QUARTERLY REPORT
30 SEPTEMBER 2026

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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
E-mail:mircea.sperdea@snorsova.ro; marketing@snorsova.ro
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 III[rd] TRIMESTER OF 2026, 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: 11.11.2026

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 30th of September 2026 (APPENDIX NO. 13 TO THE ASF REGULATION no. 5/2018)

DESCRIPTION OF THE INDICATOR	CALCULATION MANNER	RESULT
1. Indicator of current cash-deposit[1)]	Current assets / Current debts	3,49
2.Indicator of the degree of indebtness[2)]	Borrowed capital*100 / Own capital	0 (zero)
3. Rotation speed of the debits - clients[3)]	Average balance clients*270 / Turnover	49 DAYS
4. Rotation speed of the fixed assets[4)]	Turnover / Fixed assets	2,12

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. Șantierul Naval Orșova 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 period 01.01-30.09.2026, compared to the provisions of the BVC, the operating revenues were achieved in a proportion of 106.94% and compared to the corresponding period of last year they were higher by 13.24%:

- Provided BIE quarter III.2026	78,352,000 lei
- Realized quarter III.2026	83,785,957 lei
- Realized quarter III.2025	73,988,811 lei

In the first 9 months of 2026, at the company's headquarters, a number of 3 passenger ships of 135 m in length were completed and delivered to external customers, in accordance with the established production schedule (in the corresponding period of the previous year, 1 tank of 135 m in length and 2 passenger ships of 135 m in length were completed and delivered). The operating revenues achieved by the Agigea Branch (mainly from ship repairs but also revenues from the leasing of spaces) were 19.81% higher than the provisions of the BVC, and by 3.65% higher than those achieved in the similar period of 2025. We mention that the ship repair activity at the Agigea Branch was stopped between 02.09.2026 - 09.10.2026 as a result of the suspension of the environmental permit. We also specify that the halls in the patrimony of the Agigea branch and which, in previous years, represented the main source of income of the branch, were sold in March 2026.

Operating expenses, in correlation with operating revenues, registered values lower by 4.47% compared to the budget provisions and by 2.73% compared to those recorded in the similar period of 2025.

The result of the operational activity, both at the Orsova headquarters and at the Agigea branch, was positive, the profit achieved on 30.09.2026 being achieved in a proportion of 224.36% compared to the provisions of the BVC and 363.07% compared to that achieved in the corresponding period of 2025.

As for the company's financial activity, the profit exceeded both the budgeted level and the one achieved in the similar period of 2025, as a result of the positive influences generated by the evolution of the exchange rate, but also the investments of cash (lei) in term deposits, bearing interest.

The individual financial statements as of 30.09.2026, namely: Statement of financial position, Statement of profit or loss and other elements of comprehensive income, Statement of change in equity, Statement of cash flows and Notes to the financial statements are annexed to this report, with the following clarifications:

- The figures from the reporting forms are expressed in lei;

- The reporting data as at 30.09.2026 **were not audited** by an independent external financial auditor.

- Compared to the provisions of the BVC, in the analyzed period, the situation of the result is as follows:

  - Operational result:
    - BIE provided 7,007,990 lei
    - Realized 15,631,452 lei
  - Financial result:
    - BIE provided 502,500 lei
    - Realized 1,219,161 lei
  - Gross result:
    - BIE provided 7,520,490 lei
    - Realized 16,850,613 lei

In the similar period of 2025, the company recorded a gross profit of RON 4,641,115.

As of 30.09.2026, the company had no bank loans contracted, and cash and cash equivalents were in the amount of RON 8,302,624.

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.

In the 9 months of 2026, the company incurred investment expenses in the amount of 3,868,745 lei, compared to 3,689100 lei provided for in the BVC. In the corresponding period of last year, expenses of this nature were recorded in the amount of 2,215,301 lei

Reference **STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2026**

IAS 1.10(a), 113		**Note**	**30.09.2026**	**31.12.2025**
			RON	**RON**
	Assets			
	Fixed assets			
IAS 1.54(a)	Tangible assets	*14*	37,047,907	45,872,328
	Freehold land and land improvements	*14*	625,753	625,753
	Buildings	*14*	20,230,442	21,057,106
	Plant and machinery, motor vehicles	*14*	12,557,354	21,057,652
	Fixtures and fittings […]	*14*	282,555	216,734
	Tangible assets in progress	*14*	3,351,803	2,915,083
IAS 1.54©	Intangible assets	*15*	6,078	7,872
	Other intangible assets	*15*	6,078	7,872
IAS 16, IAS 8	Rights to use the leased assets	*17*	2,327,332	2,909,166
IAS 1.54(h)	Trade receivables and other receivables		51,842	303,508
IAS 1.54(o), 56	Deferred tax assets		16,995	119,472
IAS 1.60	**Total fixed assets**		**39,450,154**	**49,212,346**
IAS 1.54 (g)	Inventories	*19*	45,564,355	27,756,715
IAS 1.54(h)	Trade receivables and other receivables	*21*	16,853,942	20,373,050
IAS 1.55	Accrued expenses	*21*	252,519	173,057
IAS 1.54(d)	Short term investments		24,234,200	20,111,471
IAS 1.54(i)	Cash and cash equivalents	*24*	8,302,624	9,942,789
IAS 1.60	**Total Current Assets**		**95,207,640**	**78,357,082**
	Total Assets		**134,657,794**	**127,569,428**
	Equity			
IAS 1.5a(r), 78(e)	Share capital	*25*	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		45,093,909	51,629,443
	Result for the period		13,383,510	8,762,422
IAS 1.55, 78(e)	Retained earnings		9,477,486	1,832,886

Reference **STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2026 (continued)**

		Note	30.09.2026	31.12.2025
			RON	RON
	Other elements of equity		(3,904,907)	(4,975,636)
	Total equity		**101,470,139**	**94,669,256**
	Liabilities			
	Long-term liabilities			
IAS 1.54(o), 56	Deferred tax liabilities		3,904,907	4,975,636
IFRS 16,IAS 8	Other debts, including lease liability	*22,23*	1,997,936	2,522,488
IAS 1.60	**Total long-term liabilities**		**5,902,843**	**7,498,124**
	Current liabilities			
IAS 1.54(k)	Trade payables and other debts, including derivatives	*22,23*	26,703,586	24,479,335
IAS 1.55,11.42(b)	Deferred income		317,057	18,063
IAS 1.54(l)	Provisions		264,169	904,650
IAS 1.60	**Total current liabilities**		**27,284,812**	**25,402,048**
	Total Liabilities		**33,187,655**	**32,900,172**
	Total Equity and Liabilities		**134,657,794**	**127,569,428**

