

SANTIERUL NAVAL ORSOVA S.A.
ANNUAL REPORT FOR FINANCIAL YEAR 2025

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ŞANTIERUL NAVAL ORŞOVA S.A.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ACCORDING TO LAW NO. 24/2017 AND THE ASF REGULATION NO. 5/2018 concerning the issuers of financial instruments and market operations AND OF THE MFP ORDER NO. 2844/12.12.2016 FOR THE FINANCIAL YEAR CONCLUDED ON 31.12.2025

Date of the Report: 17th of March 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: J25/150/03.04.1991;
- Code LEI: 254900UXAJ8TPIKLXG79
- Subscribed and paid capital: 28.557.297,5 lei
- Number of shares: 11.422.919 common shares, each of 2,5 lei;
- Regulated market where the issued securities are traded: it is a company whose shares are traded on a regulated market, respectively it is listed in the Bucharest Stock Exchange, symbol: SNO
- The company is registered with ASF– Securities Record Office – with Certificate no. 111/02.03.1998, updated on 06.10.2008 further to the increase in share capital as a result of the merger.



1. ANALYSIS OF THE COMPANY'S ACTIVITY

2025, although it was a difficult year, still under inflationary pressures manifested in the general economic environment but also marked by geopolitical developments caused by regional conflicts and political uncertainties, ended with financial results higher than the projected levels for this year. The company's performance was also at a high level compared to that achieved in recent years.

1.1. Description of the company's core business

a) Description of the company's core business

The main object of activity of the company "Şantierul Naval Orşova" S.A. is the construction of river vessels (NACE code rev.2: 3011 "Construction of ships and floating structures", NACE code rev.3: "Construction of civil ships and floating structures"). This activity, up 35.06% compared to 2024 and carried out at the headquarters in Orsova, accounted for 84.03% of the turnover of 2025, the ships built being intended for intra-community deliveries.

In 2025, the activity with a large share in the turnover of the Agigea branch was that of river/sea ship repairs (56.25%). Rental income held a share of 31.46% of the branch's turnover (30.70% in 2024). It is worth mentioning that only 3 of the 4 rooms in the branch's patrimony were rented during 2025. The turnover achieved by the branch decreased by 8.83% compared to the previous year, and its share in total turnover decreased by 5.26% (from 20.17% in 2024 to 14.91% in 2025).

b) Stipulation of the setup date of Şantierul Naval Orşova SA

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

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

In 1998, by selling the package of shares held by the former FPS, the company became a company with entirely private capital, domestic and foreign.

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

In 2025, no such events were recorded.

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

d) Description of assets acquisitions and/or sales:

Acquisitions and disposals of assets are described in paragraph 5.4 of this report, as well as in the NOTES to the 2025 financial statements, which are attached to this report.

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

1.1.1. General assessment elements for the period under review (year 2025):

- total income, out of which: 126.859.878 lei
 - Agigea Branch 20.610.514 lei
- total costs 116.444.982 lei
 - out of which Agigea Branch 16.656.162 lei
- gross profit, out of which: 10.414.896 lei
 - Agigea Branch 3.954.352 lei
 - Orsova headquarters 6.460.544 lei
- market share held:
 - the production obtained at the headquarters addresses the market share of intra-community river ships, where the company holds a share of approximately 2 - 3%;
 - the rental of ships (barges) through the branch was done during the last part of the year, within the country where the share is approximately 5%;
- as of 31.12.2025, the company's available funds in accounts amounted to 9.942.789 Lei, out of which:
 - 1.382.190 lei in the Lei account
 - 8.558.380 lei in the foreign currency accounts
 - 2.054 lei, petty cash
 - 165 lei other values

The main characteristics of the year 2025, compared with the previous years, could be shortly synthesized by:

- Increasing the demand, in the segment of river vessels on which our company operates, of passenger vessels;
- Increase in the sale prices of ships, as a consequence of the increase in the prices of raw materials and materials on the one hand, and on the other hand of services;
- Conclusion of new shipbuilding contracts covering the entire production capacity for the next 2 years;
- An increase in the activity at the Agigea Branch compared to previous years, mainly as a result of the fact that greater attention was paid to the development of the ship repair activity (the revenues from the ship repair activity became predominant in the turnover of the branch), but also to the revival of the business of closing the halls.
- The good name that the company has in the European builder market has contributed greatly to obtaining new shipbuilding orders.

Further information and comments in relation to these indicators and the company's activity are presented in paragraph 4 of this report and in the NOTES to the financial statements, which are attached to this report.

1.1.2 The assessment of the technical level of the trading company

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

The Orsova Shipyard offers its customers a wide range of products. Currently, it is possible to build any type of river vessel for the transport of goods (containers, fuel tanks, chemicals, food, pharmaceuticals), but also to build coastal ships and ships intended for passenger transport.

The company's management has shown and shows a continuous concern for the modernization of production processes, by purchasing the most modern equipment specific to the naval field. Aware of the fact that the company must maintain itself at a level of endowment corresponding to the current requirements, major investments have been made for the purchase of machines, equipment, modern equipment and work facilities for the construction of river vessels. Qualification and employee selection courses were carried out, exchanges of experience in the country and abroad, but also actions to modernize the existing equipment, both at the headquarters in Orșova and at the branch in Agigea. Also, competitive equipment specific to shipyards (80, 47+25 ton electric cranes, a micro twin robot for welding, plasma cutting machines, with numerical control, high definition, sandblasting/painting equipment, welding sources in a protective gas environment) and IT equipment were purchased, together with the licenses and programs necessary for proper operation, high-performance ventilation systems.

If in 2013 and 2014 the modernization and increase of the lifting and launching capacity of the Orșova track was carried out, the repair and modernization project of the Agigea launch track is currently in the completion phase.

In 2025, at the main headquarters in Orșova, high-performance, automatic welding equipment, a strip cutting machine, paint pumps, a maneuvering winch were purchased. It also continued the process of modernizing the technology platform in order to place adjustable tables for making the section blocks, as well as the modernization of the information system.

At the Agigea branch, a Dacia Duster car was purchased and the modernization works at the launch hold continued.

The long and fruitful collaboration with partners in the Netherlands can be attributed to the fact that the company has sought, in a very special way, to meet their requirements, by rigorously achieving the imposed quality standards.

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

SANTIERUL NAVAL ORSOVA SA has at its disposal:

- A Quality Manual – revision 4/12.01.2015
- Procedures :
 - Documents control – revision 1/03.03.2011
 - Registration Control – revision 1/27.05.2014
 - Control of non-conform product – revision 2/ 12.01.2018
 - Corrective actions – revision 2/12.01.2015
 - Preventive actions – revision 2/12.01.2015
- Working instructions
 - Purchased material/products’ acceptance
 - Release from storages – revision 1/13.10.2012
 - Testing the product provided by the Client – revision 1/13.01.2012
 - Maintenance of the equipment– revision 1/08.11.2012

The Orșova Shipyard benefits from a favorable conjuncture, a prerequisite for sustainable development, for the following reasons:

- the geographical location is advantageous, both in the case of the headquarters in Orșova (a city located on the banks of the Danube) and in that of the branch in Agigea (in the port of Constanta);
- the possibilities of adapting to market requirements are increased, the status of medium-sized shipyard opening the prospect of business diversification;
- pollution is within normal limits (pollution is not a disruptive factor);
- the share of foreign supplies and services in 2025 is over 85% of the turnover;
- the company has qualified personnel, in accordance with the requirements of the technological process; we note, however, that there is an increasing trend in the average age of employees;
- the endowment with specific fixed assets is at a reasonable level (comparable to that of other construction sites operating on the same segment); In this direction, the company started, many years ago, an investment program that aimed, on the one hand, to increase the share of active fixed assets, and on the other hand, to replace the means of production with a high degree of physical and moral wear and tear with much more efficient ones, likely to ensure higher productivity; This strategy aimed to increase the flexibility and efficiency of fixed assets and to bring them to a technical and technological level that would allow the production of products that meet the standards imposed by external customers;
- the marketing of ships involves the conclusion of direct contracts with the shipyards that arm the hulls or with European seafarers;
- stable partners, mainly companies belonging to the intra-community area (Netherlands, Germany, Belgium);

In 2025 there were no major changes in the demand for new sea/river vessels, the global demand for ships being tempered by macroeconomic uncertainties, rising material costs and fluctuations in transport rates. At the same time, trade tensions and tariff policies have influenced decisions regarding the placement of orders. In the general weak context of the market, the construction of passenger ships and military ships attracted investment and interest. According to information on the ship market, the current situation will continue in 2026, but also in the coming years. In terms of shipbuilding, China continues to dominate the global market with about 63% of all new construction and is the largest builder. South Korea remains in second place with 21%, the difference of about 16% of the market being held by countries in Europe, Asia and the USA.

In this context, we believe that a strategy for the future must be realistically analyzed, in order to be able to find – further – pricing and financing policies that ensure the continuation of the activity in conditions of performance and competitiveness.

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

In 2025 there were no important changes in terms of the main suppliers of raw materials and materials, Further in 2025, the Company, due to the interruption of the activity of the company Liberty Arcelor Mittal Galati, turned to a company outside the community area for the purchase of raw material. As in previous years, the insurance of the material base was carried out mainly from ISO-certified suppliers in the country, according to European norms and standards. However, when the quality-price ratio was more favorable to imports or intra-community purchases, the company opted for this option; We refer especially to naval sheet, stainless steel sheet, pipes, profiles. As far as intra-Community acquisitions are concerned, these are mainly those materials that are not produced in the country or for which the customers of the contracted vessels have imposed a certain quality standard; We exemplify such materials: laminates and paints for river/sea vessels. The transport of the ships in Germany/Holland, depending on the delivery conditions of the contracts, was carried out on the Orsova – Regensburg segment and on the Regensburg – Rotterdam route with domestic and non-EU providers (RHENUS PARTNERSHIP, CLASSIC CHARTER GMBH – GERMANY, VIGILIA TRADING BV – NETHERLANDS).

As there was a rhythmicity of supplies, the stocks of materials were always at an optimal level, which ensured the continuity of the activity, with no interruptions in the manufacturing process due to lack of raw materials and materials.

The main suppliers of raw materials and materials in the country, depending on the value of supplies and their importance, were:

- | | |
|----------------------------------|--|
| • LIBERTY ARCELOR MITTAL GALATI: | for medium and thick plates; |
| • DUCTIL Buzău: | welding consumables; |
| • LINDE GAZ Timișoara: | technical gases |
| • PENTAGON SRL TECUCI: | grinding stones |
| • NIMFA COM SRL BUC.: | pipes and various profiles |
| • COMTECH CO SLATINA | pipes and different profiles |
| • DAMILA RM VALCEA | steel pipes; |
| • MIRAS INTERNATIONAL TARGOVISTE | different profiles; |
| • INOX METAL | pipes and different profiles |
| • PLASMASERV | welding consumable |
| • EURONERA DISTRIBUTION | gloves, screens, safety goggles, filters |

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

- JULIUS HANDELS GMBH from Austria for profiles and pipes,
- INTERCOM GROUP BG, for sheet metal
- MAKSTIL AD, for sheet metal

The subcontracting activity of specific operations continued in 2025, but at a higher level than in previous years. These collaborations were necessary for the proper development of the activity, referring to the activities of painting ships, metal constructions, components of ship equipment, ship transport, etc. Among the most important collaborating companies we list:

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

1.1.4 Assessment of sales activity

The turnover, in terms of total activity, increased by 23.37% compared to the previous year. In structure, revenues from shipbuilding increased by 35.06%, while revenues from ship repair activity decreased - by 7.06% compared to 2024. The turnover achieved was, in particular, due to external, intra-community deliveries and services for ships built in Orșova, and internal services for the ship repair activity, from the Agigea branch. As for the revenues from the sale of residual products, mainly due to the recovery of waste resulting from the production process but also from the scrapping of some assets compared to 2024, they registered a decrease, by 17.19. Also decreasing were the revenues from renting salons (by 21.73%).

All 5 ships completed and delivered in 2025, from Orșova, were destined for delivery to the intra-community market.

Below is a comparative situation over the last three years of intra-community deliveries, by beneficiaries, expressed as a percentage of total ship deliveries (according to IFRS 8):

<u>CLIENT / BENEFICIARY</u>	<u>YEAR</u> <u>2023</u>	<u>YEAR</u> <u>2024</u>	<u>YEAR</u> <u>2025</u>
Rensen Driessen Shipbuilding B.V. (NL)	38,59%	88,71%	100%
Gebr De Jonge (NL)	39,49%	18,29%	-
GEFO GESELLSCHAFT FUR OEL TRANSP. (DE)	12,82%	-	-
BLACK SEE	9,10%	-	-
TOTAL	100%	100%	100%

In 2025, Rensen Driessen Shipbuilding B.V. was the sole beneficiary of the 5 hulls built by the company.

The contractual payment terms for all these deliveries were by paying initial advances from 10% to 70% and, respectively, paying the difference after the ships arrived at their destination.

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

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

The company's main competitors in the shipbuilding and repair business are, as in previous years:

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

1.1.5 Assessment of aspects related to employees / company staff

The most important resource of society is the human resource. The company's efforts to achieve and increase production in 2025 also meant a greater need for a workforce. Thus, given the fact that the average age of employees is high and the age structure is not balanced, the company has faced and continues to face a real risk related to personnel due to the departure from the company of employees who reach retirement age. The steps taken at the level of the executive management to recruit new skilled workers in the trades of welders and locksmiths were to replace those who left, especially through retirement, but also to ensure the necessary workforce to carry out the contracted production for 2025.

Regarding the company's personnel, we can conclude that:

- On the one hand, there is a phenomenon of aging of the salaried personnel that will continue in the next period;
- On the other hand, there is a certain decrease in the qualification of the newly hired personnel, especially in the basic trades (welders and locksmiths), which will lead to the outsourcing of some metal construction works in the future, as long as there is no competition for employment;
- We are still facing difficulties in filling positions;
- The continued manifestation of labor force fluctuation.

In 2025, the number of personnel increased by 1.16%, compared to 2024.

The average number of personnel for the entire year 2025 is 348 employees, compared to 344 employees in the previous year. The effective number on 31.12.2025 was 368 employees, of which 333 at the Orșova headquarters and 35 at the Agigea Branch.

Of the total number, by sectors of activity as of 31.12.2025, the situation is as follows:

- 367 in industrial activity
- 1 in medical activity

In structure, the situation is as follows:

- 46 technical, economic, specialized and administrative staff, of which:
 - o 39 people in Orșova (of which 34 with higher education);

- o 7 in Agigea (of which 6 with higher education).
- 5 foremen, of which 6 in Orșova;
- 317 workers, of which:
 - o 289 people in Orșova;
 - o 28 people in Agigea.

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

- men – 315 persons (305 in the previous year);
- women – 53 persons (44 in the previous year).

During 2025, a number of 93 newly hired employees and 76 departures were registered; The latter left through: retirements, termination of employment contracts for reasons related to the employee's person, expiration of the individual employment contract and with the agreement of the parties, the latter being the most common.

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

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

The degree of unionization of the workforce is 65.76%.

As for the rights of the employees in the Collective Labor Agreement, they were negotiated in such a way as to ensure the profitability of the activity, but at the same time, a balance between the two parties. During 2025 there were no elements of a conflictual nature between the employees and the company's management.

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

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

The environmental policy of Șantierul Naval Orșova SA is based on the principles of precaution, prevention and correction of pollution at source. As a totality of actions, documentation or programmes that identify, describe and assess possible significant effects on the environment, it is closely linked to compliance with the principles of the European directives on respect for and protection of the environment (EC Directive 2002/42/EC, SEA Directive 2001/42/EC, Habitats Directive 92/43/EC, Directive 2004/35/EC on liability for environmental damage and the ELD Directive), as well as the socio-economic policy of the society.

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

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

- compliance with Romanian environmental legislation and alignment with European Union Directives;
- mitigating the impact of the company's main activity on environmental factors;
- systematic assessment of accident risks and development of prevention measures.

- integrating environmental considerations into the development and adoption of the company's plans and programs;
- superior capitalization of primary resources of raw materials and energy with effects on minimizing the quantities of waste, wastewater, pollutants in water, air and decreasing unit costs per ton of product;
- continuous improvement of environmental aspects, especially significant ones, based on environmental management programs, the action plan (an integral part of the environmental permit) having set targets, objectives, deadlines and responsibilities;
- increasing the degree of education in terms of environmental protection by ensuring the organizational and implementation framework of projects regarding wastewater disposal, waste storage (especially hazardous waste), soil protection.

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

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

During 2025, the company fully complied with the obligations resulting from the Environmental Permit no. 21/27.02.2013, revised on 15.03.2024, valid up to date, endorsed by the National Agency for Environmental Protection Mehedinti for the period 27.02.2025 - 27.02.2026, also fulfilling all the obligations imposed on it by the Water Management Authorization no. 68/01.11.2024, valid up to date, no event with a negative impact on the environment being reported (proof of the control acts of the inspectors from the Mehedinti Environmental Guard, two during 2025, no pecuniary or coercive measures being ordered by them).

1.1.7 Assessment of research and development activities

As in previous years, in 2025 the company did not record expenses with research and development activity, and for 2026 it does not intend to incur such expenses, due to the fact that – still – the technical projects of the built ships are usually supplied by customers or the projects that the company bought in previous years with the right of use for new constructions to be carried out in the future are used.

1.1.8 Assessment of company activities regarding risk management

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

At the same time, society has felt and still feels the effects of the global economic and financial crisis.

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

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

As has also been shown, the decrease in the demand for ships accompanied by the reduction in sales prices, as an effect of the global economic crisis, has directly affected the company's activity in recent years, including in 2025.

In order to be able to overcome this difficult period, the company's management had to initiate actions and programs to help it manage costs so that it could survive on the river vessel market. This aspect aimed at reducing costs according to the evolution of foreign markets continues to be the main concern of the company's management.

Taking into account the estimates/forecasts regarding the evolution of the exchange rate in 2025, the company carried out hedging operations. These derivative operations were concluded at an exchange rate above the official one of the respective period, which determined that the favorable exchange rate differences recorded in 2025 from such operations were about 260 thousand lei.

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

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

1.1.9 Perspectives on the company's activity

The year 2026, analyzed both in terms of external factors related to trade and political tensions, as well as internal factors (inflation, workforce, fiscal policy), is expected to be a year in which the economy is forecast to grow moderately.

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

- The company has over 32 years of experience in the field of construction and repair of river vessels; they are executed at the level of quality standards imposed by foreign customers, and the name of the company is already well known and appreciated by Western European shipbuilders;

- The company's activity will continue to be influenced by the economic uncertainties manifested on the markets in which we operate;

- Currently the company has concluded contracts for the years 2026, 2027 and partially 2028, which ensure the coverage of the production capacity at the main headquarters and give us the security of continuing the activity in the coming years;

- As far as the Agigea Branch is concerned, at the end of 2025 there were four hydroclapel barge ships in its patrimony, which are described in item 2.1 b of this report; During 2025, three ships were leased of these. For 2026, the company's new strategy, in view of their state of technical and moral degradation, aims to sell 4 rooms and purchase two new halls. At the same time, the branch has the necessary facilities and capacities to be able to carry out ship construction and repairs, aiming for the ship repair activity to continue its growth compared to previous years;

- Considering the concluded contracts, the production structure and the evolution of salary costs and those with raw materials and materials, the company based its Income and Expenditure Budget for 2026 on a volume of revenues at a higher level than that achieved in 2025.

- Efforts will be continued to find new sources of income at the branch level, but also to reduce production costs so that the company becomes more competitive;

- Also, after carrying out technical and opportunity analyses, the company aims to carry out an investment program for 2026 consisting mainly of:

o Completion of the works on the modernization of the launch path from Agigea, respectively the replacement of the wreck trolleys, which will lead to increasing the safety of ship lifting-launching operations;

o Purchase of welding equipment, especially for the Orsova headquarters;

o Purchase of a high-definition plasma cutting machine

o Purchase of a crane Locateli 17/47 to

o Investments in IT equipment, software updating

o Modernization of technological platforms and inland roads

o Modernization of the buildings and equipment of the mechanical workshop located in the patrimony of the branch

o Modernization and sanitation of production halls, administrative and social spaces

o Purchase of rooms

2. COMPANY'S FIXED ASSETS

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

In 2025 there were no significant changes in their composition, the largest investment expenses were those related to the repair, replacement and modernization of the existing ones, as we have shown.

a) In Orsova, a total area of land of 85,790 sqm is owned at the administrative headquarters, confirmed by extracts from the Land Book.

The fixed assets existing at the headquarters in Orșova are mainly made up of:

- a 1,800 t launching hold with ten wires on a length of 100 linear m, with the help of which ships with a maximum length of 135 linear meters and a width of 15 linear meters can be launched and which was modernized in 2014.

- a technological platform that allows the simultaneous assembly of 5 river vessels as well as the execution of sections and blocks related to shipbuilding;

- 5 80+25 t gantry cranes purchased in recent years for the assembly platform, 2 16 ton gantry cranes together with 2 magnetic sleepers for handling sheets at the sheet metal warehouse and the blasting station and one 5 ton Portal crane, purchased in 2019; they provide more safety and have led to increased labor productivity by replacing existing cranes that were physically and morally worn;

- a micro twin robot for welding, put into operation in 2024;

- 1 OMNIMAT coordinate cutting machine based on computer programs and 4 with OMNICUT plasma, put into operation in 2007, respectively 2009, 2018 and 2021;
- Hydraulic sheet metal bending press, purchased in 2017
- Compressors (4 pieces) type ACU 9L8 from HAFI and a screw compressor;
- an automated horizontal painting blasting line purchased in 2009 for sheets up to 3000 mm wide;
- buildings, warehouses, material warehouses, administrative pavilion;
- cranes of 10 - 50 tons, of which two 47 ton cranes purchased in 2023-2024, welding and painting equipment, sheet metal rolling machine, 2 hydraulic bending presses of 200 tons for shaping the profiles at the retreat areas (stern, bow), etc.

