31, 2024**	**-**	**-**	**-**	**41.677**	**41.677**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 39 **17. Right-of-use assets**

As of 2019, IFRS 16 Leasing Contracts became applicable. Given that the company has certain lease contracts, as a lessee, with a term of 12 months or less and low-value lease contracts, the exception for the recognition of short-term leases and low-value leases applies to these contracts.

We specify that the company, at the headquarters of the Agigea branch, holds the right to use the land that is owned by the National Company for the Administration of Maritime Ports Constanta.

The lease agreement concluded in this regard with CNAPMC (September 2019) is valid until 2038 but contains clauses regarding the renegotiation of the tariff every 5 years and an annual indexable rent value. The initial analysis of the clauses of this contract led the Company to apply the exception allowed by IFRS, namely to consider that the conditions for recognizing this contract as a new leasing contract are met on an annual basis. The reanalysis of the contract in 2021 determined the classification of the contract with CNAPMC under the IFRS 16 standard, so that the company recorded an asset related to the right of use and a corresponding leasing debt.

In September 2024, the tariff was renegotiated for a period of 5 years and the company consequently registered a new asset related to the right of use and a corresponding leasing debt.

The carrying amounts of the rights of use of the recognised asset and the movements of the period are shown below:

	Total land use rights	**Total rights to use of assets**
Cost		
At 1st january 2019	**0**	**0**
Entries	2,502,294	2,502,294
At 31 december 2019	**2,502,294**	**2,502,294**
Entries	398,207	398,207
At 31 december 2023	**2,900,501**	**2,900,501**
Entries	3,503,589	3,503,589
Outputs	2,900,501	2,900,501
At 31 december 2024	**3,503,589**	**3,503,589**
Amortization		
At 1 january 2019	**0**	**0**
Annual amortization	125,115	125,115
At 31 december 2019	**125,115**	**125,115**
Annual amortization	2,279,580	2,279,580
At 31 december 2023	**2,404,695**	**2,404,695**
Annual amortization	663,926	663,926
Outputs	2,900,501	2,900,501
At 31 december 2024	**168,120**	**168,120**
Net book value		
At 31 december 2019	**2,377,179**	**2,377,179**
At 31 december 2023	**495,806**	**495,806**
At 31 december 2024	**3,335,469**	**3,335,469**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

17. Right-of-use assets (continued)

Following the application of IFRS 16, the following amounts have been recognized in the income statement:

	2024	2023	2022
Expenditure with related amortization			
Usage rights	663,926	658,463	567,259
Interest on lease debt	67,889	57,548	26,650
Totals	**731,815**	**716,011**	**593,909**

IAS 39 **18. Other investments, including derivatives**

Investment securities are recognized in the financial statements in accordance with IAS 27 (reviewed in 2010), IAS 36 (reviewed in 2009), IAS 39 (reviewed in 2009) and IFRS 7 (issued in 2008). With the stipulation from the 4 standards, the company adopted the following policy for the recognition and valuation of shares and securities:

- investments in subsidiaries, jointly controlled entities and associates are recognized at cost ;
- short-term investments held for sale, unlisted on the stock exchange market, are recorded at cost. For value depreciation, the company makes adjustments (the depreciation treatment for these securities is determined by IAS 39, paragraph 63);
- short-term investments held for sale listed, on the stock exchange market, are recorded at fair value (the value of trading on the last day of the year). In case of winnings or losses, they will be recognized in capital. If there are any objective evidence of impairment (as presented in paragraph 59 of IAS 39), as well as gains and losses from exchange rate differences, the loss of value is recognized in the period result.

	2024			2023		
Other investment	**Book value**	**Allowance for impairment**	**Net worth**	**Book value**	**Impairment adjustments**	**Net worth**
Long-term investment						
Shares held at Kritom	684,495	684,495	0	684,495	684,495	0
Other long-term securities	0	0	0	0	0	0
Total long-term investment	**684,495**	**684,495**	**0**	**684,495**	**684,495**	**0**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 39 **18. Other investments, including derivatives (continued)**

In 1993, S.C. Servicii Construcţii Maritime S.A. ("SCM"), a company acquired by Şantierul Naval Orşova S.A. during the financial year ended 31 December 2008, made with the Anonymous Society "Domik Kritis", based in Crete, a joint venture named "Kritom Shipping Company", based in the city Iraclio, Crete. The share capital owned by SCM at Kritom Shipping Company was 49%:

- the total share capital of this company was 1,230,600 euro, consisting of a total number of 4,200 shares of 293 euro / share,
- SCM, at that time held 2,058 shares, respectively 602,994 euros (49%), and Domiki Kritis held 2,142 shares worth 627,606 euros (51%)

According to the latest information received from the Greek authorities, the Greek partner proceeded, without our consent, by virtue of the provisions of art.3.4 of the Convention establishing the company, to double the share capital of Kritom, reaching 2,461,200 euros (8,400 shares), from which:

- The joint-stock company "Domiki Kritis", which has since become Aristodimos E. Lidakis SA, holds 1,857,620 euros, the equivalent of 6,340 shares, representing 75.48%, and
- Santierul Naval Orsova holds 2,060 shares worth 603,580 euros, respectively 24.52% of the share capital.

The founding convention of the Kritom Shipping Company provides that the duration of the company is for the period 1993-2012. However, in 2012, the Greek shareholder, without consulting the Company, and using the dominant position in the General Meeting decided to extend the duration of the company by 25 years, until 2037.

At the moment, based on the information we have, the company is active but due to result of the pandemic and the lockdown situation in Greece , it does not generate revenue.

For more information about the current situation of Kritom and to clarify all aspects of administration, Șantierul Naval Orșova contacted a law firm that will represent us in court and support our interests as a shareholder.

In accordance with IFRS 13, fair value evaluation of short term investments assumes taking into consideration the characteristics that market participants would consider in determining the price of the asset at the measurement date. Fair value determination was made according to the available information on the interbank market and is assimilated to the first level required by IFRS 13 for data taken into account in determining the fair values at December 31, the reporting date.

As of December 31, 2024, the Company had made adjustments for the full impairment of these securities, i.e. at the level of RON 684,495, so that the net value as of December 31, 2024 was RON 0 (as of December 31, 2023, the same situation was recorded).

The factors that contributed to the creation of these depreciations are the mistrust and lack of transparency shown by the Greek partner, who manages the company, as we have shown.