Reference

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

		Note	30.09.2026	30.09.2025
			RON	RON
	Continuing operations			
IAS 1. 82(a)	Income	*5*	80,987,699	68,644,522
IAS 1.99,103	Other income	*6*	2,798.258	5,344.289
	Total Operational Income		**83,785,957**	**73,988,811**
	Expenses related to inventories	*7*	(20,855,244)	(22,017,187)
	Utility expenses	*8*	(1,272,300)	(1,586,949)
	Employee benefits expenses	*9*	(28,630,199)	(27,703,811)
	Depreciation and amortization expenses	*14,15*	(3,081,319)	(3,837,656)
	Depreciation expenses related to rights-of-use for leased assets	*17*	(581,833)	(526,653)
	Gains/losses on disposal of property		2,507,619	681,976
	Adjusting the value of current assets	*10*	0	0
	Increase/(Decrease) of provision expenses		640,481	961,199
IAS 1.99, 103	Other expenses	*11*	(16,881,710)	(16,035,563)
	Total Operational expenses		**(68,154,505)**	**(70,064,644)**
	The result of operational activities		**15,631,452**	**3,924,167**
	Financial income	*12*	2,577,534	1,206,572
IAS 1.82(b)	Financial expenses	*12*	(1,358,373)	(489,624)
	Net financial result	***12***	**1,219,161**	**716,948**
IAS 1.85	**Result before taxation**		**16,850,613**	**4,641,115**
	Current income tax expenses	*13.a*	(3,364,626)	(846,693)
	Deferred income tax expenses	*13.b*	(102,477)	(153,791)
	Deferred income tax income		0	0
IAS 1.85	**Result for continuing operations**		**13,383,510**	**3,640,631**
IAS 1.82(f)	**Result for the period**		**13,383,510**	**3,640,631**

Reference **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 30 SEPTEMBER 2026 (continued)**

		Note	30.09.2026 RON	30.09.2025 RON
	Other comprehensive income			
IAS 1.82(g)	Reevaluation of tangible assets		(7,644,600)	0
IAS 1.85	**Other comprehensive income after taxation**		**(7,644,600)**	**0**
IAS 1.82 (i)	**Total comprehensive income for the period**		**5,738,910**	**3,640,631**
	Attributable profit			
IAS 1.83(b)(ii)	Shareholders		**13,383,510**	**3,640,631**
	Profit for the period		**13,383,510**	**3,640,631**
	Total attributable comprehensive income			
IAS 1.83(b)(ii)	Shareholders		**5,738,910**	**3,640,631**
	Earnings per share			
IAS 33.66	Basic earnings per share		1,17	0,32
IAS 33.66	Diluted earnings per share		1,17	0,32
	Continuing operations			
IAS 33.66	Basic earnings per share		1,17	0,32
IAS 33.66	Diluted earnings per share		1,17	0,32

Reference

STATEMENT OF CHANGES IN EQUITY

IAS 1.108,109

		Attributable to equity holders								
		Share capital	**Share premium account**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Result for the period**	**Other elements of equity**	**Profit appropriation**	**Total equity**
	Balance at December 31, 2024	**28,557,298**	**8,862,843**	**34,306,431**	**13,148,007**	**1,444,674**	**5,936,340**	**(4,513,190)**	**-**	**87,742,403**
	Loss/ Net profit for the year					5,936,340	2,826,082			8,762,422
	Transfer in reserve	-	-	(388,212)	110,651	277,561	-	(462,446)	-	(462,446)
	Revaluation reserve	-	-	4,452,566	-	-	-	-	-	4,452,566
	Dividends distributed to shareholders					(5,825,689)				(5,825,689)
	Balance at December 31, 2025	**28,557,298**	**8,862,843**	**38,370,785**	**13,258,658**	**1,832,886**	**8,762,422**	**(4,975,636)**	**-**	**94,669,256**
IAS 1.106(d)(i)	Loss /Net profit for the year	-	-	-	-	8,762,422	4,621,088	-		13,383,510
	Transfer in reserve	-	-	(7,644,600)	1,109,066	6,535,532	-	1,070,729	-	1,070,727
	Dividends distributed to shareholders					(7,653,354)				(7,653,354)
	Balance at September 30, 2026	**28,557,298**	**8,862,843**	**30,726,185**	**14,367,724**	**9,477,486**	**13,383,510**	**(3,904,907)**	**-**	**101,470,139**

Reference **STATUS OF THE TREASURY CASH FLOW**

Reference	**For the financial year ending 30 September**	**Note**	**2026**	**2025**
	Treasury Cash Flow for operating activities			
	Profit of the period		13,383,510	3,640,631
	Adjustment for:			
	Depreciation of intangible and tangible assets	*14,15,17*	*4,135*,196	3,982,061
	Net expenses / (net income) with provisions		(640,481)	(961,199)
	(Profit)/Loss on receivables and miscellaneous debtors		0	0
	Losses on the disposal of fixed assets		(2,507,619)	(681,976)
	Expenses on the delayed income tax	*13a*	3,364,626	846,693
	Expenses from the delayed income tax	*13b*	102,477	153,791
	Income from deferred corporate income tax		0	0
	Cash Flow from operating activities before the working capital		**17,837,709**	**6,980,001**
	Amendment of the working capital:			
	Stocks modification		(17,807,640)	(5,062,477)
	Modification of the commercial account receivables and of		3,560,446	(2,408,673)
	Modification of the advanced expenses		(79,462)	(216,097)
	Modification of the commercial debts and of other debts		1,871,529	8,059,849
	Cash flow generated from operating activities		**5,382,582**	**7,352,603**
	Interest paid (leasing)		(135,123)	(152,985)
IAS 7.35	Profit /specific tax paid		(3,571,720)	(734,553)
IAS 7.10	**Net cash flow from operating activities**		**1,675,739**	**6,465,065**
	Treasury Cash Flow from investment activities			
IAS 7.31	Cashed interests		899,701	474,304
IAS 7.16(a)	Proceeds from the sale of tangible assets	*14*	*11*,970,195	0
IAS 7.16(a)	Acquisitions of tangible and intangible assets	*14,15*	*(3,868,746)*	(2,215,301)
	Other short-term investments		(4,122,729)	(2,048,623)
IAS 7.10	**Net cash used in investment activities**		**4,878,421**	**(3,789,620)**
	Treasury cash flow from financing activities			
IAS 7.31	Paid dividends		(7,706,292)	(5,938,525)
	Increase (repayment) of loans (leasing)		(488,033)	(381,757)
IAS 7.10	**Net cash from (used in) financing activities**		**(8,194,325)**	**(6,320,282)**
	Net increase/decreases of the cash flow and of the cash flow equivalents		**(1,640,165)**	**(3,644,837)**
	Cash Flow and equivalents from 1st of January		**9,942,789**	**10,955,209**
	Cash flow and cash flow equivalents at 30th of September		**8,302,624**	**7,310,372**

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

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

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

IAS 1.51(a)-(c) The individual financial statements in accordance with IFRS have been prepared for the year ended 30 September 2026. The Company's main activity is the **construction of ships and floating structures (NACE code: 3011).**

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

a. Statement of compliance

IAS 1.16 The company has prepared Individual Financial Statements for the period 01.01-30.09.2026 in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, according to the Order of the Minister of Public Finance no. 881/2012 regarding the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as subsequently amended and supplemented.

