QUARTERLY REPORT
31 MARCH 2024

CONTENTS **PAGE**

ŞANTIERUL NAVAL ORŞOVA S.A.
No. RC J25/150/1991 CIF: RO 1614734
Share capital: - issued 28.557.297,5 lei
- paid up 28.557.297,5 lei
No. 4. Tufări Street, Orşova, 225200, Mehedinţi
Tel.: 0252/362.399; 0252/361.885; Fax: 0252/360.648
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Codul LEI (Legal Entity Identifier): 254900UXAJ8TPIKLXG79
IBAN code: RO96RNCB0181022634120001- B.C.R. Orşova
IBAN code: RO59BRDE260SV03176142600- B.R.D. Orşova

QUARTERLY REPORT CORRESPONDING TO THE Ist TRIMESTER OF 2024, IN COMPLIANCE WITH THE LAW NO. 24/2017 AND TO THE ASF REGULATION NO. 5/2018
concerning the issuers of financial instruments and market operations

DATE OF THE REPORT: 09.05.2024

Name of the trading company: ŞANTIERUL NAVAL ORŞOVA S.A.;
Registered office: 4, TUFĂRI Street, ORŞOVA, MEHEDINŢI County;
Telephone/fax:0252/362399 0252/360648;
Single registration code issued by the Trade Register: RO 1614734;
Registered number with the Trade Register's Office: J25/150/03.04.1991;
Code Lei: 254900UXAJ8TPIKLXG79
Subscribed and paid in share capital: 28,557,297.5 Lei
Number of shares: 11.422.919 common shares, of 2,5 lei each;
Regulated market where the issued securities are traded: Bucharest Stock Exchange-category Standard (symbol: SNO)

A. FINANCIAL AND ECONOMICAL INDICATORS ON THE DATE OF 31rd of March 2024 (APPENDIX NO. 13 TO THE ASF REGULATION no. 5/2018)

DESCRIPTION OF THE INDICATOR	CALCULATION MANNER	RESULT
1. Indicator of current cash-deposit)	Current assets / Current debts	2,5
2.Indicator of the degree of indebtness2)	Borrowed capital*100 / Own capital	0 (zero)
3. Rotation speed of the debits - clients3)	Average balance clients*90 / Turnover	62 DAYS
4. Rotation speed of the fixed assets4)	Turnover / Fixed assets	0,47

NOTE:

1) Offers guarantees for the coverage of the current debts from the current assets. The recommended acceptable value is approximately 2.
2) Expresses the effectiveness of the management of credit rosk, indicating potential financing issues, of cash-deposit with influences in the fulfillment of the undertaken committments. S.C. Șantierul Naval Orşova has no crediting contract exceeding 1 year, and, subsequently, this indicator is 0 (zero)
3) It expresses the effectivenes of the company in collecting their account receivables, namely the number of days until the date when the debtors pay their debts towards the company
4) It expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain amount of fixed assets.

B. OTHER INFORMATION

In the first quarter of 2024, compared to the provisions of BVC, operating revenues were achieved at a rate of 111.63%, but recorded lower values (by 23.38%) compared to the corresponding period of last year:

- Stipulated in the BIE 1st trimester 2024	16.712.428 lei
- Realized in the 1st trimester of 2024	18.656.752 lei
- Realized on the 1st trimester of 2023	24.036.497 lei

During this period, at the company's headquarters, in accordance with the production program for 2024, two river vessels were completed, but only one was delivered (handed over to intra-community partners). Please note that, with regard to the second vessel built, given that, according to the contractual clauses, the transfer of ownership is made upon its arrival in Rotterdam, the recognition of income, reported to IFRS, took place in April 2024.
Operating expenses increased by 12.06% compared to the budgeted level, so that on 31.03.2024, the company registers profit from operational activity.
Of the 5 barges existing at the Agigea branch, two barges were leased during this period, and the company's revenues from the ship repair activity increased by 72.24% compared to the similar period of 2023.

The separate financial statements as at 31.03.2024, respectively: Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flows and Notes to the financial statements are annexed to this report, with the following details:

- The figures in the reporting forms are expressed in LEI;
- The reporting data at 31.03.2024 **have not been audited** by an external independent financial auditor.
- In comparison to the provisions under BIE on the 1st trimester of 2024, the situation of the result is the following:

- Result from operation:
  - Stipulated in the BIE 847.565 lei
  - Realized 878.324 lei

- Financial result:
  - Stipulated in the BIE 75.000 lei
  - Realized 30.408 lei
- Gross result:
  - Stipulated in the BIE 922.565 lei
  - Realized 908.732 lei

In the same period of 2023, the company achieved gross loss of 485.402 lei.

On 31.03.2024, the company had no bank loans contracted, and cash and cash equivalents amounted to 11.494.845 lei.
The company had no outstanding obligations to suppliers, the state budget, employees and other creditors, all of which were paid within the legal/contractual term.
The company incurred investment expenses in the first quarter of 2024 in the amount of 3.624.053 lei, compared to 3.900.000 lei provided in BVC. In the corresponding period of last year, expenses of this nature amounted to 425.738 lei. We mention that during the analyzed period, the main investment of 2024 was operationalized, namely the welding robot contracted in 2023.