This financial asset belongs to the category of financial assets measured at amortised cost in accordance with IFRS 7.8.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

IAS 40 **19. Investment property**

		2024	2023
		RON	**RON**
IAS 40.76(a)	Balance on January 1st	606,447	596,638
IAS 40.76(f)	Acquisitions	0	9,809
IAS 40.76(d)	Free transfer/depreciation, transfer to tangible assets	606,447	0
	Balance at December 31	**0**	**606,447**

Starting with September 2019, the Agigea branch proceeded to lease a building located in Constanta, called "Headquarters", to the companies City Protect and Protect Instal. The lease period, according to the contracts in force, ended on 31.12.2024, but the lease contracts were terminated in June 2024 and the building was sold in December 2024.
The Company measures real estate investments at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income.

20. Inventories

		2024	2023
		RON	**RON**
IAS 1.78 (c),2.36(b)	Raw materials and consumables	13,616,430	7,170,949
IAS 1.78(c), 2.36(b)	Work in progress	23,702,871	22,522,876
	Write-downs	(839,664)	(725,939)
	Inventories at net value	**36,479,637**	**28,967,886**

IAS 1.104,2.36(e)(f) Inventories decreased by 25.93% compared to the previous year. The maintenance of inflationary trends in 2024 for raw materials and materials, the preponderant delivery in 2024 of raw materials and materials related to constructions to be completed in the following year, led to a higher level of inventories at the end of the year.
For sheet metal stocks older than 3 years and for other stocks older than 2 years, without movement, the Company proceeded to adjust the book value, constituting a total depreciation of RON 839,664.

Evolution of inventory write-downs

		2024	2023
		RON	**RON**
IAS 1.104,2.36(e,g)	Opening balance	(725,939)	(674,372)
IAS 1.104, 2.36(e,g)	Write-downs reversal	37,924	6,807
IAS 1.104, 2.36(e,g)	Write-downs	(151,649)	(58,374)
	Closing balance	**(839,664)**	**(725,939)**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

21. Fixed assets held for sale

		2024	2023
		lei	**Lei**
IAS 1.104,2.36(e,g)	Balance at the beginning of the period	0	0
IAS 1.104, 2.36(e,g)	Transfer from property, plant and equipment	1.048.588	0
	Balance at the end of the period	**1.048.588**	**0**

At the end of 2024, the company, following the decision of the directors, transferred an asset from the category of tangible fixed assets to the category of fixed assets held for sale; It was measured at the reclassification date at the lesser of the net carrying amount and fair value minus costs arising from the sale.
In February 2025, this asset was sold.

22. Trade receivables and related, other receivables and accrued expenses

		2024	2023
		RON	**RON**
IAS 1.78 (b)	Trade receivables in relation to related parties	383.871	97,098
	Loans to directors	-	-
IAS 1.78 (b)	Trade receivables	1.305.057	11,497,720
	Impairment adjustments for trade receivables	(166.620)	(166,620)
IFRS 7.8(c)	**Loans and net receivables**	**1.522.308**	**11,428,198**
	Long term		
	Receivables – total	**1.754.518**	**815,693**
	Sundry debtors	254.803	408,936
	Suppliers – debtors	395.388	107,073
	VAT receivable and under settlement	480.505	84,179
	Allowances for other receivables	(253.803)	(408,160)
	Deferred expenses	179.842	153,995
	Other expenses	697.455	469,670
	Accrued expenses	328	0
	Total	**3,276,826**	**12,243,891**

Trade receivables, as of December 31, 2024, recorded a decrease compared to the corresponding period of 2023 (by 73.24%), the significant decrease being recorded in trade receivables. The company has uncollected current invoices in its balance as of December 31, but most of them have already been collected in the first days of 2025.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

22. Trade receivables and related, other receivables and accrued expenses (continued)

As of 31.12.2024, as in the previous year, there were uncollected commercial receivables (litigious customers) in the records of the Agigea Branch, older than 1 year, from previous years and for which adjustments were made for the impairment of receivables in the total amount of RON 166,620.
The receivables analysed in this note do not include receivables presented in the category of fixed assets.

Company's trade receivables are denominated in the following currencies:

	2024	2023
Currency	**RON**	**RON**
USD	-	-
EUR	293,651	9,899,418
RON	1,395,277	1,695,400

Movements of the Company's receivables allowances are as follows:

	2024	2023
	RON	**RON**
On 1 January	166,620	166,620
Allowances reversed	-	-
Recognized allowances	-	-
Balance at end of period	**166,620**	**166,620**

In 2024, no impairments were established/resumed in connection with the Company's trade receivables.

23. Short term investments

	2024	2023
	RON	**RON**
Deposits in banks in RON	10,500,000	4,500,000
Deposits in banks in foreign currency	3,014,382	1,995,815
Total	**13,514,382**	**6,495,815**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

23. Short term investments (continued)

Bank deposits in lei and bank deposits in foreign currency (euro), presented by the Company as other short-term investments as of December 31, 2024, refer to deposits with a maturity between 3 months and one year.

24. Cash and cash equivalents

	2024	2023
	RON	RON
Bank accounts in RON	3,823,448	4,721,820
Bank account in foreign currencies (euro)	7,125,266	7,209,205
Petty cash in RON	6,144	9,264
Petty cash in foreign currencies	-	-
Other values	351	3,414
Total	**10,955,209**	**11,943,703**

The amounts in cash and cash equivalents decreased compared to the previous period (by 8.28%), the main influencing factor being the distribution of dividends towards the end of 2024.
We specify that the Company has sufficient own financial resources that allow it to finance its current activity without resorting to loans.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

25. Capital and reserves

Share capital

IFRS 7.7
IAS 1.79(a)(i),(iii)

The share capital structure on December 31, 2024 is as follows:

	Number of shares	Amount (RON)	Percentage (%)
Longshield Investment Group S.A.	5,375,969	13,439,923	47,0630
Sea Container Services S.R.L	5,375,968	13,439,920	47,0630
Other corporate shareholders	107,729	269,323	0,9431
Other individual shareholders	563,253	1,408,132	4,9309
	11,422,919	**28,557,298**	**100**

The subscribed and paid-up share capital is RON 28,557,298, divided into a number of 11,422,919 registered and dematerialized shares, each worth RON 2.50.

Compared to the shareholding structure communicated by the Central Depository for the reference date 31.12.2023, there are changes in the significant shareholders. We mention that during 2024 this structure underwent changes as a result of the mandatory takeover bid carried out by the two significant shareholders, but also as a result of transactions between the two significant shareholders.

We specify that during June 2024 Societatea de Investitii Financiari Muntenia S.A. changed its name to Longshield Investment Group S.A.

Changes occurred at the level of other shareholders, natural and legal persons, in the sense that there was an increase in the holdings of legal persons to the detriment of natural persons.

