INDIVIDUAL SEPARATE FINANCIAL STATEMENTS AT 30.06. 2026

OPIS

BIANNUAL REPORT

FOR SEMESTER I 2026, IN COMPLIANCE WITH THE ASF REGULATION NO. 5/2018 (appendix no. 14 from the regulation)

DATE OF THE REPORT: 14th of August 2026
NAME OF THE TRADING COMPANY: ŞANTIERUL NAVAL ORŞOVA S.A
HEADQUARTERS: NO. 4 TUFĂRI STREET, ORŞOVA TOWN, 225200 MEHEDINŢI COUNTY
PHONE: 0252/362399; FAX: 0252/360648
REGISTRATION CODE FOR VAT PURPOSES: RO1614734
NUMBER IN THE TRADE REGISTER: J25/150/1991
SHARE CAPITAL ISSUED AND PAID UP: 28.557.297,5 LEI
NUMBER OF SHARES: 11.422.919 common shares, each of 2,5 lei;
REGULATED MARKET WHERE THE REAL ESTATE VALUES ISSUED ARE TRANSACTIONED: STOCK EXCHANGE BUCHAREST (symbol: SNO)
MAIN PROPERTIES OF THE REAL ESTATE VALUES ISSUED BY THE ISSUER: NEGOTIABLE ON THE STOCK MARKET

I. SIGNIFICANT EVENTS THAT OCCURRED IN THE FIRST 6 MONTHS AS WELL AS THE MAIN RISKS AND UNCERTAINTIES FOR THE NEXT 6 MONTHS OF 2026. IMPLICATIONS OF THE CONFLICT BETWEEN RUSSIA AND UKRAINE ON THE HALF-YEAR FINANCIAL RESULTS. TRANSACTIONS WITH RELATED PARTIES.

The Orsova Shipyard Company carried out its production activity from the main headquarters and the service provision activity at the Agigea branch, during the first half of 2026, without interruptions and in accordance with the provisions and objectives established by the income and expenditure budget for this period, maintaining the positive trend of evolution of the main economic indicators.

This semester, 2 passenger ships of 135 m were completed and delivered to intra-community partners.

As of 30.06.2026, the turnover registered an increase of 12.69% compared to the provisions of the BVC, and by 5.83% compared to the corresponding period of last year.

The revenues from the operating activity were mainly achieved on account of the production of ships from Orsova, respectively 83.43%. The provision of services (repairs), whose volume fell by 23.41% compared to the previous period, holding a share of 12.40%, were mainly carried out at the Agigea branch. The shares in the patrimony of the Agigea branch and which, in previous years, represented the main source of income of the branch, were sold in March 2026.

The value – in absolute figures – of the 2 ships delivered abroad was 8,575,000 Euros (in the corresponding period of 2025, a number of 2 hulls worth 7,325,000 Euros were delivered, built at the main headquarters).

As for the result of the company's activity, at the end of the reporting period the company registers a significant increase in profit. Compared to the provisions of the BVC, the gross profit was achieved above the budgeted level.

On cost centers, the situation is as follows:

- at the main office, the gross profit recorded on 30.06.2026 was 6,780,502 lei, while in the corresponding period of last year a gross profit in the amount of 133,581 lei was achieved;
- as of 30.06.2026, the Agigea branch recorded a gross profit of RON 5,044,458, while in the corresponding period of last year it recorded a gross profit of RON 3,049,786;

Regarding the existence of factors that have exerted and exert an influence on the activity, we recall:

- Evolution of prices for raw materials, materials, energy and technical gases;
- External factors with geopolitical implications, namely the armed conflict in Ukraine, which also led to the loss of some raw material suppliers;
- Lack of qualified labor; Although the company has succeeded by offering adequate salary packages to attract workforce in the field of shipbuilding, however, at the level of the production departments, the lack of experienced people is still felt, which has represented and represents an inconvenience in carrying out the company's activity. This shortage of labor force is also the result of the fact that the legislative changes in the field of pensions have created retirement conditions for some categories of employees with seniority. At the same time, society is also facing the phenomenon of aging of the workforce. There is still a permanent concern within the company's human resources department to overcome this situation. Even under these conditions, a high quality level of the delivered ships was ensured, at the level of the requirements required by the external partners;
- Carrying out the activity at the main headquarters in open spaces (under the open sky) for most of the year and, therefore, the dependence on unfavorable atmospheric conditions have greatly influenced the productivity of work;

The geopolitical context caused by the existing conflict between Russia and Ukraine did not have a significant negative impact on the simplified individual interim financial statements as of June 30, 2026.

In view of the current circumstances related to the armed conflict in Ukraine, based on the information available to it, the Company considers that there are no material uncertainties in accordance with paragraph 25 of IAS 1 for the continuation of business and there are no indications that would lead to an impairment of the assets held in accordance with IAS 36.

Starting with 14.11.2023, SEA CONTAINER SERVICES S.R.L. became an affiliated party of the Orsova Shipyard S.A. It holds, as of 30.06.2026, 47.0630% of the share capital of the Orsova Shipyard S.A. In the analyzed period, the volume of sales to See Container Services S.R.L. was 1,029,465 lei, including VAT, and the purchases made from this company were 17,747 lei, including VAT.

DETAILED INFORMATION CONCERNING:

1. THE ECONOMICAL AND FINANCIAL SITUATION

a) Balance sheet elements at 30.06.2026

The assets, capitals and debts at 30.06.2026, in comparison to the same period of the previous year, are thus:

		No.	Sold at		INCREASE/DECREASE VARIATION SEM. I 2026/ SEM. I 2025 (%)
		row	**30.06.2026**	**30.06.2025**	
A		B	1	2	3
FIXED ASSETS					
I. TANGIBLE ASSETS		01	*36.593.939*	*42.407.604*	*(13,71)*
II. INTANGIBLE ASSETS		02	*7676*	*24.747*	*(68,98)*
III. FINANCIAL ASSETS		03	*153.322*	*71.571*	*114,22*
IV. USE RIGHTS OF LEASING ASSETS		04	*2.521.277*	*2.984.367*	*(15,52)*
V. REAL-ESTATE INVESTMENTS		05	*0*	*0*	-
FIXED ASSETS-TOTAL (row.01 to 05)		**06**	***39.276.214***	***45.488.289***	***(13,66)***
CURRENT ASSETS					
I. FUNDS		07	*38.004.819*	*38.013.661*	*(0,02)*
II. DEBTS		08	*21.468.273*	*3.750.838*	*472,36*
III. SHORT-TERM FINANCIAL INVESTMENTS		09	*24.064.205*	*10.061.625*	*139,17*
IV. CASH AND ACCOUNTS AT BANKS		10	*5.683.856*	*12.048.170*	*(52,82)*
CURRENT ASSETS - TOTAL (row.07 to 10)		**11**	***89.221.153***	***63.874.294***	***39,68***
ADVANCED EXPENSES		**12**	***387.397***	***613.342***	***(36,84)***
DEBTS WHICH MUST BE PAID WITHIN ONE YEAR		**13**	***24.925.894***	***18.124.596***	***37,53***
CURRENT NET ASSETS/CURRENT NET DEBTS (row.11 +12-13 - 18)		**14**	***64.682.656***	***46.353.786***	***39,54***
TOTAL ASSETS MINUS CURRENT DEBTS (row.06 +14)		**15**	***103.958.870***	***91.842.075***	***13,19***
DEBTS WHICH MUST BE PAID IN MORE THAN A YEAR		**16**	***6.126.096***	***6.890.602***	***(11,09)***
COMMISSIONS		**17**	***379.581***	***357.013***	***6,32***
ADVANCE INCOME		18			***4884,24***

			461.242	*9.254*	
INVESTMENT GRANTS			*7.605*	*3.493*	*117,72*
CAPITAL AND RESERVES					
I CAPITAL (row 20 to 22) out of which:		19	***24.624.482***	***24.246.788***	***1,56***
-subscribed and paid capital	Sold	20	*28.557.298*	*28.557.298*	-
	Sold C	21			
-other elements of the capital (ct.103)	Sold D	22	3.932.816	4.310.510	*(8,76)*
II. CAPITAL PREMIUMS		23	***8.862.843***	***8.862.843***	-
III. RESERVES FROM REEVALUATION		24	***30.726.185***	***34.306.431***	***(10,44)***
IV. RESERVES (ct.1061+1063+1068)		25	***14.367.724***	***13.258.658***	***8,36***
V. REPORTED RESULT, EXCEPT FOR THE REPORTED RESULT COMING FROM THE FIRST APPLICATION OF THE IAS 29 (CT.117)	**SOLD C**	26	***9.477.486***	***1.444.674***	***556,03***
	SOLD D	27	-	-	-
VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD (CT.121)	**SOLD C**	28	***8.925.626***	***2.471.573***	***261,13***
	SOLD D	29	-	-	-
Profit allocation		30	-	-	-
OWN CAPITALS - TOTAL (row. 19+23+24+25+26-27+28-29-30)		31	***96.984.346***	***84.590.967***	***14,65***
Public assets (ct.1026)		32			
CAPITALS – TOTAL (row.30+31)		33	***96.984.346***	***84.590.967***	***14,65***

From the above data, the following conclusions can be drawn:

- Fixed assets registered a total decrease of 13.66%.

In structure, tangible assets decreased by 13.071%. During the analyzed period, investments were made, but there were also asset sales (halls), respectively asset disposals. Intangible assets decreased by 68.98% as a result of depreciation. The rights to use the leased assets (in this case the lease agreement with CNAPMC) also registered a decrease by 15.52%.

As for financial fixed assets, mainly a deposit for the payment of customs duties for the import of some materials, there is an increase of 14.22%;

- Current assets experienced a significant increase, overall, by 39.68%.