Reference **STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024**

Reference		Note	31.03.2024 RON	31.12.2023 RON
IAS 1.10(a), 113				
	Assets			
	Fixed assets			
IAS 1.54(a)	Tangible assets	*14*	37.683.752	38.860.571
	Freehold land and land improvements	*14*	1.201.941	1.201.941
	Buildings	*14*	17.238.424	17.706.276
	Plant and machinery, motor vehicles	*14*	17.545.499	18.450.791
	Fixtures and fittings […]	*14*	97.102	98.728
	Tangible assets in progress	*14*	1.600.786	1.402.835
IAS 1.54(c)	Intangible assets	*15*	71.266	81.164
	Other intangible assets	*15*	71.266	81.164
IFRS 16,IAS 8	Rights to use the leased assets	*17*	315.608	495.806
IAS 1.54(h)	Trade receivables and other receivables		6.000	6.000
IAS 1.54(b)	Investment property	*18*	606.447	606.447
IAS 1.54(o), 56	Deferred tax assets		334.276	104.832
IAS 1.60	**Total fixed assets**		**39.017.349**	**40.154.820**
IAS 1.54 (g)	Inventories	*19*	34.837.009	28.967.886
IAS 1.54(h)	Trade receivables and other receivables	*20*	15.123.569	12.089.896
IAS 1.55	Accrued expenses	*20*	569.391	153.995
IAS 1.54(d)	Short term investments		15.493.769	6.495.815
IAS 1.54(i)	Cash and cash equivalents	*23*	11.494.845	11.943.703
IAS 1.60	**Total Current Assets**		**77.518.583**	**59.651.295**
	Total Assets		**116.535.932**	**99.806.115**
	Equity			
IAS 1.54(r), 78(e)	Share capital	*24*	28.557.298	28.557.298
IAS 1.55, 78(e)	Share premium		8.862.843	8.862.843
IAS 1.54(r), 78(e)	Reserves		46.885.967	47.157.267
	Result for the period		666.757	3.453.687
IAS 1.55, 78(e)	Retained earnings		876.954	(2.848.032)

Reference	**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024 (continued)**	**Note**	**31.03.2024**	**31.12.2023**
			LEI	**LEI**
	Other elements of equity		(3.657.698)	(3.753.867)
	Total equity		**82.192.121**	**81.429.196**
	Liabilities			
	Long-term liabilities			
IAS 1.54(o), 56	Deferred tax liabilities		3.679.768	3.775.937
IFRS 16,IAS 8	Other debts, including leasing debt	*21,22*	125.455	60.040
IAS 1.60	**Total long-term liabilities**		**3.805.223**	**3.835.977**
	Current liabilities			
IAS 1.54(k)	Trade payables and other debts, including derivatives	*21,22*	15.043.816	13.884.794
IAS 1.55,11.42(b)	Advance registered incomes		15.192.192	950
IAS 1.54(l)	Provisions		302.580	655.198
IAS 1.60	**Total current liabilities**		**30.538.588**	**14.540.942**
	Total Liabilities		**34.343.811**	**18.376.919**
	Total Equity and Liabilities		**116.535.932**	**99.806.115**

Reference

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 31 MARCH 2024

Reference		Note	31.03.2024	31.03.2023
			LEI	**LEI**
	Continuing operations			
IAS 1. 82(a)	Income	*5*	17.291.653	23.798.809
IAS 1.99,103	Other income	*6*	1.365.099	237.688
	Total Operational Income		**18.656.752**	**24.036.497**
	Expenses related to inventories	*7*	(5.724.653)	(10.954.693)
	Utility expenses	*8*	(694.320)	(706.288)
	Employee benefits expenses	*9*	(5.957.894)	(7.830.798)
	Depreciation and amortization expenses	*14,15*	(1.213.441)	(1.187.315)
	Depreciation expenses related to rights-of-use for leased assets	*17*	(180.197)	(164.616)
	Gains/losses on disposal of property		(368.074)	0
	Increase/(Decrease) of receivables allowances and inventory write-down	*10*	104	0
	Adjustments concerning provisions		352.614	455.015
IAS 1.99, 103	Other expenses	*11*	(3.992.567)	(4.192.512)
	Total Operational expenses		**(17.778.428)**	**(24.581.207)**
	The result of operational activities		**878.324**	**(544.710)**
	Financial income	*12*	108.866	216.968
IAS 1.82(b)	Financial expenses	*12*	(78.458)	(157.660)
	Net financial result	***12***	**30.408**	**59.308**
IAS 1.85	**Result before taxation**		**908.732**	**(485.402)**
	Current income tax expenses	*13*	(471.419)	0
	Deferred income tax expense	*13*	(56.418)	(72.802)
	Deferred income tax income		285.862	0
IAS 1.85	**Result for continuing operations**		**666.757**	**(558.204)**
IAS 1.82(f)	**Result for the period**		**666.757**	**(558.204)**

Reference **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 31 MARCH 2024 (continued)**

		Note	31.03.2024 LEI	31.03.2023 LEI
	Other comprehensive income		(271.300)	0
IAS 1.82(g)	Revaluation of property, plant and equipment			
IAS 1.85	Other comprehensive income after tax		(271.300)	0
IAS 1.82 (i)	**Total comprehensive income for the period Attributable profit**		**395.457**	**(558.204)**
IAS 1.83(b)(ii)	Shareholders		666.757	(558.204)
	Profit of the period		**666.757**	**(558.204)**
	Total Inclusive Result Attributable			
IAS 1.83(b)(ii)	Shareholders		**395.457**	**(558.204)**
	Earnings per share			
IAS 33.66	Basic earnings per share		0.06	(0.05)
IAS 33.66	Diluted earnings per share		0.06	(0.05)
	Continuing operations			
IAS 33.66	Basic earnings per share		0.06	(0.05)
IAS 33.66	Diluted earnings per share		0.06	(0.05)

Reference

STATEMENT OF CHANGES IN EQUITY

		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, 2022	**28.557.298**	**8.862.843**	**29.304.680**	**18.596.499**	**892.220**	**(4.215.117)**	**(4.014.451)**	**-**	**77.983.972**
	Loss/ Net profit for the year	-	-	-	-	(4.215.117)	7.668.804	-	-	3.453.687
	Transfer in reserve	-	-	(782.550)	-	474.865	-	260.584	-	(47.101)
	Revaluation reserve	-	-	38.638	-	-	-	-	-	38.638
	Balance at December 31, 2023	**28.557.298**	**8.862.843**	**28.560.768**	**18.596.499**	**(2.848.032)**	**3.453.687**	**(3.753.867)**	**-**	**81.429.196**
IAS 1.106(d)(i)	Loss/ Net profit for the year	-	-	-	-	3.453.687	2.786.930	-	-	666.757
	Transfer in reserve	-	-	271.300	-	(271.301)	-	96.169	-	96.168
	Balance at March 31, 2024	**28.557.298**	**8.862.843**	**28.289.468**	**18.596.499**	**876.954**	**666.757**	**(3.657.698)**	**-**	**82.192.121**