IAS.10.17 The financial statements have been authorized for issue by the Board of Directors on November 11th, 2026.

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

IAS 1.117(a)

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

b. Functional currency and presentation currency

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

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

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

c. Professional judgements and key assumptions

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

IAS 1.122,12 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
5,129,130 following notes:

- Note 18 –Investment property classification;
- Note 23 – Loans.

d. New International Financial Standards not applied by the Company

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

These are:

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

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

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

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

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

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

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

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

e. 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)**

f. Standards and interpretations available in the current period

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

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

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

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

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

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

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

IAS 28	Investments in associated entities	Defining the valuation and disclosure principles regarding investments in associated entities, except those held by: (a) venture capital organisations; or (b) mutual funds, closed-end investment funds and similar entities, including insurance funds with an investment component, which at initial recognition are considered to be at fair value at profit or loss or are classified as held for trading and accounted for in accordance with IFRS 9 Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with IFRS 9, with changes in fair value recognised in profit or loss during the period of the changes.
IAS 29	Financial Reporting in Hyperinflationary Economies	The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the current unit of measure at the financial statement preparation date, meaning non-monetary elements should be restated using a general price index from the date of purchase or contribution. IAS 29 provides that an economy is considered to be hyperinflationary if, among other factors, the cumulative index of inflation exceeds 100% over a period of three years.Continuous decrease of inflation and other factors related to the characteristics of the economic environment in Romania indicates that the economy whose functional currency was adopted by the Company, ceased to be hyperinflationary, affecting periods beginning 1 January 2004. Thus, amounts expressed in the measuring unit, current at 31 December 2003 are treated as the basis for the carrying amounts in the financial statements of the Company.
IAS 31	Interests in Joint Ventures	Accounting principles and policies to joint venture operations performed assets or holdings in a joint venture.
IAS 32	Financial instruments: presentation	Rules of presentation (classification of debt equity, expenses or income/equity).
IAS 33	Earnings per Share	Principles of determination and representation of earnings per share.
IAS 36	Impairment of Assets	Key definitions (recoverable amount, fair value less costs of disposal, value in use, cash-generating units), the frequency of impairment tests, accounting for the impairments, and for goodwill impairment.

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

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

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

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

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

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies

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

IAS 1.41 Certain comparative amounts have been reclassified to conform with current year presentation.

a. Foreign currency

(i) Transactions in foreign currency

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

b. Financial instruments

(ii) Share capital

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

c. Tangible Assets

IAS 16.73 (a) (i) Recognition and evaluation

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

IAS 1.112(a) *117(a)*

3. Significant accounting policies (continued)

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.
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.

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

A significant change in the conditions of use of tangible assets or aging may justify a revision of the useful life. Also, if the tangible non-current assets are placed in conservation (their use is discontinued for a long period), the useful life can be revised.
The residual value and service life shall be reviewed at least at each financial year end.

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

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

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

(iv) Derecognition

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

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

d. Intangible Assets

(1) Cost

(i) Software

Costs for the development or maintenance of computer software programs are recognized as an expense when they occur. Costs that are directly associated with identifiable and unique products, controlled by the Company and will probably generate economic benefits exceeding

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

costs for a period longer than one year are recognized as intangible assets. Direct costs include the development team staff costs and an appropriate proportion of overhead expenses.

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

(ii) Other intangible assets

All other intangible assets are recognized at cost.

Intangible assets are not revalued.

(2) Amortization

(i) Software

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

(ii) Other intangible assets

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

e. Rights-of-use for leases assets

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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 commencment of the contract, updated using the interest 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.

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

IAS 1.112(a) *117(a)*

3. Significant accounting policies (continued)

g. Inventories

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

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

Cost of inventories

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

financial assets is impaired. The loss is given by the difference between the asset's book value and the present value of future cash flows using the effective interest rate of the financial asset at initial recognition.
If in a subsequent period, an event occurring after the recognition of the impairment will determine an increase of the asset's value, the impairment will be reversed.

i. Employee benefits

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

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

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

j. Provisions

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

(2) Provisions for litigation

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

(3) Provisions for guarantees

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

k. Revenue

Revenue refers to goods sold and services rendered.

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

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

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.

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

IFRS 7.20,24

l. Financial income and expenses

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

m. Income tax

The Company records current income tax using the taxable income from tax reporting, determined by the relevant Romanian legislation.
Income tax obligation for the reporting period and prior periods is recognized to the extent that is not paid.
If the amounts paid on the current and prior periods exceed the amounts due for those periods, the excess is recognized as recoverable amount.
Recognition of deferred tax assets and liabilities
Deferred income tax is, using the balance sheet method, based on temporary differences arising between the tax bases of assets and their carrying amount. Deferred tax assets are recognized to the extent that there is the possibility of achieving future taxable profit from which the temporary differences can be recovered.

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.

4. Determination of fair value (continued)

IAS 16 "Property, plant and equipment" asserts that: *"After recognition as an asset, an item of tangible assets whose fair value can be measured reliably shall be carried at a revalued amount, representing its fair value at the revaluation date minus any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ significantly from that which would be determined using fair value at the balance sheet date."* **[9]**
IAS 38 "Intangible Assets" indicates: *"The purpose of revaluations under this standard, fair value shall be determined by reference to an active market".***[10]**
If IAS 16 "Property, plant and equipment" allows the determination of fair value through other methods if there isn't an active market, IAS 38 "Intangible Assets" narrow the assets that can be revalued, showing that only the assets for which an active market exists, can be revalued.
A special structure of non-current assets is the investment property. IAS 40 "Investment Property" offers two options for their evaluation: cost model or fair value model. As compared to IAS 16" Property, plant and equipment", where, if cost model is applicable, entities are only encouraged to disclose the fair value in the notes, IAS 40 "Investment Property" requires the estimation of fair value, for evaluation (fair value model) or to present in the notes (cost model).
For in assets held for continuing use, it can sometimes be difficult to estimate fair value minus costs of disposal. In the absence of a reliable basis for estimating the amount that an entity could obtain, from the sale of these assets in an arm's length transaction between knowledgeable, willing parties, IAS 36 "Impairment of Assets" indicates that the entity may use the asset's value as its recoverable amount (fair value is equal with the value in use).
As of January 1, 2013 requirements are applicable to the valuation of assets and liabilities at fair value under IFRS 13 "Fair Value Measurement". IFRS 13 applies to assets and liabilities held by an entity for which, in accordance with other standards, it is required or permitted a fair value measurement or disclosure about fair value is required.
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.. The price used to assess the asset or liability at fair value is not adjusted by the amount of transaction costs because they are not a feature of the asset or liability, but a feature of the transaction.
Fair value assessment of an asset or liability considers the characteristics of the asset or liability which that market participants would consider in determining the price of the asset or liability at the measurement date.
Fair value measurement is performed on the assumption that an asset or liability is traded between market participants according to the normal conditions of sale of an asset or the transfer of a liability that characterizes the market at the measurement date. A normal transaction involves access to the market for a period that precedes evaluation enabling typical marketing activities and usual for those trading the respective assets or liabilities.