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

The main fixed assets available to the branch are those existing in previous years, in 2025 the main purchase being a Dacia Duster car.

As for the launch hold, in 2015 a first stage of replacement of the damaged tracks was completed, in 2016 the problem of the towing system for launching ships into the water was solved, the modernization action continuing in 2017 and 2018. In 2019, the investment plan provided for the replacement of the strollers up to this hold. The 14 trolleys to be replaced were made in 2019. By the end of 2025, 12 trolleys have been changed, the replacement action being delayed due to the large volume of repair works on ships and the impossibility of blocking the launch path to allow the replacement works of the trolleys to be carried out.

The main facilities at the Agigea branch:

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

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

- the construction and launching hold, with 14 pages, on which the lifting / lowering of ships can be carried out, having the following dimensions:

a maximum length = 90.00 m

a maximum width = 18.00 m

a maximum height = 3.60 m

an empty ship weight = 1,800 t

- 1 crane with movable boom 16 tf x 16 m / 8 feet x 32m;

- 1 80 ton portal crane, purchased in 2008;
- an automated horizontal painting blasting line purchased in 2009 for sheets up to 3000 mm wide;
- Washing and sandblasting equipment
- Caterpillar Forklift
- Compressor
- production halls (for metal works, engine assembly, naval equipment);
- technical gas network;
- workshops for electrical repair activities, turning (with possibilities of processing parts with a

DENOMINATION	BALANCE AS OF 31.12.2025	BALANCE AS OF 31.12.2024
LAND	625.753	625.753
CONSTRUCTIONS	21.057.106	22.462.920
TECH. INSTAL. AND TRANSP. MEANS	21.057.652	17.296.766
OTHER INSTALL, EQUIP. AND FURNIT.	216.734	138.469
REAL ESTATE INVESTMENTS	-	50.243
ASSETS IN PROGRESS	2.915.083	3.080.295
TOTAL	45.872.328	43.654.446

maximum diameter of 600 mm and maximum length of 11,000 mm, equipped with an overhead crane 5 TF x 16.5 m), etc.;

- covered and uncovered storage spaces
- material warehouse 60 x 60 = 3600 sqm;
- working platform 40 x 30 = 1200 sqm;
- work platform 120 x 40 = 4800 sqm.

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

On 31.12.2025, the company proceeded to the revaluation of the group of vessels, according to the company's accounting policies, with the results of this revaluation reflected in the financial statements prepared for this year. The net carrying amount of fixed assets as of 31.12.2025 after this revaluation is presented in the following statement:

The revaluation was carried out by an evaluation firm authorized by ANEVAR, and the results of the revaluation were recorded and presented in the financial statements for 2025; The company has prepared a special report on the results of this operation, in detail, in order to present it to the shareholders for approval, a report that completes this presentation.

A part of the fixed assets in the category of machinery and buildings were placed in conservation in the past years For this category of fixed assets (other than buildings) depreciation in a total amount of 130,548.24 lei were constituted. During 2025, all these fixed assets were scrapped, the waste resulting from the scrapping was recovered and the depreciations constituted were resumed in revenues.

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

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

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

3. MARKET OF SECURITIES ISSUED BY THE COMPANY AND CORPORATE GOVERNANCE

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

The shares of the Orșova Shipyard Company are registered and traded, since 1998, on the Bucharest Stock Exchange, bearing the symbol SNO. At the moment the shares are traded in the category: STANDARD. The activity of keeping the shareholders' register was and is carried out by S.C. Depozitarul Central S.A., according to contract no. 30808 dated September 9, 2022.

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

The share capital of the company Șantierul Naval Orșova SA did not change in 2024.

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

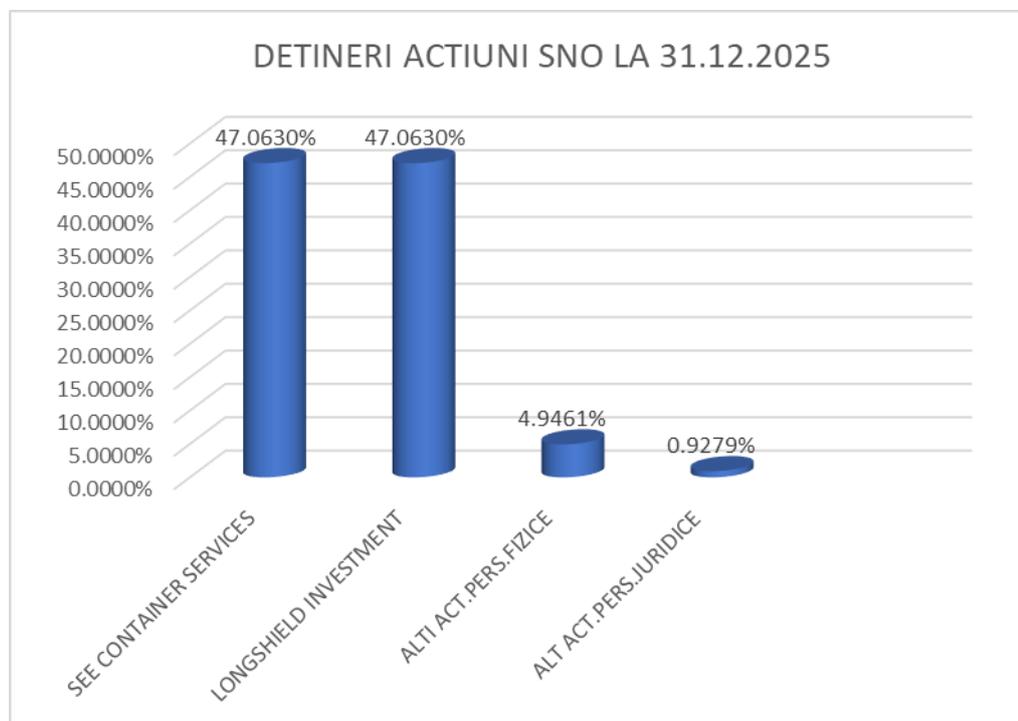
We specify that during June 2024 Societatea de Investitii Financiare Muntenia S.A. changed its name to Longshield Investment Group S.A.

In 2025, changes occurred at the level of other shareholders, individuals and legal entities, in the sense that there was an increase in the holdings of individuals to the detriment of legal entities.

According to the register of shareholders requested from the Central Depository on the reference date 31.12.2025, the structure of the shareholders is presented as follows:

<u>Shareholders</u>	<u>Number of shares</u>	<u>Amount</u>	
	<u>Percentage</u>		
Longshield Investment Group S.A.	5.375.969	13.439.923	47,0630
Sea Container Services S.R.L	5.375.968	13.439.920	47,0630
Other shareholders natural persons	564.984	1.412.460	4.9309
Other shareholders legal persons	105.998	264.995	0,9431
	<u>11.422.919</u>	<u>28.557.298</u>	<u>100,000</u>

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



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

The company's shares are ordinary and indivisible.

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

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 be elected to the management bodies, the right to participate in the distribution of profit or any rights derived from the quality of shareholder.

Holding the share implies the right to adhere to the statute and subsequent amendments.

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



According to the data presented on the BVB website, the range of variation of the trading price in the last year was between 9.1 lei/share and 6.85 lei/share (32.85% increase). Referring to the period of the last 5 years, we find that the lowest trading price was recorded at the beginning of August 2022 (4.6 lei per share), and the highest price was recorded in August 2025 (9.10 lei per share).

3.2. Description of company's policy on dividends

- In the period 2010-2011, when the level of profit was at a relatively low level, the general meeting of shareholders decided that this amount should remain at the disposal of the company, as its own source of financing, without dividends being distributed.

- Between 2012 and 2013, the company recorded a loss, so it was not possible to distribute dividends.

- In 2014 and 2015, the company recorded a profit, which was used to partially cover the losses of previous years.

- In 2016, after covering the losses of previous years from "Other reserves", a gross dividend of RON 0.2/share was distributed from the net profit for this year, according to the Resolution of the Ordinary General Meeting of Shareholders dated April 7, 2017;

- For the financial year 2017, a gross dividend of RON 0.16/share was approved, for 2018 the gross dividend amount was RON 0.22/share and in 2019 a gross dividend of RON 0.24/share was approved and distributed.

- For the financial year 2020, the distribution of a total gross dividend of 1 lei/share was approved, of which 0.38 lei/share distributed from the net profit of 2020 and 0.62 lei/share as additional gross dividend distributed from the retained result.

- In 2021, the company did not record a net profit.

- In 2022, at the OGMS meeting held on 24.11.2022 (OGMS Resolution no. 55), the distribution of the amount of RON 6,054,147.07 was approved, respectively a gross dividend of RON 0.53/share, from the profit reconstituted by transferring the amount from the balance on 12.31.2021 of the "Other reserves" account to the dividend account, as a result of the return to the distribution approved by the OGMS in previous years of the net profit.

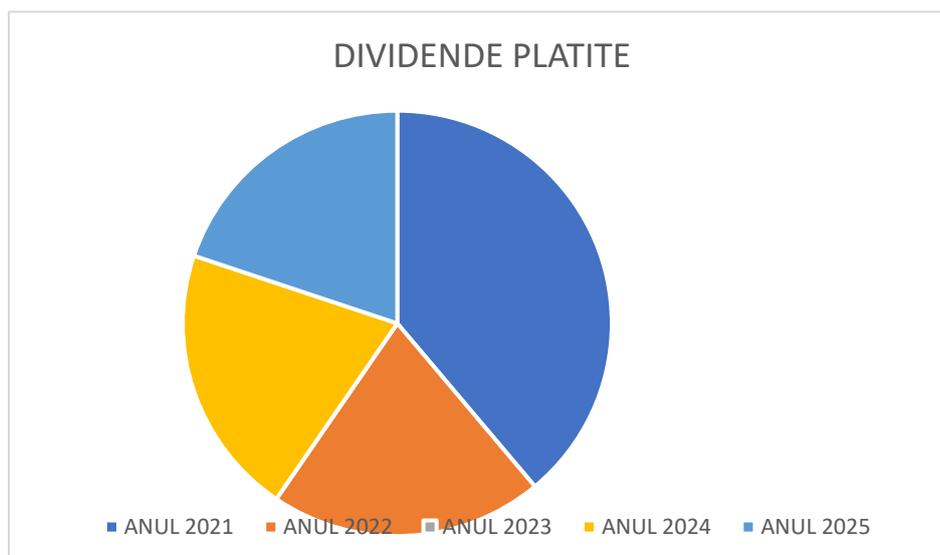
- In 2023, the company did not record a profit.

- In 2024, at the OGMS meeting of 21.10.2024 (OGMS Resolution no. 61), the distribution of dividends in the amount of RON 6,054,147.07 was approved, respectively a gross dividend of RON 0.53/share, from the profit reconstituted by transferring the amount from the balance on 12.31.2023 of the "Other reserves" account to the dividend account, as a result of the reversal of the distribution approved by the OGMS in previous years of the net profit.

- In 2025, at the OGMS meeting of 28.04.2025 (OGMS Resolution no. 62), the distribution of dividends in the amount of RON 5,825,688.62 was approved, respectively a gross dividend of RON 0.51/share, from the net profit of 2024.

The evolution of dividends paid by the company in the last 5 years is shown in the table and graph below:

Payment date	Gross dividend lei/share	Paid dividends	Source		
			Net profit of the previous year	Reported result	Restructured profit from other reserves formed in the previous years
30.06.2021	1	11.422.919,00	4.340.709,22	7.082.209,78	
22.12.2022	0,53	6.054.147,04			6.054.147,07
2023	-	-	-	-	-
22.11.2024	0,53	6.054.147,04	-	-	6.054.147,07
30.06.2025	0,51	5.825.688,69	5.825.688,69	-	-



3.3. Description of any activities to purchase own shares.

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

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

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

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

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

4. MANAGEMENT OF THE ISSUER

4.1. The Orsova Shipyard S.A. is managed in a unitary system by the Board of Directors consisting of 5 members, elected by the General Meeting of Shareholders by the cumulative voting method.

At the Ordinary General Meeting of Shareholders (OGMS) held on 22.04.2024, the company's Board of Directors was elected for a period of 4 years.

At the end of 2025, changes occurred in the structure of the Board of Directors. Thus, starting with 10.11.2025, Mrs. Patrascu Nadina Elena resigned from the position of member of the Board of Directors and Chairperson of the Audit Committee, the Board of Directors of the company provisionally appointing Mrs. Galani Andreea Ioana in these positions, starting with 17.11.2025 and until the date of the OGMS meeting, Mrs. Galani Andreea Ioana (Decision no. 14/11.11.2025).

The composition of the Board of Directors, as it resulted from the shareholder votes, as of 23.04.2024, is as follows:

- MR. ION DUMITRU, a 76-year-old Romanian citizen, an economist by profession. As of 31.12.2025, he did not hold shares in the company;
- MR. PRIPA ALEXANDRU, a 41-year-old Romanian citizen, an economist by profession. As of 31.12.2025, he did not hold shares in the company;
- MR. FAINAREA MARIUS, a 56-year-old Romanian citizen, an engineer by profession. As of 31.12.2025, he did not hold shares in the company;
- MRS. DUMITRASCU CATALINA, a 36-year-old Romanian citizen, an economist by profession. As of 31.12.2025, he did not own shares in the company;
- MRS. PATRASCU NADINA ELENA, a 30-year-old Romanian citizen, an economist by profession. Until the date of his resignation (10.11.2025) he did not hold shares in the company;
- MRS. GALANI ANDREEA IOANA, a 30-year-old Romanian citizen, an economist by profession. As of 31.12.2025, he did not own shares in the company;

The company is not aware of any cases of agreements, agreements or family ties between the directors and other persons due to which the directors were appointed to these positions.

According to the legal provisions and those contained in the ARTICLES of Incorporation, the Board of Directors met, during 2025, in several meetings (11), the members of the Board of Directors participating in these meetings in person – physically or by means of remote communication, in teleconference system, in order to analyze and discuss the current problems of the company and which fall within the attributions of this management body.

The main issues that were discussed, analyzed and approved in the meetings of the Board of Directors during 2025 refer to:

- Organizational measures prior to the convening of the general meetings of shareholders in 2025;
- Analysis and approval of financial statements;
- Substantiation of the BVC, analysis of achievements compared to the provisions of the BVC;
- Election of a provisional member of the Board of Directors;
- Analysis of the evolution of disputes in which the company is involved;
- Approval of global ceilings in relation to banks;
- Approving the internal audit plans and analyzing the conclusions of the internal audit missions, ordering measures;
- Approval of the sale of assets;
- Approving the salary increases negotiated with the unions, solving the various salary requests of the unions and other current issues on the agenda;
- Analysis of the state of achievement of financial indicators;
- Analysis and approval of operational measures at the headquarters and at the Agigea branch;

- Discussing other topics and taking measures on issues/aspects of interest, which fall within the decision-making sphere of the Board of Directors;

4.2 In relation to the manner of ensuring the executive management, we specify that starting with March 2011, Mr. Mircea Ion Sperdea was appointed to the position of general manager, the management of the company being carried out on the basis of a mandate contract. In November 2015, the mandate of Mr. Mircea Ion Sperdea was extended for a period of 4 years. In April 2019, the mandate of Mr. Mircea Ion Sperdea was extended for a period of 1 year, respectively until April 2020. In April 2020 the mandate contract was extended for a period of 4 years, and in October 2020, the new Board of Directors elected in the OGMS of 02.10.2020 concluded a new mandate contract with Mr. Sperdea Ion Mircea for a period of two years. In November 2022, the Board of Directors of the company decided to extend the mandate contract of Mr. Sperdea Ion Mircea for a period of 4 years.

Starting with 01.01.2024, Mr. Girleanu Daniel was appointed as Director of the Agigea Branch, for a term of 1 year. In January 2025, the Board of Directors decided to extend his mandate for another period of 1 year, until 31.12.2025.

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

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

Mr. Sperdea Mircea previously held the position of head of the supply office within the company. In 1996 he was promoted to the position of commercial director, and from November 2000 until the end of 2010 he held the position of deputy general manager.

We inform the shareholders that in accordance with the legal provisions (amendment of Law no. 31/1990 - Law on Commercial Companies, republished) the General Manager's employment contract was suspended starting with March 1, 2011, being concluded and signed between the company, represented, on that date, by the Chairman of the Board of Directors - Mr. Fercală Mihai - and Mr. Mircea Ion Sperdea, a mandate contract for a period of 2 years and which was subsequently successively extended, as shown. This contract concerns the entrustment and exercise of the position of director based on the delegation by the Board of Directors of the company to the director, of some of the management duties of this management body, within the limits allowed by law and for the purpose of achieving the company's object of activity. Mr. Sperdea Mircea held as of 31.12.2025 a number of 15,335 shares representing 0.134% of the share capital.

Mrs. Vişescu Marilena was employed in this company in 1987, immediately after graduating from the Faculty of Economic Sciences in Craiova, specializing in finance and accounting, as an economist. Starting with 01.11.1990 she held the position of head of the accounting office until 30.06.2019, when she was promoted to the position of economic director. As of 31.12.2025, he held a number of 10 shares in the Orsova Shipyard SA.

Mr. Stoinel Florin graduated from the Faculty of Mechanics of the Polytechnic University of Timisoara in 1995, and was hired immediately after graduation as an engineer at the design office of the company Șantierul Naval Orșova SA. Between 01.10.1998 - 14.11.2005 he worked as head of the design office, and on 15.11.2005 he was appointed technical director with manufacturing training. As of 31.12.2025, he held a number of 400 shares in the Orșova SA Shipyard.

Mr. Girleanu Daniel is a graduate of the Faculty of Finance and Accounting at Danubius University of Galati, specializing in finance and accounting. He holds an Executive MBA degree following the completion of a program at ASEBUSS Business School. Since 2018 he has been the General Manager of Sea Container Services S.R.L in Constanta – a significant shareholder of our company, and starting with 01.01.2024 he was appointed by the Board of Directors of the company, as Director of the Agigea Branch, for a one-year term. As of 31.12.2025, he does not hold shares in SNO.

With the exception of the general manager and the branch manager, who have mandate contracts with the company, as shown, the other directors are appointed to executive management positions by the Board of Directors and are employees of the company with employment contracts for an indefinite period.

The Company is not aware of any cases of agreements, agreements or family ties between the directors and other persons due to which the above persons have been appointed to the executive management of the Company.

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

4.3 Other aspects regarding CORPORATE GOVERNANCE.

The last important amendment to the Company's Articles of Incorporation was made at the Extraordinary General Meeting of Shareholders on 02.10.2020 and concerned the chapters of the Board of Directors and the Company's Directors. During 2023, it underwent a new amendment, respectively Art.22-(1) was amended. In 2024, at the Extraordinary General Meeting of Shareholders held on 21.10.2024, new amendments were made to the relevant chapters at the General Meeting of Shareholders and to the Rights and Obligations of Directors, Associated Business Auditors S.R.L Timisoara has been appointed by the Board of Directors to ensure the internal audit, this company being authorized to carry out this type of activities. The explanatory notes to the financial statements also contain details regarding the fee, as well as other information related to the internal audit activity.

The Orsova Shipyard S.A., as issuer, in compliance with the provisions of the Corporate Governance Code of B.V.B., has regularly published information on the topics of maximum interest to shareholders, as follows:

- current reports, communications;
- details regarding the conduct of the General Meeting – convening notices, materials related to the agenda, special power of attorney model, rules and procedures for participation in the general meetings, shareholders' rights, detailed voting result, decisions taken during the general meetings;
- reports with quarterly, half-yearly, annual financial information;
- information regarding the directors and members of the executive management, including their contact details, but also changes in the structure of the Board of Directors;
- data regarding the advisory committees set up at the level of the Board of Directors;

- financial calendar;
- decisions of the General Meeting of Shareholders;
- Articles of Association in force;

The Board of Directors consists of 5 non-executive members, and the decision-making process within this management body, by the way it is organized, is not dominated by one person or a group of people. The procedure for electing the members of the Board of Directors is transparent, the candidacies being public. The company carries out activities regarding social and environmental responsibility, trained employees being designated for this purpose.

- decisions of the General Meeting of Shareholders;
- Articles of incorporation in force;

The Board of Directors consists of 5 non-executive members, and the decision-making process within this management body, through the way of organization, is not dominated by one person or a group of people. The procedure for electing the members of the Board of Directors is transparent, the candidacies being public. The company carries out activities regarding social and environmental responsibility, trained employees being designated for this purpose.

At the level of the Board of Directors, two advisory committees are constituted, namely the Audit Committee and the Nomination and Remuneration Committee, each committee being made up of 3 members.

Given the share of approx. 94% that Longshield Investment Group S.A. and Sea Container Services S.R.L. hold in the share capital, the administrators were proposed/elected as their representatives. The company aims to improve communication with shareholders and the capital market in the coming period through increased transparency towards investors and solid corporate governance.

5. FINANCIAL-ACCOUNTING SITUATION

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

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

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

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

The audit of the financial statements for 2025 was carried out by the company SIACONS S.R.L. BRASOV, based on the contract no.1243/27.06.2025, whose validity is 1 year, according to the OGMS Resolution no.62 of 28.04.2025. We mention that, in the previous period, the auditing of the financial

statements was carried out by A.B.A. AUDIT SRL Timisoara, based on the contract no. 405/22.07.2013, successively extended, in the last year of auditing the financial statements for 2024 being audited.