Reference **STATUS OF THE TREASURY CASH FLOW**

Reference	For the financial year ending 31 March	Note	2024	2023
IAS 1.10(d), 113	**For the financial year ending 31 March**	**Note**	**2024**	**2023**
	Treasury Cash Flow for operating activities			
	Profit of the period		666.757	(558.204)
	Adjustment for:			
	Depreciation of intangible and tangible assets	*14,15,17*	1.605.221	1.201.783
	Net expenses / (net income) with provisions		(352.614)	(455.015)
	Losses on disposal of fixed assets		368.074	0
	Current income tax expenses	*13*	471.419	0
	Deferred income tax expense	*13*	56.418	72.802
	Deferred income tax revenue		(285.862)	0
	Cash Flow from operating activities before the amendment working capital		**2.529.413**	**261.366**
	Amendment of the working capital:			
	Stocks modification		(3.287.746)	7.981.886
	Modification of the commercial account receivables and of		(5.869.123)	(9.849.784)
	Modification of the advanced expenses		(415.396)	(179.534)
	Modification of the commercial debts and of other debts		19.327.607	1.958.010
	Cash flow generated from operating activities		**12.284.755**	**171.944**
	Interest paid (leasing)		(8.578)	(18.371)
IAS 7.10	**Net cash flow from operating activities**		**12.276.177**	**153.573**
	Treasury Cash Flow from investment activities			
IAS 7.31	Cashed interests		78.563	27.044
IAS 7.16(a)	Tangible and intangible assets acquisition	*14,15*	(3.624.053)	(425.738)
	Short term investments		(8.997.954)	(1.500.561)
IAS 7.10	**Net cash used in investment activities**		**(12.543.444)**	**(1.899.255)**
	Treasury cash flow from financing activities			
IAS 7.31	Paid dividends		(2.457)	(11.753)
	Increase (repayment) of loans (leasing)		(180.134)	(154.759)
IAS 7.10	**Net cash from (used in) financing activities**		**(182.591)**	**(166.512)**
	Net increase/decreases of the cash flow and of the cash flow equivalents		**(449.858)**	**(1.912.194)**
	Cash Flow and equivalents from 1st of January		**11.943.703**	**8.852.408**
	Cash flow and cash flow equivalents at 31th of March		**11.493.845**	**6.940.214**

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 separate financial statements in accordance with IFRS have been prepared for the year ended 31 March 2024. The Company's main activity is: **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 the annual financial statements for the year ended 31 March 2024 in accordance with International Financial Reporting Standards as adopted by European Union, applicable to companies whose securities are admitted to trading on a regulated market, according to the Order of the Minister of Finance no. 881/2012 regarding the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market and the Order of the Minister of Finance no. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, including subsequent amendments and additions.
IAS.10.17	The financial statements have been authorized for issue by the Board of Directors on March 9 th, 2024.
IAS 1.117(a)	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:
	• Real estate investments; • Buildings and grounds; • 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 22 – Loans.

c. New International Financial Standards not applied by the Company

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

These are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies

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

IAS 1.41

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

a. Foreign currency

(i) Transactions in foreign currency

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

b. Financial instruments

(ii) Share capital

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

c. Tangible Assets

IAS 16.73 (a)

(i) Recognition and evaluation

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

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

Regarding the accounting treatment of revaluation differences, these were made in accordance with IAS 16 as follows:
If the carrying amount of an asset is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is impaired as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent that the revaluation surplus shows a credit balance for the asset. Reduction recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

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

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

The Company has used the net value model. The amount of the revaluation surplus was credited to revaluation reserve balance for those non-current assets which fair value was higher than the net book value. For the non-current assets which fair value has been less than the carrying amount, firstly the revaluation surplus has been decreased and after that if necessary it has been reflected as an operating expense in the profit and loss statement.

Maintenance and repairs of tangible assets are recorded as an expense when incurred. Significant improvements of tangible non-current assets that increase the value or useful life or significantly increase the capacity to generate economic benefits are capitalized as asset.

Assets that have the nature of inventory objects, including tools are recorded as an expense when purchased and are not included in the account value of the 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 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:

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

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

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 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.

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

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

(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]**

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

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

		31.03.2024	31.03.2023
IFRS 15.113(a)	*Sales of goods*	12.255.413	21.337.493
IFRS 15.113(a)	Rendering of services	3.781.983	2.281.499
IFRS 15.113(a)	Sales of waste products and commodities	1.234.257	161.674
IAS 40.75 (f) (i)	Income from rental of real estate investments	20.000	18.143
	Total	**17.291.653**	**23.798.809**

Revenues for the first 3 months of 2024 are lower than those of the corresponding period last year. During this period, as in the previous year, two river vessels were completed, but handed over at the destination port to intra-Community partners only one. Please note that, with regard to the second vessel built, given that, according to the contractual clauses, the transfer of ownership is made upon its arrival in Rotterdam, the recognition of income, reported to IFRS, took place in April 2024.
The provision of services, mainly ship repairs, increased by 65.76%, the revenues from this activity being mostly made by the Agigea branch.

6. Other incomes

	31.03.2024	31.03.2023
Income from rents (other than rent real estate investments)	1.200.806	229.975
Other operational incomes	164.293	7.713
Total	**1.365.099**	**237.688**

In the period 01.01 - 31.03.2024, these revenues are at a higher level than in the corresponding period of the previous year (increase by 474.32%). The amounts realized during this period and included in the rental income item are mainly related to the lease contracts of two salandas and of the spaces in the patrimony of the Agigea branch.