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

5. Incomes

		30.09.2026	30.09.2025
IAS 18.35(b) (i)	*Sales of goods*	67,159,818	58,182,053
IAS 18.35(b) (ii)	Rendering of services	12,877,020	8,229,826
IFRS 15.113(a)	Sales of waste products and commodities	950,861	2,232,643
	Total	**80,987,699**	**68,644,522**

The revenues achieved in the period 01.01-30.09.2026 increased by 17.98% compared to the corresponding period of last year. Due to the structure of the ships built at the main headquarters in Orsova, although in this period the Company completed a number of 3 ships as in the corresponding period of 2025, the revenues from this activity were higher by 15.43% compared to those achieved in the similar period of the previous year.
We specify that the company has covered the production capacity until the end of the year.
The revenues recorded from the ship repair activity were at a higher level than in the corresponding period of 2025 (increase by 53.48%) and the revenues obtained from the sale of residual products resulting from the production activity but also from asset scrapping, contributed to these achievements.
These presentations are made by the Company in accordance with IFRS 8.

6. Other incomes

	30.09.2026	30.09.2025
Income from rents (other than rent real estate investments)	2,610,367	5,036,208
Other operational incomes	187,891	308,081
Total	**2,798,258**	**5,344,289**

In the period 01.01 - 30.09.2026, these revenues are at a lower level than in the corresponding period of the previous year (decrease by 47.64%). This decrease is due to the fact that the company no longer recorded income from renting halls, following their sale in March 2026, but also earned lower income from renting spaces. The amounts earned during this period and recorded in the rental income position are mainly related to the lease contracts of spaces in the patrimony of the Agigea branch. As regards the Other operating income position, these revenues come in proportion of about 86%, from the resumption to income of the dividends not collected by the shareholders within 3 years after the distribution.

7. Outgoings on stocks

	30.09.2026	30.09.2025
Expenses with raw materials	11,685,214	12,500,010
Expenses of consumable materials, from whom:	8,344,996	8,989,539
Expenses *of auxiliar materials*	*7,485,760*	*7,518,970*
Expenses *of fuel*	*250,917*	*242,197*
Expenses *with spare parts*	*450,148*	*215,297*
Expenses *of other consumable materials*	*158,171*	*1,013,075*
Expenses regarding materials of nature inventory items	435,106	334,260
Expenses of unstocked materials	229,409	184,649
Expenses regarding goods	160,930	9,383
Received discount	(411)	(654)
Total	**20,855,244**	**22,017,187**

In the 9 months of 2026, the significant share in the total inventory expenses is held by raw materials (naval sheet) and auxiliary materials (profiles, pipes). In the analyzed period, there was a decrease in inventory expenses by 5.28% compared to the corresponding period of the previous year, this being due to the structure of the ship hulls built at the Orsova headquarters, but also to the efficiency of expenses of this nature.

Expenses representing inventory consumption that, according to the provisions of IFRS, are included in the value of certain assets are recognized during the period according to their nature. Accordingly, the value of assets in progress is recorded in the accounting, on account of the related revenue accounts. Please note that the Company, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, and therefore does not present either the amount of these expenses or the amount of the corresponding revenues.

8. Utilities outgoings

	30.09.2026	30.09.2025
Expenses with energy	1,221,088	1,545,299
Expenses with water	51,212	41,650
Total	**1,272,300**	**1,586,949**

Between 01.01-30.09.2026, utility expenses decreased by 19.83%, compared to those recorded in the corresponding period of the previous year. We note a significant decrease in electricity expenses due to the use of the photovoltaic panel system.

We specify that an influencing factor in this increase is also the method of presenting expenses using a classification based on their nature, according to IAS 1.

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

IAS 1.104 **9. Staff costs**

	30.09.2026	30.09.2025
Personnel expenses	26,603,861	25,655,806
Expenses with contributions to compulsory social insurance	2,026,338	2,048,005
Total	**28,630,199**	**27,703,811**
Medium number of employees	**362**	**346**

In the analyzed period of 2026, salary expenses increased by 3.34% compared to the corresponding period of 2025. The salaries of the Company's staff were increased by 5% in January 2026 and by about 6% in June, respectively, we also note an increase in labor productivity, while insurance and social protection expenses remained at a level close to that achieved in the corresponding period of the previous year.
As in the case of the other categories of expenditure, and in the presentation of personnel expenditure, an influencing factor in this increase is the method of presenting expenditure using a classification based on its nature.

10. Value adjustement of current asset

	30.09.2026	30.09.2025
Losses(Profit) on receivables and various debtors	60,764	8,945
Income from adjustments for impaiment of current assets	-	-
Total	**60,764**	**8,945**

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

IAS 1.97 **11. Other outgoings**

	30.09.2026	30.09.2025
Expenses with maintenance and repairs	247,655	508,491
Expenses with royalties, managed locations and rents	71,886	91,477
Expenses with premium insurance	115,196	224,764
Expenses with commisions and fees	-	-
Protocol, advertising and advertising expenses	53,700	24,879
Goods and personel transport expenses	168,859	2,322,955
Travel expenses, secondments and transfers	79,661	37,196
Postage and telecommunications expenses	27,559	28,995
Banking services expenses	38,609	59,134
Other expenses for services performed by third parties	14,989,207	12,050,974
Expenses with other taxes and fees	476,691	598,266
Expenses for environment protection	8,132	7,318
Expenses with fixed assets held for sale	-	-
Other operational expenses	604,555	81,114
Total outgoings	**16,881,710**	**16,035,563**

In the period 01.01-30.09.2026, the level of the above expenses increased by 5.27% compared to the similar period of the previous year.

We will explain below some of the positions that hold a significant share in total expenses:

- There is a decrease in maintenance and repair expenses, during the analyzed period the Company carried out fewer maintenance and repair works on machinery, production halls and social spaces.
- The expenses with the transport of goods and people, referred in particular to the transport of river vessels built at the main headquarters, on the route: Orşova – Rotterdam.

We specify that, in accordance with the contractual provisions, the transfer of ownership was made in the previous period, with the delivery of the ships to these points, throughout the transport period the ships being provided by the Company's care. Starting with the contract finalized in December 2025, the transport of the ships is the responsibility of the buyer, the company no longer registering such costs.