In the structure, we note a slight decrease on account of inventories by 0.02% (both the stocks of raw materials and materials necessary for the completion of the new constructions designed for this year, but also the production in progress remained at levels close to those of the corresponding period of 2025); Receivables register an important increase of 472.36% compared to the corresponding period of 2025, an increase mainly due to the fact that the company completed and invoiced a ship hull at the end of June. We mention that these receivables, especially of a commercial nature, registered during the analyzed period have collection deadlines and have mostly been collected until the date of this report; The company's cash availability decreased by 52.82%, which was influenced by the payment of dividends that took place in the last days of June;

- Advance expenses decreased by 36.84%;
- Debts with a payment term of up to one year register an increase of 37.53%, in a significant proportion on account of commercial debts. The liabilities to be paid in a period of more than one year decreased by 11.09% and refer to the deferred tax, constituted as a result of the revaluation of tangible assets, respectively to the liabilities related to the rights of use of leased assets in accordance with IFRS 16;

- On the total company, equity increases by 1.56% compared to the corresponding period of 2025. In the structure, there is a decrease in revaluation reserves by 10.44% but an increase of 556.03% in the retained result, following the sale of the salons. A significant increase, by 261.13%, also records the profit at the end of the reporting period.

Following the above, the total assets/liabilities at the end of the first half of 2026 register an increase compared to the corresponding period of last year, respectively from RON 109,975,925 on 06.30.2025 to RON 128,884,764 on 06.30.2026.

Other information on assets, liabilities and equity can be found in the Notes to the simplified individual interim financial statements ended on 30.06.2026, attached to this report.

b) Profit and loss account.

The operating revenues for the first 6 months amounted to RON 54,135,528 (as of 30.06.2025 they totaled RON 48,186,977), and had the following structure:

- Sales of goods (construction of ships) 44,311,724 lei
- Services 6,798,257 lei
- Income from the sale of residual products and mafs 452,269 lei
- Rental income 1,780,087 lei
- Other operating income 793,191 lei

Compared to the same period of the previous year, there was an increase in operating income by 12.34%, while the related expenses decreased by 5.69%. Thus, at the end of the reporting period, the company records profit from the operational activity.

The gross profit as of 30.06.2026, in the total amount of RON 11,824,960, in the structure is as follows:

• 10,856,477 lei – Profit from the exploitation activity
• 968,483 lei – Profit from financial activity

Compared to the provisions of the BVC, it can be seen that the operating revenues were achieved in a proportion of 112.34% and the operating expenses, compared to the budgeted level, were achieved in a proportion of 94.31%. Also, the gross profit from the operating activity registered an increase (472.28%) compared to the budgeted one. We mention that the revenues from the ship repair activity were at a higher level than in the first half of 2025 (123.41%) and the income from rentals positively influenced the result of the company's activity. At the same time, the revenues obtained from the sale of residual products resulting from the production activity but also from the scrapping of some assets, contributed to these achievements. In March 2026, the 4 existing halls were sold at Agigea branch, the company making a gain from the sale of these assets in the amount of RON 2,507,619.

As for the company's financial activity, the company made a profit that exceeded both the budgeted level and the one achieved in the similar period of 2025. More than 80% of the company's revenues are expressed in euros, and come from ship deliveries in the intra-community space. This fact has led the company to be permanently exposed to currency risk (leu/euro parity). 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 cash and as a result of hedging transactions. At the same time, the company made investments of availabilities (lei) in term deposits, bearing interest. Thus, a profit of 968,483 lei is recorded from the financial activity (in the previous year a profit of 884,648 lei was recorded).

All these achievements are the result of efficient administration and high-performance activities.

The table below summarizes the achievements as of 30.06.2026, compared to 30.06. 2025 and with the provisions of the income and expenditure budget.

DESCRIPTION OF THE INDICATOR	REALIZED		PROVIDED IN THE B.V.C. SEM.I 2026	%	
	30.06.2026	30.06.2025		2026/2025	Realiz. /BVC
TURNOVER	53,961,892	47,885,781	50,988,500	112,69	105,83
INCOME FROM OPERATION	54,135,528	48,186,977	50,988,500	112,34	106,17
EXPENSES FROM OPERATION	43,279,051	45,888,258	46,373,894	93,31	93,33
PROFIT/LOSS FROM OPERATION	10,856,477	2,298,719	4,614,606	472,28	235,26
FINANCIAL INCOME	2,086,105	1,121,622	625,000	185,99	333,78
FINANCIAL EXPENSES	1,117,622	236,974	290,000	471,62	385,39
PROFIT FROM THE FISCAL ACTIVITY	968,483	884,648	335,000	109,48	289,10
TOTAL GROSS PROFIT/LOSS	11,824,960	3,183,367	4,949,606	371,46	238,91
Tax on profit (delayed tax/income from the tax on delayed profit	(2,899,334)	(711,794)	(620,000)	407,33	467,63
NET PROFIT/LOSS (A)	8,925,626	2,471,573	4,329,606	361,13	206,15

Other information on income and expenses can be found in the Notes to the simplified individual interim financial statements ended on 30.06.2026, attached to this report.

c) Cash flow

Throughout the first half of 2026, the company had sufficient sources of financing, so that it was not necessary to take out bank loans. Cash and cash equivalent as of 30.06.2026 totaled RON 5,683,856 (as of 30.06.2025: RON 12,048,170)

In order to guarantee the advances received from customers, openings of letters of credit for suppliers and letters of guarantee of good performance, on June 30, 2026, the company had contracted through BRD the following approved ceilings, these being at the same level as last year:

- 1,500,000 Euro multi-option and multi-currency ceiling at BRD-GSG.
- USD 2,069,000 ceiling for hedging currency risk.

From the multi-option and multi-currency ceiling, at the end of the first half of 2026, a letter of guarantee was issued in favor of the National Company for the Administration of Maritime Ports Constanta, in the amount of 274,428 lei and a letter of good execution in favor of the Black See Offshore Centre, in the amount of 155,000 euros.

The guarantee of these ceilings was carried out by using the same types of guarantees, as in previous years, respectively common basket of guarantees: real estate mortgage, movable mortgage on receivables, collateral deposit in Euro).

The company had no outstanding obligations at the end of the first half of 2026, all obligations being paid on time or compensated, both to the state budget and the social security budget, as well as to employees, shareholders, third parties and other creditors.

The company did not have loans for investments during this period.

2. ANALYSIS OF THE COMMERCIAL COMPANY'S ACTIVITY

As we have shown, during the analyzed period, the company completed and delivered, from the activity at the main headquarters in Orsova, to intra-community foreign customers, a number of 2 passenger ships of 135 m in length.

We specify that in March, the auction sale procedure of the 4 hydroclaps halls was completed. Also, at the Agigea branch, the ship repair activity was continued.

We notice in the analyzed period an increase in operating revenues but also a reduction in costs, without affecting the quality of products and services.

A structured analysis of revenues is presented in the Notes to the simplified individual interim financial statements (Notes 5 and 6), which are an integral part of this report.

In the current particularly difficult conditions, when the low demand on the river vessel segment on which the company operates is maintained, solutions have been found at the management level to ensure the continuity of the activity in the next period, the order portfolio ensuring the coverage of the production capacity at the main headquarters in Orsova for the entire year 2026 and the next 2 years. This volume of orders equitably ensures the burden of the company's current workforce but also the subcontracting of some works.

Even if the company has contracted the entire production capacity, there are continuous changes in the river vessel market. These changes concern both the level of demand and the price at which it is contracted. Also, the military conflict in Ukraine may continue to have a significant impact on the European and global economy in the coming period.

From the point of view of the structure of demand for the construction of river vessels, on the market segment on which the company operates, we notice an increase in the demand for passenger vessels.

Maintaining high profitability still requires cost optimization measures, developing customer relationships and constantly adapting to market requirements, so that the company maintains its competitiveness and financial stability.

The average number of employees on June 30, 2026 was 360 employees, up from the level recorded on 30.06.2025 (349).

2.1. Among the uncertainty factors for the next period, we mention.

- volatility and evolution of the exchange rate – LEI/EURO –, the company's results depending very much on an eventual, unpredictable fluctuation of the parity of the two currencies;
- recruitment of qualified labor, especially welders, locksmiths, builders and industrial painters, as well as the instability of the workforce;
- the evolution of the price of metal, and especially of the naval sheet, as well as the way in which this evolution is consistent with the evolution of the price of river vessels;
- the lending system practiced by the external financing banks and the specific regulations regarding the conditions to be met by river vessels and the Community support policies in this field;
- the consequences of the ongoing military conflict in Ukraine, which may cause disruptions in supply chains but also high price inflation, which could lead to a significant deterioration in economic growth.

2.2. Investment expenditure

In the first half of this year, investments were made in a proportion of 113.22% compared to the provisions of the BVC, and in a proportion of 142.09% compared to the first half of 2025. The total value of expenses of this nature amounts to 2,201,954 lei, compared to 1,944,800 lei when budgeted and 1,549,667 lei made in the first half of 2025.
These expenses were incurred in a proportion of 59.60% at the main headquarters and 40.40% at the Agigea branch, with new machinery and work equipment being purchased. As for the project to modernize the launch path from the patrimony of the Agigea branch, a project started over 5 years ago, efforts are being made to complete it during this year.
The company had its own sources to finance these investment expenses.

2.3. Economic events, transactions and changes that significantly affect core revenues.

During the period under review, the company did not have any transactions or economic changes that significantly affected the revenues from the core activity.

2.3.1. Aspects regarding the risks posed by the armed conflict in Ukraine

Regarding the risk caused by the conflict in Ukraine, we specify that although the company has no direct exposure, it has lost one of the potential suppliers of raw materials (shipboard).

3. CHANGES WHICH AFFECT THE SHARE CAPITAL AND THE MANAGEMENT OF THE COMMERCIAL COMPANY NAVAL SHIPYARD IN ORSOVA

The share capital of the company Şantierul Naval Orşova SA, registered with the Trade Register Office attached to the Mehedinti Court, did not change during the first half of 2026, being equal to that of 31.12.2025, respectively of 28,557,297.5 lei. The share capital is divided into 11,422,919 common shares, registered at RON 2.5 each. A share held entitles the respective shareholder to a vote in the general meeting.

The shareholders' register is kept by DEPOZITARUL CENTRAL S.A. Bucharest.