Shareholders name	Percentage of ownership (%)	
	2024	**2023**
Longshield Investment Group S.A.	47,0630	41,1886
Sea Container Services S.R.L.	47,0630	49,9998
Other corporate shareholders	0,9431	1,7818
Other individual shareholders	4,9309	7,0299
Total	**100.00**	**100.00**

The company's shares are registered, dematerialized, ordinary and indivisible.

The identification data of each shareholder, the contribution of each one to the share capital, the number of shares owned and the shareholder's share in the total share capital are mentioned in the register of shareholders kept by the registry company (Bucharest Central Depository) contractually appointed for this purpose.

Reference ***NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS***

25. Capital and reserves (continued)

Each share subscribed and paid up by the shareholders according to the law, gives them the right to one vote in the General Meeting of Shareholders, the right to elect or be elected to the management bodies, the right to participate in the distribution of profit or any rights derived from the quality of shareholder.
The holding of the action implies the right of adhesion to the statute and to subsequent amendments.
During 2024, there were no changes in the share capital.

Reserves
The company distributed, until the end of 2020, 5% of the profit before tax to legal reserves, up to the limit of 20% of the share capital. These amounts were deducted from the tax base when calculating the corporate income tax. Legal reserves cannot be distributed to shareholders.
During 2024, the company did not constitute legal reserves because it reached the threshold of 20% of the share capital, according to art. 183 of the Companies Law no. 31/1990, republished, with subsequent amendments and completions.

Revaluation reserve	Total reserve	Reserves taxed	Untaxed reserves
Recorded before 2004	5,799,763	-	5,799,763
Recorded at 31.12.2006	1,473,911	1,002,952	470,959
Recorded at 31.12.2007	2,958,771	1,601,419	1,357,352
Recorded at 31.12.2009	1,015,329	631,453	383,876
Recorded at 31.12.2012	1,385,783	1,036,315	349,468
Recorded at 31.12.2013	147,622	113,176	34,446
Recorded at 31.12.2014	27,364	18,041	9,323
Recorded at 31.12.2015	4,462,307	2,191,009	2,271,298
Recorded at 31.12.2016	83,075	54,442	28.633
Recorded at 31.12.2017	102,030	60,967	41,063
Recorded at 31.12.2018	5,121,019	2,371,472	2,749,547
Recorded at 31.12.2019	127,351	66,329	61,022
Recorded at 31.12.2021	4,052,718	1,359,171	2,693,547
Recorded at 31.12.2023	38,638	17,030	21,608
Recorded at 31.12.2024	7,510,750	-	7,510,750
TOTAL	34,306,431	10,523,776	23,782,655

The revaluation reserves related to the revaluation made after January 1, 2004 will be taxed at the same time as the deduction of the tax depreciation when calculating the taxable profit, respectively at the time of the decrease from management of the fixed assets to which these reserves refer, according to the tax regulations.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

25. Capital and reserves (continued)

IAS 1.107 **Profit appropriation / Dividends declared and paid**

At the Ordinary General Meeting of Shareholders (OGMS) on 21.10.2024, the distribution of RON 6,054,147.07, respectively a gross dividend of RON 0.53/share, from the reconstituted profit by transferring the amount from the balance as of 12/31/2023 of the "Other reserves" account to the dividend account was approved, as a result of the reversal of the distribution of net profit approved by the OGMS in previous years.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

26. Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year by the weighted average number of ordinary shares outstanding at the end of the year. Diluted earnings per share are determined by adjusting the net profit attributable to holders of ordinary shares and the weighted average number of shares in circulation, adjusted for the value of own shares held, with the diluting effects of all potential ordinary shares.

IAS 33.70(a) **Profit attributable to ordinary shares**

	2024	2023
Profit (loss) for the period	5,914,270	3,453,687
Dividends for unredeemed preference shares	-	-
Profit (loss) attributable to ordinary shares	**5,914,270**	**3,453,687**

IAS 33.70(b) **Weighted average number of ordinary shares**

	2024	2023
Ordinary shares issued on 1 January	11,422,919	11,422,919
Effect of own shares held	-	-
Effect of share options exercised	-	-
Weighted average number of ordinary shares at 31 December	11,422,919	11,422,919

IAS 33.70(a) **Profit attributable to ordinary shareholders (diluted)**

	2024	2023
Profit attributable to ordinary shareholders (basic)	5,914,270	3,453,687
Interest expense related to convertible bonds after tax		
Profit attributable to ordinary shareholders (diluted)	**5,914,270**	**3,453,687**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

26. Earnings per share (continued)

IAS 33.70(b)

Weighted average number of ordinary shares (diluted)	2024	2023
Weighted average number of ordinary shares (basic)	11,422,919	11,422,919
Effect of conversion of convertible bonds	-	-
Effect of share options issued	-	-
Weighted average number of the ordinary shares (diluted) at 31 December	11,422,919	11,422,919
Earnings per share	**0,52**	**0,30**

27. Loans

IFRS 7.7,8 This note provides information on the contractual terms of the Company's interest-bearing loans, measured at amortized cost. For more information on the Company's exposure to interest rate risk, currency risk and liquidity risk, please see note 28 of this package of notes to the financial statements.

As of December 31, 2024, the Company had no outstanding bank loans, as it did not have on December 31, 2023.
The values of the guarantees granted by the Company for the multi-option and multi-currency global ceiling are presented below:

Explanations guarantees	**2024**	**2023**	
	RON	**RON**	
Land	612,312	612,373	BRD
Buildings	6,912,507	6,913,202	BRD
Receivables	86,842,812	51,153,812	BRD
Pledge (collateral deposit)	2,019,562	1,995,815	BRD

1. As of December 31, 2024, the company had approved – as shown – a single global cap at BRD guaranteed according to the following.

2. Buildings have been evaluated and taken as warranty at the following market value:

- 2013 - 1,733,000 EUR (* 4.4847 RON/EUR= 7,771,985 RON)
- 2014 - 1,733,000 EUR (* 4.4351 RON/EUR= 7,686,000 RON)
- 2014 - 640,204.14 EUR (* 4.4821 RON/EUR= 2,869,459 RON)

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

27. Loans (continued)

- 2015 - 1,615,300 EUR (* 4.5245 RON/EUR=7,308,424 RON)
- 2016 – 1,512,800 EUR (* 4.5411 RON/EUR=6,869,776 RON)
- 2017– 1,512,800 EUR (* 4.6597 RON/EUR=7,049,194 RON)
- 2018 - 1,512,800 EUR (* 4.6639 RON/EUR=7,055,548 RON)
- 2019 - 1,512,800 EUR (* 4,7793 RON/EUR = 7,230,125 RON)
- 2020 - 1,512,800 EUR (*4,8694 RON/EUR = 7,366,428 RON)
- 2021 – 1,512,800 EUR (*4.9481 RON/EUR = 7,485,486 RON)
- 2022 – 1,512,800 EUR (*4,9474 lei/EUR = 7,484,427 RON)
- 2023 - 1,512,800 EUR (*4,9746lei/EUR = 7,525,575 RON)
- 2024 - 1,512,800 EUR (*4,9741lei/EUR = 7,524,819 RON)