- The volume of services performed by third parties, in direct correlation with the volume of production performed, increased compared to the 9 months of 2025 by 24.38%. During the analyzed period, the Company, given the labor shortage, resorted to subcontractors to a greater extent. As for the auditors' fees, included in the total amount from this position, they recorded the following values: 26,652 lei, including VAT. fees to statutory auditors (49,332 lei, including VAT, in the corresponding period of the previous year), and for internal audit services the amounts paid in the period 01.01-30.09.2026 were 33,915 lei, including VAT (32,331 lei, including VAT, in the corresponding period of the previous year).

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

IAS 1.97 **11. Other outgoings (continued)**

- Regarding the Other expenses, although they have an insignificant share in total expenses, there is a significant increase in their level compared to those recorded in the similar period of 2025, and within them, sponsorship expenses represent 63.68%.

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

Recognized in the profit or loss account:

		30.09.2026	30.09.2025
IFRS 7.20 (b)	Interest income from bank deposits	960,839	430,027
IAS 21.52 (a)	Incomes from exchange rates differences	933,224	776,545
	Other financial income/Income from financial investments transferred	683,471	0
	Total financial incomes	**2,577,534**	**1,206,572**
IFRS 16.	Interest expense on the leasing account	135,123	153,836
IAS 21.52 (a)	Expenses from exchange diferences rates	538,754	335,788
	Value adjustments regarding financial fixed assets	684,495	-
	Total financial expenses	**1,358,373**	**489,624**
	Net financial result	**1,219,161**	**716,948**

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

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

• Due to the evolution of the exchange rate, the revenues from exchange rate differences were higher than the expenses from exchange rate differences, but were at a higher level than those recorded in the similar period of 2025.

• The income/expenses from financial investments transferred refer to the shares held in Kritom, recorded in the non-accounting records according to the OGMS decision no. 65/27.04.2026;

• in the analyzed period of 2026, the company did not have bank loans contracted, so it did not register interest on this basis.

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

13a. Expenditure on profit tax

		30.09.2026	30.09.2025
	a) Expenditure on current profit tax		
IAS 12.80 (a)	Current period	3,364,626	846,693
IAS 12.80 (b)	Adjustments of previous periods		
	b) Deferred income tax expense		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	102,477	153,791
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)	**3,467,103**	**1,000,484**
IAS 12.81 (c)	**Reconciliation of effective tax rate**		
	Profit of the period	16,850,613	4,641,115
	Non-deductible expenses	1,278,230	13,441
	Non-taxable incomes	1,385,740	970,144
	Elements similar to incomes (amortisation after reevaluation 2003)	896,907	1,607,422
	Other taxable amounts (revaluation reserves related to disposed assets)	5,795,149	-
	Taxable profit (Tax loss)	23,435,159	5,291,834
	Expense with the current profit tax	3,749,626	846,693
	Sponsorship	385,000	-
	Profit (Loss) after tax	13,383,510	3,640,631

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

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

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2025	23,088,673	57,806,285	586,820	3,080,295	84,562,073
IAS 16.73 (e)(i)	Acquisitions	965,981	1,591,204	105,630	1,919,757	4,582,572
IAS 16.73 (e)(ii)	Outgoings of non current asset	506,748	589,614	102,862	1,787,007	2,986,231
IAS 16.73 (d)	Balance at September 30,2025	23,547,906	58,807,875	589,588	3,213,045	86,158,414
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2025	-	40,459,276	448,351	-	40,907,627
IAS 16.73 (d)(vii)	Depreciation during the year	1,397,033	2,536,851	22,783	-	3,956,667
IAS 16.73 (d)(ii)	Outgoings pf non current asset	56	463,712	102,862	-	566,630
IAS 16.73 (d)	Balance at September 30,2025	1,396,977	42,532,415	368,272	-	44,297,664
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2025	**23,088,673**	**17,347,009**	**138,469**	**3,080,295**	**43,654,446**
	Balance at September 30, 2025	**22,150,929**	**16,275,460**	**221,316**	**3,213,045**	**41,860,750**

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2026	23,547,906	63,776,897	596,710	2,915,083	90,836,596
IAS 16.73 (e)(i)	Acquisitions	485,062	3,144,379	117,113	1,529,837	5,276,391
IAS 16.73 (e)(ii)	Outgoings of non current asset	-	13,494,166	16,895	1,093,117	14,604,178
IAS 16.73 (d)	Balance at September 30,2026	24,032,968	53,427,110	696,928	3,351,803	81,508,809
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2026	1,865,047	42,719,245	379,976	-	44,964,268
IAS 16.73 (d)(vii)	Depreciation during the year	1,311,726	2,184,991	48,402	-	3,545119
IAS 16.73 (d)(ii)	Outgoings pf non current asset	-	4,034,480	14,005	-	4,048,485
IAS 16.73 (d)	Balance at September 30,2026	3,176,773	40,869,756	414,373	-	44,460,902
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2026	**21,682,859**	**21,057,652**	**216,734**	**2,915,083**	**45,872,328**
	Balance at September 30, 2026	**20,856,195**	**12,557,354**	**282,555**	**3,351,803**	**37,047,907**

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

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

The lands, as of September 30, 2026, have a book value of 625,753 lei and represent an area of 85,790 sqm, located at the headquarters in Orsova.
The company has finalized the cadastral situation for the entire area owned at the headquarters in Orșova.

Revaluation of tangible non-current assets
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.

On December 31, 2005, the Company proceeded to revise the value of tangible assets using the opinion of specialists employed by the Company. On December 31, 2006, the Company proceeded to revise the value of buildings and special constructions using the opinion of specialists employed by the Company. On December 31, 2007, the Company did not revise the value of the fixed assets at the Orsova headquarters, instead the Agigea Branch carried out a revaluation for the fixed assets in the Construction and Maritime Vessels group, before the merger, under the old name: Servicii Construcţii Maritime SA Agigea.

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

On December 31, 2009, the Company proceeded to the revaluation of tangible assets of the nature of buildings and special constructions both at the main headquarters in Orsova and at the Agigea branch using the opinion of independent external appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate the depreciation from the carrying amount of the assets. The revaluation surplus value was credited to the balance of revaluation reserves for those objectives whose fair value was higher than the net carrying amount and for the other objectives
where the fair value was less than the net carrying amount, the decrease in the previously existing revaluation surplus was reflected, i.e. the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised or the recognised revaluation reserve was insufficient to cover the decrease.
On December 31, 2010 and 2012 respectively, the Company did not revalue its tangible assets.

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

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

On December 31, 2012, the Company proceeded to the revaluation of tangible assets of buildings and means of naval transport, both at the main headquarters in Orşova, and at the Agigea branch, using the opinion of independent external appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of the revaluation reserves for those objectives whose fair value was higher than the net carrying amount, and for the other objectives for which the fair value was less than the net carrying amount, the decrease in the previously existing revaluation surplus was reflected, respectively the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised, or The recognised revaluation reserve was insufficient to cover the decline.
For the fixed assets in conservation at the Agigea branch, a depreciation of 6,739 lei was recognized.