The shareholder structure at the end of the first half of 2026, compared to that recorded on 30.06.2025, did not change in terms of significant shareholders, presenting itself as follows:

Longshield Investment Group S.A.	*5.375.969 shares*	*47,0630%*	*13.439.923 lei*
Sea Container Services S.R.L	*5.375.968 shares*	*47,0630%*	*13.439.920 lei*
Other shareholders	*670.982 shares*	*5,874%*	*1.677.455 lei*
TOTAL	*11.422.919 shares*	*100,0000 %*	*28.557.298 lei*

The evolution of the company's share price and trading volume on the Bucharest Stock Exchange in the last 5 years, between July 2021 and July 2026, is shown in the chart below (the upper part shows the evolution of the trading price, and the lower part shows the volume of traded shares):

From this graph it can be seen that the SNO share price has had an increasing evolution, registering a maximum value in July 2026 of over 37 lei/share.

The evolution of the share price in July 2026 is presented in the chart below:

Currently, the trading value of a share is between 25 and 30 lei/share, but liquidity remains at a low level.

The 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.
The composition of the Board of Directors of the company, between 01.01-30.06.2026, is as follows:
Mr. Ion Dumitru – President
Mr. Pripa Alexandru – vice-president
Mr. Fainarea Marius – member
Mrs. Galani Andreea Ioana - member
Mrs. Catalina Dumitrascu – member

• MR. ION DUMITRU, a 76-year-old Romanian citizen, an economist by profession. On 30.06.2026 he did not hold shares in the company;
• MR. PRIPA ALEXANDRU, a 41-year-old Romanian citizen, an economist by profession. On 30.06.2026 he did not hold shares in the company;
• MR. FAINAREA MARIUS, a 56-year-old Romanian citizen, an engineer by profession. On 30.06.2026 he did not hold shares in the company;
• MRS. GALANI ANDREEA IOANA, a 30-year-old Romanian citizen, an economist by profession. On 30.06.2026 he did not hold shares in the company;
• MRS. DUMITRASCU CATALINA, a 36-year-old Romanian citizen, an economist by profession. On 30.06.2026 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.

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.
Between 01.01-30.06.2026, 4 General Shareholders' Meetings were held, two extraordinary and two ordinary, as follows:

I. The Extraordinary General Meeting of Shareholders, held on 25.02.2026, had the following items on the agenda:

1. Election of the meeting secretariat consisting of Mr. Horia Ciorecan, shareholder with the identification data available at the company's headquarters, in charge of verifying the presence of shareholders, fulfilling the formalities required by law and the articles of incorporation for holding the general meeting, counting the votes cast at the general meeting and drawing up the minutes of the meeting.
2. Approval of the sale of the following movable goods of the nature of maritime means of transport – 4 ships of the salanda type: Midia 5 identified with the number IMO 8829983, Midia 6 identified with the number IMO 8829995, Midia 8 identified with the number IMO 8830011 and Midia 21 identified with the number IMO 7906758, at the total price of EUR 2,350,000 to which VAT is applied according to the legal provisions in force.
3. Approval of the power of attorney of the Agigea Branch Manager and/or the General Manager of the company to prepare, negotiate, agree and decide the conditions of the sale of the movable property within the limits of the EGMS decision, as well as the mandate of the Agigea Branch Manager and/or the General Manager of the company to sign and execute, in the name and on behalf of the Company, the sale-purchase contract for the sale of the movable property mentioned in point 2, as well as any other prior notifications, documents, deeds or documents necessary or useful for the valid conclusion and execution of the sale of the movable property referred to in point 2.
4. Approval of March 25, 2026 as the registration date and of the ex-date March 24, 2026 for the identification of the shareholders on whom the effects of the decision of the Extraordinary General Meeting of Shareholders are affected.
5. The empowerment of Mr. Mircea Ion Sperdea, General Manager of the company, to sign the resolution of the Extraordinary General Meeting of Shareholders (EGMS) and any other documents necessary for the execution of the EGMS decision and to carry out the formalities of publicity and registration thereof.

Decision no. 63/25.02.2026, adopted on this occasion, was published and was communicated, within the legal term, to the Bucharest ASF and the Bucharest Stock Exchange, according to the legal requirements.

II The Ordinary General Meeting of Shareholders, held on 27.04.2026, had the following items on the agenda:

1. Election of the meeting secretariat consisting of Mr. Ciorecan Horia, shareholder with the identification data available at the company's headquarters, in charge of verifying the presence of shareholders, fulfilling the formalities required by law and the articles of incorporation for holding the general meeting, counting the votes cast at the general meeting and drawing up the minutes of the meeting;
2. Presentation of the report on the results of the revaluation of the tangible assets of the group of ships. Approval of the recording of revaluation differences in net value of RON 4,452,565.63 in the accounting records as of 31.12.2025;
3. Presenting, debating and approving the annual financial statements, for the financial year 2025, prepared in accordance with the International Financial Reporting Standards, based on the Management Report of the Board of Directors and the Report of the statutory financial auditor;
4. Approval of the 2025 Annual Financial Report, according to art. 651 of Law 24/2017;
5. Approval of the distribution of the net profit made in 2025. The Board of Directors proposes that the net profit in the amount of RON 8,762,422.09 be distributed to the following destinations:
- RON 7,653,355.73 for dividend distribution, which means RON 0.67 gross/share;
- 1,109,066.36 lei as its own source of financing.
6. Approval of the draft Income and Expenditure Budget and the investment program for 2026, according to the proposal of the administrators;
7. Presentation and submission to the advisory vote of the Remuneration Report for the financial year 2025;
8. Discharge of administrators for the financial year 2025;
9. Election of a new member of the Board of Directors for a term that will begin on 27.04.2026 and will end on 23.04.2028;
10. Empowerment of Mr. Mircea Ion Sperdea, the General Manager of the Company, for the signing, on behalf of the Company, with the appointed administrator, member of the Board of Directors, of the Management Agreement in approved form and for the members of the Board of Directors in office;
11. Approval of the removal from the accounting records of the Company's participation in the share capital of Kritom Shipping Company, and its maintenance in the non-accounting records.
12. Approval of the transfer to costs of the fees recorded as fees, paid to lawyers in connection with this company and the resumption to income of the impairments constituted for the participation, respectively the lawyers' fees;

13. Approval of the fixed remuneration due to the directors for the financial year 2026, according to art.19 (2) of the Articles of Association, at the level approved by the shareholders for the financial year 2025;
14. Approval of the carrying out in the financial year 2026 of the accounting record at "income" of the dividends not collected for more than 3 years from the due date, for which the right to the dividend is extinguished by prescription, respectively the dividends related to the financial year 2021 existing in the balance as unpaid on 31.12.2025, in the amount of RON 147,514.12;
15. Approval of the date of 20.05.2026 as the registration date and of the ex-date 19.05.2026 for the identification of the shareholders on whom the effects of the decision of the Ordinary General Meeting of Shareholders are reflected;
16. Approval of 29.05.2026 as the date of payment of the dividends established in point 4 above, in accordance with the provisions of art.187, item 11 of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, as subsequently amended and supplemented. The costs related to the payment of dividends will be borne by the beneficiary shareholders, from the net dividend amount;
17. The empowerment of Mr. Mircea Ion Sperdea, General Manager of the company, to sign the resolution of the Ordinary General Meeting of Shareholders (OGMS) and any other acts necessary for the execution of the OGMS resolution and to carry out the formalities of its publicity and registration;

Decision no. 64/27.04.2026, adopted on this occasion, was published and was communicated, within the legal term, to the Bucharest ASF and the Bucharest Stock Exchange, according to the legal requirements.

III The Extraordinary General Meeting of Shareholders, held on 29.06.2026, had the following items on the agenda:

1. Election of the meeting secretariat consisting of Mr. Ciorecan Horia, shareholder with the identification data available at the company's headquarters, in charge of verifying the presence of shareholders, fulfilling the formalities required by law and the articles of incorporation for holding the general meeting, counting the votes cast at the general meeting and drawing up the minutes of the meeting;

2. Approval of the extension of the global multi-option and bi-currency ceiling, in a total amount of EUR 1,500,000 and of the ceiling for hedging the foreign exchange risk, in the amount of USD 2,069,000, contracted with BRD-GROUP SOCIETE GENERALE;
3. Approval of the date of 22.07.2026 as the Registration Date, according to art. 87 para. (1) of Law no. 24/2017 and the date of 21.07.2026 as the "ex date" date, according to art. 2 para. 2 letter l) of Regulation no. 5/2018;
4. The empowerment of Mr. Mircea Ion Sperdea, General Manager of the company, to sign the resolution of the Extraordinary General Meeting of Shareholders (EGMS) and any other acts necessary for the execution of the EGMS resolution and to carry out the formalities of its publicity and registration.

Decision no. 65/29.06.2026, adopted on this occasion, was the date of publication and was communicated, within the legal term, to the Bucharest ASF and the Bucharest Stock Exchange, according to the legal requirements.

IV The Ordinary General Meeting of Shareholders, held on 29.06.2026, had the following items on the agenda:

1. Election of the meeting secretariat consisting of Mr. Ciorecan Horia, shareholder with the identification data available at the company's headquarters, in charge of verifying the presence of shareholders, fulfilling the formalities required by law and the articles of incorporation for holding the general meeting, counting the votes cast at the general meeting and drawing up the minutes of the meeting;
2. Choosing the external auditor of the company and setting the duration of the external financial audit contract, taking into account the expiry of the contract of the incumbent auditor. Mandating the Board of Directors to negotiate and conclude the external financial audit contract.
3. Approval of the revised remuneration policy of the executive management and the board of directors, according to L24/2017, art 106;.
4. Approval of the extension of the global multi-option and bi-currency ceiling, contracted with BRD-GROUP SOCIETE GENERALE;
5. Approval of the date of 22.07.2026 as the Registration Date, according to art. 87 para. (1) of Law no. 24/2017 and the date of 21.07.2026 as the "ex date" date, according to art. 2 para. 2 letter l) of Regulation no. 5/2018.