3. Receivables -value of letters of credit that will be charged by the concerned bank (BRD):

- 2013 - 3,566,760 EUR (* 4.4847 RON/EUR= 15,995,848 RON)
- 2014 - 2,213,440 EUR (* 4.4821 RON/EUR= 9,920,859 RON)
- 2015 - 4,472,000 EUR (* 4.5245 RON/EUR= 20,233,564 RON)
- 2016 - 2,480,000 EUR (* 4.5411 RON/EUR=11,261,928 RON)
- 2017- 0 EUR (* 4.6597 RON/EUR= 0 RON)
- 2018—1,745,000EUR (*4.6639 RON/EUR=8,138,506 RON) + assignment receivables 11,197,000EUR*4.6639=52,221,688 RON
- 2019 - 2,310,000 EUR (* 4,7793 RON/EUR = 11,040,183 RON) + assignment receivables 9,842,730 EUR * 4.7793 = 47,041,359 RON
- 2020 - 0 EUR
- 2021 – 0 EUR
- 2022 – 2,165,500 EUR (*4.9474 lei/EUR = 10.711.121 RON)
- 2023 – 0 EUR
- 2024 – 0 EUR

4. Pledge on a deposit in the amount of 401,201 EUR BRD, plus accrued interest of:

- 2013 - 589,000 EUR (* 4.4847 RON/EUR= 2,641,488 RON)
- 2014 - 589,000 EUR (* 4.4821 RON/EUR= 2,639,957 RON)
- 2015 - 642,714.64 EUR (* 4.5245 RON/EUR=2,907,962 RON)
- 2016 – 400,000 EUR (* 4.5411 RON/EUR=1,816,440 RON)
- 2017- 400,600 EUR (* 4.6597 RON/EUR=1,863,80 RON)
- 2018 - 401,000 EUR (* 4.6639 RON/EUR = 1,870,227 RON)
- 2019 - 401,201 EUR (* 4.7793 RON/EUR = 1,917,460 RON)
- 2020 - 401,201 EUR (* 4.8694 RON/EUR = 1,953,608 RON)
- 2021 – 401,201 EUR (* 4.9481 RON/EUR = 1.985.183 RON)
- 2022 – 401,201 EUR (* 4,9474 lei/EUR = 1.985.022 RON)
- 2023 – 401,201 EUR (*4,9746 lei/EUR = 1,995,815 RON)
- 2024 – 406,015 EUR (*4,9741 lei/EUR = 2,019,562 RON)

Through the loan agreement no. 70/31.07.2013 and addendum no. 13/26.06.2024, BRD-GSG Orsova granted the Company a credit facility in the form of an unconfirmed global cap, multi-options and multi-currencies, in the amount of EUR 1,500,000 (one million five hundred thousand), valid until 30.06.2025 and a ceiling for covering foreign exchange risk in the amount of USD 2,069,000.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

27. Loans (continued)

The unconfirmed global cap has several sub-limits, as set out below, provided that the maximum value of all sub-limits does not exceed the total value of the EUR 1,500,000 cap at any time:
- unconfirmed bi-currency credit line facility in the amount of maximum EUR 1,500,000, usable in RON and EUR;
- facility for issuing bank letters of guarantee ('SGB Facility') - in a maximum amount of EUR 1,500,000, usable in RON and EUR, with the validity of the issuance until 30.06.2025. The validity of the letters of guarantee issued is maximum 24 months from the date of issue;
- facility for opening letters of credit – in the amount of EUR 500,000 with a maturity of 24 months.

The credit facility is intended to finance the Borrower's current activity and/or to guarantee its obligations, and to carry out transactions with derivative financial instruments.

28. Leases' liabilities

Financial leases

As of December 31, 2024, the Company has no financial leasing contracts concluded.

Operating leases

The total commitments included in the leasing contract concluded with the National Company Constanta Maritime Ports Administration on December 31, 2024, recognized in accordance with IFRS 16, is RON 3,360,086. When updating the leasing payments at the end of 2024, as the company has no other loans contracted, it used the NBR's monetary policy interest rate of 6.50%. The maturity of the leasing debts is as follows:

	2024
Year 1	588,236
Year 2	627,631
Year 3	669,664
Year 4	714,513
Year 5	762,365
Total	3,362,409
Debt balance 31 december	**3.360.086**
- Long term	*2,736,018*
- Short term	*624,068*

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

29. Employee benefits

a) The remuneration of directors and administrators

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be, and a variable remuneration in relation to the manner in which the objectives and performance indicators are achieved, annexed to the management contract.
The fixed monthly remuneration of the directors for the period January 1 - December 31, 2024 was in the amount of RON 600,732 (RON 593,447 in 2023), in accordance with the provisions of the Articles of Association and the Company's remuneration policy.
In 2024, variable remuneration was not granted to the directors and the general manager.
The Company did not grant advances or loans to directors or administrators during the financial year ended December 31, 2024.

Wage expenses

	Financial year ended at 31 December 2024 RON	**Financial year ended at 31 December 2023 RON**
Administrators	600,732	593,447
Directors	1,436,459	1,279,500
	2,037,191	**1,872,947**

During 2024, there were changes in the composition of the Board of Directors following the election of the directors, through the cumulative voting method, held in April 2024.
The composition of the Board of Directors during the period 01.01-22-04.2024 was as follows:

Mr. Rosca Radu-Claudiu – President
Mr. Ion Dumitru - Vice-president
Mr. Fainarea Marius – Member
Mr. Zoescu Mihai – Member
Mr. Mihai Constantin-Marian – Member

The composition of the Board of Directors, as resulting from the expression of the shareholders' votes, starting with 23.04.2024, is as follows:

Mr. Ion Dumitru - President
Mr. Pripa Alexandru – Vice-president
Mr. Fainarea Marius - Member
Mr. Patrascu Nadina Elena – Member
Mr. Catalina Dumitrascu – Member

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

29. Employee benefits (continued)

The indemnities and other rights granted to the directors are provided for in Article 19 of the Articles of Association and in the management contracts, and were approved in the General Meeting of Shareholders
of 22.04.2024, and the salary and other rights due to the General Manager were established by the Board of Directors, within the limits provided for in art. 22 of the Articles of Association and, respectively, of the Mandate Agreement concluded between the Board of Directors and the General Manager. The mandate of the current Board of Directors ends on April 23, 2028 and that of the General Manager ends on 09.11.2026.