5.1. Financial position as of 31.12.2025

According to IFRS, as of 31.12.2025, the financial position compared to the last 2 years is as following:

<i>ASSETS, LIABILITIES, EQUITY</i>	<i>31.12.2025 Lei</i>	<i>31.12.2024 Lei</i>	<i>31.12.2023 Lei</i>	<i>YEAR 2025/2024 GROWTH/ DECREASE (%)</i>
I. Total tangible assets, out of which:	42,957,245	40,574,151	37,457,736	5.87
- land and constructions	21,682,859	23,088,673	18,908,217	(6.09)
- technical installations and transportation means	21,057,652	17,347,009	18,450,791	21.39
- other tangible assets	216,734	138,469	98,728	56.52
II. Intangible assets	7,872	41,677	81,164	(81.11)
III. Tangible assets ongoing execution	2,915,083	3,080,295	1,402,835	(5.36)
IV. Real estate investment	-	-	606,447	-
IV. Other non-current assets	422,980	329,480	110,832	28.38
V. User rights of rented assets	2,909,166	3,335,469	495,806	(12.78)
A. TOTAL NON-CURRENT ASSETS	49,212,346	47,361,072	40,154,820	3.91
I. Inventories	27,756,715	36,479,637	28,967,886	(23.91)
II. Trade receivables and other receivables	20,373,050	3,096,984	12,089,896	557.84
III. Other short-term financial investments	20,111,471	13,514,382	6,495,815	48.82
IV. Cash and cash equivalents	9,942,789	10,955,209	11,943,703	(9.24)
V. Advance expenses	173,057	179,843	153,995	(3.77)
VI. Assets classified as held for sale	-	1,048,588	-	-
B. TOTAL CURRENT ASSETS	78,357,082	65,274,643	59,651,295	20.04
TOTAL ASSETS	127,569,428	112,635,715	99,806,115	13.26
I. Equity	28,557,298	28,557,298	28,557,298	0.00
II. Share premiums	8,862,843	8,862,843	8,862,843	0.00
III. Reserves	51,629,443	47,454,438	47,157,267	8.80
IV. Result of the year	8,762,422	5,936,340	3,453,687	47.61
V. Reported result	1,832,886	1,444,674	(2,848,032)	26.87

<i>ASSETS, LIABILITIES, EQUITY</i>	<i>31.12.2025 Lei</i>	<i>31.12.2024 Lei</i>	<i>31.12.2023 Lei</i>	<i>YEAR 2025/2024 GROWTH/ DECREASE (%)</i>
VI. Other internal equity elements	(4,975,636)	(4,513,190)	(3,753,867)	10.25
C.TOTAL EQUITY	94,669,256	87,742,403	81,429,196	7.89
I. Liabilities related to deferred tax	4,975,636	4,513,190	3,775,937	10.25
II. Other liabilities	2,522,488	2,904,644	60.040	(13.16)
D. TOTAL LONG TERM LIABILITIES	7,498,124	7,417,834	3.835.977	1.08
I. Trade payables and other payables, including derivatives	24,479,335	15,944,198	13.884.794	53.53
II. Advance registered incomes	18,063	317,980	950	(94.32)
III. Provisions	904,650	1,213,300	655,198	(25.44)
E. TOTAL CURRENT LIABILITIES	25,402,048	17,475,478	14.540.942	45.36
TOTAL EQUITY AND LIABILITIES	127,569,428	112,635,715	99,806,115	13.26

Fixed assets

Tangible impositions: In this category of assets, in total, there is an increase of 5.87% compared to the previous year, especially as a result of the revaluation of the ship group, carried out on 31.12.2025, but also as a result of the acquisitions made for the purpose of modernizing the activity. As for the tangible fixed assets in progress, there is a decrease compared to the previous year (by 5.36%) and is mainly due to the partial completion of the modernization works of the launch track and some production halls.

Intangible assets decreased by 81.11%; The decrease compared to the previous year is due to depreciation.

Rights to use leased assets. In 2021, the company reanalyzed the land lease agreement concluded with the National Company for Port Administration of Constanta, and found that it falls within the recognition criteria under the IFRS 16 standard. Thus, taking into account the fact that the contract concluded in 2019 contains clauses regarding renegotiation for periods of 5 years, the company registered an asset related to the right to use and a corresponding leasing debt for a 5-year cycle, consequently proceeding to the retroactive restatement of the errors generated by the non-application of the standard. In 2024, the contract was renegotiated. The decrease recorded in this position (by 12.78)% corresponds to the right of use for the year 2025. More information regarding the application of IFRS 16 is presented in the Notes to the Financial Statements.

Inventories registered, overall, a decrease of 23.91% compared to 31.12.2024. Although in 2025 a significant part of the raw materials and materials related to the constructions that will be completed in the following year were delivered, and advance payments were made to the raw material supplier, we see a decrease in the production in progress (by 54.09%), which led to a lower level of stocks at the end of the year.

Trade receivables and other receivables. There is a significant increase in commercial receivables compared to the previous year (by 557.84%), especially due to the non-collection by the end of the year of the invoice issued in December related to the ship delivered during this period. At the end of 2025, the company had uncollected current receivables and most of them were liquidated in the early period of 2026. Other information regarding trade receivables and other receivables can be found in the Notes to the Financial Statements.

Cash and cash equivalents, also register a decrease, by 9.24% compared to 2024, mainly as a result of debt payments made towards the end of 2025, respectively investments in interest-bearing deposits, We see an increase in these short-term investments by 48.82% compared to the previous year.

Overall, current assets increased by 20.04% and total assets increased by 13.26%.

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

Equity increased by 7.89% overall. In the structure, there is an increase in the result for the year (by 47.61%), but also on account of other equity items following the revaluation (by 11.85%).

The provisions are at a lower level than 2024 (decrease by 25.44%), mainly due to the reduction of the provisions related to the benefits that will be granted to employees on the occasion of retirement. These aspects are presented in detail in section 5.5.

Trade and other liabilities also register an increase of 53.53% compared to 2023, mainly due to acquisitions made in the last months of 2025. We mention that the company, in accordance with the contractual provisions, complies with the payment terms and has no outstanding obligations towards suppliers. Their balance represents current debts, maturing in the next period. As for the increase recorded in the Other liabilities, long-term (by 1.08%), it is due, in structure, to the debt regarding the deferral tax (increase by 10.25%) and the leasing debt (decrease by 13.16%). We note a significant decrease in the Advance Revenue item (by 94.32), the company recording insignificant revenues of this nature at the end of 2025.

Overall, equity and debts increased by 13.26%.

5.2. PROFIT AND LOSS (COMPREHENSIVE INCOME)

Over the past three years, the company's performance has increased year on year. Thus, in 2025 the result of the year was also above the level provided in the BVC for this year. Although there was still a low demand for the construction of new vessels, river and sea, important changes occurred on the market of suppliers of raw materials and basic materials, and the evolution of the prices of new constructions given that the prices of raw materials and materials, energy, gas, labor remained at the same level, the company's financial results were above the budgeted indicators. The prudent approach, the attention paid to optimizing production flows and increasing efficiency, were factors that determined the company's performance to be superior in recent years.

ANNUAL REPORT OF THE BORD OF DIRECTOS FOR FINANCIAL YEAR 2025

INDICATORS	ACHIEVEMENTS PREVIOUS YEAR	FINANCIAL YEAR 2025			ACCOMPLISHMENT DEGREE (%) 2025 COMPARED TO:	
		BVC PROVISIONS	ACHIEVEMENTS	OUT OF WHICH AT THE BRANCH	ACHIEVEMENTS 2024	BVC PROVISIONS
TOTAL INCOME, out of which:	101.160.240	117.045.330	126.895.878	20.610.514	125,40	108,42
- Operating income (operational)	100.038.158	116.195.330	125.125.701	20.103.455	125,08	107,69
- Financial income	1.122.082	850.000	1.734.177	507.059	154,55	204,02
TOTAL EXPENSES, out of which:	93.618.425	110.047.960	116.444.982	16.656.162	124,38	105,81
- operating expenses	93.432.551	109.582.960	115.779.439	16.416.242	123,92	105,65
- financial expenses	185.874	465.000	665.543	239.920	358,06	143,13
GROSS PROFIT / LOSS BEFORE TAX,						
out of which:	7.541.815	6.997.370	10.414.896	3.954.352	138,10	148,84
- operating profit/loss	6.605.607	6.612.370	9.346.262	3.687.213	141,49	141,35
- financial profit/loss	936.208	385.000	1.068.634	267.139	114,14	277,57
CURRENT AND DEFERRED PROFIT TAX (PAYABLE OR RECEIVABLE -/+)	(1.605.475)	(2.300.000)	(1.652.474)	-	102,93	71,85
NET RESULT	5.936.340	4.697.370	8.762.422	3.954.352	147,61	186,54
NUMBER OF SHARES	11.422.919	11.422.919	11.422.919		100,0	100,0

				-		
NET PROFIT / LOSS PER SHARE (Lei/share)	0,519	0,411	0,767	-	147,78	186,62

We note that, both at the main headquarters and at the branch in Agigea, the result of the operational activity for 2025 is positive. As for financial activity, it also generated profit, as we will show below.

5.2.1 Analysis of operating activity

The operating revenues for 2025 came 83.93% from the main headquarters in Orsova, where a number of 5 ships were completed and delivered (in 2024 6 ships were delivered), amounting to 20,499 thousand euros / 103,442 thousand lei (in 2024: 15,392 thousand euros, respectively 76,587 thousand lei, at an average exchange rate of 5.0463 lei/€ (in 2024: 4.9757 lei/€), compared to a rate of 4.98 lei/euro taken into account when substantiating the BVC.

It is noted that the operating revenues were higher than those of the previous year (increased by 25.08%) but also compared to those provided for in the BVC (an increase of 7.69%). Operating expenses, in the amount of RON 115,779,439 and in close correlation with operating revenues, in 2025 registered an increase of 23.92% compared to their level in the similar period of 2024 (RON 93,432,551). Consequently, the company registers a gross profit from the operating activity in the amount of RON 9,346,262. Among the factors that determined the achievement of the indicators are the volume of production completed and sold in 2025, but also its structure, given that the sale price of ships remained at the same level as in the previous year, and inflationary trends continued to manifest themselves on the services market. The activity carried out at the Agigea branch was at a slightly lower level than 2024, but the result exceeded the budgeted level. Labor costs increased in 2025, but we see an increase in labor productivity in the analyzed period. And in 2025 the company faced difficulties due to the decrease in the number of staff and the aging of the workforce, it was necessary to expand the outsourcing of some works, which also meant additional costs.

The ships built in Orșova were entirely destined for intra-community deliveries, respectively to the Netherlands. As for the structure/type of ships built, mainly passenger ships were built and delivered. Therefore, in the current year (2025) the following types of ships were delivered:

- 1 TANKER with a length of 135 m
- 4 PASSENGER SHIPS with a length of 135 m

At the end of 2025, we will find 4 ship hulls in the ongoing production, destined for delivery in the intra-community space in 2026.

The decline in the ship market recorded in the past years, as a consequence of the mutations produced on the foreign market, continued in 2025. The reduction in the volume of transported goods, and implicitly in the number of new orders, was also a result of the economic and geopolitical context that negatively influenced the activity on this market segment in 2025, but we see an increase in orders for passenger ships.

As for the Agigea branch, the main source of income was ship repairs, but the revenues from this activity registered a decrease of 7.06% compared to the previous year. Also, rental solutions were found

for 3 of the 4 rooms in its patrimony, and the revenues from this activity were lower by 21.73% compared to the previous year.

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

5.2.2 Analysis of financial income and expenses

More than 84% of the company's revenues are expressed in euros, coming from ship deliveries within the community. This fact has led the company to be permanently exposed to currency risk (leu/euro parity). During 2025, this parity fluctuated, and in order to protect against the depreciation of the exchange rate, the company concluded hedging transactions. The gains from exchange rate differences were recorded both from the revaluation of foreign currency cash and as a result of hedging transactions. At the same time, during 2025, the company placed availabilities in interest-bearing bank deposits. Thus, a profit of 1,068,634 lei is recorded from the financial activity (in the previous year a profit of 936,208 lei was recorded). More information about those influences can be found in the Notes to the Financial Statements.

Having a balanced cash flow throughout the year, the company did not have bank loans contracted in 2025 either. Therefore, as of 31.12.2025, the company had no loans and had sufficient funds in its account to be able to support the financing of the current activity, but also that for investments, from its own sources.

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

5.2.3 Provisions/encumbrances and depreciation

Continuing the policy of the past years, the company considered it useful that for a correct reflection of the situation of some tangible assets in conservation, financial assets, old stocks without movement, litigious receivables, as well as for holidays and other salary rights related to 2025 and to be paid in 2026, to constitute impairments and provisions.

The concrete situation of these impairments and provisions, in balance as of 31.12.2025, is as follows:

-Lei-

a) For the impairment of financial assets (shares held in KRITOM in Greece (Crete))	684,495
b) Leave provisions and retirement bonus	746,698
c) Inventory impairment adjustment	1,056,546
d) Adjustment of the impairment of receivables (customers/debtors)	585,984
e) Provisions for litigation	157,952
TOTAL PROVISIONS AND IMPAIRMENT	3,231,675

Compared to the previous year, there is a decrease in them, in absolute figures, by 56,755 lei (decrease by 1.73%). In the structure, there is a 25.83% increase in depreciation for non-moving inventories, a 29.25% decrease in provisions for vacation and bonuses granted to employees on retirement - mainly on account of retirement bonuses, but also the resumption of depreciation of tangible assets.

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

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

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

5.3 Analysis of the result and net profit distribution

As of 31.12.2025, the company registers a gross profit in the amount of RON 10,414,896.

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

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

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

A detailed presentation of these items of income and expenses can be found in the Notes to the Financial Statements, which are attached to this report.

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

• Gross profit	10,414,896
• Expenses/(Revenues) with deferred corporate income tax and specific tax (1,652,474)	
• Net profit	8,762,422

In the Ordinary General Meeting of Shareholders, to approve the financial statements for 2025, the way of distributing the net profit is to be established.

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

Depending on the company's concrete needs, in order to obtain letters of guarantee, the opening of letters of credit for suppliers, but also to cover the need for financing sources, the company benefited from the support of banks in 2025 as well. Thus, the company had approved in 2025 a global multi-option and multi-currency ceiling, through BRD, of 1.5 million euros, a ceiling that was used for the company's financing needs.

At the same time, the company requested, and was approved by BRD, a ceiling for hedging currency risk, in the amount of USD 2,069,000, at the same level as in 2024.

The guarantee of these ceilings was achieved with a mix of guarantees consisting of mortgages, assignments of receivables on export contracts (letters of credit opened to foreign contracts) as well as with a collateral deposit, in a total amount of EUR 414,136 as of 31.12.2025, and they are used especially for the issuance of bank guarantee letters. Therefore, the company did not need, during 2025, bank loans, as its own sources were sufficient to honor all due obligations.

As of 31.12.2025, this ceiling was used in a proportion of about 17%, with three letters of guarantee being issued:

- 245,169 lei in favor of the National Company Administration of Maritime Ports Constanta
- EUR 155,000 in favor of Black Sea.
- 287,727 lei in favor of S.P.E.E.H Hidroelectrica

As for investment expenditure, it was lower than in the previous year.

In absolute figures, the volume of investment expenditures amounts to 3,170,343 lei (in 2024: 8,498,407 lei), of which:

- 1,260,588 lei at the headquarters in Orșova
- 1,909,755 lei at the Agigea branch

Compared to the provisions of the Income and Expenditure Budget, there is a degree of achievement of 60.21% (an investment value of 5,261,800 lei was provided through the BVC).

The failure to carry out the investment program is due, on the one hand, to the purchase of some of them at a lower price than the one envisaged when substantiating the BVC, but also to the fact that the company, due to changes in the development strategy, postponed some investments for the next period.

At the main headquarters in Orsova, the following more important objectives were put into operation in 2025:

- Belt cutting machine
- Win maneuver
- Painting equipment
- Automatic welding equipment
- IT equipment

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

At the Agigea branch, out of the total expenses with this destination, we mention the purchase of a car and the modernization works at the launch port, halls and halls.

During 2025, asset outflows refer to scrapping of fixed assets that could no longer be used in the production process, due to advanced wear and tear.

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

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

Other information (including the statement of cash flows) can be found in the Notes to the Financial Statements attached to this report.

5.5 Litigation; actions before courts

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

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

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

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

- termination of the criminal trial against the defendant S.C. ȘANTIÉRUL NAVAL ORȘOVA S.A., for committing the crime of "failure to take legal measures of safety and health at work", an act provided for and punished by the provision of art.349 para. 1 C.pen (deed of 17.04.2019), as a result of the prescription of criminal liability;

Also, the court jointly and severally obliges the defendant PINTEN ION and the defendant S.C. ȘANTIERUL NAVAL ORȘOVA S.A. to pay to Cainiceanu Ionel the amount of 1,323.26 euros, the equivalent in lei at the BNR exchange rate from the date of payment, as material damages (amount updated with the inflation index and the legal penalty interest from the date of the damage, 17.04.2019, and until the date of actual payment), respectively the amount of 60,000 euros, the equivalent in lei at the NBR exchange rate from the date of payment, as moral damages (amount updated with the inflation index and the legal penalty interest from the date of the final decision of the court decision until the actual payment). Rejects, as unfounded, the rest of the civil claims formulated by the civil party Căiniceanu Ionel. Rejects as unfounded the request of the civil party CĂINICEANU IONEL to order the payment of compensation to S.C. SANTIÉRUL NAVAL ORȘOVA S.A. and as a civilly liable party. Pursuant to art. 275 para. (3) C. proc. pen., the judicial expenses advanced by the state remain the responsibility of the state. With the right of appeal within 10 days from the communication.

The company Santierul Naval Orsova S.A. appealed against the criminal decision no. 112/2024, pronounced on 24.12.2024 in the file 861/274/2022.

According to the information available on the court's portal, the civil party Cainiceanu Ionel also appealed the above decision.

The Craiova Court of Appeal admitted the appeal filed by the company and by Decision no. 658/23.05.2025 annulled the criminal sentence in terms of the civil side and sent it back for retrial to the Orsova Court, for the resolution of the civil side. The next trial term is for 25.03.2026.

At the Agigea branch, several actions are underway in the past years and this year, in various phases, in which our company is the plaintiff. The amounts in question relate in particular to commercial receivables, for which the debtor companies are in the process of completing the insolvency or bankruptcy procedure, and are not significant. For all these uncollected receivables, impairments were constituted at the time of the debtor's inability to pay. We mention that the Court of Appeal of Constanta is under retrial, for the second time, the appeal filed by a former employee of the branch, having as object claims (moral damages and damage regarding the unrealized income and the related legal interest).

5.6 Other information

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

And in 2025, the company continued to implement measures aimed at preventing the occurrence of such events, specific equipment was purchased to eliminate gas accumulations in closed spaces, retraining of personnel was carried out regarding the obligation to check gas concentrations in closed spaces where work is carried out, with special emphasis on increasing the awareness of working personnel.

6. INVENTORY OF PATRIMONY AS OF 31.12.2025

The annual inventory of assets and liabilities for 2025 was carried out in accordance with the provisions of the Order of the Ministry of Finance no. 2861/2009 and the Manual with the inventory procedures developed at the company level. For this, internal decisions were issued to establish the central commission and, respectively, inventory subcommittees for all the management within the company, from the headquarters and the Agigea branch.

The main conclusions drawn from the inventory are:

- Some differences were found in the management of fixed assets and inventory objects in use, in the sense that those responsible for managing these assets transferred various fixed assets or inventory objects to each other without drawing up the related documents. These situations were solved operatively, on the ground, by the commissions appointed to each management.

- In the other administrations, no quantitative and value differences were found between the scriptural and factual situation;

- On the occasion of the inventory, the commissions found the existence of goods that need to be removed from the register. The commissions' proposals regarding scrapping or decommissioning will be discussed and analyzed at the level of the executive management, from the point of view of the necessity and opportunity of this measure, after which they will be submitted for approval by the Board of Directors;

- For unusable or degraded materials, separate inventory lists have been drawn up, which are to be analyzed by the specialized commissions existing at the level of the company, and depending on the conclusions of these commissions, they will proceed accordingly.

- At the headquarters in Orșova, certain materials belonging to third parties were found – in temporary custody at the date of the inventory. For these goods, separate lists were drawn up and sent for confirmation, to the owners of the respective goods, according to the legal provisions;

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

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

President of the Board of Directors,

Ec. Dumitru Ion

REMUNERATION REPORT RELATED TO THE FINANCIAL YEAR 2025
regarding the remunerations and other advantages granted to the administrators
and directors within the Orsova S.A. Shipyard.

Preamble

In accordance with the Company's remuneration policy, approved by the OGMS on April 16, 2021, the Company's Board of Directors has prepared this annual report which includes the remuneration and other benefits granted to the Company's executives during the financial year ended December 31, 2025.

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

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

1. GENERAL LEGAL FRAMEWORK:

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

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

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

- The articles of incorporation of the Company
- Decisions of the GMS and decisions of the Board of Directors of the company

REMUNERATION REPORT

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

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

The composition of the Nomination and Remuneration Committee during the period January 1 - December 31, 2025, approved in the meeting of the Board of Directors on 24.04.2024 (Decision no. 6/24.04.2024) had the following composition:

1	Ion Dumitru -	presedinte
2	Fainarea Marius -	membru
3	Pripa Alexandru -	Membru

4. The structure of the remuneration of the administrators and directors of the Company and its amount, during the year 2025:

- the administrators received, for the activity carried out, a fixed monthly indemnity according to the mandate contracts in force for each administrator;
- the general manager and the branch manager received, for the activity carried out, a fixed monthly allowance; the general manager, based on the approval of the Board of Directors, also received a salary bonus in 2025;
- the fixed allowance for the members of the Board of Directors was approved by the GMS;
- the allowance for the General Manager and the branch manager was approved by the Board of Directors;
- in 2025 no variable indemnity was granted to the administrators or stock and stock options;
- the general manager benefited from professional liability insurance, at the expense of the Company, in the amount approved by the GMS throughout 2025;
- the remuneration granted to the administrators and directors of the company complies with the remuneration policy adopted;

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

Total gross remuneration for all members of the Company's Board of Directors for the year 2025 it was 595.646 lei.