6. The empowerment of Mr. Mircea Ion Sperdea, General Manager of the company, to sign the resolution of the Ordinary General Meeting of Shareholders (OGMS) and any other acts necessary for the execution of the OGMS resolution and to carry out the formalities of its publicity and registration.

Decision no. 66/29.06.2026, adopted on this occasion, was the date of publication and was communicated, within the legal term, to the Bucharest ASF and the Bucharest Stock Exchange, according to the legal requirements.

4. SIGNIFICANT TRANSACTIONS

During the first half of 2026, the company Santierul Naval Orsova S.A. did not register transactions with persons acting in concert or in which these persons were involved.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026

Reference		Note	30.06.2026 RON	31.12.2025 RON
	Assets			
	Fixed assets			
IAS 1.54(a)	Tangible assets	*14*	36,593,939	45,872,328
	Freehold land and land improvements	*14*	625,753	625,753
	Buildings	*14*	20,560,542	21,057,106
	Plant and machinery, motor vehicles	*14*	11,586,621	21,057,652
	Fixtures and fittings […]	*14*	223,750	216,734
	Tangible assets in progress	*14*	3,597,273	2,915,083
IAS 1.54(c)	Intangible assets	*15*	7,676	7,872
	Other intangible assets	*15*	7,676	7,872
IFRS 16,IAS 8	Rights to use the leased assets	*17*	2,521,277	2,909,166
IAS 1.54(h)	Trade receivables and other receivables		153,322	303,508
IAS 1.54(o), 56	Deferred tax assets		35,461	119,472
IAS 1.60	**Total fixed assets**		**39,311,675**	**49,212,346**
IAS 1.54 (g)	Inventories	*19*	38,004,819	27,756,715
IAS 1.54(h)	Trade receivables and other receivables	*21*	21,432,812	20,373,050
IAS 1.55	Accrued expenses	*21*	387,397	173,057
IAS 1.54(d)	Short term investments		24,064,205	20,111,471
IAS 1.54(i)	Cash and cash equivalents	*24*	5,683,856	9,942,789
IAS 1.60	**Total Current Assets**		**89,573,089**	**78,357,082**
	Total Assets		**128,884,764**	**127,569,428**
	Equity			
IAS 1.54(r), 78(e)	Share capital	*25*	28,557,298	28,557,298
IAS 1.54(r), 78(e)	Share premium		8,862,843	8,862,843
IAS 1.55, 78(e)	Reserves		45,093,909	51,629,443
IAS 1.54(r), 78(e)	Result for the period		8,925,626	8,762,422
IAS 1.55. 78(e)	Retained earnings		9,477,486	1,832,886

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026 (continued)

Reference		Row	30.06.2026	31.12.2025
			RON	RON
	Other elements of equity		(3,932,816)	(4,975,636)
	Total equity		**96,984,346**	**94,669,256**
	Liabilities			
	Long-term liabilities			
IAS 1.54(o), 56	Deferred tax liabilities		3,932,816	4,975,636
IFRS 16,IAS 8	Other debts, including lease liability	*22,23*	2,193,280	2,522,488
IAS 1.60	**Total long-term liabilities**		**6,126,096**	**7,498,124**
	Current liabilities			
IAS 1.54(k)	Trade payables and other debts, including derivatives	*22*	24,925,894	24,479,335
IAS 1.55, 11.42(b)	Deferred income		468,847	18,063
IAS 1.54(l)	Provisions		379,581	904,650
IAS 1.60	**Total current liabilities**		**25,774,322**	**25,402,048**
	Total Liabilities		**31,900,418**	**32,900,172**
	Total Equity and Liabilities		**128,884,764**	**127,569,428**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 30 JUNE 2026

Reference		Note	30.06.2026	30.06.2025
			RON	RON
	Continuing operations			
IAS 1. 82(a)	Income	*5*	52,181,805	43,566,310
IAS 1.99,103	Other income	*6*	1,953,723	4,620,667
	Total Operational Income		**54,135,528**	**48,186,977**
	Expenses related to inventories	*7*	(14,006,576)	(13,959,649)
	Utility expenses	*8*	(1,075,061)	(1,282,044)
	Employee benefits expenses	*9*	(18,568,285)	(18,311,872)
	Depreciation and amortization expenses	*14,15*	(2,122,786)	(2,716,281)
	Depreciation expenses related to rights-of-use for leased assets	*17*	(387,889)	(351,102)
	Gains/losses on disposal of property		2,507,619	641,471
	Increase/(Decrease) of provision expenses		525,069	856,287
IAS 1.99, 103	Other expenses	*11*	(10,151,142)	(10,765,068)
	Total Operational expenses		**(43,279,051)**	**(45,888,258)**
	The result of operational activities		**10,856,477**	**2,298,719**
	Financial income	*12*	2,086,105	1,121,622
IAS 1.82(b)	Financial expenses	*12*	(1,117,622)	(236,974)
	Net financial result	*12*	**968,483**	**884,648**
IAS 1.85	**Result before taxation**		**11,824,960**	**3,183,367**
IAS 1.82(d),IAS 12.77	Current income tax expenses	*13*	(2,815,323)	(574,789)
	Deferred income tax expenses	*13*	(84,011)	(137,005)
IAS 1.85	**Result for continuing operations**		**8,925,626**	**2,471,573**
IAS 1.82(f)	**Result for the period**		**8,925,626**	**2,471,573**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AT 30 JUNE 2026 (continued)

		Note	30.06.2026 RON	30.06.2025 RON
	Other comprehensive income			
IAS 1.82(g)	Revaluation of property, plant and equipment		**(7,644,600)**	**0**
IAS 1.85	Other comprehensive income after tax		**(7,644,600)**	**0**
IAS 1.82 (i)	**Total comprehensive income for the period**		**1,281,026**	**2,471,573**
	Attributable profit			
IAS 1.83(b)(ii)	Shareholders		8,925,626	2,471,573
	Profit for the period		**8,925,626**	**2,471,573**
	Total attributable comprehensive income			
IAS 1.83(b)(ii)	Shareholders		**1,281,026**	**2,471,573**
	Earnings per share			
IAS 33.66	Basic earnings per share		0,78	0,22
IAS 33.66	Diluted earnings per share		0,78	0,22
	Continuing operations			
IAS 33.66	Basic earnings per share		0,78	0,22
IAS 33.66	Diluted earnings per share		0,78	0,22

Reference	STATEMENT OF CHANGES IN EQUITY

Reference		Attributable to equity holders								
IAS 1.108,109		**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 31,2024	**28,557,298**	**8,862,843**	**34,306,431**	**13,148,007**	**1,444,674**	**5,936,340**	**(4,513,190)**	**-**	**87,742,403**
	Loss/ Net profit for the year	-	-	-	-	5,936,340	2,826,082	-	-	8,762,422
	Transfer in reserve	-	-	(388,212)	110,651	277,561	-	(462,446)	-	(462,446)
	Revaluation reserve	-	-	4,452,566	-	-	-	-	-	4,452,566
	Dividends distributed to shareholders	-	-	-	-	(5,825,689)	-	-	-	(5,825,689)
	Balance at December 31, 2025	**28,557,298**	**8,862,843**	**38,370,785**	**13,258,658**	**1,832,886**	**8,762,422**	**(4,975,636)**	**-**	**94,669,256**
IAS 1.106(d)(i)	Loss/ Net profit for the year	-	-	-	-	8,762,422	163,204	-	-	8,925,626
	Transfer in reserve	-	-	(7,644,600)	1,109,066	6,535,532	-	1,042,820	-	1,042,818
	Dividends distribuited to shareholders	-	-	-	-	(7,653,354)	-	-	-	(7,653,354)
	Balance at June 30, 2026	**28,557,298**	**8,862,843**	**30,726,185**	**14,367,724**	**9,477,486**	**8,925,626**	**(3,932,816)**	**-**	**96,984,346**

STATUS OF THE TREASURY CASH FLOW

IAS 1.10(d), 113	**For the fiscal year completed**			
			30.06.2026	**30.06.2025**
	Treasury Cash Flow for operating activities			
	Profit of the period		8,925,626	2,471,573
	Adjustment for:			
	Depreciation of intangible and tangible assets	*14,15,17*	2,737,075	3,112,209
	Gain/losses from the sale of the tangible assets		(2,507,619)	(641,471)
	Net expenses / (net income) with provisions		(525,069)	(856,287)
	Current income tax expenses	*13*	2,815,323	574,789
	Expenses on the delayed income tax	*13*	84,011	137,005
	Cash Flow from operating activities before the amendment of the working capital		**11,529,347**	**4,797,818**
	Amendment of the working capital:			
	Stocks modification		(10,248,104)	(485,436)
	Modification of the commercial account receivables and of other account		(1,041,849)	(449,798)
	Modification of the advanced expenses		(214,340)	(433,499)
	Modification of the commercial debts and of other debts		(35,006)	2,215,330
	Cash flow generated from operating activities		**(9,952)**	**5,644,415**
IAS 7.31.32	Paid interests		(93,.035)	(105.072)
IAS 7.35	Profit /specific tax paid		(2,767,423)	(302.796)
IAS 7.10	**Net cash flow from operating activities**		**(2,870,410)**	**5.236.547**
	Treasury Cash Flow from investment activities			
IAS 7.31	Cashed interests		682,540	352,299
IAS 7.16(a)	Proceeds from the sale of tangible assets	*14*	11,970,195	0
IAS 7.16(a)	Acquisitions of tangible and intangible assets	*14,15*	(2,201,954)	(1,549,667)
	Short term investments		(3,952,734)	3,452,757
IAS 7.10	**Net cash used in investment activities**		**6,498,047**	**2,255,389**
	Treasury cash flow from financing activities			
IAS 7.17(d)	Increase (Repayment) of loans		(305,060)	(475,604)
IAS 7.17(d)	Paid dividends		(7,581,510)	(5,923,371)
IAS 7.10	**Net cash from (used in) financing activities**		**(7,886,570)**	**(6,398,975)**
	Net increase/decreases of the cash flow and of the cash flow equivalents		**(4,258,933)**	**1,092,961**
	Cash Flow and equivalents from 1st of January		**9,942,789**	**10,955,209**
	Cash flow and cash flow equivalents at 30th of June		**5,683,856**	**12,048,170**

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 period 01.01-30.06.2026. 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 Individual Financial Statements for the period 01.01-30.06.2026 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 have been authorized for issue by the Board of Directors on August 14 th, 2026.
	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;
- Means of naval transport.

	a. 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)**

b. 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 1.122,125,129,130 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 18 –Investment property classification;
- Note 23 – Loans.

c. New International Financial Standards not applied by the Company

The Company does not apply any IFRS 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 once they enter into force. Of the standards issued, but which are not yet in force, the company will not be in a position to apply any of them prospectively.