Salaries payable due at period end:

	31 December 2024 RON	**31 December 2023 RON**
Administrators	29,154	28,931
Directors	28,877	23,047
	58,031	**51,978**

b) Employees

The average number of employees during the year was as follows:

	Financial year ended at 31 December 2024	**Financial year ended at 31 December 2023**
Administrative staff	45	44
Direct productive staff	242	237
Indirect productive staff	57	56
	344	**337**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

30. Provisions

		Warranty	Employee benefits	Litigations	Other Provisions	Total
IAS 37.84(a)	**Balance at January 1, 2023**	**-**	**60,425**	**0**	**594,773**	**655,198**
IAS 37.84(b)	Provisions recognized during the current period	-	402,353	157,952	652,995	1,213,300
IAS 37.84(c)	Reversal of provisions during the current period	-	-	-	-	-
IAS 37.84(d)	Complete reversal of provisions during the current period	-	60,425	-	594,773	655,198
IAS 37.84(a)	**Balance at December 31, 2023**	**-**	**402,353**	**157,952**	**652,995**	**1,213,300**

Provisions for employee benefits

As of December 31, 2024, the company had provisions for employee retirement benefits in the amount of RON 402,353 (RON 60,425 as of December 31, 2023).

IAS 1.125 **Litigation**

As of December 31, 2024, the Company has constituted a provision for litigation in the amount of RON 157,952, representing material and moral damages in the file in the file in the file 861/274/2022, established by the court of law (criminal decision no. 112/2024) regarding the work accident of the employee of the company Cainiceanu Ionel.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

30. Provisions (continued)

Other provisions

As of December 31, 2024, the company had provisions for unused leave in the amount of RON 652,995 (2023: RON 594,773).

31. Trade payables and other liabilities

	2024	**2023**
	RON	**RON**
Trade payables - short term	12,241,924	10,170,697
- *Supplier debts*	*1,167,261*	*1,479,712*
- *Advances received from customers*	*11,074,663*	*8,690,985*
Social security and other taxes	1,515,392	1,211,915
Suppliers - invoices to be received	305,530	810,355
Other creditors	1,730,867	1,691,827
Commercial debts – long term (leasing, guarantees)	3,055,129	60,040
Total	**18,848,842**	**13,944,834**

Short-term trade payables mainly refer to payment obligations to suppliers and advances received from customers. We see an overall increase compared to the previous year, by 35.17%, but significant increases are especially in the positions Advances received from customers and Long-term commercial debts, respectively the increase in leasing debt.

32. Financial instruments

General presentation

The Company is exposed to the following risks from financial instruments usage:

- Credit risk
- Currency exchange risk
- Liquidity risk
- Market risk

These notes disclose information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for risk assessment and management, and the procedures used to manage capital. Other quantitative information is also included in these separate financial statements.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

32. Financial instruments (continued)

The general risk management

The Board of Directors has overall responsibility for establishing and supervising the overall risk management framework at Company level.
The Company's risk management policies are defined so as to ensure the identification and analysis of risks faced by the Company, the establishment of appropriate limits and controls, and the monitoring of risks and compliance with established limits.

Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. The company, through its training and management standards and procedures, aims to develop an orderly and constructive control environment in which all employees understand their roles and obligations.
The Company's internal auditor performs standard and ad hoc review missions of controls and risk management procedures, the results of which are presented to the Board of Directors.

Credit risk

Credit risk is the risk that the Company incurs a financial loss as a result of the default of a client or counterparty to a financial instrument, and this risk results mainly from the Company's trade receivables and financial investments.

Credit risk arises when a counterparty's default could reduce cash flow inflows from trade receivables presented at the date of the financial statements. The company has a significant concentration of credit risk. The company applies specific policies to ensure that the sale of products and services is carried out in such a way that the trade credit granted is adequate and continuously monitors the age of receivables.

Credit risk exposure

IFRS. 7.36(a) The book value of financial assets represents the maximum exposure to credit risk.
The maximum exposure to credit risk at the reporting date was as follows:

	Note	**2024**	**2023**
		RON	**RON**
Trade receivables	22	1,688,928	11,594,818
Cash and cash equivalents	24	10,955,209	11,943,703

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

32. Financial instruments (continued)

IFRS. 7.34(a) The maximum exposure to credit risk on loans and receivables at the reporting date by geographic region was as follows:

	2024	2023
	RON	RON
Internal market	1,395,277	1,695,400
USD area	-	-
EUR area	293,651	9,899,419
Other regions	-	-
	1,688,928	11,594,818

IFRS. 7.34(a) The maximum exposure to credit risk on loans and receivables at the reporting date based on the type of counterparty was as follows:

	2024	2023
	RON	RON
Wholesalers	-	-
Retailers	-	-
Final consumers	-	-
Others	1,688,928	11,594,818
TOTAL	1,688,928	11,594,818

The company, by virtue of the nature of its activity, markets its products and services on the foreign market, particularly in the European Community. The products produced are of high value (sea and river vessels) with a long manufacturing cycle and address a relatively narrow market segment. That is why, when concluding commercial contracts, it is envisaged, as far as possible, to collect an advance when signing the contract, and in order to collect the difference, it is provided to guarantee the payment by an irrevocable letter of credit. The number of customers and the percentages held in the total deliveries for the last 2 years are as follows:

CLIENT / BENEFICIARY	YEAR 2024	YEAR 2023
Rensen Driessen Shipbuilding B.V. (NL)	81,71%	38,59%
Gebr De Jonge (NL)	18,29%	39,49%
GEFO GESELLSCHAFT FUR OEL TRANSPORT	-	12,82%
BLACK SEE (RO)	-	9,10%
TOTAL	**100%**	**100%**

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

32. Financial instruments (continued)

In the financial year 2024, deliveries of ships built in Orsova were concentrated at 2 customers (Rensen Driessen Shipbuilding B.V. and Gebr De Jonge), and as a share it can be seen that deliveries to Rensen Driessen Shipbuilding B.V. held the dominant position in total deliveries.
As for the ship repair activity, carried out mainly by the Agigea branch, its main customers were the companies ADM ROMANIA LOGISTICS, OCTOPOD-C OOD and NAVROM GALATI.