4.1.1. Fixed monthly remuneration: it was established according to the legal provisions presented above and provided by the mandate contracts of each administrator as approved by the GMS decision. The net fixed remuneration granted to all members of the Company's Board of Directors during 2025, and related entirely to this year, was 348.472 lei.

4.1.2. Variable remuneration: In 2025 no variable remuneration was granted.

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

REMUNERATION REPORT

	<u>Nume and surname</u>	<u>Remuneration Gross fixed</u>	<u>Remuneration Fixed net</u>	<u>Remuneration Variable</u>	<u>Other benefits according to the contract</u>
1	Ion Dumitru	135.396	79.212	0	0
2	Fainarea Marius	112.836	66.012	0	0
3	Pripa Alexandru	124.092	72.600	0	0
4	Dumitrascu Catalina	112.836	66.012	0	0
5	Patrascu Nadina Elena	96.381	56.385	0	0
6	Galani Andreea Ioana	14.105	8.251	0	0

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

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

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

The total gross remuneration granted to the General Manager of the Company for 2025 was 835,584 lei.

The total net fixed remuneration granted to the General Manager of the Company for 2025 was 488,819 lei.

No variable remuneration was granted in 2025.

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

The remuneration of the branch director was established by the Board of Directors in the mandate contract, within the limits approved by the AGM. The total gross remuneration granted to the branch director for the year 2025 was 237,268 lei. The total net fixed remuneration granted to the branch director for the year 2025 was 138,798 lei.

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

5.1. Mandate contracts of administrators

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

At the end of 2025, changes occurred in the structure of the Board of Directors. Thus, starting with 10.11.2025, Ms. Patrascu Nadina Elena resigned from the position of member of the Board of Directors and Chairwoman of the Audit Committee, the Board of Directors of the company provisionally appointing Ms. Galani Andreea Ioana to these positions (Decision no. 14/11.11.2025).

The situation of the mandate contracts for the administrators who were part of the Board of Directors of Șantierului Naval Orșova S.A. during 2025 is presented as follows:

REMUNERATION REPORT

	Name and surname	Start date mandate under contract	End date mandate	Appointment document
1	Ion Dumitru	21.11.2023	23.04.2028	Decizia CA nr.14/20.11.2023 Hotărârea AGOA nr.59/2024
2	Fainarea Marius	21.11.2023	23.04.2028	Decizia CA nr.14/20.11.2023 Hotărârea AGOA nr.59/2024
3	Pripa Alexandru	22.04.2024	23.04.2028	Hotărârea AGOA nr.59/2024
4	Dumitrascu Catalina	22.04.2024	23.04.2028	Hotărârea AGOA nr.59/2024
5	Patrascu Nadina Elena	22.04.2024	10.11.2025	Hotărârea AGOA nr.59/2024
6	Galani Andreea Ioana	17.11.2025	AGOA 2026	Decizia CA 14/11.11.2025

Mandate contracts contain clauses regarding:

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

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

During 2025, there were no cases of revocation of members of the Board of Directors for failure to fulfill the obligations provided for in the contract.

5.2. The mandate contract of the executive directors

Mandate contracts contain clauses regarding:

- awarding damages for revocation without just cause, before the expiration of the term of office entrusted;
- the notice period of 30 days for the situation in which the director resigns;
- the right to be insured for professional liability;
- the right to service housing at the expense of the Company or, as the case may be, if the Company does not provide the service housing, the settlement of all expenses occasioned by accommodation in specialized units;
- the right to reimbursement of expenses related to the execution of the mandate (accommodation, subsistence, transport and any other types of expenses related to the execution of the mandate and regardless of whether they were caused by travel in the country or abroad, as well as the use of inventory items / fixed assets necessary to carry out the activity.

5.2.1. The mandate contract of the general manager

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

The mandate contract concluded by the General Manager with the Company does not include performance indicators and criteria. For 2025, no performance indicators and criteria were established and approved by the OGMS.

5.2.2. Mandate contract of the director of Agigea Branch

By Decision no. 15 of December 14, 2024, the Board of Directors approves the appointment of Mr. Girleanu Daniel Remus as director of the Agigea Branch, for a one-year term, starting on January 1, 2024.

By Decision no. 15 of December 20, 2024, the Board of Directors approved the extension of the mandate of director of the Agigea Branch, starting on January 1, 2025, for one year, of Mr. Girleanu Daniel Remus.

The mandate contract concluded by the Branch Director does not contain the clause regarding the granting of variable remuneration.

REMUNERATION REPORT

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

Annual change	Financial year 2025 compared to the financial year 2024 +(-)**	Financial year 2024 compared to the financial year 2023 +(-)*	Financial year 2023 compared to the financial year 2022 +(-)	Financial year 2022 compared to the financial year 2021 +(-)	Financial year 2021 compared to the financial year 2020 +(-)
Average gross remuneration of managers					
Board of Directors	(0,85%)	1,23%	(0,76%)	1,72%	(41,62%)
Executive management	54,28%	12,27%	7,66%	(6,94%)	14,13
Company performance					
Turnover	23,37%	0,29%	72,26%	(22,37%)	4,06%
Gross profit	38,10%	94,29%	-	-	(89,88%)
Work productivity	7,97%	6,59%	27.18%	33%	3,42%
Average gross remuneration based on the full-time equivalent of the Company's employees					
Employees of society	15,79%	14,71%	10,29%	9,61%	3,67%

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

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

PRESIDENT

Nomination and Remuneration Committee,

Ec. Ion Dumitru

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Comply-or-Explain Statement (DAE)

SANTIERUL NAVAL ORSOVA S.A.

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
A: GOVERNING BODIES							
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 1	The Board should have an internal regulation that formalises and clearly states its roles and responsibilities. The articles of association, Board's internal regulation and other internal regulations should clearly delineate the roles and competencies among the Board, general meeting of shareholders (GMS) and executive management.	X			

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A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 2	<p>Board's internal regulation should include, among others, the Board's responsibilities as well as fiduciary duties of directors to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company, its shareholders and taking into account the interests of other stakeholders in line with legal requirements.</p>	X			
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full	A.1., 3	<p>To sustain the Company's long-term viability and success, the Board should:</p> <ul style="list-style-type: none"> · Oversee the development and approve the Company's strategy and ensure that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; · Appoint and dismiss CEO and other executives to whom executive management responsibilities were delegated (called executive management) 		X		<p>The company is committed to integrating sustainability aspects into its future strategy, to ensure compliance with this requirement, respecting the provisions and deadlines of EU Directive 2025/794, Order MF 85/2024, Order MF 1421/2025.</p>

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	<p>scope of its roles and responsibilities.</p>		<p>and ensure their succession planning;</p> <ul style="list-style-type: none"> · Oversee the management performance, management role in addressing material sustainability risks and opportunities and align the remuneration of executive management with the long-term interests and sustainability of the Company, according to the provisions of the Company's remuneration policy; · Ensure there is a sound framework for internal controls and risk management; · Ensure that the Company has in place procedures to enable effective communication with shareholders and other stakeholders. 				
<p>A: GOVERNING BODIES</p>	<p>A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The</p>	<p>A.1., 4</p>	<p>Duration of appointment of Board and executive management should be set clearly and should, to the extent possible, foster stability and predictability.</p>	<p>X</p>			

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	Board should clearly define and disclose the full scope of its roles and responsibilities.						
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 1	The Board should have at least five members.	X			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 2	The Board should have in place a policy on Board and executive management diversity and should ensure that diversity requirements in terms of gender, age, experiences and skills are incorporated in the Nomination Policy.			X	Under implementation

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A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 3	The Board should develop a Board profile which specifies the desired characteristics and traits of its members including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, ability and willingness to devote adequate time and effort to Board responsibilities in the context of the needs of the Board and its committees and their exercise of the Board's strategic and oversight roles. The Board profile can be part of the Nomination Policy.			X	Under implementation
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 4	The majority of the members of the Board should be non-executives. At least a third of the Board members should be independent. Each independent member of the Board should submit a declaration regarding his/her independence at the time of his/her nomination for election or re-election as well as when any change in his/her status arises, as per the criteria of independence defined in law and in Appendix A to the Code.		X		The composition of the Board complies with the requirement that its members be non-executive; however, given that the current members do not meet the independence criteria, we note that they were approved by the General Meeting of Shareholders, and the structure of the Board reflects the shareholders' decision expressed at the AGM.

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<p>A: GOVERNING BODIES</p>	<p>A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.</p>	<p>A.2., 5</p>	<p>The Nomination and Remuneration Committee (or the entire Board if there is no Nomination and Remuneration Committee) should assess whether the directors can be considered independent under the factors taken into account, by examining whether there are any business or other personal relationships that could materially affect the independence and objectivity of the director and his/her ability to act in the best interests of the Company, its shareholders and stakeholders.</p>	<p>X</p>			
<p>A: GOVERNING BODIES</p>	<p>A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.</p>	<p>A.2., 6</p>	<p>The positions of Chairperson and Chief Executive Officer (CEO) are recommended to be held by different individuals.</p>	<p>X</p>			

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A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 7	If the Chairperson and CEO functions are performed by the same person, it is recommended that the Board appoints an independent Vice-Chairperson.				Not applicable. The Chairman of the Board of Directors and the General Manager are different persons.
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3., 1	The Company should develop and disclose a board nomination policy ("Nomination Policy") that should define the processes and procedures for the nomination, election or replacement of a director. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from members of the Board, including in relation to the board profile, independence and diversity.			X	This process is to be formalized through a workflow that clearly defines roles, responsibilities, and work steps.
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put	A.3., 2	The Board, through its Nomination and Remuneration Committee, if established, should monitor the nomination	X			

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	into place regarding the nomination of new members to the Board.		process of candidates for the position of Board member.				
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3., 3	The Company should disclose to shareholders information on the experiences and CV of the director candidates that they require to make an informed decision on the appointment or reappointment of the directors including the following: <ul style="list-style-type: none"> · candidates' professional commitments and engagements, including executive and non-executive positions in companies, public authorities, not-for-profit bodies or other organisations; · any existing or potential conflicts of interest including whether they have business, family or other relationships that could affect their performance as directors on the Board; · which shareholder or member of the Board proposed each candidate for the Board positions. 	X			

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A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 1	The Board shall establish an Audit Committee to enhance its oversight capability over the financial reporting, internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Where a separate risk management committee is not required by law or already established, the Audit Committee will also include oversight responsibilities for the efficiency of the risk management framework.	X			
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 2	The Audit Committee is recommended to be composed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Audit Committee, as a whole, should have competencies relevant to the Company's area of operations. The Committee and its members should comply with the applicable national and European legislation.		X		The members of the Audit Committee are non-executive; however, given the current composition of the Board of Directors, they do not meet the independence criteria, as there was no possibility of appointing independent members.

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A: GOVERNING BODIES	<p>A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.</p>	A.4., 3	<p>The Boards of Premium Tier companies should set up a Nomination and Remuneration Committee formed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Board may also establish a separate Nomination Committee and a separate Remuneration Committee if the Board composition accommodates it and if this is justified given the Company's size and complexity of its business and governance structures.</p>		X	<p>The company is included in the Standard category. The members of the Nomination and Remuneration Committee are non-executive; however, given the current composition of the Board of Directors, they do not meet the independence criteria, as there was no possibility of appointing independent members.</p>
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<p>A: GOVERNING BODIES</p>	<p>A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.</p>	<p>A.4., 4</p>	<p>In addition to its specific responsibilities as provided under this Code, the Nomination and Remuneration Committee should:</p> <ul style="list-style-type: none"> i. Review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board profile; ii. Identify individuals qualified to become Board members and members of the executive management, if requested; evaluate the candidates for executive management roles; evaluate the candidates proposed by the shareholders or by Board members for a director role and inform the GMS accordingly; iii. Make recommendations to the Board concerning committee appointments (other than the Nomination and Remuneration Committee); iv. Coordinate an annual evaluation of the Board, directors and committees in line with provisions set out in Principle A.5.; v. Assist the Board in fulfilling its responsibilities related to the 		<p>X</p>	<p>In the coming period, the role of CNR is being strengthened in order to fully align with the applicable requirements.</p>
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			Company's remuneration policy; vi. Assist the Board in the development of the succession plans for executive management, as well as the emergency succession plans and CEO search process, as required; vii. Oversee the administration of the Company's compensation and benefits plans.				
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 5	The role and responsibilities of Board committees should be defined in separate internal regulation (operating regulations) and disclosed on the Company's website. If the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be done by the Board and should be adequately stated in the Board's internal regulation.	X			-

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A: GOVERNING BODIES	<p>A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.</p>	A.4., 6	<p>The evaluation of independence for the members of the committees, including when the members of the committees are appointed by the GMS, shall be carried out according to the same procedure applicable to the independent members of the Board.</p>	X		
A: GOVERNING BODIES	<p>A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.</p>	A.4., 7	<p>The chairpersons of the Audit Committee and Nomination and Remuneration Committee should not be the Chairperson of the Board or of any other committee, unless this is justified by the size of the Board.</p>		X	<p>The company will implement the provision</p>

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<p>A: GOVERNING BODIES</p>	<p>A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.</p>	<p>A.5., 1</p>	<p>The Board Chairperson is primarily responsible for ensuring that the Board functions properly. The Board's internal regulation should contain the role and responsibilities of the Board Chairperson and the Board Chairperson, at a minimum, should:</p> <ul style="list-style-type: none"> • Determine the agenda of the Board meetings, chair such meetings and ensure that minutes are kept of such meetings; • Ensure the Board receives accurate, timely, useful, succinct information to enable the Board to make sound decisions; • Ensure the Board has sufficient time for consultation and decision-making; • Enable the Committees to function properly and that there is effective communication with Board committees, including actionable, insightful reports of committees back to the full Board; • Ensure the performance of the Board is evaluated and discussed at least once a year and disclosed as per provision D.1.3; 	<p>X</p>			
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			<ul style="list-style-type: none"> • Ensure that the Board has proper working relationship with the executive management. The CEO and the Chairman of the Board (if positions are held by different individuals) shall meet regularly; • Address and manage internal disputes and conflicts of interest concerning Board members. 				
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 2	The Board should meet as often as necessary but not less than six (6) times a year.	X			

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A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 3	The Board can request to designate the Corporate Secretary who should assist the Board in complying with its obligations under law, Board internal regulation and other policies. The Corporate Secretary should be a senior officer in the Company tasked with assisting the Board and its committees in organising their activities, in preparing for the meetings, annual Board and committee performance evaluation and director training programs, if the case.	X			
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 4	The Board should clearly define the rights and responsibilities, scope of authority and other issues related to the Corporate Secretary.	X			

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A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 5	<p>The Board and its committees should develop and approve an annual internal work plan identifying topics to address during the year before the end of the previous year. The plan should take into account decisions that need to be proposed to the GMS, reporting by management and internal control functions, the required frequency of Board and Committee meetings, and should be reviewed by the Chairperson, assisted by the Corporate Secretary.</p>	X	<p>An internal annual work plan has not been formalized at the Board and committee levels. However, relevant topics are analyzed during the Board meetings and, depending on their nature, are submitted for approval by the General Meeting of Shareholders. The implementation of an internal annual work plan is underway, in order to align with the provisions of the Code.</p>
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 6	<p>The Board should conduct an annual evaluation of the composition, activity and dynamics of the Board and its committees, individually and as a whole, and which should be coordinated by the Nomination and the Remuneration Committee.</p>	X	Under implementation

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A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 7	The Nomination and Remuneration Committee should share the results of the Board evaluation with the whole Board and should then set follow up actions, if any, including professional development and training plans for the Board to fill gaps.			X	Under implementation
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 8	The Board's internal regulation should require Company orientation (induction) programmes for newly appointed directors, ensured by internal staff of the Company. The Board's internal regulation can also include references for ongoing director education program, if needed. The implementation of any orientation and ongoing trainings programmes for directors (as per the Board decision) is made under the oversight of the Nomination and Remuneration Committee, with			X	This process is to be formalized through a workflow that clearly defines roles, responsibilities, and work steps.

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			the support of the Corporate Secretary. Based on the results of the annual board evaluation, the Nomination and Remuneration Committee jointly with the Board Chairperson shall develop professional development programmes focusing on the areas where capacity should be built among Board members.				
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 1	Executive management should run the Company and be accountable to the Board. Division of responsibilities between the Board and the executive management and between different members of the executive management should be clearly articulated in the Company's by-laws and the internal regulations of the Company.	X			

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<p>A: GOVERNING BODIES</p>	<p>A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.</p>	<p>A.6., 2</p>	<p>When Board Chairperson and CEO roles are exercised by one individual, the different responsibilities of the Board Chairperson and CEO should be clearly defined and distinguished in the Company by-laws.</p>				<p>Not applicable. The Chairman of the Board of Directors and the General Manager are different persons.</p>
<p>A: GOVERNING BODIES</p>	<p>A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of</p>	<p>A.6., 3</p>	<p>The Board should ensure that the executive management is comprised of persons with adequate knowledge, skills, diversity and experience to support successful Company performance and that there are measures in place to provide for the orderly succession of executive management.</p>	<p>X</p>			

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	effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.						
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 4	The Board, with the support of the Nomination and Remuneration Committee, should annually evaluate executive management's performance, the effectiveness of its cooperation with the Board, including the information provided to the Board.	X			

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B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK							
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 1	The Board determines the nature and extent of the risks the Company is willing to take necessary for the achievement of Company's strategic objectives (i.e., the Company's risk appetite) and should ensure there are clear structures, policies and procedures in place that identify, evaluate, report, manage and monitor significant and emerging risks, including risks related to sustainability, cybersecurity and the use of digital technologies. The Board should explain in the annual report the mechanisms and processes in place to identify and manage risks.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size,	B.1., 2	The Board should adopt a formal risk management policy, to ensure accurate, complete and timely identification, measurement and reporting of risks, adequate and feasible risk control measures as well as integration of an E&S risks into the risk management framework		X		Although a risk management procedure has been adopted at the company level, this process is to be formalized through a workflow that clearly defines roles, responsibilities, and work steps.

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	complexity of operations and risk profile including potential environmental and social impact of its activities.		in support of the Company's strategy implementation.				
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 3	The Board and Audit Committee should understand emerging information technology and artificial intelligence-related changes so to mitigate cybersecurity risks. Time should be given to the AI risks and opportunities and cybersecurity on Board agenda to ensure understanding of cyber protection.			X	Under implementation

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<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.</p>	<p>B.1., 4</p>	<p>The Company is recommended to establish a risk management function responsible for ensuring accurate, complete and timely identification of the risks, ensuring that adequate and feasible risk control measures are in place and monitoring the risk management procedures. The risk management function, through the Chief Risk Officer (CRO), where present, should have a direct communication and functional reporting to the Board and Audit Committee (if there is no separate Risk Committee).</p>	<p>X</p>			
<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and</p>	<p>B.1., 5</p>	<p>The Board with the assistance from the Audit Committee should at least annually assess the adequacy and effectiveness of Company's risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and compliance, internal control reports, if they are required by applicable legislation, to the</p>			<p>X</p>	<p>Under implementation</p>

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	social impact of its activities.		Audit Committee, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and submission of relevant reports to the Board.				
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 6	The Company should develop and make available on a free of charge basis on the Company's website a whistle-blowing mechanism which would enable employees and stakeholders to make reports about suspected breaches or wrongdoings as per the applicable legislation in place.			X	Under implementation

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<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.</p>	<p>B.2., 1</p>	<p>In addition to its responsibilities mentioned in legislation and elsewhere in the Code, the Audit Committee should:</p> <ul style="list-style-type: none"> · Review the Company's internal controls and risk management frameworks; · Oversee the development and application of the Company's policies on conflicts of interests and related party transactions; · Ensure independence and review the effectiveness of the Company's internal audit function and make a recommendation to the Board; · Oversee the internal audit function; · Oversee the preparation of sustainability-related reports and information included in them, unless this task is assigned to another committee; · Oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements and internal regulations of the Company (like the procedures for reporting breaches of the law or the Company's Code of Conduct), unless this task is assigned to another committee. 	<p>X</p>			
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<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.</p>	<p>B.2., 2</p>	<p>Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to the Board.</p>	<p>X</p>		
<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with</p>	<p>B.2., 3</p>	<p>The Audit Committee should monitor the independence and objectivity of the external auditor. The Committee should approve a policy on the provision of permitted non-audit services by the external auditor in line with legal requirements and enforce implementation of that policy. Committee's findings regarding the independence of the external auditor should be disclosed in the annual report.</p>		<p>X</p>	<p>The Audit Committee monitors the independence of the external audit function; is currently implementing the policy on the provision of non-audit services permitted by the external auditor, in accordance with legal requirements, and will ensure the implementation of this policy.</p>

DECLARATION OF COMPLIANCE WITH THE BVB CORPORATE GOVERNANCE CODE AS OF 31.12.2025

	the Company's external auditors.						
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2., 4	The Audit Committee should discuss the annual audit work plan with the external auditor covering the scope and materiality of the activities to be audited. The audit committee should meet the external auditor as needed to discuss issues identified and to monitor the quality of the services provided.	X			

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<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.</p>	<p>B.3., 1</p>	<p>The Board should ensure that the internal audit has the authority, resources and procedures adequate to assist the Board in ensuring effectiveness and efficiency of the Company's risk management and internal control framework.</p>	<p>X</p>			
<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.</p>	<p>B.3., 2</p>	<p>To ensure fulfillment of the core functions of the internal audit function, the head of the function should be appointed by and report functionally directly to the Board via the Audit Committee, who shall be tasked with approving his/her appointment and dismissal. This is without prejudice to administrative reporting to the CEO and sharing information with the Company's executive management, in line with legal requirements and professional standards.</p>	<p>X</p>			