These are:

• Publication of IFRS 19 "Subsidiaries without public exposure" effective January 1, 2027

• Amendments to IFRS 18 "Presentation and Presentation in Financial Statements" effective January 1, 2027.

• Amendments to IFRS 7 and IFRS 9 "Contracts Relating to Nature-Dependent Electricity" effective January 1, 2026.

• Amendments to IFRS 7 and IFRS 9 "Classification and Measurement of Financial Instruments" effective January 1, 2026.

• Amendments to IFRS 19 "Non-Public Liability Subsidiaries" applicable from January 1, 2027.

• Amendments to IAS 21 "Effects of Exchange Rate Changes": Conversion into a hyperinflationary presentation currency, applicable from January 1, 2027.

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

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

d. 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)**

e. 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 Şantierul 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 valuation and disclosure principles regarding investments in associated entities, except those held by: (a) venture capital organisations; or (b) mutual funds, closed-end investment funds and similar entities, including insurance funds with an investment component, which at initial recognition are considered to be at fair value at profit or loss or are classified as held for trading purposes and accounted for in accordance with IFRS 9 Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with IFRS 9, with changes in fair value recognised in profit or loss during the period of the changes.
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 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 Orşova and at the Agigea branch using the opinion of an independent external valuer.

On December 31, 2025, the Company proceeded to the revaluation of the tangible assets of the nature of the means of naval transport located at the Agigea branch using the opinion of an independent external appraiser.

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 must be recognised in other comprehensive income and accumulated 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 in profit or loss.
- If the carrying amount of an asset is reduced as a result of a revaluation, this decrease must be recognised in 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 accounts was to eliminate depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of revaluation reserves 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

The net carrying amount was reflected in the decrease in the previously existing revaluation surplus, i.e. the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised or a 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 to tangible assets, which increase their value or lifespan, or which significantly increase their capacity to generate economic benefits, are capitalized.

Fixed assets in the nature of inventory items, including tools and tools, are recorded at expense at the time of acquisition and are not included in the carrying amount of tangible 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).

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

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

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

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.

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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.

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
Leasing liability is initially measured at the present value of lease payments that are not paid on the start date, discounted at the default interest rate in the lease. If this rate cannot be easily identified, the company uses BNR’s monetary policy interest rate.

The lease liability is initially measured at the present value of the lease payments that are not paid on the date of commencement of the contract, updated using the interest rate.

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

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

Leasing liability is presented as a separate line in the financial statement.
Leasing liabilities are subsequently updated by increasing the carrying amount to reflect the amount of the amount of the revalued lease debt and by reducing the carrying amount to reflect the lease payments made. The company revalues the lease debt (and makes 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 is revalued on the basis of 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

Rights-of-use include the initial valuation of the corresponding lease liability, lease payments made on or before the commencement date, minus the lease incentives received, and any initial direct costs. Subsequent they are measured based on cost minus accumulated amortization and impairment losses. Rights-of-use assets are amortized over the lease term of the underlying asset.

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.

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

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.
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.

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

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.

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

(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.

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.

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

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.

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]**

4. Determination of fair value (continued)

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 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 INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

5. Incomes

		30.06.2026	30.06.2025
IFRS 15.113(a)	*Sales of goods*	44,311,724	36,484,520
IFRS 15.113(a)	Rendering of services	7,417,812	5,772,015
IFRS 15.113(a)	Sales of waste products and commodities	452,269	1,309,775
	Total	**52,181,805**	**43,566,310**

Revenues for the first 6 months of 2026 are higher by 19.78% compared to the corresponding period of last year. This increase is mainly due to the fact that during this period the Company completed and handed over to foreign customers a number of 2 passenger ships, but also to the increase in the volume of ship repairs, given that lower revenues were recorded from the sale of residual products resulting from the production activity or from the scrapping of assets.
The river/sea ship construction market is still deficient, but the company has its production capacity covered by the end of the year.
Although it does not represent a significant percentage of the turnover, the provision of services, mainly on account of the ship repair activity carried out at the headquarters of the Agigea branch, registered an increase of 23.41%.
These presentations are made by the Company in accordance with IFRS 8.

6. Other incomes

	30.06.2026	30.06.2025
Income from rents (other than rent real estate investments)	1,780,087	4,319,471
Other operational incomes	173,636	301,196
Total	**1,953,724**	**4,620,667**

In the period 01.01 - 30.06.2026 these revenues are at a lower level than in the corresponding period of the previous year (decrease by 57.72%). This decrease is due to the fact that the company no longer recorded income from renting the halls, following their sale in March 2026. Thus, the amounts made during this period and entered in the rental income position are related to the lease contracts for spaces in the patrimony of the Agigea branch. Regarding the Other operating income position, we note a decrease in the amount achieved in the first half of 2026 compared to the corresponding period of the previous year, these revenues coming, in a proportion of about 86%, from the resumption of dividends not raised by shareholders within 3 years from the distribution.

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

7. Outgoings on stocks

	30.06.2026	30.06.2025
Expenses with raw materials	7,876,001	7,813,554
Expenses of consumable materials, from whom:	5,582,611	5,805,069
Expenses *of auxiliar materials*	*4,964,684*	*4,929,405*
Expenses *of fuel*	*179,585*	*183,697*
Expenses *with spare parts*	*322,324*	*125,729*
Expenses *of other consumable materials*	*116,018*	*566,238*
Expenses regarding materials of nature inventory items	219,973	204,201
Expenses of unstocked materials	318,262	129,867
Expenses regarding goods	10,000	7,186
Received discount	(271)	(228)
Total	**14,006,576**	**13,959,649**

In Seem. I 2026 the significant share in total inventory expenditure is still held by raw materials (marine sheet) and auxiliary materials (profiles, pipes). Overall, they remain at a level close to those recorded in the previous year, but in the structure we find differences, the expenses being influenced by the type of ships built, but also by the measures to optimize them. Expenses representing inventory consumption that, according to the provisions of IFRS, are included in the value of certain assets are recognized during the period according to their nature. Correspondingly, the value of the assets in progress is recorded in the accounting, on account of the related income accounts. Please note 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 value of these expenses or the value of the corresponding revenues.

8. Utilities outgoings

	30.06.2026	30.06.2025
Expenses with energy	1,047,190	1,256,618
Expenses with water	27,871	25,426
Total	**1,075,061**	**1,282,044**

In the first half of 2026, utility expenses decreased compared to the first half of 2025 (by 16.14%). As for the supply tariffs, they have experienced a slight increase, those related to water, but a decrease in those of electricity, due to the use of the photovoltaic panel system.

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.

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 1.104 **9. Staff costs**

	30.06.2026	30.06.2025
Personnel expenses	17,207,548	16,877,030
Expenses with contributions to compulsory social insurance	1,360,737	1,434,842
Total	**18,568,285**	**18,311,872**
Medium number of employees	**360**	**349**

In the analyzed period from 2026, salary expenses are at a level close to that achieved in the corresponding period of 2025. Although the salaries of the Company's staff have been increased by 5% as of January 2026 and by about 6% in June, respectively, we note an increase in labor productivity, while insurance and social protection expenses have decreased.

As in the case of the other categories of expenditure, and in the presentation of personnel expenditure, an influencing factor in this increase is the method of presenting expenditure using a classification based on its nature.

10. Value adjustement of current asset

	30.06.2026	30.06.2025
Losses(Profit) on receivables and various debtors	60,764	8,945
Income from adjustments for impaiment of current assets	60,764	8,945
Total	**0**	**0**

The amounts presented above, in the analyzed period, refer to the adjustment of the impairments of receivables related to the shares held in Kritom, following the OGMS decision no. 64/27.04.2026.

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 1.97 **11. Other outgoings**

	30.06.2026	30.06.2025
Expenses with maintenance and repairs	135,279	283,239
Expenses with royalties, managed locations and rents	43,843	54,364
Expenses with premium insurance	98,196	131,228
Expenses with commisions and fees	0	210
Protocol, advertising and advertising expenses	39,249	15,285
Goods and personel transport expenses	109,944	1,277,685
Travel expenses, secondments and transfers	73,123	30,210
Postage and telecommunications expenses	17,421	16,958
Banking services expenses	23,653	38,991
Other expenses for services performed by third parties	9,159,546	8,471,037
Expenses with other taxes and fees	329,160	411,025
Expenses for environment protection	5,470	5,163
Expenses with compensations,fines and penalties	25,000	-
Other operational expenses	91,258	29,673
Total outgoings	**10,151,142**	**10,765,068**

In the period 01.01-30.06.2026, the level of the above expenses decreased by 5.69% compared to the same period of the previous year, the main influencing factors in this increase being the structure of the production sold, but also the optimization of expenses.
Thus, we note an increase in expenses with services provided by third parties by 8.13% due to the fact that in the analyzed period the Company resorted to subcontractors to a greater extent both for the shipbuilding activity and for the ship repair activity, but also for the increase in the providers' tariffs.
As for the maintenance and repair activity, the expenses of this nature incurred in the analyzed period are 52.24% lower than those recorded in the similar period of 2025.
Regarding the expenses with a significant decrease compared to the corresponding period of the previous year, respectively the expenses with the transport of goods and personnel, they refer in particular to the transport of river vessels built at the main headquarters, on the route: Orşova – Rotterdam, delivery points in the Netherlands or Germany, indicated in the commercial contracts. We specify that, in accordance with the contractual provisions, the transfer of the ownership right was carried out in the previous period, with the delivery of the ships to these points, throughout the transport period the ships being provided by the Company's care. Starting with the contract finalized in December 2025, the transport of the ships is the responsibility of the buyer, the company no longer registering such costs.
As regards the auditors' fees, included in the total amount from this position, it is found that their level is close to that of the previous year. Specifically, they registered the following values: 26,653 lei, including VAT. fees to statutory auditors (49,332 lei, including VAT, in the corresponding period of 2025) and for internal audit services the amounts paid in the period

11. Other outgoings (continued)

01.01-30.06.2026 were 20,505 lei, including VAT (21,323 lei, including VAT, in the corresponding period of the previous year).
And in the case of these categories of expenditure, an influencing factor in these increases is the method of presenting expenditure using a classification based on its nature.