Receivables Allowances

IFRS 7.37(a) Aging of loans and trade receivables at the reporting date was as follows:

	Depreciation 2024	Gross Value 2024	Depreciation 2023	Gross Value 2023
	lei	**lei**	**lei**	**lei**
Before due	-	1,688,928	-	11,318,792
Overdue from 30 days -1 year	-	-	-	-
Overdue from more than one year or litigious	(166,620)	-	(166,620)	276,026
Total	**(166,620)**	**1,688,928**	**(166,620)**	**11,594,818**

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in fulfilling its contractual obligations associated with financial liabilities that are settled in cash.
The Company's approach regarding liquidity risk is to ensure, as far as possible, that it has at any moment sufficient liquidity to settle its liabilities when they fall due, both under normal conditions and under difficult conditions, without incurring material losses or jeopardizing the reputation of the Company.
In order to prevent certain situations that could make the company unable to meet its payment obligations in time, as the company has shown, it has one global ceiling contracted with BRD bank.

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Variable rate loans	**2024**	**2023**
Up to 1 year	-	-
Between 1 and 5 years	-	-
Over 5 years	-	-

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

32. Financial instruments (continued)

The Company is exposed to foreign currency risk through sales, purchases and loans that are denominated in their currencies other than the functional currency of the Company, however the currency in which the most transactions are settled is RON.

IFRS 7.34 *Exposure to currency risk*

Company exposure to currency risk is presented below, based on national values:

	2024			2023		
	EUR	**USD**	**GBP**	**EUR**	**USD**	**GBP**
	lei	**lei**		**lei**	**lei**	
Trade receivables	1,522,308	-	-	11,428,198	-	-
Guaranteed bank loans	-	-	-	-	-	-
Unsecured bank loans	-	-	-	-	-	-
Trade payables	15,146,568	-	-	10,230,737	-	-

Also in 2024, amid the depreciation of the leu and the oscillating evolution of the leu/euro parity, the Company concluded new hedging transactions with derivatives to prevent exposure to currency risk.
The exchange rates of the national currency in relation to EUR, USD, calculated as an average of the rates recorded during the reporting year and the previous year, as well as the exchange rates communicated by the National Bank of Romania on the last day of the year, were:

Currency	**Average rate**		**Spot rate at the reporting date**	
RON	**2024**	**2023**	**2024**	**2023**
EUR	**4,9746**	**4,9465**	**4,9741**	**4,9746**
USD	**4,5984**	**4,5743**	**4,7768**	**4,4958**

a. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and cash flow may be affected by fluctuations in the market interest rate, but since the Company does not have, and has not had in recent years, contracted short- and long-term loans (bearing interest rates that also have a variable component), this risk is very low for SNO.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

32. Financial instruments (continued)

a. Capital management

The Company's objectives in capital management are to ensure the protection and ability to reward its shareholders, to maintain an optimal capital structure in order to reduce capital costs.
In order to maintain or modify the capital structure, the Company may change the amount of dividends paid to shareholders, the return on shareholders' capital, issue new shares or sell assets to reduce debts.
The company monitors the volume of capital raised based on the degree of indebtedness. This ratio is calculated as the ratio of net debts to total capital. Net liabilities are calculated as total net cash liabilities. The total capital is calculated as equity to which net debts are added.

	2024	2023
	RON	**RON**
Total liabilities	24,893,312	18,376,919
Cash and cash equivalents	10,955,209	11,943,703
Total shareholders' equity	**112,635,715**	**99,806,115**

33. Contingent assets and contingent liabilities

a. Litigation and disputes

The company has registered a number of shares pending before the courts, resulting from the company's activity. The Company's management believes that these actions will not have a material adverse effect on the Company's economic results and financial position.

b. Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with European legislation. However, there are still different interpretations of the tax legislation. In certain situations, the tax authorities may treat certain aspects differently by calculating additional taxes and fees and related late payment penalties (0.1% per day until 30 June 2010). As of July 1, 2010, the interest charged for each day of delay has been changed to 0.04% and the applicable penalty rates have been set at 5% for a number of days of delay between 30 and 60 and at 15% for delays of more than 60 days.
Starting with July 1, 2013, the interest charged for each day of delay was set at 0.04%, and the penalty rates applicable for each day of delay were changed to 0.02%. For the period after January 1, 2016, the interest charged for each day of delay was set at 0.02%, and the penalty rates applicable for each day of delay were changed to 0.01%. In Romania, the fiscal year remains open for tax

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

33. Contingent assets and contingent liabilities (continued)

verification for 5 years. The Company's management considers that the tax obligations included in these financial statements are adequate.

c. Restructuring

In 2024, the company did not make any staff layoffs. However, there is an increase in the average number of employees by 2.08%, compared to the previous year (2024: 344 employees, 2023: 337 employees). At the time of preparing the financial statements, the company does not have a staff restructuring plan.

d. Administrators remuneration

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be.
The management contracts concluded with the new Board of Directors do not include clauses regarding the granting of variable remuneration.

e. Onerous contracts

A onerous contract is a contract in which the mandatory costs for the fulfilment of the contractual obligations exceed the economic benefits to be obtained as a result of it. These mandatory costs reflect at least the net cost of exiting the contract which represents the minimum between the cost of performing the contract and any compensation or penalties resulting from its non-performance. The company had no onerous contracts concluded as of December 31, 2024.

f. The contingent liabilities related to the environment

Environmental regulations are under development in Romania, and the Company has not registered any obligations as of December 31, 2024 for any anticipated costs, including legal and consultancy fees, site studies, design and implementation of remediation plans, regarding environmental elements.
The Company's management does not consider the expenses associated with possible environmental problems to be significant.

g. Insurances

At the end of 2024, the Company has concluded insurance policies for owned cars and mortgaged tangible assets. For 2024, the company has concluded group insurance for employees, partially for the administrators, and for the general manager.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

33. Contingent assets and contingent liabilities (continued)

h. Transfer price

The tax legislation in Romania contains rules on transfer pricing between affiliated persons since 2001. The current legislative framework defines the principle of "market value" for transactions between related persons, as well as the methods of setting transfer pricing. As a result, it is expected that the tax authorities will initiate thorough transfer pricing checks to ensure that the tax result and/or customs value of imported goods are not distorted by the effect of prices charged in relations with related persons.

i. Warranty letters

On 31.12.2024, one of the banks through which commercial operations are carried out, BRD, had issued two letters of guarantee for our company, namely:
• 224,567 lei in favor of the National Company Administration of Maritime Ports Constanta
• EUR 155,000 in favour of Black See.

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

34. Related parties

Starting with November 14, 2023, following the sale by Transilvania Investments Alliance S.A. of 49.9998% of the share capital of Șantierul Naval Orșova S.A., to See Container Services S.R.L., the latter becomes an affiliate of our company.
SEA CONTAINER SERVICES S.R.L. has its registered office in the municipality of Constanta, Port Premises, Lot B1, Production Hall-C1, Administrative Building-C2 and Concrete Platform-C3, Constanta county. Constanta, is registered with ORC Constanta under no. J13/1384/2000 and is identified by the unique registration code (CUI) 13233113, unique European identifier (EUID) ROONRC J13/1384/2000.
The share capital of SEA CONTAINER SERVICES S.R.L., in the amount of 1,120 lei, is divided into 112 shares of 10 lei each/share.