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<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.</p>	<p>B.3., 3</p>	<p>The internal audit function should be established in line with applicable legal requirements and industry standards (e.g., Institute of Internal Auditors). The internal audit authority, composition, remuneration, annual budget, working procedures and other relevant matters shall be regulated in separate internal audit's internal regulation approved by the Board, following the recommendation of the Audit Committee.</p>		<p>X</p>	<p>Under implementation</p>
<p>B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK</p>	<p>B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.</p>	<p>B.3., 4</p>	<p>The Audit Committee should agree an annual internal audit work plan with the internal auditor, receive internal audit reports, updates on key audit issues, monitor implementation of recommendations of the internal audit and provide necessary guidance.</p>	<p>X</p>		

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C: PERFORMANCE, MOTIVATION AND REWARD							
C: PERFORMANCE, MOTIVATION AND REWARD	<p>C.1. Members of the Board shall receive remuneration corresponding to the volume and weight of powers and their responsibilities, rather than the performance of management or the Company. The structure and amount of director's remuneration should enable the Company to attract, retain and motivate the competent and qualified directors.</p>	C.1., 1	<p>Board members should receive remuneration, as per the Remuneration Policy of the Company. Members who also serve on Board committees should receive additional remuneration for this work. But in no circumstances should the remuneration be linked to the number of board or committee meetings.</p>	X			

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<p>C: PERFORMANCE, MOTIVATION AND REWARD</p>	<p>C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.</p>	<p>C.2., 1</p>	<p>The Board should determine the annual remuneration of the executive management, based on the recommendations of the Nomination and Remuneration Committee and in accordance with the Company's remuneration policy. The remuneration policy should be prepared in accordance with the relevant legal requirements.</p>	<p>X</p>			
<p>C: PERFORMANCE, MOTIVATION AND REWARD</p>	<p>C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's</p>	<p>C.2., 2</p>	<p>Levels of remuneration for executive management members and key performance indicators taken into account when determining variable (performance-based) part of the remuneration should be set in advance and be measurable and appropriate in relation to the agreed strategy and risk appetite, the economic environment within which the Company operates, and the pay</p>	<p>X</p>			

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	<p>strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.</p>		<p>and conditions of employees within the Company. In particular, they should include indicators related to non-financial performance and appropriate sustainability objectives.</p>				
<p>C: PERFORMANCE, MOTIVATION AND REWARD</p>	<p>C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.</p>	<p>C.2., 3</p>	<p>Company's shares and/or share purchase options should represent a significant part (e.g., not less than 10%) of the executive management member's total variable remuneration.</p>				<p>Not applicable</p>

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D: DISCLOSURE AND INVESTOR RELATIONS							
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 1	The Company should make sure to provide accurate, complete and timely financial and operational information, including quarterly, half-yearly and annual reports, as well as current reports. Companies should ensure all relevant information is easily accessible to investors, including through the Company website and other public information sources, as the case may be.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 2	The Company is recommended to have an Investor Relations (IR) function and should appoint a dedicated person in charge of IR function. The contact details of the person or persons charged of the IR function shall be available on the Company's website. The IR function will report directly to the CEO/CFO, underscoring its significance within the Company's hierarchy and emphasizing its central role in managing and communicating the Company's capital market engagements and status. The	X			https://www.snorsova.ro/contact-actionari/

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			Company should organise induction and regular training/courses, if needed, for the IR function, tailored to its specific needs and responsibilities.				
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The Company should include on its corporate website a dedicated Investor Relations section, with all relevant information of interest for investors, available both in Romanian and English.	X			https://www.snorsova.ro/en-gb/contact-shareholders/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Main corporate regulations: updated articles of association, GMS procedures, board's internal regulation and board committees' internal regulations. 	X			https://www.snorsova.ro/doc-guv-corp/

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D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	<p>The company should include on its Investor Relations section:</p> <ul style="list-style-type: none"> • List of current members of the Board, Board's Committees and executive management, providing an up-to-date information on independence status , professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), other professional commitments, including executive and non-executive Board positions in companies, not-for-profit institutions and state institutions; relationship with shareholders holding at least 5% of the voting rights/shares issued by the Company; the duration of the appointment of the members of the Board, the Committees and the executive management, specifying the date from which they were appointed. 	X		https://www.snorsova.ro/consiliul-administratie-conducere-executiva/
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D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Current reports and periodic reports (quarterly, semi-annual and annual reports). 	X		https://www.snorsova.ro/calendar-financiar-corect-2/ https://www.snorsova.ro/rapoarte-anuale/ https://www.snorsova.ro/raportari-curente/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Information related to GMS: the agenda, supporting materials and the decisions taken; procedure for running the GMS; the Nomination Policy; candidates' professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), as well as any other information presented at A.3.3; communication channel(s) for shareholders to address questions; answers to shareholders' questions related 	X		https://www.snorsova.ro/decizile-actionarilor/ https://www.snorsova.ro/materiale-pentru-adunarea-general-a-ordinara-a-actionarilor/

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			to the agenda; declarations of independence for board candidates and evaluations made by Nomination and Remuneration Committee/Board for candidates, including their compliance with independence criteria.				
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Information on Board evaluation, made as per Provision A.5.7, including evaluation criteria and process, as well as a summary result of the evaluation and actions that have been or will be undertaken as a result of the evaluation. 			X	Under implementation
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied 	X			https://www.snorsova.ro/raportari-curent/

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	for financial and sustainability reporting.		to such operations. Such information should be published within a timeframe that enables investors to make investment decisions.				
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: <ul style="list-style-type: none"> • Corporate policies, among which code of conduct, dividend policy, remuneration policy, forecast policy, policy for communication with investors, the corporate social responsibility (CSR)/sponsorship policy, policy for related parties' transactions, policy for diversity, equity and inclusion, and whistleblowing policy (if not already part of the Code of Conduct). 		X		https://www.snorsova.ro/doc-guv-corp/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and	D.1., 4	The Company should organise at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the Company website at the time of the meetings/conference calls.			X	Under implementation

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	sustainability reporting.						
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 5	The Company should disclose the material and reportable non-financial and sustainability issues with emphasis on the disclosure of environmental, social and governance (ESG) issues of its business and operations in line with the recognized standard of sustainability reporting. The Company's sustainability statements shall be disclosed on its website.			X	Under implementation
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 6	The Company should have a CSR/sponsorship policy to guide the activity in the area of supporting CSR activities and sponsorship.			X	Under implementation

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D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 1	The Company should have a dividend policy as a set of directions the Company intends to follow regarding the distribution of net profit.	X			https://www.snorsova.ro/doc-guv-corp/
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 2	The procedure for running the GMS should not restrict the participation of shareholders in GMS and the exercise of their rights. Amendments of the procedure for running the GMS should take effect, at the earliest, as of the next GMS.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders	D.2., 3	The external auditors should attend the shareholders' meetings where their reports are presented, in order to respond to shareholders' questions.	X			

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	to exercise their rights in relation to the Company.						
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 4	The Board should present to the annual GMS a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework, as per the related information included in the annual report.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 5	The Company should stimulate engagement with shareholders and investors by: <ul style="list-style-type: none"> • Encouraging active shareholder participation in GMS, like ensuring conditions for virtual participation. • Holding regular briefings and updates for investors, especially during significant corporate events. • Establishing channels for shareholders to provide feedback and ask questions, 	X			

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			ensuring responses are timely and comprehensive.				
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 6	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairperson of the Board. Accredited journalists may also participate in the GMS, unless the Chairperson decides otherwise.	X			
E: SUSTAINABILITY AND STAKEHOLDERS							
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to	E.1., 1	The Board should ensure that sustainability, environmental and social considerations are integrated in the Company's strategy and operations, risk management and remuneration practices and shall oversee this integration. A specialised sustainability committee or one of the standing committees of		X		The Company is considering creating a specialized sustainability committee or one of the Board's standing committees to assist the Board in carrying out these tasks.

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	the possible extent.		the Board shall assist the Board with these tasks.				
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1., 2	The Board should ensure that Company's operations run according to the national and international E&S standards and Company's E&S policies are consistent with its long-term objectives. In particular, the Company shall have internal acts relating to its responsibilities for environmental and social issues and policies and procedures that enable it to identify material factors and assess the impact on the Company's activities.			X	This process is to be formalized through a workflow that clearly defines roles, responsibilities, and work steps
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1., 3	Whenever a decision to be approved by the Board has potential material and negative E&S impact, the Board should receive from the executive management (i) an analysis on how this decision is aligned with the Company's sustainability objectives and E&S policies or (ii) proposal of the measures to mitigate negative E&S impacts.			X	This process is to be formalized through a workflow that clearly defines roles, responsibilities, and work steps.

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E: SUSTAINABILITY AND STAKEHOLDERS	E.2. The Company should have in place a process for identifying the stakeholders affected by Company's operations. The Board should take into consideration stakeholders' interests and ensure there is active communication between the Company and its stakeholders.	E.2., 1	The Board should ensure that there is a formal stakeholder identification process for Company's stakeholders including investors, creditors, clients, employees and suppliers, as well as targeted approaches for engaging with its priority stakeholders.			X	The Board is considering formalizing a process for identifying the Company's stakeholders, including investors, creditors, customers, employees and suppliers, as well as specific approaches for engaging priority stakeholders.
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 1	The Board should develop a purpose statement and a vision statement as well as articulate Company's values, so the entire organisation understands the Company's strategic direction.			X	Under implementation

DECLARATION OF COMPLIANCE WITH THE BVB CORPORATE GOVERNANCE CODE AS OF 31.12.2025

E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 2	The Board should adopt a Code of Conduct for Board members, executive management and Company employees, with clear provisions aimed at preventing and sanctioning fraud and bribery. The Board should not permit any waiver of any ethics requirement by any director, executive manager or employee.			X	Under implementation
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 3	The Board should ensure that the Code of Conduct policies are integrated into Company's practices and incorporated into the onboarding process for new hires. The Board should ensure the efficient implementation and monitoring of compliance with the Code of Conduct and periodically review it.			X	Under implementation

President of the Board of
Directors,
Ec. Dumitru Ion

ORŞOVA SHIPYARD S.A.

ANNUAL INDIVIDUAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED AT
DECEMBER 31, 2025**

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

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

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Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

<i>Reference</i>	STATEMENT OF FINANCIAL POSITION			
	As at 31 December		2025	2024
<i>IAS 1.10(a), 113</i>		<i>Note</i>	RON	RON
	Assets			
	Fixed assets			
<i>IAS 1.54(a)</i>	Tangible assets	<i>15</i>	45,872,328	43,654,446
	Freehold land and land improvements	<i>15</i>	625,753	625,753
	Buildings	<i>15</i>	21,057,106	22,462,920
	Plant and machinery, motor vehicles	<i>15</i>	21,057,652	17,347,009
	Fixtures and fittings [...]	<i>15</i>	216,734	138,469
	Tangible assets in progress	<i>15</i>	2,915,083	3,080,295
<i>IAS 1.54(c)</i>	Intangible assets	<i>16</i>	7,872	41,677
	Other intangible assets	<i>16</i>	7,872	41,677
<i>IFRS 16, IAS 8</i>	Rights-of-use for leased assets	<i>17</i>	2,909,166	3,335,469
<i>IAS 1.54(h)</i>	Trade receivables and other receivables		303,508	160,624
<i>IAS 1.54(o), 56</i>	Receivables concerning the delayed taxation		119,472	168,856
<i>IAS 1.60</i>	Total fixed assets		49,212,346	47,361,072
<i>IAS 1.54 (g)</i>	Inventories	<i>20</i>	27,756,715	36,479,637
<i>IAS 1.54(h)</i>	Trade receivables and other receivables	<i>22</i>	20,373,050	3,096,984
<i>IAS 1.55</i>	Accrued expenses	<i>22</i>	173,057	179,843
<i>IAS 1.54(d)</i>	Short term investments	<i>23</i>	20,111,471	13,514,382
<i>IAS 1.54(i)</i>	Cash and cash equivalents	<i>24</i>	9,942,789	10,955,209
<i>IFRS 5.38-40</i>	Assets classified as held for sale		0	1,048,588
<i>IAS 1.60</i>	Total Current Assets		78,357,082	65,274,643
	Total Assets		127,569,428	112,635,715
	Equity			
<i>IAS 1.54(r), 78(e)</i>	Share capital	<i>25</i>	28,557,298	28,557,298
<i>IAS 1.55, 78(e)</i>	Share premium	<i>25</i>	8,862,843	8,862,843
<i>IAS 1.54(r), 78(e)</i>	Reserves	<i>25</i>	51,629,443	47,454,438
	Result of the financial year	<i>25</i>	8,762,422	5,936,340
<i>IAS 1.55, 78(e)</i>	Retained earnings	<i>25</i>	1,832,886	1,444,674

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

<i>Reference</i>	STATEMENT OF FINANCIAL POSITION (continued)			
	As at 31 December	Note	2025	2024
			RON	RON
	Other elements of equity	25	(4,975,636)	(4,513,190)
	Total equity		94,669,256	87,742,403
	Liabilities			
	Long-term liabilities			
<i>IAS 1.54(o), 56</i>	Deferred tax liabilities		4,975,636	4,513,190
<i>IFRS 16, IAS 8</i>	Other debts, including lease liability	28	2,522,488	2,904,644
<i>IAS 1.60</i>	Total long-term liabilities		7,498,124	7,417,834
	Current liabilities			
<i>IAS 1.54(k)</i>	Trade payables and other debts, including derivatives	31	24,479,335	15,944,198
<i>IAS 1.55, 11.42(b)</i>	Deferred income		18,063	317,980
<i>IAS 1.54(l)</i>	Provisions	30	904,650	1,213,300
<i>IAS 1.60</i>	Total current liabilities		25,402,048	17,475,478
	Total Liabilities		32,900,172	24,893,312
	Total Equity and Liabilities		127,569,428	112,635,715

The separate financial statements were approved by the Board of Directors on March 17, 2026 and were signed by:

Administrator,
 Ec. Dumitru Ion

Prepared by,
 Ec. Marilena Vişescu

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

<i>Reference</i>	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
	For the financial year ended at 31 December	Note	2025	2024
			RON	RON
	Continuing operations			
<i>IAS 1.10(b), 81(a)</i>	Income	5	117,267,659	93,582,437
<i>IAS 1.99,103</i>	Other income	6	7,858,042	6,455,721
	Total Operational Income		125,125,701	100,038,158
	Expenses related to inventories	7	(35,522,370)	(31,405,122)
	Utility expenses	8	(2,557,128)	(2,298,160)
	Employee benefits expenses	9	(45,061,544)	(34,803,825)
	Depreciation and amortization expenses	15,16	(5,667,241)	(5,792,451)
	Depreciation expenses related to rights-of-use for leased assets	17	(702,204)	(663,926)
	Gains/losses on disposal of property		(256,982)	(21,996)
	Increase/(Decrease) of receivables allowances and inventory write-down	10	(391,389)	(103,835)
	Increase/(Decrease) of provision expenses	30	308,650	(413,531)
<i>IAS 1.99, 103</i>	Other expenses	11	(25,929,232)	(17,929,705)
	Total Operational expenses		(115,779,439)	(93,432,551)
	The result of operational activities		9,346,262	6,605,607
	Financial income	12	1,734,177	1,122,082
<i>IAS 1.82(b)</i>	Financial expenses	12	(665,543)	(185,874)
	Net financial result	12	1,068,634	936,208
<i>IAS 1.85</i>	Result before taxation		10,414,896	7,541,815
<i>IAS 1.82(d), 12.77</i>	Current income tax expenses	13a	(1,603,090)	(1,691,569)
	Deferred income tax expenses	13a	(153,791)	(636,620)
	Deferred income tax income		104,407	722,714
<i>IAS 1.85</i>	Result for continuing operations		8,762,422	5,936,340
<i>IAS 1.82(f)</i>	Result for the period		8,762,422	5,936,340

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

<i>Reference</i> (continued)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	2025	2024
<i>IAS 1.10(b), 81(a)</i>	For the financial year ended at 31 December		RON	RON
	Other comprehensive income			
<i>IAS 1.82(g)</i>	Reevaluation of tangible assets		4,064,354	5,745,663
<i>IAS 1.85</i>	Other comprehensive income after taxation		4,064,354	5,745,663
<i>IAS 1.82 (i)</i>	Total comprehensive income for the period		12,826,776	11,682,003
	Attributable profit			
<i>IAS 1.83(b)(ii)</i>	Shareholders	26	8,762,422	5,936,340
	Profit for the period		8,762,422	5,936,340
	Total attributable comprehensive income			
<i>IAS 1.83(b)(ii)</i>	Shareholders		12,826,776	11,682,003
	Earnings per share			
<i>IAS 33.66</i>	Basic earnings per share		0,77	0,52
<i>IAS 33.66</i>	Diluted earnings per share		0,77	0,52
	Continuing operations			
<i>IAS 33.66</i>	Basic earnings per share		0,77	0,52
<i>IAS 33.66</i>	Diluted earnings per share		0,77	0,52

The separate financial statements were approved by the Board of Directors on March, 17, 2026 and were signed by:

Administrator,
Ec. Dumitru Ion

Prepared by,
Ec. Marilena Vişescu

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS

Reference STATEMENT OF CHANGES IN EQUITY

IAS
1.108,109

	Attributable to equity holders								Total equity
	Share capital	Share premium account	Revaluation reserve	Other reserves	Retained earnings	Result for the period	Other elements of equity	Profit appropriation	
Balance at									
December 31, 2023	<u>28,557,298</u>	<u>8,862,843</u>	<u>28,560,768</u>	<u>18,596,499</u>	<u>(2,848,032)</u>	<u>3,453,687</u>	<u>(3,753,867)</u>	=	<u>81,429,196</u>
Loss/ Net profit for the year	-	-	-	-	3,453,687	2,482,653	-	-	5,936,340
Transfer in reserve	-	-	(1,444,,674)	(5,448,492)	6,893,166	-	(759,323)	-	(759,323)
Revaluation reserve	-	-	7,190,337	-	-	-	-	-	7,190,337
Dividends	-	-	-	-	(6,054,147)	-	-	-	(6,054,147)
Balance at									
December 31, 2024	<u>28,557,298</u>	<u>8,862,843</u>	<u>34,306,431</u>	<u>13,148,007</u>	<u>1,444,674</u>	<u>5,936,340</u>	<u>(4,513,190)</u>	=	<u>87,742,403</u>
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	-	-	-	-	(5,825,689)	-	-	-	(5,825,689)
Balance at									
December 31, 2025	<u>28,557,298</u>	<u>8,862,843</u>	<u>38,370,785</u>	<u>13,258,658</u>	<u>1,832,886</u>	<u>8,762,422</u>	<u>(4,975,636)</u>	=	<u>94,669,256</u>

The separate financial statements were approved by the Board of Directors on March 17, 2026 and were signed by:

Administrator:
 Ec. Dumitru Ion

Prepared by:
 Ec. Marilena Vişescu

Şantierul Naval Orşova S.A.
Separate financial statements 2024 in accordance with IFRS as adopted by EU

<i>Reference</i>	STATEMENT OF CASH FLOWS			
	For the financial year ended at 31 December	Note	2025	2024
<i>IAS 1.10(d), 113</i>			RON	RON
	Cash flows from operating activities			
	Profit for the period		8,762,422	5,936,340
	Adjustments for:			
	Amortization of intangible and tangible assets	<i>15,16,17</i>	5,877,540	6,712,393
	Impairment adjustments for fixed assets (net)		(130,548)	(288,824)
	Losses (Profit) from receivables and miscellaneous debtors		8,944	0
	Net expenses/(net income) with provisions		(308,650)	413,531
	Impairment of current assets	<i>10,20</i>	382,444	103,835
	Loss from the sale of tangible assets		256,982	21,996
	Losses (Profit) from fixed assets held for sale		(643,558)	0
	Current income tax expenses	<i>13</i>	1,603,090	1,691,569
	Deferred income tax expenses	<i>13</i>	153,791	636,620
	Deferred tax income		(104,407)	(722,714)
	Cash - flows from operating activities before changes in working capital		15,858,050	14,504,746
	Changes in working capital			
	Changes related to inventories		9,554,629	(8,674,064)
	Changes related to trade receivables and other receivables		(17,340,709)	8,809,177
	Changes in accrued expenses		6,786	(25,848)
	Changes in trade payables and other liabilities		7,619,030	(6,238,469)
	Cash generated / (used) from / (in) operating activities		15,697,786	8,735,542
	Interest paid (leasing)	<i>12,17</i>	(200,031)	(67,889)
<i>IAS 7.35</i>	Income tax paid		(1,006,457)	(1,570,326)
<i>IAS 7.10</i>	Net cash from operating activities		14,491,298	6,737,327
	Cash flows from investing activities			
<i>IAS 7.31</i>	Interest received		744,888	809,698
<i>IAS 7.16(a)</i>	Proceeds from the sale of tangible assets		86,818	1,745,426
<i>IAS 7.16(a)</i>	Purchases of tangible and intangible assets	<i>15,16</i>	(3,170,343)	(8,498,407)
	Short term investments		(6,597,089)	(7,018,567)
<i>IAS 7.10</i>	Net cash used in investing activities		(8,935,726)	(12,961,850)

Şantierul Naval Orşova S.A.
Separate financial statements 2024 in accordance with IFRS as adopted by EU

<i>Reference</i>	STATEMENT OF CASH FLOWS (continued)		2025	2024
<i>IAS 1.10(d), 113</i>	For the financial year ended at 31 December	Note		
	Cash flows from financing activities			
<i>IAS 7.31</i>	Proceeds from loans / (loans refunds)			
	Paid dividends		(5,943,924)	(5,929,502)
	Increase (reimbursement) in loans (leasing)	28	(624,068)	(693,473)
<i>IAS 7.10</i>	Net cash from (used in) financing activities		(6,567,992)	5,236,029
	Increase/(Decrease) Net cash and cash equivalents decreases		(1,012,420)	(988,494)
	Cash and cash equivalents at 1 January		10,955,209	11,943,703
	Cash and cash equivalents at 31 December		<u>9,942,789</u>	<u>10,955,209</u>

The separate financial statements were approved by the Board of Directors on March 17, 2026 and were signed by:

Administrator:
 Ec. Dumitru Ion

Prepared by:
 Ec. Marilena Vişescu

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS as adopted by EU

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Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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, Mehedinţi county.