IAS 1.86 **12. Financial income and expenses**

Recognized in the profit or loss account:

		30.06.2026	30.06.2025
IFRS 7.20 (b)	Interest income from bank deposits	616,442	387,499
IAS 21.52 (a)	Incomes from exchange rates differences	786,192	734,123
	Other financial income/Income from financial investments transferred	683,471	0
	Total financial incomes	**2,086,105**	**1,121,622**
IFRS 16.	Interest expense on the leasing account	93,036	105,072
IAS 21.52 (a)	Expenses from exchange diferences rates	340,091	131,902
	Value adjustments regarding financial fixed assets	684,495	0
	Total financial expenses	**1,117,622**	**236,974**
	Net financial result	**968,483**	**884,648**

In relation to the above amounts, the following clarifications are made:
• interest income is related to bank deposits and current account availabilities;
• due to the evolution of the exchange rate, the income from exchange rate differences, higher than the expenses from exchange rate differences, stood at a higher level than those recorded in the similar period of 2025;
• The income/expenses from financial investments transferred refer to the shares held in Kritom, recorded in the non-accounting records according to the OGMS decision no. 65/27.04.2026;
• in the analyzed period of 2026, the company did not have bank loans contracted, so it did not register interest on this basis.

13a. Expenditure on profit tax

Reference		30.06.2026	30.06.2025
	a) Expenditure on current profit tax		
IAS 12.80 (a)	Current period	2,815,323	574,789
IAS 12.80 (b)	Adjustments of previous periods		
	b) Deferred income tax expense		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	84,011	137,005
IAS 12.80 (g)	Changes in previously unrecognized temporary differences		
IAS 12.80 (f)	Recognition of previously unrecognized tax los		
	Total profit tax expenses (a+b)	**2,899,334**	**711,794**
IAS 12.81 (c)	**Reconciliation of effective tax rate**		
	Profit of the period	11,824,960	3,183,367
	Non-deductible expenses	119,553	3,195
	Non-taxable incomes	585,833	860,874
	Taxable amounts	-	-
	Elements similar to incomes (amortisation after reevaluation 2003)	598,187	1,266,744
	Other taxable amounts (revaluation reserves related to disposed assets)	5,795,149	-
	Taxable profit(Tax loss)	17,752,016	3,592,432
	Current corporate income tax expense	2,815,323	574,789
	Sponsorship	25,000	-
	Profit after taxation	8,925,626	2,608,578

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 16 **14. Tangible non-current asset**

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2025	23,088,673	57,806,285	586,820	3.080.295	84,562,073
IAS 16.73 (e)(i)	Acquisitions	965,981	404,015	44,704	1.652.791	3,067,491
IAS 16.73 (e)(ii)	Outgoings of non current asset	506,748	283,231	102,862	1.061.763	1,954,604
IAS 16.73 (d)	Balance at June 30,2025	23,547,906	57,927,069	528,662	3.671.323	85,674,960
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2025	-	40,459,276	448,351	-	40,907,627
IAS 16.73 (d)(vii)	Depreciation during the year	927,982	1,801,513	14,683	-	2,744,178
IAS 16.73 (d)(ii)	Outgoings pf non current asset	56	281,531	102,862	-	384,449
IAS 16.73 (d)	Balance at June 30,2025	927,926	41,979,258	360,172	-	43,267,356
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2025	**23,088,673**	**17,347,009**	**138,469**	**3,080,295**	**43,654,446**
	Balance at June 30, 2025	**22,619,980**	**15,947,811**	**168,490**	**3,671,323**	**42,407,604**

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2026	23,547,906	63,776,897	596,710	2,915,083	90,836,596
IAS 16.73 (e)(i)	Acquisitions	374,008	1,431,282	39,248	1,339,752	3,184,290
IAS 16.73 (e)(ii)	Outgoings of non current asset	-	13,477,237	16,895	657,562	14,151,694
IAS 16.73 (d)	Balance at June 30,2026	23,921,914	51,730,942	619,063	3,597,273	79,869,192
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2026	1,865,047	42,719,245	379,976	-	44,964,268
IAS 16.73 (d)(vii)	Depreciation during the year	870,572	1,442,627	29,342	-	2,342,541
IAS 16.73 (d)(ii)	Outgoings pf non current asset	-	4,017,551	14,005	-	4,031,556
IAS 16.73 (d)	Balance at June 30,2026	2,735,619	40,144,321	395,313	-	43,275,253
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2026	**21,682,859**	**21,057,652**	**216,734**	**2,915,083**	**45,872,328**
	Balance at June 30, 2026	**21,186,295**	**11,586,621**	**223,750**	**3,597,273**	**36,593,939**

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

IAS 16 **14. Tangible non-current asset (continued)**

The lands, as of June 30, 2026, have a book value (historical cost) of 625,753 lei and represent an area of 85,790 sqm, at the headquarters in Orsova.
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 tangible assets is presented either at historical cost indexed in accordance with the Government Decisions ("GD") that have applied up to that date, or at historical cost.

On December 31, 2005, the Company proceeded to revise the value of tangible assets using the opinion of specialists employed by the Company. On December 31, 2006, the Company proceeded to revise the value of buildings and special constructions using the opinion of specialists employed by the Company. On December 31, 2007, the Company did not revise the value of the fixed assets at the Orsova headquarters, instead the Agigea Branch carried out a revaluation for the fixed assets in the Construction and Maritime Vessels group, before the merger, 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 the respective 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 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 the depreciation from the carrying amount of the assets. The revaluation surplus value was credited to the balance of revaluation reserves for those objectives whose fair value was higher than the net carrying amount and for the other objectives
where the fair value was less than the net carrying amount, the decrease in the previously existing revaluation surplus was reflected, 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 revaluation reserve was insufficient to cover the decrease.

On December 31, 2010 and 2011 respectively, the Company did not revalue its tangible assets.

IAS 16 **14. Tangible non-current asset (continued)**

On December 31, 2012, the Company proceeded to the revaluation of tangible assets of buildings and means of naval transport, both at the main headquarters in Orşova, 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 the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of the revaluation reserves for those objectives whose fair value was higher 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 previously existing revaluation surplus was reflected, respectively the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised, or The recognised revaluation reserve was insufficient to cover the decline.

For the fixed assets in conservation at the Agigea branch, a depreciation of 6,739 lei was recognized.

On December 31, 2013, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, both at the main headquarters in Orşova, 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 the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of the revaluation reserves for those objectives whose fair value was higher 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 previously existing revaluation surplus was reflected, respectively the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised, or The recognised revaluation reserve was insufficient to cover the decline.

For the fixed assets in conservation at the Agigea branch, an impairment of RON 155,474 was recognized at the end of 2013; As of 31.12.2012 this impairment was 6,739 lei.

On December 31, 2014, the Company revalued the tangible assets of a means of naval transport, using the opinion of independent external evaluators and relying on the on the same rules regarding the recording of the resulting differences.
For the fixed assets in conservation at the Agigea branch, an impairment was recognized at the end of 2014 of 195,218 (on 31.12.2013 this depreciation was 155,474 lei).

On December 31, 2015, the Company proceeded to the revaluation of tangible assets 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 appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of revaluation reserves for those objectives whose fair value was greater than the net carrying amount, and for those objectives whose fair value was greater than the net carrying amount.

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

IAS 16 **14. Tangible non-current asset (continued)**

The other objectives for which the fair value was less than the net carrying amount reflected the decrease in the previously existing revaluation surplus, 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 revaluation reserve was insufficient to cover the decrease. Both in the construction group and in the ships, on the total group, there are increases, in a total amount of 2,181,569 lei. However, analyzed individually, there were positions in which decreases were recorded, their total value being 3,591,056 lei, of which: 3,416,821 lei were borne from the revaluation surplus previously recorded in these positions, and the amount of 174,235 was borne by costs.

On December 31, 2016, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the
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. For the fixed assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2016 of RON 287,458.76 (as of 31.12.2015 this impairment was RON 252,756.17).

On 31 December 2017, the Company revalued tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules on 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.
For the fixed assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2017 of RON 304,490.18 (as of 31.12.2016 this impairment was RON 287,458.76).

On December 31, 2018, the Company proceeded to the revaluation of tangible assets of buildings and means of naval transport, both at the main headquarters in Orşova, 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 the depreciation from the carrying amount of the assets.
The revaluation surplus value was credited to the balance of revaluation reserves for those objectives whose fair value was higher than the net carrying amount, and for the other objectives for which the fair value was lower than the net carrying amount, the decrease in the previously existing revaluation surplus was reflected, respectively the impairment of operating expenses in the case of
objectives for which a revaluation reserve had not previously been recognised or the recognised revaluation reserve was insufficient to cover the decrease. Both in the construction group and in

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

IAS 16 **14. Tangible Non-current Assets (continued)**

the ships, on the total group, there are increases, in a total amount of 5,330,995 lei. However, analyzed individually, there were items in which decreases were recorded, their total value being RON 1,054,765, of which: RON 1,047,790 were borne from the revaluation surplus previously recorded in these items, and the amount of RON 6,975 was borne by costs.