On December 31, 2013, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, both at the main headquarters in Orşova, and at the Agigea branch, using the opinion of independent external appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of the revaluation reserves for those objectives whose fair value was higher than the net carrying amount, and for the other objectives for which the fair value was less than the net carrying amount, the decrease in the previously existing revaluation surplus was reflected, respectively the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised, or The recognised revaluation reserve was insufficient to cover the decline.
For the fixed assets in conservation at the Agigea branch, an impairment of RON 155,474 was recognized at the end of 2013; As of 31.12.2012 this impairment was 6,739 lei.

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

On December 31, 2015, the Company proceeded to the revaluation of tangible assets of buildings and means of naval transport, both at the main headquarters in Orşova, and at the
Agigea branch using the opinion of independent external appraisers. The method of reflecting the revaluation in the Company's accounting was to eliminate the depreciation from the carrying amount of the assets. The value of the revaluation surplus was credited to the balance of revaluation reserves for those objectives whose fair value was greater than the net carrying amount, and for those objectives whose fair value was greater than the net carrying amount.

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

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

The other objectives for which the fair value was less than the net carrying amount reflected the reduction of the previously existing revaluation surplus, i.e. the allocation of operating expenses in the case of objectives for which a revaluation reserve had not previously been recognised
or the recognised revaluation reserve was insufficient to cover the decline. Both in the construction group and in the ships, on the total group, there are increases, in a total amount of 2,181,569 lei. However, analyzed individually, there were positions in which decreases were recorded, their total value being 3,591,056 lei, of which: 3,416,821 lei were borne from the revaluation surplus previously recorded in these positions, and the amount of 174,235 was borne by costs.
We specify that more information in relation to the revaluation operation can be found in the REPORT prepared and presented separately to the general meeting of shareholders.

On December 31, 2016, the Company proceeded to the revaluation of tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the
on the same rules regarding the recording of the resulting differences. At the ordinary general meeting of shareholders, the results of this revaluation will be presented as a separate item on the agenda. For the fixed assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2016 of RON 287,458.76 (as of 31.12.2015 this impairment was RON 252,756.17).

On 31 December 2017, the Company revalued tangible assets of the nature of means of naval transport, using the opinion of the same independent external valuer and relying on the same rules on the recording of the resulting differences. At the ordinary general meeting of shareholders, the results of this revaluation will be presented as a separate item on the agenda.
For the fixed assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2017 of RON 304,490.18 (as of 31.12.2016 this impairment was RON 287,458.76).

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

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

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

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

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

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

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

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

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

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

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

On December 31, 2024, the Company proceeded to the revaluation of tangible assets of the nature of construction and means of naval transport, using the opinion of the same independent external valuer and based on the same rules regarding the recording of the resulting differences. For fixed assets in conservation at the Agigea branch, a total impairment was recognized at the end of 2024 of RON 130,548.28 (as of 31.12.2023 this impairment was RON 419,372.21).

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

In order to carry out these operations, the company resorted to the specialized services of the appraiser DARIAN DRS S.A., based in Timisoara.
The valuation techniques used by the valuer for fixed assets, according to IFRS 13.91, were as follows:

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

Conform IFRS 13, evaluarea la valoare justă a activelor de natura imobilizărilor corporale de natura clădirilor şi mijloacelor de transport naval a presupus luarea în considerare a caracteristicilor activelor pe care participanţii la piaţă le-ar lua în considerare în determinarea preţului activului la data evaluării. Stabilirea valorii juste s-a realizat de către un evaluator extern independent și este asimilată nivelului 2 prevăzut de IFRS 13 pentru datele luate în calcul la stabilirea valorilor juste la data de 31 decembrie 2025, data raportării financiare. La nivelul Societății nu a fost cazul schimbării nivelului prevăzut de IFRS 13 pentru datele luate în calcul la stabilirea valorilor juste. De asemenea, valoarea maximă de utilizare pentru activele evaluate la valoarea justă nu diferă de valoarea curentă de utilizare.

Depreciation losses and subsequent takeovers

As of September 30, 2026, the company does not record asset impairments.

Pledged or mortgaged tangible assets

In order to guarantee the global multi-option and multi-currency ceiling, in the amount of EUR 1,500,000 (at the same level as in 2025), made available by BRD-GSG SA, the company has provided the following guarantees:
• first rank mortgage on the following properties in the patrimony: the Repair Hall, the New Hall, the Thermal Power Plant, the Compressor Station and the PSI Shed, the Exploitation Group, the Canteen, the Merged Building, all together with the related land, buildings valued according to the

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

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

Guarantee Monitoring Report at EUR 1,512,800 market value, registered in the Land Book Register under numbers 1133, 1146, 1121, 1145, 1134, 1135 and 1132;
• security interest in movable property with dispossession on a term deposit in the amount of EUR 406,015.
• Assignment of receivables as collateral on receipts in the total amount of EUR 64,625,500, resulting from the commercial contracts concluded by the Company with third parties, contracts not collected as of 30.09.2026.

Tangible assets in progress

As of 30.09.2026, the company has unfinished investment objectives in the amount of 3,351,803 lei (3,213,045 lei as of 30.09.2025).). A significant share of these is represented by the modernization works of the launch path at the Agigea branch, started more than 5 years ago, including the replacement of the tow trolleys, but also the modernization works of the halls located in the branch's patrimony.

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

IAS 38 **15. Intangible assets**

IFRS 3.61 IAS 38.118 (c), (e)		**Other assets**	**Total**
	Cost		
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2025	1,113,258	1,113,258
IAS 38.118(e)	Aquisitions	-	-
	Outgoings of intangible assets	14,282	14,282
IAS 38.118	Balance at 30 of September 2025	1,098,976	1,098,976
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2025	1,071,581	1,071,581
IAS 38.118(e)(vi)	Amortisation during the year	25,395	25,395
	Outgoings of fixed assets	14,282	14,282
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of September 2025	1,082,694	1,082,694
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2025**	**41,677**	**41,677**
IAS 38.118(c)	**Balance at 30 of September 2025**	**16,282**	**16,282**

IFRS 3.61 IAS 38.118 (c), (e)		**Other assets**	**Total**
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2026	1.098.976	1.098.976
IAS 38.118(e)	Aquisitions	6.450	6.450
	Outgoings of intangible assets	-	-
IAS 38.118	Balance at 30 of September 2026	1.105.426	1.105.426
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2026	1.091.104	1.091.104
IAS 38.118(e)(vi)	Amortisation during the year	8.244	8.244
	Outgoings of fixed assets	-	-
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of September 2026	1.099.348	1.099.348
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2026**	**7.872**	**7.872**
IAS 38.118(c)	**Balance at 30 of September 2026**	**6.078**	**6.078**

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

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

The securities are recognized 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). From the corroboration of the provisions of the 4 standards, the company adopted the following policy for the recognition and evaluation of the shares and the securities:

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

• short-term investments held for sale not quoted on the stock exchange are recorded at cost, for the impairments being made adjustments (the treatment for the depreciation of these securities is established by IAS 39 paragraph 63);

• Short-term investments held for sale listed on the stock exchange are recorded at fair value (the value of the last trading day of the year), any gains or losses to be recognized in the capital situation. If there is objective evidence of impairment (as presented in paragraph 59 of IAS 39), as well as in the case of foreign exchange losses and gains, the loss of value will be recognized in the profit and loss account.