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

7. Outgoings on stocks

	31.03.2024	**31.03.2023**
Expenses with raw materials	3.300.751	7.248.869
Expenses of consumable materials, from whom:	2.315.430	3.465.354
Expenses *of auxiliar materials*	*2.052.506*	*3.190.706*
Expenses *of fuel*	*105.084*	*105.895*
Expenses *with spare parts*	*78.531*	*106.308*
Expenses *of other consumable materials*	*79.309*	*62.445*
Expenses regarding materials of natureinventory items	66.565	164.991
Expenses of unstocked materials	35.918	78.328
Expenses regarding goods	6.081	2.172
Received discount	(92)	(5.021)
Total	**5.724.653**	**10.954.693**

During the analyzed period, there is a decrease in stock expenses compared to the corresponding period of the previous year, this being due to the volume of completed and delivered production (received by the customer at the destination point) during the reference period.
Expenses representing consumption of inventories which, in accordance with IFRS, are included in the value of assets are recognised during the period according to their nature. Correspondingly, the value of assets in progress is recorded in the accounts on account of the related revenue accounts. Please note that the Company, pursuant to IAS 1, has chosen to present its analysis of expenses using a classification based on their nature, and therefore presents neither the amount of those expenses nor the amount of corresponding income.

8. Utilities outgoings

	31.03.2024	**31.03.2023**
Expenses with energy	683.244	692.104
Expenses with water	11.076	14.184
Total	**694.320**	**706.288**

In trim. In the first of 2024, utility expenses, in correlation with realized production, also experienced a slight decrease compared to the quarter. I 2023 (by 1.69%), but we mention that supply tariffs remained at a level close to that of the previous year.
We note 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**

	31.03.2024	31.03.2023
Personnel expenses	5.503.895	7.244.060
Expenses with contributions to compulsory social insurance	453.999	586.738
Total	**5.957.894**	**7.830.798**
Average number of employees	**336**	**338**

During 01.01-31.03.2024, staff expenses decreased compared to the corresponding period of 2023. As in the case of the other categories of expenditure, in the presentation of personnel costs, an influencing factor in this increase is the method of presenting expenses using a classification based on their nature. Therefore, this decrease is mainly due to the volume of production realized and sold in this quarter compared to the corresponding period of last year. We also mention that, starting with 01.01.2024, the company increased the nominal value of the meal voucher granted to employees, respectively from 30 lei to 35 lei / meal voucher.
In the same proportion with the increase in salary expenditures, expenses on labor insurance contribution, insurance and social protection also increased.

10. Value adjustement of current asset

	31.03.2024	31.03.2023
Losses(Profit) on receivables and various debtors	0	0
Income from impairment adjustments for current assets	104	0
Total	**104**	**0**

The amounts shown above relate to impairment adjustments for other receivables.

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

IAS 1.97 **11. Other outgoings**

	31.03.2024	31.03.2024
Expenses with maintenance and repairs	429.833	46.374
Expenses with royalties, managed locations and rents	17.922	17.839
Expenses with premium insurance	92.181	36.670
Expenses with commisions and fees	0	0
Protocol, advertising and advertising expenses	4.520	5.243
Goods and personel transport expenses	782.064	832.031
Travel expenses, secondments and transfers	14.577	5.456
Postage and telecommunications expenses	11.531	13.972
Banking services expenses	11.646	21.362
Other expenses for services performed by third parties	2.434.021	3.044.253
Expenses with other taxes and fees	173.084	108.759
Expenses for environment protection	2.533	2.705
Other operational expenses	18.655	57.848
Total outgoings	**3.992.567**	**4.192.512**

During the period 01.01-31.03.2024, on total expenses, there is a decrease (by 4.77%) compared to the corresponding period of 2023. The main factors influencing this decrease are the volume of production sold - during the analyzed period a vessel was delivered and handed over to the final customer (2 ships delivered in trim. I 2023), but also the method of presenting expenses using a classification based on their nature.

In structure, we notice a significant increase in the heading Expenses with maintenance and repairs, the company making expenses of this nature at the buildings of the main production departments and in the social spaces, respectively at various equipment.

As regards 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. Please note that, in accordance with the contractual provisions, the transfer of ownership is made with the delivery of the ships at these points, throughout the transport period the vessels being insured by the Company, according to the contractual clauses.

Also, the volume of services performed by third parties registers a lower level compared to 2023, determined by the fact that the company carried out fewer new constructions compared to the previous year.

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

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

Recognized in the profit or loss account:

		31.03.2024	31.03.2023
IFRS 7.20 (b)	Interest income from bank deposits	53.934	5.783
IAS 21.52 (a)	Incomes from exchange rates differences	54.932	211.185
	Total financial incomes	**108.866**	**216.968**
IAS 7.20 (b)	Interests expenses	8.578	18.371
IAS 21.52 (a)	Expenses from exchange diferences rates	69.880	139.289
	Total financial expenses	**78.458**	**157.660**
	Net financial result	**30.408**	**59.308**

In relation to the above amounts, the following clarifications are made:

• interest income is related to bank deposits and current account availabilities;

• Due to exchange rate developments, exchange rate income was higher than exchange rate expenses and was at a lower level than those recorded in the similar period of 2023.

• During the analyzed period of 2024, the company did not have contracted bank loans, so it did not register interest rates with this title.

Reference	*NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*		
	13. Expenditure on profit tax		
		31.03.2024	**31.03.2023**
	a) Expenditure on current profit tax		
IAS 12.80 (a)	Current period	471.419	-
IAS 12.80 (b)	Adjustments of previous periods	-	-
	b) Deferred income tax expense		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	56.418	72.802
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)	**527.837**	**72.802**
IAS 12.81 (c)	**Reconciliation of effective tax rate**		
	Profit of the period	908.732	(485.402)
	Non-deductible expenses	2.560	9.711
	Non-taxable incomes	352.618	455.015
	Elements similar to incomes (amortisation after reevaluation 2003)	601.059	323.462
	Other taxable amounts (profit recognized for tax trim. I)	1.786.635	-
	Taxable profit	2.946.368	-
	Expense with the current profit tax	471.419	-
	Sponsorship	-	-
	Bonus GEO 33/2020	-	-
	Profit (Loss) after tax	437.313	(485.402)