The investment portfolio of SEA CONTAINER SERVICES S.R.L. consists of the shares held in Șantierul Naval Orșova S.A. Also, SEA CONTAINER SERVICES S.R.L. holds a 50% stake in the profit and loss, as well as in the share capital of the company FERRY LOGISTIC SRL (VAT: 47933758), a company that together with its Georgian partner, E60 Shipping Line LLC operates the maritime line RO-RO Constanta (Romania) - Poti (Georgia).
Sea Container Services S.R.L. is a privately owned company founded in Constanta in 2000 based on the experience of the associates in the field of activities related to water transport, as well as port activities. Sea Container Services S.R.L. carries out loading/unloading activities for ships (NACE CODE 5224), cargo storage (NACE CODE 5210), freight forwarding (NACE CODE 5229) and weighing (NACE CODE 5229) and rental and subletting of its own or leased real estate – (NACE code 6820).
The storage services of the financial instruments held in the portfolio are provided by DEPOZITARUL CENTRAL S.A., and the annual financial statements of the company are audited by EGIDALCO S.R.L., headquartered in Constanța, str. Ștefan Octavian Iosif nr. 8, Room no. 2, county. Constanța, registered with the Trade Register with no. J13/2872/1995, CUI: 7891351, member of the Chamber of Financial Auditors of Romania (CAFR) with authorization number 1276/2015. The trading of financial instruments is carried out through the company
BT CAPITAL PARTNERS S.A.
Sea Container Services S.R.L. is a member of the Union of Freight Forwarding Companies in Romania (U.S.E.R.), a member of FIATA (International Federation of Freight Forwarders Associations), a member of the Employers' Organization CONSTANTA PORT BUSINESS ASSOCIATION and a member of the Constanta Chamber of Commerce and Industry.

In 2024, the volume of sales to See Container Services S.R.L. was 2,034,577 lei, including VAT (522,049 lei in 2023), and the purchases made from this company were 31,118 lei, including VAT (0 lei in 2023).

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**

34. Related parties (continued)

In accordance with IAS 24 "Disclosure of Related Parties", paragraphs 17–18, we specify that:

• outstanding balances of receivables and payables between related parties are related to commercial transactions that are carried out under terms and conditions similar to terms and conditions that would have been accepted by third parties and are not guaranteed;
• we cannot provide additional information on the guarantees given or received because it was not the case to set up;
• we did not make impairment adjustments for doubtful receivables related to outstanding balances and we did not incur expenses on bad or doubtful receivables owed by related parties because this was not the case.

35. Events after the balance sheet date

The energy crisis and the armed conflict taking place on the territory of Ukraine, the restrictions imposed at international level on the Russian Federation and Belarus, bring uncertainties in the economic and financial plan and implicitly determine the existence of a risk regarding the possibility of unpredictable developments regarding the level of the economic and financial indicators budgeted by the Company, respectively the reconsideration of the aspects that were the basis for estimating the inventory values for the Company's assets.
The individual financial statements were approved by the Board of Directors on March 12, 2025 and were signed by:

Administrator,	Prepared by,
Ec. Dumitru Ion	Ec. Marilena Vișescu

ŞANTIERUL NAVAL ORŞOVA S.A.
Nr. RC J25/150/1991 CIF: RO 1614734
Capital social: - subscris 28.557.297,5 lei
- varsat 28.557.297,5 lei
Str. Tufări, nr. 4, Orşova, 225200, Mehedinţi
Tel.: 0252/362.399; 0252/361.885; Fax: 0252/360.648
E-mail: mircea.sperdea@snorsova.ro; marketing@snorsova.ro
Codul LEI (Legal Entity Identifier): 254900UXAJ8TPIKLXG79
Cod IBAN: RO96RNCB0181022634120001- B.C.R. Orşova
Cod IBAN: RO59BRDE260SV03176142600- B.R.D. Orşova

STATEMENT

The undersigned Eng. Mircea Sperdea – general manager and Ec. Marilena Visescu – economic director of the company Şantierul Naval Orşova SA, with administrative headquarters in Orşova, 4 TUFARI Street, Mehedinţi County, declare that to our knowledge, the annual financial-accounting situation, for the year 2024, which was prepared in accordance with the applicable accounting standards, provides a correct and realistic picture of the assets, obligations, financial position, profit and loss account of the company indicated above.

We specify that the company does not have subsidiaries.

We also declare that the Annual Report of the Board of Directors of Şantierul Naval Orşova SA, prepared for 2024, includes a correct analysis of the company's development and performance as well as the main risks and uncertainties specific to the activity carried out.

General Manager,
Eng. Mircea Sperdea

Economic Manager,
Ec. Marilena Visescu

S.C. A.B.A. Audit S.R.L.

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I INDEPENDENT AUDITORS' REPORT

(Free translation)*

To the Shareholders of
ŞANTIERUL NAVAL ORŞOVA S.A

Report on the Audit of the Financial Statements

Unmodified auditor's opinion

1. We have audited the accompanying separate financial statements of Şantierul Naval Orşova SA („the Company"), with headquarters in Orsova, Tufari Street, No. 4, identified by unique tax registration number RO1614734, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to separate financial statements for the year ended.

2. Separate financial statements at December 31, 2024, are identified as follows:

- Revenues:	101,160,240 RON
- Net profit:	5,936,340 RON
- Total assets:	112,635,715 RON

3. In our opinion, the separate financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Accounting Law no. 82/1991, republished, including subsequent amendments and additions, Order of the Minister of Public Finance of Romania no. 881/2012 on application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards, including subsequent amendments and additions.

Basis for unmodified auditor's opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISA"), the EU Regulation No 537 of the European Parliament and of the Council of the European Parliament (the "Regulation") and the Law no. 162/2017 ("the law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We consider that the audit evidences we have obtained are sufficient and appropriate in order to form a basis for our audit opinion.

Emphasis of matters

5. Without further qualifying our opinion, we consider necessary to draw attention related to following issues:

5.1. As it is presented at Note 32 *Financial Instruments* which present that 74% from Company turnover registered in financial exercise ended at December, 31 2024 is realised by two commercial partners (at December 31, 2023, 78% was related only by commercial partner Rensen Driessen Shipbuilding B.V. Nederland). This fact involves a commercial risk due to the significant dependence by a reduced number of clients.