	30.09.2026			**30.09.2025**		
Other investments	**Accounting value**	**Imparment adjustements**	**Net value**	**Accounting value**	**Imparment adjustements**	**Net value**
Long term investments						
Shares detained at Kritom	0	0	0	684,495	684,495	0
Other titles detained on long term	0	0	0	0	0	0
Total investments on long term	**0**	**0**	**0**	**684,495**	**684,495**	**0**

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

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.
Considering the fact that the Greek partner acted without transparency in the management of the company, that it did not comply with the Founding Agreement and the statute of the Kritom shipping company, and all the steps taken by the Orsova Shipyard to contact the current directors of this company were unsuccessful and new legal actions did not guarantee success, only the certainty of generating new costs, in the General Meeting of Shareholders on 27.04.2026 (Decision no. 64/27.04.2026) it was decided to remove from the accounting records the participation of our company in the share capital of the company Kritom Shipping Company and to maintain it (also materialized in bearer shares) in the non-accounting records, consequently also the resumption of the depreciation constituted for the participation (The company had made adjustments for the total depreciation of these securities, i.e. at the level of 684,495 lei, so that the net value was 0 lei).
The factors that contributed to these impairments were the mistrust and lack of transparency shown by the Greek partner, which manages the company, as we have shown.
This financial asset was part of the category of financial assets measured at amortised cost according to IFRS 7.8.

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

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

As of 2019, IFRS 16 Leasing Contracts became applicable. Given that the company has certain leases, as a lessee, with a term of 12 months or less and low-value leases, it applied to these contracts the exception for the recognition of short-term leases and low-value leases.
We specify that the company, at the headquarters of the Agigea branch, has the right to use the land that was owned by the National Company for the Administration of Maritime Ports of Constanta.The lease agreement concluded in this regard with CNAPMC (September 2019) is valid until 2038, but contains clauses regarding the renegotiation of the tariff every 5 years and an indexable rent value annually. Therefore, the company framed the contract with CNAPMC under the IFRS 16 standard and recorded an asset related to the right of use and a leasing debt in correspondence.
In September 2024, the tariff was renegotiated for a period of 5 years and the Company consequently registered a new asset related to the right of use and a leasing debt in correspondence.
The following are the book values of the right to use the recognised asset and the movements for the period:

	Total land-use rights	**Total rights of use of assets**
Cost		
As of 31 December 2023	**2,900,501**	**2,900,501**
Inputs	3,503,589	3,503,589
Outputs	2,900,501	2,900,501
As of 31 December 2024	**3,503,589**	**3,503,589**
Imputs	275,901	275,901
As of 31 December 2025	**3,779,490**	**3,779,490**
Imputs	**0**	**0**
As of 30 September 2026	**3,779,490**	**3,779,490**
Amortization		
As of 31 December 2023	**2,404,695**	**2,404,695**
Depreciation of the year	663,926	663,926
Outputs	2,900,501	2,900,501
As of 31 December 2024	**168,120**	**168,120**
Depreciation of the year	702,204	702,204
As of 31 December 2025	**870,324**	**870,324**
Depreciation of the period	**581,833**	**581,833**
As of 30 September 2026	**1,452,158**	**1,452,158**
Net book value		
As of 30 September 2025	**3,335,469**	**3,335,469**
As of 30 September 2026	**2,327,332**	**2,327,332**

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

IAS 40 **18.Real estate investments**

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

19. Stock

		30.09.2026	**30.09.2025**
IAS 1.78 (c),2.36(b)	Raw materials and materials	19,620,170	16,996,925
IAS 1.78(c), 2.36(b)	Production in progress	27,000,732	26,433,441
IAS 1.78(c), 2.36(b)	Finished products	-	-
IAS 1.78(c),2.36(b)	Third Party Products	-	-
IAS 1.78(c),2.36(b)	Commodities	-	-
	Imparment adjustments	(1,056,547)	(839,664)
	Stocks at net value	**45,564,355**	**42,590,702**

IAS 1.104, 2.36(e)(f) For the stocks of raw materials and materials older than 2 years (for sheet metal stocks older than 3 years), existing in the balance at the end of 2025 without movement, the company adjusted the book value, constituting a total impairment of RON 1,056,547, which is maintained as of 30.09.2026. Compared to the corresponding period of the previous year, there is an increase in inventories by 6.98%, mainly an increase in the stocks of raw materials and materials necessary for the completion of new shipbuilding that are the subject of the contracts concluded by the company, but also an increase in production in progress - with completion deadlines in the next period.

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

20. Fixed assets held for sale

As of 30.09.2026, the company does not hold such assets.

21. Trade and similar receivables, other receivables and advances

		30.09.2026	30.09.2025
IAS 1.78 (b)	Trade receivables in relation to related parties	187,140	307,472
	Loans to executives	-	-
IAS 1.78 (b)	Trade receivables	12,645,147	2,858,529
	Adjustments for the impairment of trade receivables	(317,934)	(157,675)
IFRS 7.8(c)	**Net commercial loans and receivables**	**12,514,353**	**3,008,326**

Claims - total	**4,592,108**	**3,002,784**
Different debitors	296,857	267,632
Suppliers - debtors	66,899	605,527
VAT to be recovered and not exigible	2,103,654	1,327,381
Adjustment for other receivables	(207,286)	(253,803)
Expenses registered in advance	252,519	395,940
Other receivables	2,079,465	660,107
Total	**17,106,461**	**6,011,110**

As for trade receivables, as of 30.09.2026, they are at a higher level than those recorded at the end of the corresponding period of the previous year and are related to current supplies of goods and services, maturing in the immediately following period. Regarding the Other receivables item, we specify that the main share is represented by the current amounts paid to the state budget in the single account and not settled by September 30, but also the receivables to be recovered from the Health Insurance House, related to sick leave.

Between 01-30.09.2026, movements in the Company's impairment accounts were recorded related to the adjustments of trade receivables and adjustments to other receivables. Thus, the impairments of receivables related to the shares held in Kritom were adjusted, following the OGMS resolution no. 64/27.04.2026.