On December 31, 2019, the Company proceeded to the revaluation of tangible assets of the nature of naval means of transport, using the opinion of the same independent external valuer and based on the
on the same rules regarding the recording of the resulting differences. At the ordinary general meeting of shareholders, the results of this revaluation were presented as a separate item on the agenda.

On December 31, 2020, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules regarding the recording of the resulting differences. At the ordinary general meeting of shareholders, the results of this revaluation were presented as a separate item on the agenda.

On December 31, 2021, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules regarding the recording of the resulting differences. For fixed assets in conservation at the Agigea branch, a total impairment of RON 435,721.16 was recognized at the end of 2021 (as of 31.12.2020 this impairment was RON 406,522.02).

On 31 December 2022, the Company proceeded with the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules on the recording of the resulting differences. For fixed assets in conservation at the Agigea branch, a total impairment at the end of 2022 of RON 395,779.82 was recognized (as of 31.12.2021 this impairment was RON 435,721.16).

On December 31, 2023, the Company proceeded with the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules regarding the recording of the resulting differences. For fixed assets in at the Agigea branch, a total impairment at the end of 2023 of RON 419,372.21 was recognized (as of 31.12.2022 this impairment was RON 395,779.82).

On December 31, 2024, the Company proceeded to the revaluation of tangible assets of the nature of construction and means of naval transport, using the opinion of the same independent external valuer and based on the same rules regarding the recording of the resulting differences. For fixed

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

IAS 16 **14. Tangible Non-current Assets (continued)**

assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2024 of RON 130,548.28 (as of 31.12.2023 this impairment was RON 419,372.21).

On December 31, 2025, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and based on the same rules regarding the recording of the resulting differences.

In order to carry out these operations, the company resorted to the specialized services of the appraiser DARIAN DRS S.A., based in Timisoara.
The valuation techniques used by the valuer for fixed assets, according to 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, the fair value measurement of tangible assets such as buildings and waterborne transport involved the consideration of
characteristics of the assets that market participants would take into account in determining the price of the asset at the valuation date. The fair value determination was carried out by an independent external valuer and is assimilated to IFRS 13 level 2 for the dates taken into account when determining the fair values on December 31, 2025, the date of financial reporting. At the level of
The Company did not change the IFRS 13 level for the fair value data. Also, the maximum utilization value for assets measured at fair value does not differ from the current utilization value.

Depreciation losses and subsequent takeovers

During 2025, the impairment constituted for the fixed assets in conservation at the Agigea branch, of RON 130,548.28, was resumed in revenues, following the scrapping of these assets, so that, on June 30, 2026, the company does not record asset impairments.

Pledged or mortgaged tangible assets

In order to guarantee the global multi-option and multi-currency ceiling, in the amount of EUR 1,500,000 (at the same level as on 30.06.2025), made available by BRD-GSG SA, the company has provided the following guarantees:
• first rank mortgage on the following properties in the patrimony: the Repair Hall, the New Hall, the Thermal Power Plant, the Compressor Station and the PSI Shed, the Exploitation Group, the Canteen, the Merged Building, all together with the related land, buildings valued according to the

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 16 **14. Tangible Non-current Assets (continued)**

Guarantee Monitoring Report at EUR 1,512,800 market value, registered in the Land Book Register under numbers 1133, 1146, 1121, 1145, 1134, 1135 and 1132;

• security interest in movable property with dispossession on a term deposit in the amount of EUR 406,015.

• Assignment of receivables as security on receipts in the total amount of EUR 69,829,000, resulting from the commercial contracts concluded by the Company with third parties, contracts not collected as of 30.06.2026.

Tangible assets in progress

As of 30.06.2026, the company has unfinished investment objectives (mainly modernization works of the launch track and buildings at the Agigea branch) in the amount of 3,597,273 lei (3,671,323 lei as of 30.06.2025)

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 38 **15. Intangible assets**

		Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)			
	Cost		
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2025	1,113,258	1,113,258
IAS 38.118(e)	Aquisitions	-	-
	Outgoings of intangible assets	14,282	14,282
IAS 38.118	Balance at 30 of June 2025	1,098,976	1,098,976
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2025	1,071,581	1,071,581
IAS 38.118(e)(vi)	Amortisation during the year	16,930	16,930
	Outgoings of fixed assets	14,282	14,282
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of June 2025	1,074,229	1,074,229
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2025**	**41,677**	**41,677**
IAS 38.118(c)	**Balance at 30 of June 2025**	**24,747**	**24,747**

		Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)			
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2026	1,098,976	1,098,976
IAS 38.118(e)	Aquisitions	6,450	6,450
	Outgoings of intangible assets	-	-
IAS 38.118	Balance at 30 of June 2026	1,105,426	1,105,426
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2026	1,091,104	1,091,104
IAS 38.118(e)(vi)	Amortisation during the year	6,646	6,646
	Outgoings of fixed assets	-	-
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of June 2026	1,097,750	1,097,750
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2026**	**7,872**	**7,872**
IAS 38.118(c)	**Balance at 30 of June 2026**	**7,676**	**7,676**

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IFRS 9 **16. Other investments, including derivative financial instruments**

Securities are recognised in the financial statements in accordance with IAS 27 (revised in 2010), IAS 36 (revised in 2009), IFRS 9 and IFRS 7 (issued in 2008). From the corroboration of the provisions of the 4 standards, the company has adopted the following policy of recognition and valuation of shares and securities:

• investments in subsidiaries, jointly controlled entities and associated entities are recognized at cost;

• short-term investments held for sale not listed on the stock exchange are recorded at cost, for impairment adjustments being made (the treatment for the impairment of these securities is established by IFRS 9;

• short-term investments held for sale listed on the stock exchange are recorded at fair value (the value on the last trading day of the year), any gains or losses to be recognized in the equity statement. If there is objective evidence of impairment (as presented in IFRS 9), as well as in the case of foreign exchange gains and losses, the impairment loss will be recognised in the profit statement.

	30.06.2026			**30.06.2025**		
Other investments	**Accounting value**	**Imparment adjustements**	**Net value**	**Accounting value**	**Imparment adjustements**	**Net value**
Long term investments						
Shares detained at Kritom	0	0	0	684.495	684.495	0
Other titles detained on long term	0	0	0	0	0	0
Total investments on long term	**0**	**0**	**0**	**684.495**	**684.495**	**0**

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IFRS 9 **16. Other investments, including derivative financial instruments (continued)**

In 1993, Servicii Construcţii Maritime S.A. ("SCM"), a company absorbed by the Orşova Shipyard S.A. during the financial year ended December 31, 2008, established together with the Joint Stock Company "Domiki Kritis", based in Crete, a joint venture with the name "Kritom Shipping Company", with headquarters in the city of Iraclio, Crete. SCM's share in the capital of Kritom Shipping Company was 49%, namely:

• the total share capital of this company was EUR 1,230,600, consisting of a total number of 4,200 shares of EUR 293/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 Article 3.4 of the Establishment Agreement, to double the share capital of Kritom, reaching 2,461,200 euros (8,400 shares), of which:

• The public limited company "Domiki Kritis", which has since become Aristodimos E. Lidakis SA, holds 1,857,620 euros, the equivalent of 6340 shares, representing 75.48%, and

• The Orsova Shipyard holds 2,060 shares worth 603,580 euros, respectively 24.52% of the share capital.

In the Convention for the establishment of the Kritom Naval Company it is stipulated that the duration of the company is for the period 1993-2012. However, in 2012, the Greek shareholder, without consulting the Orsova Shipyard, and using its dominant position in the general meeting, decided to extend the company's operating period by 25 years, until 2037.

Considering the fact that the Greek partner acted without transparency in the management of the company, that it did not comply with the Founding Agreement and the statute of the Kritom shipping company, and all the steps taken by the Orsova Shipyard to contact the current directors of this company were unsuccessful and new legal actions did not guarantee success, only the certainty of generating new costs, in the General Meeting of Shareholders on 27.04.2026 (Decision no. 64/27.04.2026) it was decided to remove from the accounting records the participation of our company in the share capital of the company Kritom Shipping Company and to maintain it (also materialized in bearer shares) in the non-accounting records, consequently also the resumption to income of the impairments constituted for the participation (The company had made adjustments for the total depreciation of these securities, i.e. at the level of RON 684,495, so that the net value was RON 0).

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

This financial asset was part of the category of financial assets measured at amortised cost according to IFRS 7.8.

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

IFRS 16 **17. Right-of-use assets**

Starting with 2019, IFRS 16 Leasing Contracts became applicable. Given that the company has certain leases, as a lessee, with a term of 12 months or less and low-value leases, it applied to these contracts the exception for the recognition of short-term leases and low-value leases.
We specify that the company, at the headquarters of the Agigea branch, has the right to use the land that was owned by the National Company for the Administration of Maritime Ports of 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 indexable rent value annually. Therefore, the company classified the contract with CNAPMC under the IFRS 16 standard and recorded an asset related to the right of use and a leasing debt in correspondence.
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 leasing debt in correspondence.
The following are the book values of the right to use the recognised asset and the movements for the period:

	Total land-use rights	**Total rights of use of assets**
Cost		
As of 1 January 2023	**2,900,501**	**2,900,501**
Inputs	3,503,589	3,503,589
Outputs	2,900,501	2,900,501
As of 31 December 2024	**3,503,589**	**3,503,589**
Inputs	**275,901**	**275,901**
As of 31 December 2025	**3,779,490**	**3,779,490**
Inputs	**0**	**0**
As of 30 June 2026	**3,779,490**	**3,779,490**
Amortization		
As of 1 January 2023	**2,404,695**	**2,404,695**
Amortization of the year	663,926	663,926
outputs	2,900,501	2,900,501
As of 31 December 2024	**168,120**	**168,120**
Amortization of the year	702,204	702,204
As of 31 December 2025	**870,324**	**870,324**
Amortization of the period	**387,889**	**387,889**
Amortization of the period	**1,258,213**	**1,258,213**
Net Worth		
As of 30 June 2025	**2,984,367**	**2,984,367**
As of 30 June 2026	**2,521,277**	**2,521,277**

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

IAS 40 **18.Real estate investments**

As of June 30, 2026, the company does not register real estate investments.