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 2023	23.081.969	58.259.701	535.770	1.220.026	83.097.466
IAS 16.73 (e)(i)	Acquisitions	-	338.374	17.058	287.379	642.811
IAS 16.73 (e)(ii)	Outgoings of non current asset	-	-	-	279.078	279.078
IAS 16.73 (d)	Balance at March 31,2023	23.081.969	58.598.075	552.828	1.228.327	83.461.199
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2023	2.083.084	41.795.607	458.992	-	44.337.683
IAS 16.73 (d)(vii)	Depreciation during the year	522.945	502.798	4.310	-	1.030.053
IAS 16.73 (d)(ii)	Outgoings pf non current asset	-	-	-	-	-
IAS 16.73 (d)	Balance at March 31,2023	2.606.029	42.298.405	463.302	-	45.367.736
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2023	**20.998.885**	**16.464.094**	**76.778**	**1.220.026**	**38.759.783**
	Balance at March 31, 2023	**20.475.940**	**16.299.670**	**89.526**	**1.228.327**	**38.093.463**

		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 2024	23.081.953	61.570.014	576.596	1.402.835	86.631.398
IAS 16.73 (e)(i)	Acquisitions	26.616	3.395.637	3.850	686.605	4.112.708
IAS 16.73 (e)(ii)	Outgoings of non current asset	-	4.435.925	54.309	488.654	4.978.888
IAS 16.73 (d)	Balance at March 31,2024	23.108.569	60.529.726	526.137	1.600.786	85.765.218
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2024	4.173.736	43.119.223	477.868	-	47.770.827
IAS 16.73 (d)(vii)	Depreciation during the year	494.468	915.181	5.476	-	1.415.125
IAS 16.73 (d)(ii)	Outgoings pf non current asset	-	1.050.177	54.309	-	1.104.486
IAS 16.73 (d)	Balance at March 31,2024	4.668.204	42.984.227	429.035	-	48.081.466
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2024	**18.908.217**	**18.450.791**	**98.728**	**1.402.835**	**38.860.571**
	Balance at March 31, 2024	**18.440.365**	**17.545.499**	**97.102**	**1.600.786**	**37.683.752**

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

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

On 31 March 2024, land has a book value of 1.201.941 RON and represents an area of 86.000 square meters, of which:

• 85.790 square meters at its headquarters in Orşova and

• 210 square meters at its Branch in Agigea, Constanta County.

On 31.12.2007, Agigea Branch, named at that time Servicii Constructii Maritime SA Agigea, carried out the revaluation operation of the 210 sqm land. As a result, after the merger (in 2008) and until this date, the Company's lands are valued at fair value for the land in the patrimony of the Branch and at historical cost for the land in Orșova.

The company has finalized the cadastral situation for the entire area owned at the headquarters in Orşova.

Revaluation of tangible non-current assets

On 31 December 2004, the value of tangible non –current assets is presented at historical cost, indexed in accordance with government decisions ("GD"), which were applied by that date or at historical cost.

At 31 December 2005 the Company proceeded to revise the value of tangible assets by using the opinion of specialists, employed by the Company. 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 assets at the Orşova headquarters, instead, Agigea Branch conducted a revaluation of fixed assets of structures and ships group, before the merger, under the old name: SC Servicii Construcţii Maritime S.A. Agigea.

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

At 31 December 2009, the Company proceeded to the revaluation of buildings and special constructions, both at the headquarters in the town of Orşova and at Agigea branch, using the opinion of independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets. The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair value was higher than the net book value, and for the other purposes for which the fair value has been less than the book value a reduction of the existing revaluation surplus was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease.

Reference	*NOTES TO INDIVIDUAL FINANCIAL SITUATIONS IN ACCORDANCE WITH IFRS*
IAS 16	**14. Tangible Non-current Assets (continued)**

At 31 December 2010 and 2011, the company did not revalued non-current assets.
At 31 December 2012, the company revalued buildings and means of naval transport, both at headquarters in the town of Orşova and Agigea branch using the opinion of an independent external value. The Company has used the net value model. The amount of the revaluation surplus was credited to revaluation reserves for those assets which fair value was higher than the net book value, and for the other assets which fair value has been lower than the book value a reduction of the existing revaluation surplus, was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease. For the fixed assets that are under conservation at Agigea branch, an impairment of 6,739 RON was recognized.

At 31 December 2013, the company proceeded to the revaluation of means of naval transport, both at headquarters in the town of Orșova and Agigea branch using the opinion of some independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets. The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair value was higher than the net book value, and for the other purposes for which the fair value has been less than the book value a reduction of the existing revaluation surplus was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease.
For the fixed assets that are under conservation at Agigea branch, an impairment of 155.474 RON was recognized, at the end of 2013; at 31.12.2012 the impairment was 6.739 RON.

At 31 December 2014, the company proceeded to the revaluation of means of naval transport using the opinion of some independent external evaluators, applying the same rules and methods regarding the registration of the resulting differences.
For the fixed assets that are under conservation at Agigea branch, an impairment of 195.218 RON was recognized, at the end of 2014; at 31.12.2013 the impairment was 155.474 RON.

At 31 December 2015, the company proceeded to the revaluation of means of naval transport, both at headquarters in the town of Orșova and Agigea branch using the opinion of some independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets. The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair value was higher than the net book value, and for the other purposes for which the fair value has been less than the book value a reduction of the existing revaluation surplus was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease.

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

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

For constructions and ships, an increase amounted at 2.181.569 RON was recorded. However analyzed individually, there are positions that present decreases, their total value is amounted at 3.591.056 RON, out of which 3.416.821 RON were incurred from revaluation surplus previously recorded for these items and 174.235 RON were supported on costs.

On December 31, 2016, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda. For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2016 total of 287.458,76 RON (to 31.12.2015 this impairment was of 252.756,17 RON).

On December 31, 2017, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda.
For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2017 total of 304.490,18 RON (to 31.12.2016 this impairment was of 287.458,76 RON)

On December 31, 2018, the company proceeded to re-evaluate the property, buildings and ships, both at the headquarters of Orşova and at Agigea branch using the opinion of independent external evaluators. The method of reflecting revaluation in the Company's accounts was that of eliminating depreciation from the carrying amount of assets. With the value of the revaluation surplus, the balance of revaluation reserves was credited for those items whose fair value was higher than net book value, and for the other objectives for which the fair value was less than the net book value reflected the decrease of the existing revaluation surplus and / or the impairment of operating expenses in the case of previously unrecognized revaluation reserves or recognized revaluation reserves was insufficient to cover the decrease. In both the construction group and the ship, by total group, there are increases, totaling 5.330.995 RON. However, individually analyzed were positions where there were decreases, their total value being 1.054.765 RON, out of which: 1.047.790 RON were borne from the revaluation surplus previously recorded in these positions and the amount of 6.975 was incurred on costs.