IAS 1.51(a)-(c) The individual financial statements in accordance with IFRS have been prepared for the year ended 31 December 2025. The Company's main activity is the **construction of ships and floating structures (NACE code: 3011)**.

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

a. Statement of compliance

IAS 1.16 The Company has prepared Annual Individual Financial Statements for the financial year ended December 31, 2025 in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, according to the Order of the Minister of Public Finance no. 881/2012 regarding the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as subsequently amended and supplemented.

IAS.10.17 The financial statements were authorized for issuance by the Board of Directors on March 17, 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.

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

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

a. Professional judgements and key assumptions

The preparation of financial statements in accordance with IFRS requires the use of management's professional judgment, estimates and assumptions which affects the application of accounting policies and the reported value of assets, liabilities, income and expenses. Actual results may differ from estimated values.

The estimates and assumptions are reviewed regularly. Revisions of estimates are recognized in the period in which the estimate was revised and in future periods affected by the change.

IAS 1.122,125,129,130 Information regarding professional judgments that are critical in applying accounting policies which can significantly affect the values presented in the financial statements are included in the following notes:

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

b. New International Financial Standards not applied by the Company

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

These are:

- Publication of IFRS 19 "Subsidiaries without public exposure" effective January 1, 2027
- Amendments to IFRS 18 "Presentation and Presentation in Financial Statements" effective January 1, 2027.
- Amendments to IFRS 7 and IFRS 9 "Contracts Relating to Nature-Dependent Electricity" effective January 1, 2026.
- Amendments to IFRS 7 and IFRS 9 "Classification and Measurement of Financial Instruments" effective January 1, 2026.
- Amendments to IFRS 19 "Non-Public Liability Subsidiaries" applicable from January 1, 2027.
- Amendments to IAS 21 "Effects of Exchange Rate Changes": Conversion into a hyperinflationary presentation currency, applicable from January 1, 2027.

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

c. Presentation of financial statements

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

Comparative information has been presented so that they are in accordance with the revised standard. As the impact of change in accounting policy is reflected only on presentation aspects, there is no impact on earnings per share.

IAS 1 Presentation of Financial Statements is basis for the financial statements presentation to ensure comparability both with the entity's financial statements for previous periods and with the financial statements of other entities.

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

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

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

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

Expenses representing inventories consumption, depreciation of fixed assets, interest expenses, employee expenses etc. and which according to the IFRS stipulations, are included in some assets value, are recognized during the period depending on their nature. Complementarily, the accounting records related to assets in progress, on recognize of the related income accounts.

In preparation of the annual accounting reports, as well as those submitted during the year to the territorial units of the Ministry of Public Finance, which are prepared in accordance with the format established by the Ministry of Public Finance, the Company which, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, does not present either the value of these expenses or the value of the corresponding revenues as it is stipulation by OMFP 2844 of December 12, 2016 for approving the Accounting Regulations compliant with International Financial Reporting Standards (paragraph 182).

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

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

d. Standards and interpretations available in the current period

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

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

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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, holds, in present, 49,9998% of the share capital of SC Şantierul Naval Orşova SA, so, they have obligation to prepare the consolidated financial statements.

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

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

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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.

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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.

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

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

117(a)

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).

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

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

117(a)

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 Construcții 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.

Şantierul Naval Orşova S.A.
Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

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

117(a)

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

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

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

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

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

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

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

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

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

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

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

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

With regard to the accounting treatment of revaluation differences, it was in accordance with IAS 16, as follows:

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

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

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

(ii) Reclassification to investment property

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

(iii) Depreciation of tangible non-current assets

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

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

The company uses straight-line depreciation method for all tangible assets owned, by dividing the book value equally, over its useful life. The depreciation method is applied consistently to all assets of the same type and with identical conditions of use. If tangible assets are placed in conservation, the company did not account the depreciation expense, instead at the end of the period, the company will record a corresponding expense adjustment for the impairment of the asset. The degree of impairment will be determined as much as possible by a certified evaluator.

A significant change in the conditions of use of tangible assets or aging may justify a revision of the useful life. Also, if the tangible non-current assets are placed in conservation (their use is discontinued for a long period), the useful life can be revised.

The residual value and service life shall be reviewed at least at each financial year end.

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

<u>Asset</u>	<u>Years</u>
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.

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Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

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

d. Intangible Assets

(1) Cost

(i) *Software*

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

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

(ii) *Other intangible assets*

All other intangible assets are recognized at cost.

Intangible assets are not revalued.

(2) Amortization

(i) *Software*

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

(ii) *Other intangible assets*

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

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

e. Rights-of-use for leases assets

The company as a lessees

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

Leasing liability

The lease debt is initially measured at the present value of the lease payments that are not paid at the start date, discounted with the implied interest rate in the lease.

If this rate cannot be easily identified, the Company uses the NBR's monetary policy interest rate. The lease debt is initially measured at the present value of the lease payments that are not paid at the start date of the contract, discounted using the interest rate.

The leasing debt is presented as a separate line in the financial statement.

Lease liabilities are subsequently discounted by increasing the carrying amount to reflect the amount of the revalued lease debt and by reducing the carrying amount to reflect the lease payments made. The Company shall revalue the lease liability (and make an appropriate adjustment to the right to use the asset) when:

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

Rights-of-use assets

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

The rights to use the assets are amortized during the lease period of the underlying asset.

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

f. Investment property

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

- (a) used for production or supply of goods or services or for administrative purposes; or
- (b) to be sold in the ordinary course of business.

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

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

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

g. Inventories

I Stocks are assets:

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

Measurement of inventories

Inventories are required to be stated at the lower value between cost and net realizable value.

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

Cost of inventories

The primary basis for accounting inventories is the cost .

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

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

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

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

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

h. Impairment

(i) Financial assets (including receivables)

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

If in a subsequent period, an event occurring after the recognition of the impairment will determine an increase of the asset's value, the impairment will be reversed.

i. Employee benefits

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

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

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

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

117(a)

j. Provisions

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

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

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

(2) Provisions for litigation

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

(3) Provisions for guarantees

For river vessels produced by the Company, it is stipulated in the export contracts that the seller is obliged to guarantee the proper execution, for a period of 6-9 months from date of sale (ownership transfer), depending on the complexity of the ships.

Provisions made for this purpose are based on calculation of the average share of total claims paid customer deliveries during the last period (previous year).

k. Revenue

Revenue refers to goods sold and services rendered.

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

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

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

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

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

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

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

Interest income is recognized as the income generates, on an accrual basis using the effective interest method in proportion to the relevant time, based on the principal and the effective rate over the period to maturity or a shorter period if this period is link to transaction costs, when it is established that the company will obtain such income.

Income from financial assets or dividends receivable from entities in which the Company is a shareholder, are recognized in the financial statements of the financial year in which they are approved by the General Meeting of each entity.

m. Income tax

The Company records current income tax using the taxable income from tax reporting, determined by the relevant Romanian legislation.

Income tax obligation for the reporting period and prior periods is recognized to the extent that is not paid.

If the amounts paid on the current and prior periods exceed the amounts due for those periods, the excess is recognized as recoverable amount.

Recognition of deferred tax assets and liabilities

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

4. Determination of fair value

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

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

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

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

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

4. Determination of fair value (continued)

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

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

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

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

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

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5. Revenue

	<u>2025</u>	<u>2024</u>
	RON	RON
<i>IFRS 15.113 (a)</i> Sales of goods	103.441.511	76.586.595
<i>IFRS 15.113 (a)</i> Rendering of services	10.979.531	13.601.590
<i>IFRS 15.113 (a)</i> Sales of residual products and goods	2.846.617	3.361.136
<i>IAS 40.75 (f) (i)</i> Incomes from rental of investment properties	-	33.116
Total	<u>117.267.659</u>	<u>93.582.437</u>

Sales of goods, made from the sale of ships built at the headquarters in Orşova, increased by 35.06% in 2025 compared to the previous year. In 2025, the Company completed and handed over 5 ships to foreign customers. Given that the structure and complexity of the ships built is different from one year to another, this fact is also reflected in the level of income achieved during these periods. We mention that in 2025, 4 of the 5 new constructions were passenger ships.

The company had its entire production capacity covered for 2025, although the river/sea shipbuilding market continued to be deficient.

As for the ship repair activity, the revenues achieved in 2025, mainly by the Agigea branch, were in the amount of RON 10,333,224 (RON 12,939,036 in 2024), registering a decrease of 20.14% compared to the previous year.

In 2025, the Company achieved revenues from the sale of residual products, lower by 17.19% compared to the previous year, mainly from the recovery of iron waste resulting from the production process but also from the scrapping of assets.

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

6. Other income

	<u>2025</u>	<u>2024</u>
	RON	RON
Rental income (other than rental of investment property)	5,829,290	6,199,235
Income from the sale of assets held for sale	1,692,146	0
Other operating incomes	336,606	256,486
Total	<u>7,858,042</u>	<u>6,455,721</u>

The amounts entered under the heading "Rental income" refer to the amounts from the rental of three floors during 2025, but also from the rental of spaces at the Agigea branch.

Thus, in the analyzed period, rental income is at a lower level than in the corresponding period of the previous year (decrease by 5.97%). And in 2025, one of the main concerns of the Company's management was to find solutions for renting all the saddles in the branch's patrimony.

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6. Other income (continued)

In the first part of the year, the sale of the hall was carried out, an asset reclassified at the end of 2024 in the category of fixed assets for sale.

Regarding the Other operating income position, we note an increase of 31.23% compared to those achieved in 2024.

7. Expenses related to inventories

	<u>2025</u>	<u>2024</u>
	RON	RON
Raw materials	19.805.079	18,810,076
Consumables, including:	14.556.257	11,886,401
<i>Auxiliary materials</i>	12.330.251	10,718,856
<i>Fuel</i>	395.378	354,033
<i>Spare parts</i>	375.758	377,424
<i>Other consumables</i>	1.454.870	436,088
Materials in the form of small inventory	582.964	455,450
Materials not stored	467.833	239,465
Goods for resale	111.065	16,677
Trade discounts received	(828)	(2,947)
Total	<u>35,522,370</u>	<u>31,405,122</u>

As of 31.12.2025, the significant share in total inventory expenses is still held by raw materials (shipboard). Raw material expenses in 2025 increased by 5.29% compared to 2024 mainly due to the production volume as well as the structure of shipbuilding sold in 2025. And overall, there is an increase in inventory expenses, by 13.11% compared to the previous year, this increase being also correlated with the fact that revenues from the sale of ships also increased by 35.06%.

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

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8. Utility expenses

	<u>2025</u>	<u>2024</u>
	RON	RON
Electricity	2,499,197	2,239,677
Water	57,931	58,483
Total	<u>2,557,128</u>	<u>2,298,160</u>

In 2025, utility expenses increased compared to last year (by 11.27%), these being related to the production achieved, respectively the significantly higher revenues recorded compared to the previous year.

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

IAS 1.104

9. Personnel expenses

	<u>2025</u>	<u>2024</u>
	RON	RON
Salaries	41.690.349	32,097,358
Social expenses	3.371.195	2,706,467
Total	<u>45.061.544</u>	<u>34,803,825</u>
 Number of employees	 348	 344

In 2025, expenditure on employee benefits is at a higher level, with 29.47% compared to 2024. This increase is due both to the increase in the salaries of the Company's staff, starting with January 2025, by the gross amount of 350 lei/employee, respectively to the increase, in the analyzed period, of the value of the meal voucher from 35 lei/meal voucher to 40 lei/meal voucher, and to the volume of production achieved during this period.

Among other factors that influenced the salary expense in 2025, we mention the increase in the number of personnel, but also the structure of production costs from the perspective of the presentation of the cost of goods sold according to the requirements of IAS 1.

Analyzed in correlation with salary expenses, in terms of social expenses and labor insurance contribution, we also notice an increase of 24.56% compared to 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.

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10. Receivables allowances and inventories write-down

	<u>2025</u>	<u>2024</u>
	RON	RON
Losses due to various debts and debtors	8.944	-
Impairment of current assets	436.224	154,529
Income from current assets Impairment	(53.780)	(50,694)
Total	<u>(391.388)</u>	<u>(103.835)</u>

The amounts presented above mainly relate to the adjustment of impairments related to inventories and other receivables, operations carried out during 2025.

IAS 1.97

11. Other expenses

	<u>2025</u>	<u>2024</u>
	RON	RON
Maintenance and repair expenses	647.334	1,063,746
Royalties and rental expenses	129.341	93,158
Insurance premiums	318.446	198,472
Commissions and fees	210	504
Protocol, promotion and advertising	37.972	40,351
Transport of goods and personnel	3.591.134	2,447,388
Travel	53.704	45,343
Postage and telecommunications	35.645	43,264
Bank commissions and similar charges	73.234	59,859
Other third party services	18.579.406	13,076,338
Other taxes, duties and similar expenses	772.962	717,035
Expenses with the environment protection	9.400	14,362
Expenses with the sale of assets held for sale	1.048.588	0
Other operating expenses	441.470	107,243
Compensations, fines and penalties	190.386	22,642
Total	<u>25.929.232</u>	<u>17.929.705</u>

In 2025, the level of the above expenses registered a significant increase compared to the previous year (by 44.62%), those with a significant share referring to:

11. Other expenses (continued)

- There is a decrease in maintenance and repair expenses (by 39.15%). In 2025, the Company carried out fewer maintenance and repair works on the equipment and constructions in the patrimony compared to the previous year.
- In terms of rental expenses, they increased by 38.84% in 2025 compared to 2024, due to the slight increase in asset rental rates, but also to influences due to ongoing production.
- Insurance premium expenses increased by 60.45%, mainly due to economic and market factors (inflation, legislative adjustments). Expenditure on the transport of goods and people increased (by 46.73%). These expenses are closely related to the volume of sales revenues, but we also see an increase in the goods supply segment. An influencing factor in this increase is also the method of presenting expenditure using a classification based on its nature.
- These expenses relate in particular to the transport of river vessels built at the main headquarters, on the route: Orşova – Rotterdam or other delivery points in the Netherlands or Germany, indicated in the commercial contracts. We specify that, in accordance with the contractual provisions, the transfer of ownership is carried out with the delivery of the ships at these points, throughout the transport period the ships being provided by the Company's care, according to the contractual clauses.
- We also note an increase in third-party services in 2025 compared to 2024 (by 42.08%). And in 2025, given the schedule, but also the production volume, given that we are still facing a shortage of manpower, the Company has used, to a greater extent, subcontractors. As regards the auditors' fees, included in the total amount under this heading, it is found that their level is close to that of the previous year. Specifically, they recorded the following values in the current year: 89,199 lei, including VAT, fees to statutory auditors (in the financial year 2024 these amounts totaled 70,399 lei, including VAT), and for internal audit services the amounts paid during the financial year 2024 were 43,406 lei, including VAT (for the financial year 2024, fees of 31,975 lei were paid, including VAT). The company did not contract tax advisory services during the analyzed period.
- Regarding the position regarding compensation expenses, fines, in 2025 the Company paid higher amounts compared to 2024 (by 740.85%), representing fines to the state authorities but also to a contractual partner following the termination of a contract.
- A significant increase (by 311.65%) is found in the Other operating expenses position. In 2025, the Company recorded higher expenses of this nature, but these are related to the achievement of corresponding operating income.
- Regarding the item Expenses with other taxes and fees, we see an increase of 7.80%, due to the increase in local taxes and fees.

And in the case of these categories of expenditure, an influencing factor in these increases/decreases is the method of presenting expenditure using a classification based on its nature.

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

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

Recognized in income statement

	<u>2025</u>	<u>2024</u>
	RON	RON
<i>IFRS 7.20</i> Interest income related to deposits	796,422	844,344
<i>(b)</i>		
<i>IAS 21.52</i> Income from exchange rate differences	937,755	277,738
<i>(a)</i>		
Total financial revenue	1,734,177	1,122,082
Value adjustments in respect of financial assets	0	0
<i>IAS 7.20</i> Interest expense on leasing contracts	200,031	67,888
<i>(b)</i>		
<i>IAS 21.52</i> Exchange rate differences expenses	465,512	117,986
<i>(a)</i>		
Total financial expenses	665,543	185,874
Net financial result	<u>1,068,634</u>	<u>936,208</u>

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

- interest income is mainly related to bank deposits constituted during the financial year ended on 31.12.2025;
- in 2025, the company did not take out bank loans, did not use credit lines and, therefore, did not incur bank interest expenses;
- the expenses from exchange rate differences were lower than the income from exchange rate differences, so that, for the total year 2025, the Company recorded a net gain of RON 472,243 (in 2024: RON 159,752). The gains from exchange rate differences were recorded both from the revaluation of foreign currency availabilities and as a result of hedging transactions, concluded by the Company in order to protect against currency depreciation.

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13a. Income tax expenses

		<u>2025</u>	<u>2024</u>
		RON	RON
	a) Current income tax expenses		
IAS 12.80 (a)	Current period	1,691,569	1,691,569
	b) Deferred income tax expenses		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	636,620	636,620
	Total income tax expenses	2,328,189	2,328,189
IAS 12.81 (c)	c) Reconciliation of effective tax rate		
	Profit for the period	10.414.896	7,541,815
	Non-deductible expenses	1.538.986	1,448,966
	Non-taxable incomes	(1.171.856)	(1,139,183)
	Elements similar to expenses	1.549.786	2,894,648
	Legal reserve	-	-
	Other taxable amounts	-	291,821
	Tax loss deduction	-	-
	Tax profit/loss	12.331.812	11,038,067
	Sponsorships	370.000	40,000
	Tax incentives	-	34,522
	Current income tax expense	1.603.090	1,691,569
	Profit after tax	8.658.015	5,213,626

Şantierul Naval Orşova S.A.**Separate financial statements 2025 in accordance with IFRS as adopted by EU***Reference* **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS****14. Deferred tax assets and liabilities**

On May 1, 2009, the provisions of the Government Emergency Ordinance no. 34, which limits the deductibility of some expenses to the calculation of corporate income tax, the biggest influence being the non-deductibility of the depreciation of the revaluations made since 2004, the impact on the Company's corporate income tax expenses being significant.

The deferred tax liabilities are represented by the corporate income tax amounts, payable in future accounting periods, in terms of taxable temporary differences. In determining the deferred corporate income tax, the tax rate provided for in the tax regulations in force on the date of preparation of the financial statements is used, respectively 16%.

The receivables and liabilities regarding the deferred tax are attributed to the following elements:

	ASSETS		LIABILITIES		NET	
	2025	2024	2025	2024	2025	2024
Tangible Non-Current Assets	249.964	416.601	712.410	1.175.924	462.446	759.323
Stocks	-	-	-	-	-	-
Commercial receivables	-	-	-	-	-	-
Commercial debts	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employee Benefits	104.407	168.856	153.791	104.832	49.384	(64.024)
Tax loss carried forward	-	-	-	-	-	-
Receivables/liabilities	-	531.789	-	531.789	-	-
Tax incentives	-	22.070	-	-	-	(22.070)
Tax offsets	-	-	-	-	-	-
Net Deferred tax assets/liabilities	354.371	1.139.316	866.201	1.812.545	511.830	673.229

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

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

		<u>Land and buildings</u>	<u>Machines and Equipment</u>	<u>Furniture and fixtures</u>	<u>Work in progress</u>	<u>Total</u>
		RON	RON	RON	RON	RON
	Cost or assumed cost					
<i>IAS 16.73 (d)</i>	Balance at 1 January 2025	23.088.673	57.806.285	586.820	3.080.295	84.562.073
<i>IAS 16.73 (e)(i)</i>	Acquisition	459.676	2.763.126	112.752	2.624.985	5.960.539
<i>IAS 16.73 (e)(ii)</i>	Disposals of tangible non-current assets	443	1.245.080	102.862	2.790.197	4.138.582
	Net reevaluation	-	4.452.566			4.452.566
<i>IAS 16.73 (d)</i>	Balance at 31 December 2025	23.547.906	63.776.897	596.710	2.915.083	90.836.596
	Depreciation and impairments					
<i>IAS 16.73 (d)</i>	Balance at 1 January 2025	-	40.459.276	448.351	-	40.907.627
<i>IAS 16.73 (d)(vii)</i>	Depreciation for the year	1.865.103	3.241.941	34.487	-	5.141.531
<i>IAS 16.73 (d)(vi)</i>	Reversal of impairment losses		(130.548)		-	(130.548)
<i>IAS 16.73 (d)(ii)</i>	Disposal of tangible non-current assets	56	569.741	102.862	-	672.659
	Discounts representing cancellation of depreciation due to revaluation	-	281.683	-	-	281.683
<i>IAS 16.73 (d)</i>	Balance at 31 December 2025	1.865.047	42.719.245	379.976	-	44.964.268
<i>IAS 1.78 (a)</i>	Net book value					
	Balance at 1 January 2025	<u>23.088.673</u>	<u>17.347.009</u>	<u>138.469</u>	<u>3.080.295</u>	<u>43.654.446</u>
	Balance at 31 December 2025	<u>21.682.859</u>	<u>21.057.652</u>	<u>216.734</u>	<u>2.915.083</u>	<u>45.872.328</u>

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

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

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

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

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

Revaluation of tangible non-current assets

As of December 31, 2004, the value of tangible assets is presented either at historical cost indexed in accordance with the Government Decisions ("GD") that have applied up to that date, or at historical cost.