The receivables analysed in this note do not include receivables presented in the category of fixed assets.

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

21. Trade and similar receivables, other receivables and advances(continued)

The Company's depreciation account for adjusting commercial receivables is presented as follows:

	30.09.2026	30.09.2025
As of January 1,	317,934	166,620
Resumption of depreciation	-	8,945
Established depreciations	-	-
Balance at the end of the period	**317,934**	**157,675**

22.Trade payables and other liabilities

	30.09.2026	30.09.2025
Trade payables – short term	4,921,964	2,147,510
Social security and other taxes and fees	4,884,886	1,639,244
Suppliers – unsecured invoices	153,395	229,477
Clients- creditors	15,293,146	17,455,048
Other debts	1,450,195	2,101,365
Commercial debts – long term	1,997,936	2,491,797
Total:	**28,701,522**	**26,064,441**

Short-term commercial debts refer to payment obligations to suppliers and advances received from customers. There is an increase of 10.12% compared to the similar period of 2025, but the balance of commercial debts as of 30.09.2025 represents current debts whose payment was made after the analyzed period. Regarding the Social Security and other taxes and fees position, we specify that this increase is due to the fact that the tax administration did not settle, by the end of September, the payment of the company's tax obligations.

A decrease is recorded in the "Customers-creditors" position, the company liquidating advances from customers in an amount higher than those collected in accordance with the contractual clauses provided in the contracts in progress on 30.09.2026.

In September 2024, the lease agreement owned by the National Company for the Administration of Maritime Ports Constanta was renegotiated, so that the company registered the leasing debt in correspondence for a new period of 5 years.

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

23. Loans Leasing obligations

Finance leases

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

Operating leases

The total commitments contained in the leasing contract concluded with the National Company Constanta Maritime Ports Administration on September 30, 2026, recognized in accordance with IFRS 16, is RON 2,466,641. When updating the leasing payments for 2026, as the company has no other loans contracted, it used the NBR's monetary policy interest rate of 6.5%.

	2026	**2025**
Year 1	-	624,067
Year 2	733,008	665,863
Year 3	782,099	710,456
Year 4	834,478	758,037
Year 5	662,334	601,662
Total	3,011,919	3,360,085
Debt balance September 30	2,466,641	2,895,848
Long-term	1,697,114	2,240,690
Short-term	769,527	655,158

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

24.Cash and cash equivalents

	30.09.2026	30.09.2025
Bank accounts in lei	1,189,733	1,722,720
Bank accounts in foreign currency	7,107,664	5,579,298
Petty cash in lei	5,140	8,159
Petty cash in euro	-	-
Other values	87	195
Total	**8,302,624**	**7,310,372**

Cash and cash equivalents increased slightly compared to the previous period (by 13.57%). We specify that the company has, at the end of the analyzed period, sufficient liquidity to finance the production and investment programs budgeted for 2026.
We specify that, as of September 30, 2026, the company has bank deposits in the amount of RON 24,234,200 (RON 20,111,471 as of RON 30.09.2025).

25. Capital and reserves

Capital social

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

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

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

The subscribed and paid-up share capital is RON 28,557,298, divided into a number of 11,422,919 registered and dematerialized shares, each worth RON 2.50.
The company's shares are registered, dematerialized, ordinary and indivisible.
The identification data of each shareholder, the contribution of each to the share capital, the number of shares owned and the shareholder's share in the total share capital are mentioned in the register of shareholders kept by the register company contractually designated for this purpose.
Each share subscribed and paid by the shareholders according to the law, gives them the right to a vote in the General Meeting of Shareholders, the right to elect or to be elected in the management bodies, the right to participate in the distribution of profits or any rights derived from the quality of shareholder.
Holding the share implies the right to adhere to the statute and subsequent amendments.
Between 01.01-30.09.2026, there were no changes in the share capital.
Changes occurred at the level of other individual and legal shareholders, in the sense that there was an increase in the holdings of legal entities to the detriment of individuals, according to the structure registered on the reference date of September 30, 2026.

26.Employees benefits

a) Remuneration of directors and administrators

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be.
The fixed monthly remuneration of the directors for the period January 1 - September 30, 2026 was in the amount of RON 498,313 and for the corresponding period of the previous year it was in the amount of RON 448,497, in accordance with the provisions of the Articles of Incorporation.
The company did not grant advances or loans to directors or administrators in the 9 months of 2026.
Wage expenses:

	Financial exercise End at 30 September 2026 (lei)	**Financial exercises End at 30 September 2025 (lei)**
Administrators	498,313	448,497
Directors	1,411,387	1,654,089
	1,909,700	**2,102,586**

Between 01.01 and 30.09.2026, there were no changes in the composition of the Board of Directors. Thus, the composition of the Board of Directors on September 30, 2026, as it resulted from the shareholder votes, is as follows:

Mr. Ion Dumitru – President

Mr. Pripa Alexandru – vice-president

Mr. Fainarea Marius – member

Mrs. Galani Andreea Ioana - member

Mrs. Catalina Dumitrascu – member

The indemnities and other rights granted to the directors are provided for in art. 19 of the Articles of Incorporation and in the management contracts, which were approved at the General Meeting of Shareholders on April 22, 2024 and at the General Meeting of Shareholders on August 11, 2026, and the salary and other rights due to the General Manager were established by the Board of Directors, within the limits provided for in Article 22 of the Articles of Incorporation and, respectively, in the Mandate Agreement concluded between the Board of Directors and the General Manager.

The mandate of the current Board of Directors ends on April 23, 2028 and that of the General Manager ends on 09.11.2026.

26.Employees benefits (continued)

Salaries payable at the end of the period:

	30 September 2026	30 September 2025
	(lei)	(lei)
Administrators	43,722	29,154
Directors	31,656	40,006
	75,378	**69,160**

b) Employees

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

	Financial exercise Ended at 30 September 2026	Financial exercises Ended at 30 September 2025
Administrative staff	46	46
Direct productive staff	260	243
Indirect productive staff	56	57
	362	**346**

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

27. Other information, implications of the Russia-Ukraine conflict on the quarterly report

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

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

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

The individual IFRS-compliant financial statements prepared for the period 01.01-30.09.2026 were approved by the Board of Directors on November 11, 2026 and were signed by:

Administrator	Issued
Ec.Ion Dumitru	Ec. Marilena Visescu

STATEMENT

The undersigned ec. Dumitru Ion – Chairman of the Board of Directors and ec. Marilena Visescu – economic director of the company Şantierul Naval Orşova SA, with administrative headquarters in Orşova Municipality, 4 TUFARI Street, Mehedinti County, we declare that to the best of our knowledge, the financial and accounting statement for the period 01.01-30.09.2026, which was prepared in accordance with the applicable accounting standards (IFRS), provides a correct and realistic picture of the assets, obligations, financial position, profit and loss account of the above-mentioned company.

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