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

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

On 31 December 2019, 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 under conservation at the Agigea branch, a total depreciation of 382.036,26 lei was recognized at the end of 2019 (on 31.12.2018 this depreciation was 338.058,77 lei).

On 31 December 2020, the Company proceeded to the revaluation of tangible assets of the nature of means of shipping, using the opinion of the same independent external valuer and relying on the same rules on recording the resulting differences. For fixed assets under conservation at the Agigea branch, a total depreciation of 406.522,02 lei was recognized at the end of 2020 (on 31.12.2019 this depreciation was 382.036,26 lei).

On 31 December 2021, the Company proceeded to re-evaluate property, plant and equipment of the nature of naval transport, using the opinion of the same independent external valuer and based on the same rules on the registration of the resulting differences. For the fixed assets in conservation at the Agigea branch, a total depreciation at the end of 2021 of RON 435.721,16 was recognized (as at 31.12.2020 this depreciation was of 406.522,02 lei).

On 31 December 2022, the Company proceeded to the revaluation of property, plant and equipment of the nature of the means of naval transport, using the opinion of the same independent external valuer and based on the same rules on the registration of the resulting differences. For fixed assets located in
conservation at the Agigea branch was recognized a total depreciation at the end of 2022 of 395.779,82 lei (as of 31.12.2021 this depreciation was of 435.721,16 lei).

On 31 December 2023, the Company proceeded to revalue tangible assets of the nature of means of shipping using the opinion of the same independent external valuer and relying on the same rules on recording the resulting differences. For fixed assets located in
At the Agigea branch, a total depreciation of 419.372,21 lei was recognized at the end of 2023 (on 31.12.2022 this depreciation was 395.779,82 lei).

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

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

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

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

According to IFRS 13, valuation at fair value of buildings and means of naval shipping supposed taking into consideration the characteristics of the assets, which users of financial statements would consider in determining the price of the asset at the balance sheet date. Fair value determination was carried out by an independent external evaluator and shall be treated as level 2 under IFRS 13 for the data taken into account in determining the fair values as at 31 December 2022, the date of financial reporting. At the company level, there has not been any change of the level presented by IFRS 13 for the data taken into account in determining the fair values. Also, the maximum amount for assets valued at fair value does not differ from the current amount of use.

Impairment losses and subsequent reversals

At the end of 2023, for fixed assets in conservation at the Agigea branch, the depreciation test was also carried out, being recognized a total depreciation of 419,372.21 lei, depreciation that is maintained on March 31, 2024.

Pledged or mortgaged non-tangible asset

To guarantee the multi-option and multi-currency global limit, in value of 1.500.000 (as to same level like 2023), made available by BRD-GSG SA, the Company established the following::

- First rank mortgage on the following properties: Repair hall, New Hall, Thermal power station, Compressors Station and PSI Shed, Operating Group, Cafeteria, Merged building, all including land, toate împreună cu terenul aferent, properties assessed according to the Guarantee Monitoring Report at EUR 1.512.800 market value, registered in the Land Book Register under the numbers 1133, 1146, 1121, 1145, 1134, 1135 and 1132;
- Security interest with dispossession on a deposit in value of 401.201 EUR.
- Assignment of receivables as collateral on receipts in a total value of 14.857.750 EUR, resulting from the commercial contracts concluded by the Company with third parties, not cashed up at 31.03.2024.

Non-tangible asset under construction

On 31.03.2024, the company has unfinished investment objectives (mainly modernization works of the launch pad at Agigea branch) in the amount of 1.600.786 lei (1.228.327 lei on 31.03.2023).

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 2023	1.033.977	1.033.977
IAS 38.118(e)	Aquisitions	62.007	62.007
	Outgoings of intangible assets	-	-
IAS 38.118	Balance at 31 of March 2023	1.095.984	1.095.984
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2023	1.006.198	1.006.198
IAS 38.118(e)(vi)	Amortisation during the year	7.114	7.114
	Outgoings of fixed assets	-	-
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 31 of March 2023	1.013.312	1.013.3312
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2023**	**27.779**	**27.779**
IAS 38.118(c)	**Balance at 31 of March 2023**	**82.672**	**82.672**

		Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)			
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2024	1.120.152	1.120.152
IAS 38.118(e)	Aquisitions	-	-
	Outgoings of intangible assets	6.894	6.894
IAS 38.118	Balance at 31 of March 2024	1.113.258	1.113.258
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2024	1.038.988	1.038.988
IAS 38.118(e)(vi)	Amortisation during the year	9.898	9.898
	Outgoings of fixed assets	6.894	6.894
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 31 of March 2024	1.041.992	1.041.992
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2024**	**81.164**	**81.164**
IAS 38.118(c)	**Balance at 31 of March 2024**	**71.266**	**71.266**

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

IAS 39 **16. Other investments, including derivative financial instruments**

The securities are recognised in the financial statements in accordance with IAS 27 (revised in 2010), IAS 36 (revised in 2009), IAS 39 (revised in 2009) and IFRS 7 (issued in 2008). In conjunction with the provisions of the 4 standards, the Company has adopted the following policy for the recognition and valuation of shares and securities:

- investments in subsidiaries, jointly controlled entities and associates are recognised at cost;
- short-term investments held for sale unlisted are recognised at cost, with adjustments made for impairments (the treatment for impairment of these securities is determined by IAS 39 paragraph 63);
- short-term investments held for sale listed on the stock exchange are recognised at fair value (the value on the last trading day of the year), with any gains or losses recognised in the capital statement. If there is objective evidence of impairment (as described in paragraph 59 of IAS 39), as well as foreign exchange losses and gains, the loss in value will be recognised in the income statement.