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

On December 31, 2010 and 2012 respectively, the Company did not revalue its tangible assets.

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

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

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

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

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

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

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

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

For constructions and ships, an increase amounted at 2,181,569 RON was recorded. However analyzed individually, there are positions that present decreases, their total value is amounted at 3,591,056 RON, out of which 3,416,821 RON were incurred from revaluation surplus previously recorded for these items and 174,235 RON were supported on costs.

Please note that further information regarding the revaluation can be found in the Administrators' report prepared and presented separately in the general meeting of shareholders.

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

On December 31, 2017, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda.

For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2017 total of 304,490.18 RON (to 31.12.2016 this impairment was of 287,458.76 RON).

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

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

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

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

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

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

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

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

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

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

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

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

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

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. For the fixed assets in conservation at the Agigea branch, the total depreciation constituted at the end of 2024, of RON 130,548.28, was resumed to revenues in 2025, following the scrapping of these assets.

In order to carry out these operations, the company turned to the specialized services of the evaluator DARIAN DRS S.A., headquarters in Timisoara.

Valuation techniques used by the evaluator for fixed assets under IFRS 13.91, were as follows:

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

According to IFRS 13, the fair value measurement of tangible assets such as buildings and waterways involved taking into account the characteristics of the assets that market participants would take into account in determining the price of the asset at the valuation date. The determination

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

of the fair value was carried out by an independent external valuer and is assimilated to level 2 provided for in IFRS 13 for the dates taken into account in the determination of fair values on December 31, 2024, the date of financial reporting. At Company level, there was no change in the IFRS 13 level for the fair value data. Also, the maximum utilization value for assets measured at fair value does not differ from the current utilization value.

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

- RON-

Name	Land	Plant	Equipment (Means of transport)
Fair value at 31.12.2025	625.753	22.922.153	9.459.150
Revaluation surplus	-	15.229.836	5.950.540
Net book value according to cost model	625.753	7.692.317	3.508.610

Impairment losses and subsequent reversals

On the occasion of the revaluation on December 31, 2024, the depreciation test was also carried out for the fixed assets in conservation at the Agigea branch, and following the processing of those data, a

depreciation, in balance, in the amount of RON 130,548, related to fixed assets other than buildings.

In 2025, the total depreciation constituted at the end of 2024, of RON 130,548.28, was resumed in revenues, following the scrapping of these acts.

Pledged or mortgaged tangible assets

In order to guarantee the global multi-option and multi-currency ceiling of EUR 1,500,000, made available by BRD-GSG SA, the Company established the following:

- 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 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;
- movable security interest with dispossession on a term deposit in the amount of EUR 414,135.82.
- Assignment of receivables as collateral on receipts totaling EUR 43,374,000, resulting from commercial contracts concluded by the Company with third parties, contracts not collected as of 31.12.2025.

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

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

Tangible assets in progress

As of 31.12.2025, the Company had unfinished investment objectives in a total amount of RON 2,915,083, consisting mainly of modernization works of the launch track, respectively of some spaces at the Agigea subunit.

Changes in Accounting Estimates

On the occasion of the revaluation carried out on December 31, 2018, December 31, 2021 and December 31, 2024, some of the fixed assets that were fully depreciated were assigned a new use value, which also led to a reconsideration of the lifespan, durations that were used from the following years to calculate the accounting depreciation.

Changes in classification

In 2024, the Company proceeded to reclassify some assets.

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

In December 2024, the Company's Board of Directors decided to sell a bargain, and following this decision, the Company reclassified this asset, in accordance with IFRS 5, as an asset held for sale. The sale of this asset was completed by the first part of 2025.

As of December 31, 2025, the company did not hold any reclassified assets in its patrimony.

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Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

IAS 38 **16. Intangible Assets**

<i>IFRS 3.61 IAS 38.118 (c), (e)</i>		<u>Goodwill</u>	<u>Patents and trademarks</u>	<u>Costuri dezvoltare</u>	<u>Other assets</u>	<u>Total</u>
	Cost					
<i>IFRS 3.B67 (d)(viii),IAS 38.118</i>	Balance at January 1, 2025	-	-	-	1.113.258	1.113.258
<i>IAS 38.118(e)</i>	Acquisitions	-	-	-	-	-
	Disposal of intangible assets				14.282	14.282
<i>IAS 38.118</i>	Balance at December 31,2025	-	-	-	1.98.976	1.098.976
	Amortizare și pierderi din depreciere					
<i>IFRS 3.B67 (d)(i),IAS 38.118</i>	Balance at January 1, 2025	-	-	-	1.071.581	1.071.581
<i>IAS 38.118(e)(vi)</i>	Amortization during the year	-	-	-	33.805	33.805
<i>IAS 38.118(e)(iv)</i>	Impairments					
	Disposal of intangible assets				14.282	14.282
<i>IFRS 3.B67 (d)(viii),IAS 38.118</i>	Balance at December 31,2025	-	-	-	1.091.104	1.091.104
	Valori contabile					
<i>IAS 38.118(c)</i>	Balance at January 1, 2025	-	-	-	<u>81.164</u>	<u>81.164</u>
<i>IAS 38.118(c)</i>	Balance at December 31, 2025	-	-	-	<u>7.872</u>	<u>7.872</u>

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

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

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

We specify that the Company, at the headquarters of the Agigea branch, has the right to use the land owned by the National Company for the Administration of Maritime Ports Constanta ("CNAPMC"). 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. The initial analysis of the clauses of this contract led the Company to apply the exception allowed by IFRS, namely to consider that the conditions for periodically recognizing this contract as a new lease contract are met. The reconsideration of the contract in 2021 led to the classification of the contract with CNAPMC under the IFRS 16 standard, so that the Company recorded an asset related to the right of use and a 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 to use of assets
Cost		
As of 31 December 2023	2,900,501	2,900,501
Entries	3,503,589	3,503,589
Outputs	2,900,501	2,900,501
As of 31 december 2024	3,503,589	3,503,589
Entries	275,901	275,901
As of 31 December 2025	3,779,490	3,779,490
Amortization		
As of 31 December 2023	2,404,695	2,404,695
Annual amortization	663,926	663,926
Outputs	2,900,501	2,900,501
As of 31 December 2024	168,120	168,120
Annual amortization	702,204	702,204
As of December 2025	870,324	870,324
Net book value		
At 31 december 2023	495,806	495,806
At 31 december 2024	3,335,469	3,335,469
At 31 december 2025	2,909,166	2,909,166

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

17. Right-of-use assets (continued)

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Expenditure with related amortization			
Usage rights	702,204	663,926	658,463
Interest on lease debt	200,031	67,889	57,548
Totals	902,235	731,815	716,011

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

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

- investments in subsidiaries, jointly controlled entities and associated entities are recognised at cost value;
- short-term investments held for sale not listed on the stock exchange are recorded at cost, for impairment impairments adjustments are made (the impairment treatment of these securities is established by IFRS 9);
- short-term investments held for sale listed on the stock exchange are recorded at fair value (the value of the last trading day of the year), any gains or losses to be recognized in the statement of capital. If there is objective evidence of impairment (as presented in IFRS 9), as well as in the case of foreign exchange gains and losses, the impairment loss will be recognised in the profit statement.

Other investment	2025			2024		
	Book value	Allowance for impairment	Net worth	Book value	Impairment adjustments	Net worth
Long-term investment						
Shares held at Kritom	684,495	684,495	0	684,495	684,495	0
Other long-term securities	0	0	0	0	0	0
Total long-term investment	<u>684,495</u>	<u>684,495</u>	<u>0</u>	<u>684,495</u>	<u>684,495</u>	<u>0</u>

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

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

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

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

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

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

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

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

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

As of December 31, 2025, the Company had made adjustments for the full impairment of these securities, i.e. at the level of RON 684,495, so that the net value as of December 31, 2025 was RON 0 (as of December 31, 2024, the same situation was recorded).

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

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

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IAS 40 **19. Investment property**

		<u>2025</u>	<u>2024</u>
		RON	RON
<i>IAS 40.76(a)</i>	Balance on January 1st	0	606,447
<i>IAS 40.76(f)</i>	Acquisitions	0	0
<i>IAS 40.76(d)</i>	Free transfer/depreciation, transfer to tangible assets	0	606,447
	Balance at December 31	<u>0</u>	<u>0</u>

Starting with September 2019, the Agigea branch proceeded to rent a building located in Constanta, called "Headquarters", to the companies City Protect and Protect Instal. The lease period, according to the contracts in force, ended on 31.12.2024, but the lease contracts were terminated in June 2024, and the property was sold in December 2024.

The Company values real estate investments at fair value, with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

In the financial year 2025, the Company did not hold assets classified as real estate investments.

20. Inventories

		<u>2025</u>	<u>2024</u>
		RON	RON
<i>IAS 1.78 (c),2.36(b)</i>	Raw materials and consumables	17.933.553	13,616,430
<i>IAS 1.78(c), 2.36(b)</i>	Work in progress	10.879.709	23,702,871
	Write-downs	(1.056.547)	(839,664)
	Inventories at net value	<u>26,756,715</u>	<u>36,479,637</u>

IAS 1.104,2.36(e)(f) Inventories register a decrease of 235.91% compared to the previous year. We note a significant decrease in the production in progress at the end of the year, following the delivery of a ship hull in December. The maintenance of inflationary trends in raw materials and materials in 2025, the preponderant delivery in 2025 of raw materials and construction materials to be completed in the following year, led to a higher level of stocks at the end of the year. For sheet metal stocks older than 3 years and for other stocks older than 2 years, without movement, the Company adjusted the book value, constituting a total impairment of RON 1,056,547.

Evolution of inventory write-downs

		<u>2025</u>	<u>2024</u>
		RON	RON
<i>IAS 1.104,2.36(e,g)</i>	Opening balance	(839.664)	(725,939)
<i>IAS 1.104, 2.36(e,g)</i>	Write-downs reversal	22.700	37,924
<i>IAS 1.104, 2.36(e,g)</i>	Write-downs	(239.583)	(151,649)
	Closing balance	<u>(1,056,547)</u>	<u>(839,664)</u>

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Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

21. Fixed assets held for sale

	<u>2025</u>	<u>2024</u>
	lei	Lei
<i>IAS 1.104, 2.36(e,g)</i> Balance at the beginning of the period	1,048,588	0
<i>IAS 1.104, 2.36(e,g)</i> Transfer from property, plant and equipment	-	1,048,588
Outputs/Sales	1,048,588	
Balance at the end of the period	0	1,048,588

At the end of 2024, the Company, following the decision of the administrators, transferred an asset from the category of tangible assets to the category "Fixed assets held for sale"; It was measured at the date of reclassification at the lesser of net carrying amount and fair value less costs generated by the sale.

In February 2025 this asset was sold, so that at the end of 2025 the Company does not hold any assets of this nature.

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

	<u>2025</u>	<u>2024</u>
	RON	RON
<i>IAS 1.78 (b)</i> Trade receivables in relation to related parties	212,968	383,871
Loans to directors	-	-
<i>IAS 1.78 (b)</i> Trade receivables	17,915,192	1,305,057
Impairment adjustments for trade receivables	(317,934)	(166,620)
<i>IFRS 7.8(c)</i> Loans and net receivables	17,810,226	1,522,308

Long term

Receivables – total	2,735,881	1,754,518
Sundry debtors	330,108	254,803
Suppliers – debtors	892,381	395,388
VAT receivable and under settlement	807,586	480,505
Allowances for other receivables	(268,050)	(253,803)
Deferred expenses	173,057	179,842
Other expenses	800,799	697,455
Accrued expenses	0	328
Total	<u>20,546,107</u>	<u>3,276,826</u>

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

Commercial receivables, as of December 31, 2025, register an increase compared to the corresponding period of 2024 (by 527.01%), the significant increase being recorded in commercial receivables, following the completion and invoicing in the last decade of December of a ship hull . The company has outstanding outstanding current invoices as of December 31, but most of them have already been collected in the first month of 2026.

As in the previous year, in the records of the Agigea Branch, there were uncollected commercial receivables (litigious customers), originating from previous years and for which adjustments were made for the depreciation of receivables in the total amount of RON 317,934.

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

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

Currency	2025	2024
	RON	RON
USD	-	-
EUR	15,652,196	293,651
RON	2,475,964	1,395,277

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

	2025	2024
	RON	RON
On 1 January	166,620	166,620
Allowances reversed	8,944	-
Recognized allowances	160,258	-
Balance at end of period	317,934	166,620

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

23. Short term investments

	2025	2024
	RON	RON
Deposits in banks in RON	18.000.000	10,500,000
Deposits in banks in foreign currency	2.111.471	3,014,382
Total	<u>20.111.471</u>	<u>13,514,382</u>

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23. Short term investments (continued)

Bank deposits in RON and bank deposits in foreign currency (euro), presented by the Company as other short-term investments as of December 31, 2025, refer to deposits with a maturity of between 3 months and one year.

24. Cash and cash equivalents

	<u>2025</u>	<u>2024</u>
	RON	RON
Bank accounts in RON	1.382.190	3,823,448
Bank account in foreign currencies (euro)	8.558.380	7,125,266
Petty cash in RON	2.054	6,144
Petty cash in foreign currencies	-	-
Other values	165	351
Total	<u>9,942,789</u>	<u>10,955,209</u>

Cash and cash equivalents decreased compared to the previous period (by 9.24%), the main influencing factors being payments to suppliers and the construction of bank deposits, made towards the end of 2025.

We specify that the Company has sufficient own financial resources that allow it to finance its current activity without resorting to loans.

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Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

25. Capital and reserves

Share capital

IFRS 7.7 The share capital structure on December 31, 2025 is as follows:

IAS

1.79(a)(i),(iii)

	<u>Number of shares</u>	<u>Amount</u> <u>(RON)</u>	<u>Percentage (%)</u>
Longshield Investment Group S.A.	5,375,969	13,439,923	47,0630
Sea Container Services S.R.L.	5,375,968	13,439,920	47,0630
Other corporate shareholders	105,998	264,995	0,9431
Other individual shareholders	564,984	1,412,460	4,9309
	<u>11,422,919</u>	<u>28,557,298</u>	<u>100</u>

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

Compared to the shareholding structure communicated by the Central Depository for the reference date 31.12.2024, there are no significant changes in the shareholding structure for the reference date of December 31, 2025. Changes occurred at the level of other shareholders, individuals and legal entities, in the sense that there was a small increase in the holdings of individuals to the detriment of legal entities.

Shareholders name	Percentage of ownership (%)	
	<u>2025</u>	<u>2024</u>
Longshield Investment Group S.A.	47,0630	47,0630
Sea Container Services S.R.L.	47,0630	47,0630
Other corporate shareholders	0,9431	0,9431
Other individual shareholders	4,9309	4,9309
Total	<u>100.00</u>	<u>100.00</u>

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 registry company (Depository Central Bucharest) contractually designated for this purpose.

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

25. Capital and reserves (continued)

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 to the management bodies, the right to participate in the distribution of profit or any rights derived from the quality of shareholder.

Holding the share implies the right to adhere to the statute and subsequent amendments.

During 2025 there were no changes in the share capital.

Reserves

The company distributed, until the end of 2020, 5% of the pre-tax profit to legal reserves, up to the limit of 20% of the share capital. These amounts were deducted from the tax base when calculating corporate income tax. Legal reserves cannot be distributed to shareholders.

During 2025, the Company did not constitute legal reserves because the threshold of 20% of the share capital was reached, according to art. 183 of the Companies Law no. 31/1990, republished, with subsequent amendments and completions.

As regards the revaluation reserves, their structure is as follows:

Revaluation reserve	Total reserve	Reserves taxed	Untaxed reserves
Recorded before 2004	5.773.025	-	5.773.025
Recorded at 31.12.2006	1.461.389	1.024.297	437.092
Recorded at 31.12.2007	2.958.771	1.667.743	1.291.028
Recorded at 31.12.2009	1.004.592	662.450	342.142
Recorded at 31.12.2012	1.385.706	1.059.335	326.371
Recorded at 31.12.2013	147.622	116.505	31.117
Recorded at 31.12.2014	27.364	18.041	9.323
Recorded at 31.12.2015	4.377.285	2.285.664	2.091.621
Recorded at 31.12.2016	83.075	58.519	24.556
Recorded at 31.12.2017	102.030	66.834	35.196
Recorded at 31.12.2018	5.102.838	2.548.383	2.554.455
Recorded at 31.12.2019	127.351	75.046	52.305
Recorded at 31.12.2021	3.958.067	1.479.859	2.478.208
Recorded at 31.12.2023	32.915	18.743	14.172
Recorded at 31.12.2024	7.376.189	643.160	6.733.029
Recorded at 31.12.2024	4.452.566	-	4.452.566
TOTAL	38.370.785	11.724.579	26.646.206

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

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Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

25. Capital and reserves (continued)

IAS 1.107 Profit appropriation / Dividends declared and paid

At the Ordinary General Meeting of Shareholders (OGMS) held on 28.04.2025, the distribution of the amount of RON 5,825,688.69 was approved, respectively a gross dividend of RON 0.51/share, from the net profit achieved in 2024.

26. Earnings per share

Earnings per share are calculated by dividing the net result for the financial year by the weighted average number of ordinary shares outstanding at the end of the year. Diluted earnings per share are determined by adjusting the net income attributable to holders of ordinary shares and the weighted average of the number of shares outstanding, adjusted by the value of treasury shares held, with the dilutive effects of all potential ordinary shares.

IAS Profit attributable to ordinary shares

33.70(a)

	<u>2025</u>	<u>2024</u>
Profit (loss) for the period	8.762.422	5,914,270
Dividends for unredeemed preference shares	-	-
Profit (loss) attributable to ordinary shares	<u>8.762.422</u>	<u>5,914,270</u>

IAS Weighted average number of ordinary shares

33.70(b)

	<u>2025</u>	<u>2024</u>
Ordinary shares issued on 1 January	11,422,919	11,422,919
Effect of own shares held	-	-
Effect of share options exercised	-	-
Weighted average number of ordinary shares at 31 December	11,422,919	11,422,919

IAS Profit attributable to ordinary shareholders (diluted)

33.70(a)

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders (basic)	8,762,422	5,936,340
Interest expense related to convertible bonds after tax	-	-
Profit attributable to ordinary shareholders (diluted)	<u>8,762,422</u>	<u>5,936,340</u>

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26. Earnings per share (continued)

<i>IAS 33.70(b)</i> Weighted average number of ordinary shares (diluted)	2025	2024
Weighted average number of ordinary shares (basic)	11,422,919	11,422,919
Effect of conversion of convertible bonds	-	-
Effect of share options issued	-	-
Weighted average number of the ordinary shares (diluted) at 31 December	11,422,919	11,422,919
Earnings per share	0.77	0.30

27. Loans

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

As of December 31, 2025, the Company had no bank loans in its balance, as it did not have on December 31, 2024.

The values of the guarantees granted by the Company for the global multi-option and multi-currency cap are presented below:

<u>Explanations guarantees</u>	2025	2024	
	RON	RON	
Land	612.312	612.312	BRD
Buildings	6.912.507	6.912.507	BRD
Receivables	221.142339	86.842.812	BRD
Pledge (collateral deposit)	2.111.471	2.019.562	BRD

1. As of December 31, 2025, the company had approved – as shown – a single global cap at BRD guaranteed according to the following.

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

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

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

27. Loans (continued)

- 2015 - 1,615,300 EUR (* 4.5245 RON/EUR=7,308,424 RON)
 - 2016 – 1,512,800 EUR (* 4.5411 RON/EUR=6,869,776 RON)
 - 2017– 1,512,800 EUR (* 4.6597 RON/EUR=7,049,194 RON)
 - 2018 - 1,512,800 EUR (* 4.6639 RON/EUR=7,055,548 RON)
 - 2019 - 1,512,800 EUR (* 4,7793 RON/EUR = 7,230,125 RON)
 - 2020 - 1,512,800 EUR (*4,8694 RON/EUR = 7,366,428 RON)
 - 2021 – 1,512,800 EUR (*4.9481 RON/EUR = 7,485,486 RON)
 - 2022 – 1,512,800 EUR (*4,9474 lei/EUR = 7,484,427 RON)
 - 2023 - 1,512,800 EUR (*4,9746lei/EUR = 7,525,575 RON)
 - 2024 - 1,512,800 EUR (*4,9741lei/EUR = 7,524,819 RON)
 - 2025 – 1,512,800 EUR (*5,0985lei/EUR = 7,713,011 RON)
3. Receivables -value of letters of credit that will be charged by the concerned bank (BRD):
- 2013 - 3,566,760 EUR (* 4.4847 RON/EUR= 15,995,848 RON)
 - 2014 - 2,213,440 EUR (* 4.4821 RON/EUR= 9,920,859 RON)
 - 2015 - 4,472,000 EUR (* 4.5245 RON/EUR= 20,233,564 RON)
 - 2016 - 2,480,000 EUR (* 4.5411 RON/EUR=11,261,928 RON)
 - 2017- 0 EUR (* 4.6597 RON/EUR= 0 RON)
 - 2018—1,745,000EUR (*4.6639 RON/EUR=8,138,506 RON) + assignment receivables 11,197,000EUR*4.6639=52,221,688 RON
 - 2019 - 2,310,000 EUR (* 4,7793 RON/EUR = 11,040,183 RON) + assignment receivables 9,842,730 EUR * 4.7793 = 47,041,359 RON
 - 2020 - 0 EUR
 - 2021 – 0 EUR
 - 2022 – 2,165,500 EUR (*4.9474 lei/EUR = 10.711.121 RON)
 - 2023 – 0 EUR
 - 2024 – 0 EUR
 - 2025 - 0 EUR
4. Pledge on a deposit in the amount of 401,201 EUR BRD, plus accrued interest of:
- 2013 - 589,000 EUR (* 4.4847 RON/EUR= 2,641,488 RON)
 - 2014 - 589,000 EUR (* 4.4821 RON/EUR= 2,639,957 RON)
 - 2015 - 642,714.64 EUR (* 4.5245 RON/EUR=2,907,962 RON)
 - 2016 – 400,000 EUR (* 4.5411 RON/EUR=1,816,440 RON)
 - 2017- 400,600 EUR (* 4.6597 RON/EUR=1,863,80 RON)
 - 2018 - 401,000 EUR (* 4.6639 RON/EUR = 1,870,227 RON)
 - 2019 - 401,201 EUR (* 4.7793 RON/EUR = 1,917,460 RON)
 - 2020 - 401,201 EUR (* 4.8694 RON/EUR = 1,953,608 RON)
 - 2021 – 401,201 EUR (* 4.9481 RON/EUR = 1.985.183 RON)
 - 2022 – 401,201 EUR (* 4,9474 lei/EUR = 1.985.022 RON)
 - 2023 – 401,201 EUR (*4,9746 lei/EUR = 1,995,815 RON)
 - 2024 – 406,015 EUR (*4,9741 lei/EUR = 2,019,562 RON)
 - 2025 - 414,136 EUR (*5,0985 lei/EUR = 2,111,472 RON)

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

27. Loans (continued)

By the loan agreement no. 70/31.07.2013 and addendum no. 14/26.06.2025, BRD-GSG Orşova granted the Company a credit facility in the form of an unconfirmed, multi-option and multi-currency global ceiling, in the amount of EUR 1,500,000 (one million five hundred thousand), valid until 30.06.2026 and a ceiling for hedging the foreign exchange risk in the amount of USD 2,069,000.