5.2. Uncertainties caused by the war taking place on the territory of Ukraine and the restrictions imposed at international level on the Russian Federation and Belarus, and the energy crisis implicitly determine the existence of a risk regarding the possibility of unpredictable developments regarding the level of economic and financial indicators budgeted by the Society, respectively the reconsideration of the aspects that were the basis for the estimation of the inventory values for the assets of the Company. The management of the financial situation of the Company depends on the way in which the management approaches the future socio-economic events and conditions present in the difficult environment in which it operates.

Key audit matters

6. The key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

i) Revenue recognition

At the level of revenue recognition there are risks of material misstatements like the situations where these may not be recognized by the company's management in accordance with applicable accounting regulations. There may be risks both in terms of the amount of revenue recognized as well as the time of their recognition of possible material misstatements regarding the application of the principle of accrual-based accounting.

Our response to these risks of material misstatements have resulted in performing audit procedures with the purpose of: analysis of contracts and documentation related to the sales of ships, respectively rent services, testing the revenue recognition method in accordance with the contract clause. With respect to the likelihood of material misstatements connected with the application of the principle of accrual-based accounting, we realized procedures whereby we correlated the revenue recognition moment with the signing of protocols of reception of ships.

ii) Inventories evaluation

The management's assertions regarding to valuation can raise risks of material misstatements that would manifest in the sense of failure to apply of accounting regulation regarding valuation of stocks at the reporting date, which state the stocks are valuated at the minimum of cost and net realizable value.

Our response to these risks of material misstatements with regard to valuation assumed tests by which we observed the nature of expenditure capitalized in cost of production. We tested the depreciation of stocks estimated by management of the company by taking as a basis the net realizable value of the reference established according to the Company's commercial agreements or established related to the value in use. We performed procedures whereby we obtained reasonable assurance that there are no material misstatements with respect to these assertions.

Other Information – Management Report and the Remuneration Report

7. Directors are responsible for compiling and presenting other information. That other information includes the Directors' Report, respectively the Remuneration Report, but does not include the financial statements and the auditor's report thereon.

Our opinion on individual financial statements does not cover this other information, and unless expressly stated in our report, we do not express any assurance about it.

In relation to the audit of the individual financial statements for the year ended at December, 31st 2024, it is our responsibility to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements or with this knowledge that we obtained during the audit whether they appear to be significantly denatured.

As far as the Directors' Report is concerned, we have read and reported that it has been prepared in all significant aspects in accordance with Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards, chapter III, points 15-20.

On the sole basis of the activities to be carried out during the audit of the financial statements, in our opinion:

a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all significant aspects, with the financial statements;

b) Directors' Report has been prepared in all significant aspects in accordance with Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards, chapter III, points 15-20;

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the separate financial statements for the year ended December, 31st 2024, we are required to report whether we have identified significant misstatements in the Directors' Report. We have nothing to report on this issue.

8. Regarding the Remuneration Report for the financial year ended at December 31, 2024, we verified whether the information provided by the Company's management is in accordance with art. 107 of Law no. 24/2017 on issuers of financial instruments and market operations as amended and supplemented ("Law No. 24/2017") applicable to entities whose shares are listed on a regulated market and we report that it provides, in all material aspects, the information demands by Law no. 24/2017, art. 107.

Other matters

9. We mention that our duty was limited strictly to the realization of the statutory audit regarding the separate financial statements of the Company at December 31st, 2024, not being assigned to perform the audit of the consolidated financial situations if it was the case.

10. This independent auditor’s report is addressed exclusively to the shareholders of the Company. Our audit was conducted in order to be able to report to the shareholders in accordance with the reporting requirements of a financial audit, and not for other purposes. To the extent to which the law allows it, we do not accept and assume any responsibility except for the Company and its Shareholders in respect to our audit, to the report on the separate financial statements and the report on conformity or the opinion.

11. The annexed financial statements are not meant to show the financial position, the financial performance and a complete set of notes to the separate financial statements in accordance to accounting regulations and principles in other countries and jurisdictions than Romania. Therefore, the annexed separate financial statements are not for the use of persons who are not familiar with legal regulations in Romania, including OMFP no. 881/2012 on application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and OMFP no. 2844/2016 for the approval of the accounting regulations in accordance with International Financial Reporting Standards.

Responsibility of management and those responsible for governance for financial statements

12. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Accounting Law no. 82/1991, republished, including subsequent amendments and additions, Order of the Minister of Public Finance of Romania no. 881/2012 on application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards and for internal control that management deems necessary to enable it to prepare financial statements free of material misstatement, whether due to fraud or error.

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

14. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

15. Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error and to the issuance of an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect significant misstatement, if any exists. Distortions may be caused either by fraud or by error and are considered significant if reasonable assurance can be given that they, individually or collectively, will influence the economic decisions of users made on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

20. We were appointed by the General Meeting of Shareholders at the date of 15 April 2022, as a result of a public selection of tenders in the statutory audit, for the audit of the financial statements of the Company for the financial year ended on 31 December 2024. The total uninterrupted period of our commitment is 20 years, covering the financial years from 31 December 2005 to 31 December 2024.

We confirm that:

- Our audit opinion is in accordance with the additional report presented to the Audit Committee of the Company, which we have issued durring the audit mission. Also, in the conduct of our audit, we have kept the independence regarding the audited entity.
- We have not provided the Company with prohibited non-audit services, as referred to Article no. 5 paragraph (1) of the EU Regulation No 537/2014.

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

21. We have undertaken a reasonable assurance engagement on the compliance with Commission Delegated Regulation (EU) 2019/815 applicable to the financial statements included in the annual financial report of Company as presented in the Digital Files.

21.1 Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Company’s management is responsible for preparing Digital File that comply with the ESEF.
This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of the ESEF;
- ensuring consistency between the Digital File and the financial statements to be submitted in accordance with the Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards, including subsequent amendments and additions.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

21.2 Auditor’s Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained.

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

- obtaining an understanding of Company's process for preparation of the Digital File in accordance with ESEF, including relevant internal controls;
- reconciling the digital file with the audited financial statements of Company to be submitted in accordance with Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards, including subsequent amendments and additions.
- evaluate if all financial statements contained in the annual report have been prepared in a valid XHTML format.

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

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our audit opinion relating to the financial statements of the Company for the year ended 31 December 2024 is set out in the "Report on the audit of the financial statements" section above.

Timişoara, March 18, 2025

On behalf of

A.B.A. AUDIT SRL
1, Georg Haendel Str., Timișoara, Timiș

Registered in the Electronic Public Register with the No. FA305/23 December 2002

Dr. Bunget Ovidiu Constantin

Registered in the Electronic Public Register with the No. AF1739/14 August 2006

A reasonable assurance engagement in accordance with ISA involves performing procedures