Other investments	**31.03.2024**			**31.03.2023**		
	Accounting value	**Imparment adjustements**	**Net value**	**Accounting value**	**Imparment adjustements**	**Net value**
Long term investments						
Shares detained at Kritom	684.495	684.495	0	684.495	684.495	0
Other titles detained on long term	0	0	0	0	0	0
Total investments on long term	**684.495**	**684.495**	**0**	**684.495**	**684.495**	**0**

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

IAS 39 **16. Other investments, including derivative financial instruments (continued)**

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

- the total share capital of this company was 1.230.600 euro, consisting of a total number of 4.200 shares of 293 euro / share,
- SCM, at that time held 2.058 shares, respectively 602.994 euros (49%), and Domiki Kritis held 2.142 shares worth 627.606 euros (51%)

According to the latest information received from the Greek authorities, the Greek partner proceeded, without our consent, by virtue of the provisions of art.3.4 of the Convention establishing the company, to double the share capital of Kritom, reaching 2.461.200 euros (8.400 shares), from which:

- The joint-stock company "Domiki Kritis", which has since become Aristodimos E. Lidakis SA, holds 1.857.620 euros, the equivalent of 6.340 shares, representing 75.48%, and
- Santierul Naval Orsova holds 2.060 shares worth 603.580 euros, respectively 24.52% of the share capital.

The founding convention of the Kritom Shipping Company provides that the duration of the company is for the period 1993-2012. However, in 2012, the Greek shareholder, without consulting the Company, and using the dominant position in the General Meeting decided to extend the duration of the company by 25 years, until 2037. At the moment, based on the information we have, the company is active but due to result of the pandemic and the lockdown situation in Greece , it does not generate revenue.
For more information about the current situation of Kritom and to clarify all aspects of administration, Șantierul Naval Orșova contacted a law firm that will represent us in court and support our interests as a shareholder.

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

As of March 31, 2023, the Company had constituted adjustments for the total depreciation of these securities, i.e. at the level of 684.495 lei, so that the net value as at March 31, 2024 was 0 lei (as of March 31, 2023, the same situation was recorded).
The factors that contributed to the establishment of these depreciations are the distrust and lack of transparency proven by the Greek partner, who manages the company, as we have indicated.

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

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

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

As of 2019, IFRS 16 Leases has become applicable. Since the company has certain lease agreements, as a lessee, with a term of 12 months or less and small-value leases, apply for these contracts the exception for the recognition of short-term leases and small-value leases.
We specify that the company, at the headquarters of the Agigea branch, holds the right to use the land owned by the National Company for the Administration of Maritime Ports Constanta.
The rent contract 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 a value of the rent indexable annually. The company therefore classified the contract with CNAPMC under IFRS 16 and posted a right-of-use asset and a lease liability in correspondence.
The following are the carrying amounts of the rights of use of the recognised asset and the movements of the period:

	Total land-use rights	**Total rights of use of assets**
Cost		
At 1st january 2019	**0**	**0**
Entries	2.502.294	2.502.294
At 31 december 2019	**2.502.294**	**2.502.294**
Entries	94.066	94.066
At 31 december 2020	**2.596.360**	**2.596.360**
Entries	142.574	142.574
At 31 december 2021	**2.738.935**	**2.738.935**
Entries	116.674	116.674
At 31 december 2022	**2.855.609**	**2.855.609**
Entries	44.891	44.891
At 31 december 2023	**2.900.500**	**2.900.501**
Entries	0	0
At 31 march 2024	**2.900.500**	**2.900.500**
Amortization		
At 1 january 2019	**0**	**0**
Annual amortization	125.115	125.115
At 31 december 2019	**125.115**	**125.115**
Annual amortization	520.262	520.262
At 31 december 2020	**645.377**	**645.377**
Annual amortization	533.595	533.595
At 31 december 2021	**1.178.973**	**1.178.973**
Annual amortization	567.259	567.259
At 31 december 2022	**1.746.232**	**1.746.232**
Annual amortization	658.463	658.463
At 31 december 2023	**2.404.695**	**2.404.695**
Annual amortization	180.197	180.197
At 31 march 2024	**2.584.892**	**2.584.892**
Net book value		
At 31 december 2019	**2.377.179**	**2.377.179**
At 31 december 2020	**1.950.983**	**1.950.983**
At 31 december 2021	**1.559.962**	**1.559.962**
At 31 december 2022	**1.109.377**	**1.109.377**
At 31 december 2023	**495.806**	**495.806**
At 31 march 2024	**315.608**	**315.608**

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

IAS 40 **18.Real estate investments**

		2024	2023
IAS 40.76(a)	Balance on 1 January	606.447	593.773
IAS 40.76(f)	Acquisitions	0	0
IAS 40.76(d)	Transfer from property, plant and equipment	0	0
IAS 40.76(d)	Disposals/impairments, transfer to property, plant and equipment	0	0
	Balance at 31 March	**606.447**	**593.773**

Starting with September 2019, the Agigea branch proceeded to rent a building located in Constanta, called "Headquarters", to the companies City Protect, Glorios and Protect Instal. The rental period, according to the contracts in force, ends on 31.12.2024.

The company values investment property at fair value, with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

On 31.12.2023 the real estate investment was revalued by an independent external evaluator. The valuation method used was the income approach.

19. Stock

		31.03.2024	31.03.2023
IAS 1.78 (c),2.36(b)	Raw materials and materials	8.969.505	15.179.236
IAS 1.78 (c),2.36(b)	Products from third parties, prod.residue.	13.405.532	0
IAS 1.78(c), 2.36(b)	Production in progress	13.187.911	28.326.951
	Imparment adjustments	(725.939)	(674.373)
	Stocks at net value	**34.837.009**	**42.831.814**

IAS 1.104, 2.36(e)(f)

For stocks older than 2 years (for sheet stocks older than 3 years), existing in balance at the end of 2023 and which are maintained on 31.03.2024, the company proceeded to adjust the book value, constituting a total depreciation of 725.939 lei.

Compared to the corresponding period of last year, there is a decrease in stocks (by 18.67%). In structure, stocks of raw materials and materials, in direct correlation with contracted production, are at a lower level by 40.91% compared to that recorded in the corresponding period of the previous year, and production in progress is decreasing by 53.44% compared to the similar period of 2023.