19. Stock

		30.06.2026	30.06.2025
IAS 1.78 (c),2.36(b)	Raw materials and materials	17,594,979	13,355,501
IAS 1.78(c), 2.36(b)	Production in progress	19,783,516	25,497,075
IAS 1.78(c), 2.36(b)	Waste products	969	749
	Imparment adjustments	(1,056,547)	(839,664)
	Stocks at net value	**36,322,917**	**38,013,661**

IAS 1.104, 2.36(e)(f) For the stocks of raw materials and materials older than 2 years (for sheet metal stocks older than 3 years), existing in the balance at the end of 2025, without movement, the company adjusted the book value, constituting a total depreciation of RON 1,056,547, which remains at the same value as at 30.06.2026.

Compared to the corresponding period of last year, there is a decrease in stocks (by 4.45%). In the structure, however, we note an increase in stocks with raw materials and materials (by 31.41%) but a decrease in production in progress (by 22.41%) - as a result of the completion at the end of the analyzed period of a ship hull.

20. Fixed assets held for sale

		2026	2025
		lei	Lei
IAS 1.104,2.36(e,g)	Balance at the beginning of the period	-	1,048,588
IAS 1.104, 2.36(e,g)	Exits by sale	-	1,048,588
	Balance at the end of the period	**0**	**0**

As of 30.06.2026, the Company does not hold such assets.

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

21. Trade and similar receivables, other receivables and advances

		30.06.2026	30.06.2025
IAS 1.78 (b)	Trade receivables in relation to related parties	20,602	718,801
IAS 1.78 (b)	Trade receivables	20,260,939	1,882,159
	Adjustments for the impairment of trade receivables	(317,934)	(157,675)
IFRS 7.8(c)	**Net commercial loans and receivables**	**19,963,607**	**2,443,285**
	Claims - total	**1,856,602**	**1,920,895**
	Different debitors	275,825	273,909
	Suppliers - debtors	138,238	58,963
	VAT to be recovered and not exigible	501,011	545,987
	Adjustment for other receivables	(207,286)	(253,803)
	Expenses registered in advance	387,397	613,342
	Other receivables	761,417	682,497
	Total	**21,820,209**	**4,364,180**

As for trade receivables, as of 30.06.2026 they are at a higher level than those recorded at the end of the corresponding period of the previous year, and are related to current supplies of goods and services, maturing in the immediately following period. A significant share is held by the receivable registered at the end of June, following the completion and invoicing of a ship's humour.
As for the amount representing VAT to be recovered, it is close to that recorded in the fiscal period of the previous year, with no outstanding VAT refunds being recorded.
Compared to the corresponding period of 2025, we note an increase in the Company's impairment accounts related to trade receivables adjustments, but a reduction in expenses recorded in advance.
The receivables analysed in this note do not include receivables presented in the category of fixed assets.

22.Trade payables and other liabilities

	30.06.2026	30.06.2025
Trade payables – short term	5,356,579	2,329,938
Social security and other taxes and fees	2,311,680	1,753,173
Suppliers – unsecured invoices	397,189	154,310
Clients- creditors	15,323,875	12,513,175
Other debts	1,536,571	1,374,000
Commercial debts – long term	2,193,280	2,580,092
Total	**27,119,174**	**20,704,688**

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

22. Trade payables and other liabilities (continued)

Commercial debts refer to payment obligations to suppliers, located at a higher level than in the similar period of 2025, following purchases of raw materials, materials and services made in the last months of the analyzed period, and advances received from customers, higher than the corresponding period of the previous year.
As regards the obligations regarding social security and other taxes and fees due to the state budget, their balance as of 30.06.2026 representing current debts whose payment, by compensation or payment, was made after June 30, 2026.

23. Loans Leasing obligations

Finance leases

As of June 30, 2026, the Company has no financial leasing contracts.

Operating leases

The total commitments contained in the leasing contract concluded with the National Company Constanta Maritime Ports Administration on June 30, 2026, recognized in accordance with IFRS 16, is RON 2,651,354. When updating the leasing payments, as the company has no other loans contracted, it used the NBR's monetary policy interest rate of 6.5%.
The maturity of the leasing debts is presented as follows:

	2026	**2025**
Year 1	-	624,067
Year 2	733,008	665,863
Year 3	782,099	710,456
Year 4	834,478	758,037
Year 5	662,334	601,662
Total	3,011,919	3,360,085
Debt balance June 30	2,651,354	369,836
Long-term	1,894,198	-
Short-term	757,156	369,836

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

24.Cash and cash equivalents

	30.06.2026	30.06.2025
Bank accounts in lei	1,253,267	2,027,049
Bank accounts in foreign currency	4,423,218	10,003,380
Petty cash in lei	7,158	17,506
Other values	213	235
Total	**5,673,856**	**12,048,170**

The total amounts of cash and cash equivalent decreased compared to the previous period (by 52.82%), as a result of current payments made and investments in bank deposits, but the company has, at the end of the first semester, sufficient liquidity to finance the production and investment programs budgeted for 2026.

25. Capital and reserves

Capital social

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

The shareholder structure as of June 30, 2026 is as follows:

	Number Of shares	Amount (lei)
Longshield Investment Group S.A.	5,375,969	13,439,923
Sea Container Services S.R.L	5,375,968	13,439,920
Other corporate shareholders/individual shareholders	670,982	1,677,455
	11,422,919	28,557,298

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 registered, dematerialized, ordinary and indivisible.
The identification data of each shareholder, the contribution of each 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 register company contractually designated for this purpose.

Each share subscribed and paid by the shareholders according to the law, gives them the right to a vote in the General Meeting of Shareholders, the right to elect or to be elected in the management bodies, the right to participate in the distribution of profits or any rights derived from the quality of shareholder.
Holding the share implies the right to adhere to the statute and subsequent amendments.
Between 01.01-30.06.2026, there were no changes in the share capital. Changes occurred at the level of other individual and legal shareholders, in the sense that there was an increase in the holdings of individuals to the detriment of legal entities, according to the structure registered on the reference date of June 18, 2026.

Reference *NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*

26.Employees benefits

a) 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 of achieving the objectives and performance indicators, annexed to the management contract.
The fixed monthly remuneration of the directors for the period January 1 - June 30, 2026 was in the amount of RON 298,998 and for the corresponding period of the previous year it was in the amount of RON 301,734, in accordance with the provisions of the Articles of Incorporation.
For 2023, the variable remuneration for administrators and general manager was not approved.
The company did not grant advances or loans to directors or administrators in the first 6 months of 2024.

Wage expenses:

	Financial exercise End at 30 June 2026 (lei)	Financial exercises End at 30 June 2025 (lei)
Administrators	298,998	298,998
Directors	928,872	1,242,898
	1,327,870	**1,541,896**

During the first half of 2026 there were no changes in the composition of the Board of Directors.

At the end of 2025, changes took place in the structure of the Board of Directors. Thus, starting with 10.11.2025, Mrs. Patrascu Nadina Elena resigned from the position of member of the Board of Directors and Chairman of the Audit Committee, the Board of Directors of the company provisionally appointing Mrs. Galani Andreea Ioana in these positions.

Thus, the composition of the Board of Directors, starting with 17.11.2025, is as follows:

- Mr. Ion Dumitru – president
- Mr. Pripa Alexandru – vice-president
- Mr. Fainarea Marius – member
- Mrs. Galani Andreea Ioana - member
- Mrs. Catalina Dumitrascu – member

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, which were approved at the General Meeting of Shareholders on April 27, 2026, and the salary and other rights due to the General Manager were

Reference ***NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS***

26.Employees benefits (continued)

established by the Board of Directors, within the limits provided for in Article 22 of the Articles of Incorporation and, respectively, from the Mandate Contract 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 at the end of the period:

	30 June 2026 (lei)	30 June 2025 (lei)
Administrators	29,154	29,154
Directors	31,953	28,783
	61,107	**57,937**

b) Employees

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

	Financial exercise Ended at 30 June 2026	Financial exercises Ended at 30 June 2025
Administrative staff	52	49
Direct productive staff	257	241
Indirect productive staff	51	59
	360	**349**

Reference **NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS**

27. Other information, implications of the conflict between Russia and Ukraine on the half-yearly report

In the current context generated by the armed conflict taking place on the territory of Ukraine and the restrictions imposed internationally on the Russian Federation based on the information at its disposal, the company considers that there are no significant uncertainties, according to paragraph 25 of IAS 1, for the continuation of the activity and there are no indications that would lead to an impairment of the assets held, accordance with IAS 36. However, we are facing uncertainties in the economic and financial field that may lead to unpredictable developments regarding the level of the economic and financial indicators budgeted by the Company.

The company has sufficient own financial resources to ensure financial stability, there is no liquidity risk or negative influences on cash flows.

The company's management has as permanent objectives to analyze the future impact of the factors presented above on financial performance and to take appropriate measures to reduce the related risks.

The individual financial statements in accordance with IFRS prepared for the period 01.01-30.06.2026 were approved by the Board of Directors on August 14, 2026 and were signed by:

Administrator	Issued
Ec.Dumitru Ion	Ec. Marilena Visescu

STATEMENT

The undersigned ec. Dumitru Ion – Chairman of the Board of Directors and ec. Marilena Visescu – economic director of the company Şantierul Naval Orşova SA, with administrative headquarters in Orşova, TUFARI Street, no.4, Mehedinti County, we declare that to our knowledge, the half-yearly financial and accounting statement, related to the first half of 2026, which was prepared in accordance with the applicable accounting standards (IFRS), provides a correct and realistic image of the assets, obligations, financial position, profit and loss account of the above-mentioned company.

We specify that the company has no subsidiaries.

We also declare that the Report of the Board of Directors of Şantierul Naval Orşova SA, prepared for the first half of 2026, correctly and completely presents the information provided for this period.

PRESIDENT OF THE MANAGEMENT BOARD:	ECONOMIC MANAGER:
Ec. Dumitru Ion	Ec. Marilena Visescu