We mention the registration on 31.03.2024 of products from third parties, in the amount of 13.404.964 lei, representing the ship completed and shipped to the final customer in March 2024, but which reached the delivery point in April 2024.

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

20. Trade and similar receivables, other receivables and advances

		31.03.2024	31.03.2023
IAS 1.78 (b)	Trade receivables in relation to related parties	232.991	-
	Loans to executives	-	-
IAS 1.78 (b)	Trade receivables	14.075.741	11.408.562
	Adjustments for the impairment of trade receivables	(166.620)	(166.620)
IFRS 7.8(c)	**Net commercial loans and receivables**	**14.142.112**	**11.241.942**
	Claims - total	**1.891.124**	**1.037.166**
	Different debitors	404.009	545.376
	Suppliers - debtors	65.492	-
	VAT to be recovered and not exigible	462.664	502.796
	Adjustment for other receivables	(408.160)	(513.248)
	Expenses registered in advance	569.391	341.156
	Other receivables	797.728	161.086
	Total	**16.033.236**	**12.279.108**

The movements of the Company's depreciation accounts, related to the adjustments of the trade receivables are the following:

	31.03.2024	31.03.2023
At 1st January	166.620	166.620
Impairment recovery	-	-
Constituted depreciation	-	-
Balance at the end of period	**166.620**	**166.620**

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

21.Trade payables and other liabilities

	31.03.2024	31.03.2023
Trade payables - short term	2.359.969	1.561.999
Social security and other taxes	1.866.258	1.275.588
Suppliers - invoices to be received	1.034.711	1.980.036
Creditors/clients	8.081.524	16.826.138
Other creditors	1.701.354	1.948.105
Commercial debts – long term	125.455	395.338
Total	**15.169.271**	**23.987.204**

22. Loans

Leasing obligations

Finance leases

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

Operating leases

The total commitments, included in the leasing agreement concluded with the National Company Constanta Maritime Ports Administration, on March 31, 2024, recognized in accordance with IFRS 16, is RON 369.836. When updating the leasing payments, as the company has no other contracted loans, it used the NBR monetary policy interest rate of 7%.

The maturity of lease liabilities is as follows:

	2024	2023
Initial year	-	-
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	634.972
Year 5	549.970	505.079
Total	549.970	1.140.051
Debt balance March 31	369.836	985.292
Long-term	-	339.544
Short-term	369.836	645.748

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

23.Cash and cash equivalents- Lei

	31.03.2024	**31.03.2023**
Bank accounts in lei	1.681.562	1.689.356
Bank accounts in foreign currency(euro)	9.803.391	5.232.274
Petty cash in lei	8.597	9.024
Petty cash in foreign currency	-	-
Other values	1.295	9.560
Total	**11.494.845**	**6.940.214**

24. Capital and reserves

Share capital

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

The share capital structure as at December 31, 2023 was as follows:

	Number Of shares Procentaj	**Amount (lei)**
Sea Container SERVICES S.R.L	5.711.432	14.278.580
SIF 4 Muntenia	4.704.937	11.762.342
Other corporate shareholders/individual shareholders	1.006.550	2.516.376
	11.422.919	**28.557.298**

The subscribed and paid-up share capital is 28.557.298 lei, divided into a number of 11.422.919 registered and dematerialized shares, each worth 2.50 lei.
We mention that on 31.03.2024 this structure underwent changes following the mandatory takeover public offer carried out by the two significant shareholders. Thus, compared to the shareholding structure communicated by the Central Depository for the reference date 08.04.2024, the date chosen for the OGMS of April 22, 2024, there are larger changes in the shareholder of SIF 4 Muntenia, in the sense of increasing its holding (5.040.496 shares representing 44.1262% of the share capital), to the detriment of the holdings of other shareholders, natural and legal persons.
The company's shares are nominative, dematerialized, ordinary and indivisible.
The identification data of each shareholder, their contribution to the share capital, the number of shares owned and the shareholder's participation in the total share capital are mentioned in the register of shareholders kept by the registry company contractually designated for this purpose.
Each share subscribed and paid up by shareholders according to the law confers on them the right to one vote in the General Meeting of Shareholders, the right to elect or be elected to management bodies, the right to participate in the distribution of profits or any rights derived from the quality of shareholder.

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

24. Capital and reserves (continued)

Ownership of the share implies legal adherence to the statutes and subsequent amendments.
During the period 01.01-31.03.2024, there were no changes in the share capital.

25.Employees benefits

a) Remuneration of directors and administrators

The company did not grant advances or credits to directors or directors during the first 3 months of 2024.

Wage expenses:

	Financial exercise End at 31 March 2024 (lei)	Financial exercises End at 31 March 2023 (lei)
Administrators	149.499	149.502
Directors	352.074	329.190
	501.573	**478.692**

The composition of the Board of Directors has not undergone changes compared to the one existing on 31.12.2023, so that on 31.03.2024, it is as follows:

Mr. Rosca Radu-Claudiu – President

Mr. Ion Dumitru – Vicepresident

Mr. Fainarea Marius – member

Mr. Zoescu Mihai – member

Mr. Mihai Constantin-Marian – member

The allowances and other rights granted to directors are provided for in Art. 19 of the Articles of Association and in the management contracts, which were approved in the General Meeting of Shareholders on October 2, 2020, respectively in the General Meeting of Shareholders on December 28, 2021, and the salary and other rights due to the General Manager were established by the Board of Directors, within the limits set out in Article 22 of the Articles of Association and, respectively, of the Mandate Agreement concluded between the Board of Directors and the Director General. The mandate of the current Board of Directors ends on December 28, 2025 and that of the General Manager ends on 09.11.2026.

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

25. Employees benefits (continued)

Salaries payable at the end of the period:

	31 March 2024	**31 March 2023**
	(lei)	(lei)
Administrators	29.154	29.154
Directors	35.597	27.887
	64.751	**57.041**

b) Employees

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

	Financial exercise Ended at **31 March 2024**	Financial exercises Ended at **31 March 2023**
Administrative staff	49	45
Direct productive staff	235	230
Indirect productive staff	52	63
	336	**338**

Administrator
Ec.Ion Dumitru

Issued
Ec. Marilena Visescu