The unconfirmed global cap has several sub-limits, as follows, provided that the maximum value of all sub-limits does not exceed the total value of the cap of EUR 1,500,000 at any time:

- unconfirmed bi-currency credit line facility worth a maximum of EUR 1,500,000, usable in RON and EUR;
- facility for issuing bank letters of guarantee ('SGB Facility') - in a maximum amount of EUR 1,500,000, usable in RON and EUR, valid for issuance until 30.06.2026. The validity of the issued letters of guarantee is a maximum of 24 months from the date of issue;
- facility for opening letters of credit – in the amount of EUR 500,000 with a maturity of 24 months.

The credit facility is intended to finance the Borrower's day-to-day business and/or guarantee its obligations, and to carry out derivative transactions.

28. Leases' liabilities

Operating leases

The total commitments contained in the leasing contract concluded with the National Company Constanta Maritime Ports Administration on December 31, 2025, recognized in accordance with IFRS 16, is RON 3,011,919. When updating the leasing payments at the end of 2025, as the Company has no other loans contracted, it used the NBR's monetary policy interest rate of 6.50%. The maturity of the leasing debts is presented as follows:

	2025	2024
Year 1	-	588,236
Year 2	733.008	627,631
Year 3	782.099	669,664
Year 4	834.478	714,513
Year 5	662.334	762,365
Total	3.011.919	3,362,409
Debt balance 31 december	3.011.919	3.360.086
- Long term	2.278.911	2,736,018
- Short term	733.008	624,068

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

29. Employee benefits

a) The remuneration of directors and administrators

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be, and a variable remuneration in relation to the manner of achieving the objectives and performance indicators, annexed to the management contract.

The fixed monthly remuneration of the directors for the period January 1 - December 31, 2025 was in the amount of RON 595,646 (RON 600,732 in 2024), in accordance with the provisions of the Articles of Association and the Company's remuneration policy.

In 2025, the variable remuneration was not granted to the directors and the general manager.

The Company did not grant advances or loans to directors or administrators during the financial year ended December 31, 2025.

Wage expenses

	Financial year ended at <u>31 December 2025</u> RON	Financial year ended at <u>31 December 2024</u> RON
Administrators	595,646	600,732
Directors	2,216,184	1,436,459
	2,811,830	2,037,191

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

The composition of the Board of Directors in the period 01.01-10-11.2025 was as follows:

- Mr. Ion Dumitru – president
- Mr. Pripa Alexandru – vice-president
- Mr. Fainarea Marius – member
- Mrs. Patrascu Nadina Elena - member
- Mrs. Catalina Dumitrascu – member

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

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

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

29. Employee benefits (continued)

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

Salaries payable due at period end:

	31 December 2025	31 December 2024
	RON	RON
Administrators	29,154	29,154
Directors	28,997	28,877
	58,151	58,031

b) Employees

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

	Financial year ended at <u>31 December 2025</u>	Financial year ended at <u>31 December 2024</u>
Administrative staff	46	45
Direct productive staff	239	242
Indirect productive staff	63	57
	348	344

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

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

30. Provisions

		<u>Warranty</u>	<u>Employee benefits</u>	<u>Litigations</u>	<u>Other Provisions</u>	<u>Total</u>
<i>IAS</i> <i>37.84(a)</i>	Balance at January 1, 2025	-	<u>402.353</u>	<u>157.952</u>	<u>652.995</u>	<u>1.213.300</u>
<i>IAS</i> <i>37.84(b)</i>	Provisions recognized during the current period		21.040	-	657.837	678.877
<i>IAS</i> <i>37.84(c)</i>	Reversal of provisions during the current period		-	-	-	-
<i>IAS</i> <i>37.84(d)</i>	Complete reversal of provisions during the current period		402.353	-	585.174	987.527
<i>IAS</i> <i>37.84(a)</i>	Balance at December 31, 2025		<u>21.040</u>	<u>157.952</u>	<u>725.658</u>	<u>904.650</u>

Provisions for employee benefits

As of December 31, 2025, the company had provisions for retirement employee benefits in the amount of RON 21,040 (RON 402,353 as of December 31, 2024).

IAS 1.125 **Litigation**

On December 31, 2025, the Company established a provision for litigation in the amount of RON 157,952, representing material and moral damages in the file 861/274/2022, established by the court (Criminal Decision no. 112/2024) regarding the work accident of the employee of the Company Căiniceanu Ionel.

Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

30. Provisions (continued)

Other provisions

As of December 31, 2025, the company had set up provisions for unused vacation leave in the amount of RON 725,658 (2024: RON 652,995).

31. Trade payables and other liabilities

	<u>2025</u>	<u>2024</u>
	RON	RON
Trade payables - short term	19,128,090	12,241,924
- <i>Supplier debts</i>	<i>1,654,051</i>	<i>1,167,261</i>
- <i>Advances received from customers</i>	<i>17,474,039</i>	<i>11,074,663</i>
Social security and other taxes	2,843,188	1,515,392
Suppliers - invoices to be received	516,043	305,530
Other creditors	1,992,014	1,730,867
Commercial debts – long term (leasing, guarantees)	2,522,488	3,055,129
Total	<u>27,001,823</u>	<u>18,848,842</u>

Short-term trade liabilities mainly relate to payment obligations to suppliers and advances received from customers. We see an overall increase compared to the previous year, by 43.25%, but significant increases are especially in the positions Advances received from customers and Social Security and other taxes and fees.

We mention that the Company has no outstanding payment obligations.

32. Financial instruments

General presentation

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

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

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

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

32. Financial instruments (continued)

The general risk management

The Board of Directors has overall responsibility for establishing and supervising the overall risk management framework at Company level.

The Company's risk management policies are defined so as to ensure the identification and analysis of risks faced by the Company, the establishment of appropriate limits and controls, and the monitoring of risks and compliance with established limits.

Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. The company, through its training and management standards and procedures, aims to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

The Company's internal auditor performs standard and ad hoc review missions of controls and risk management procedures, the results of which are presented to the Board of Directors.

Credit risk

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

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

Credit risk exposure

IFRS. 7.36(a) The book value of financial assets represents the maximum exposure to credit risk.

The maximum exposure to credit risk at the reporting date was as follows:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		RON	RON
Trade receivables	22	18.128.160	1,688,928
Cash and cash equivalents	24	9,942,789	10,955,209

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

32. Financial instruments (continued)

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

	<u>2025</u>	<u>2024</u>
	RON	RON
Internal market	2,475,964	1,395,277
USD area	-	-
EUR area	15,652,196	293,651
Other regions	-	-
	<u>18,128,160</u>	<u>1,688,928</u>

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

	<u>2025</u>	<u>2024</u>
	RON	RON
Wholesalers	-	-
Retailers	-	-
Final consumers	-	-
Others	18,128,160	1,688,928
TOTAL	<u>18,128,160</u>	<u>1,688,928</u>

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

CLIENT / BENEFICIARY	YEAR 2025	YEAR 2024
Rensen Driessen Shipbuilding B.V. (NL)	100%	81,71%
Gebr De Jonge (NL)	-	18,29%
GEFO GESELLSCHAFT FUR OEL TRANSPORT BLACK SEE (RO)	-	-
TOTAL	100%	100%

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

32. Financial instruments (continued)

In the financial year 2025, deliveries of ships built in Orşova were concentrated with a single customer-(Rensen Driessen Shipbuilding B.V..

As for the ship repair activity, carried out mainly by the Agigea branch, its main clients were the companies Pro-Design and SEA Danube.

Receivables Allowances

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

	Depreciation	Gross	Depreciation	Gross
	2025	Value	2024	Value
	lei	lei	lei	lei
Before due	-	17.810.226	-	1.522.308
Overdue from 30 days -1 year	-	-	-	-
Overdue from more than one year or litigious	(317.934)	317.934	(166.620)	166.620
Total	(317.934)	18.128.160	(166.620)	1.688.928

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in fulfilling the obligations associated with financial liabilities that are settled in cash. The Company's approach to liquidity risk is to ensure, to the extent possible, that it has sufficient liquidity at all times to meet its liabilities when they become due, both under normal and difficult conditions, without incurring significant losses or endangering the Company's reputation.

In order to prevent certain situations that could make it impossible for the company to honor its payment obligations on time, as shown, the company has a global ceiling contracted with BRD.

Variable rate loans	2025	2024
Up to 1 year	-	-
Between 1 and 5 years	-	-
Over 5 years	-	-

Şantierul Naval Orşova S.A.

Separate financial statements 2025 in accordance with IFRS as adopted by EU

Reference NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

32. Financial instruments (continued)

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

IFRS 7.34 *Exposure to currency risk*

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

	2025			2024		
	EUR	USD	GBP	EUR	USD	GBP
Trade receivables	17,810,226	-	-	1,522,308	-	-
Guaranteed bank loans	-	-	-	-	-	-
Unsecured bank loans	-	-	-	-	-	-
Trade payables	21,650,578	-	-	15,146,568	-	-

Also in 2025, amid the depreciation of the leu and the oscillating evolution of the leu/euro parity, the Company concluded new hedging transactions with derivatives to prevent exposure to currency risk.

The exchange rates of the national currency in relation to EUR, USD, calculated as an average of the rates recorded during the reporting year and the previous year, as well as the exchange rates communicated by the National Bank of Romania on the last day of the year, were:

Currency	Average rate		Spot rate at the reporting date	
	2025	2024	2025	2024
RON				
EUR	5,0431	4,9746	5,0985	4,9741
USD	4,4645	4,5984	4,3417	4,7768

a. Interest rate risk

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

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

32. Financial instruments (continued)

b. Capital management

The Company's objectives in capital management are to ensure the protection and ability to reward its shareholders, to maintain an optimal capital structure in order to reduce capital costs. In order to maintain or change the capital structure, the Company may change the amount of dividends paid to shareholders, the return on shareholders' capital, issue new shares or sell assets to reduce liabilities.

The company monitors the amount of capital raised based on the degree of indebtedness. This ratio is calculated as the ratio of net liabilities to total capital. Net liabilities are calculated as total net cash liabilities. Total capital is calculated as equity plus net debts.

	<u>2025</u>	<u>2024</u>
	RON	RON
Total liabilities	32,900,172	24,893,312
Cash and cash equivalents	9,942,789	10,955,209
Total shareholders' equity	<u>127,569,428</u>	<u>112,635,715</u>

33. Contingent assets and contingent liabilities

a. Litigation and disputes

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

b. Taxation

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

Starting with July 1, 2013, the interest charged for each day of delay was set at 0.04%, and the penalty rates applicable for each day of delay changed to 0.02%. For the period after January 1, 2016, the interest charged for each day of delay was set at 0.02%, and the penalty rates applicable for each day of delay changed to 0.01%. In Romania, the fiscal year remains open for tax verification for 5 years. The Company's management considers that the tax liabilities included in these financial statements are adequate.

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

33. Contingent assets and contingent liabilities (continued)

c. Restructuring

In 2025, the company did not make any layoffs. However, there is an increase in the average number of employees by 1.16%, compared to the previous year (2025: 348 employees, 2024: 344 employees). At the time of preparation of the financial statements, the company does not have a staff restructuring plan.

d. Administrators remuneration

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be.

The management contracts concluded with the new Board of Directors do not include clauses regarding the granting of variable remuneration.

e. Onerous contracts

An onerous contract is a contract in which the mandatory costs of fulfilling the contractual obligations exceed the economic benefits to be obtained as a result of it. These mandatory costs reflect at least the net cost related to the exit from the contract which represents the minimum of the cost of performing the contract and any compensation or penalties resulting from its non-performance. The company had no onerous contracts concluded on December 31, 2025.

f. The contingent liabilities related to the environment

Environmental regulations are under development in Romania, and the Company has not registered any obligations as of December 31, 2025 for any anticipated costs, including legal and consulting fees, site surveys, design and implementation of remediation plans, regarding environmental elements.

The Company's management does not consider expenses associated with any environmental problems to be significant.

g. Insurances

At the end of 2025, the Company has insurance policies for owned cars and mortgaged tangible assets. For 2025, the Company has concluded group insurance for employees, and for the general manager.

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

33. Contingent assets and contingent liabilities (continued)

h. Transfer price

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

i. Warranty letters

On 31.12.2025, one of the banks through which commercial operations are carried out, BRD, had issued two letters of guarantee for our company, namely:

- 245,169 lei in favor of the National Company Administration of Maritime Ports Constanta
- EUR 155,000 in favour of Black See.
- 287,727 lei in favour of S.P.E.E.H. Hidroelectrica

Reference **NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS****34. Related parties**

Starting with November 14, 2023, following the sale by Transilvania Investments Alliance S.A. of the holdings of 49.9998% of the share capital of the Orsova Shipyard S.A., to the company Sea Container Services S.R.L., the latter becomes an affiliated party to our company.

SEA CONTAINER SERVICES S.R.L. has its registered office in the municipality of Constanța, Incinta Port, Lot B1, Production Hall-C1, Administrative Building-C2 and concrete platform-C3, Constanta county. Constanta, is registered with the ORC Constanta under no. J13/1384/2000 and is identified by the Unique Registration Code (CUI) 13233113, Unique European Identifier (EUID) ROONRC J13/1384/2000.

The share capital of SEA CONTAINER SERVICES S.R.L. in the amount of 1,120 lei, is divided into 112 shares of 10 lei each/share.

The investment portfolio of SEA CONTAINER SERVICES S.R.L. is made up of the shares held in the Orsova Shipyard S.A. Also, SEA CONTAINER SERVICES S.R.L. holds a 50% stake in the profit and loss, as well as in the share capital of FERRY LOGISTIC SRL (CUI: 47933758), a company that together with the Georgian partner, E60 Shipping Line LLC operates the RO-RO Constanta (Romania) - Poti (Georgia) shipping line.

Sea Container Services S.R.L. is a private equity company founded in Constanta in 2000 based on the experience of its associates in the field of activities related to water transport, as well as port activities. Sea Container Services S.R.L. carries out the activities of loading/unloading ships (NACE CODE 5224), cargo storage (NACE CODE 5210), cargo shipments (NACE CODE 5229) and weighing (NACE CODE 5229) and rental and subletting of own or leased real estate – (NACE code 6820).

The storage services of the financial instruments held in the portfolio are provided by DEPOZITARUL CENTRAL S.A., and the Company's annual financial statements are audited by the company EGIDALCO S.R.L., headquartered in Constanța, str. Ștefan Octavian Iosif nr. 8, Room no. 2, jud. Constanta, registered with the Trade Register with no. J13/2872/1995, CUI: 7891351, member of the Chamber of Financial Auditors of Romania (CAFR) with authorization number 1276/2015. Trading of financial instruments is carried out through the company BT CAPITAL PARTNERS S.A.

Sea Container Services S.R.L. is a member of the Union of Freight Forwarding Companies in Romania (U.S.E.R.), a member of FIATA (International Federation of Freight Forwarders Associations), a member of the Employers' Organization CONSTANTA PORT BUSINESS ASSOCIATION and a member of the Constanta Chamber of Commerce and Industry.

In 2025, the volume of sales to Sea Container Services S.R.L. was 2,114,331 lei, including VAT (2,034,577 lei in 2024), and the purchases made from this company were 36,316 lei, including VAT (31,118 lei in 2024).

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

34. Related parties (continued)

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

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

35. Events after the balance sheet date

The geopolitical developments caused by regional conflicts and political uncertainties, inflation, the energy crisis and fiscal policies, bring uncertainties in the economic and financial plan and implicitly determine the existence of a risk regarding the possibility of unpredictable developments regarding the level of the economic and financial indicators budgeted by the Company, respectively the reconsideration of the aspects that were the basis for the estimation of the inventory values for the Company's assets.

The individual financial statements were approved by the Board of Directors on March 17, 2026 and were signed by:

Administrator,
Ec. Dumitru Ion

Prepared by,
Ec. Marilena Vişescu

STATEMENT



ŞANTIERUL NAVAL ORŞOVA S.A.
Nr. RC J25/150/1991 CIF: RO 1614734
Capital social: - subscris 28.557.297,5 lei
- varsat 28.557.297,5 lei
Str. Tufări, nr. 4, Orşova, 225200, Mehedinţi
Tel.: 0252/362.399; 0252/361.885; Fax: 0252/360.648
E-mail: mircea.sperdea@snorsova.ro; marketing@snorsova.ro
Codul LEI (Legal Entity Identifier): 254900UAXJ8TPIKLXG79
Cod IBAN: RO96RNCB0181022634120001 - B.C.R. Orşova
Cod IBAN: RO59BRDE260SV03176142600 - B.R.D. Orşova



STATEMENT

The undersigned Ec.Ion Dumitru – Chairman of the Board of Directors Ec. Marilena Visescu – economic director of the company Şantierul Naval Orşova SA, with administrative headquarters in Orşova, 4 TUFARI Street, Mehedinţi County, declare that to our knowledge, the annual financial-accounting situation, for the year 2025, which was prepared in accordance with the applicable accounting standards, provides a correct and realistic picture of the assets, obligations, financial position, profit and loss account of the company indicated above.

We specify that the company does not have subsidiaries.

We also declare that the Annual Report of the Board of Directors of Şantierul Naval Orşova SA, prepared for 2025, includes a correct analysis of the company's development and performance as well as the main risks and uncertainties specific to the activity carried out.

Administrator,
Ec.Ion Dumitru

Economic Manager,
Ec. Marilena Visescu

SIACONS S.R.L. - BRASOV

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904/16.03.2026

INDEPENDENT AUDIT REPORT

on the Financial Statements as at 31 December 2025

To the Shareholders of the Company

SANTIERUL NAVAL ORSOVA S.A.

Unmodified Opinion

1 . We have audited the accompanying standalone financial statements of SANTIERUL NAVAL ORSOVA S.A., with its registered office in Orșova, 4 Tufari street, registered with the Trade Register under number J 25/150/1991 and having the unique tax identification code (TIN) RO 1614734, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the financial year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

The financial statements referred to above are identified as follows:

- Total equity RON 94,669,256
- Net profit for the financial year: RON 8,762,422

2. In our opinion, the accompanying standalone financial statements of the Company present fairly, in all material respects, its financial position as at 31 December 2025, as well as its financial performance and its cash flows for the year then ended, in accordance with the provisions of Accounting Law no. 82/1991, as subsequently amended and supplemented, with Order of the Romanian Minister of Public Finance no. 881/2012 regarding the application of International Financial Reporting Standards (IFRS) by companies whose securities are admitted to trading on a regulated market, with Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, as subsequently amended and supplemented, as well as with Order of the Minister of Finance no. 2036/2025.

INDEPENDENT AUDITORS REPORT

Basis for Opinion

3. We conducted our audit in accordance with the International Standards on Auditing ("ISA") as adopted by the Chamber of Financial Auditors of Romania, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (hereinafter referred to as the "Regulation"), and Law No. 162/2017 (the "Law"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Regulation and the Law, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the current period. In this report, we have identified revenue recognition risk as the key audit matter.

Revenue Recognition

Revenue recognition from the Company's core operations, given that the production of river vessels - representing 84% of turnover - was delivered to a single customer, while the provision of services, primarily vessel repairs, accounted for 8.92% of turnover.

The risks associated with revenue relate to the manner in which it is recognized over time (specifically, the assessment of contract progress, as well as the determination of the timing and amount at which revenue is recognized), considering the complexity of the contracts and the potential for material misstatements arising from the application of the accrual accounting principle.

Our response to the key audit matter

Our audit procedures in this area included, among others, the following:

- Assessing the revenue recognition principles in accordance with IFRS 15, in conjunction with the Company's accounting policies, as well as evaluating the appropriate application of analytical procedures; inspecting relevant contracts concluded with customers in order to understand the terms and conditions of delivery.
- Testing the design and operating effectiveness of internal controls to ensure the proper authorization, recording, and monitoring of transactions.
- Performing procedures to verify that revenue was recognized in the appropriate financial period, in accordance with the accrual accounting principle.

- Testing, on a sample basis, trade receivables balances as at 31 December 2025 by sending confirmation letters.

Other matters

5. The going concern principle is considered to be appropriate, as also indicated in the Directors' Report. The Company has firm orders and contracts covering a period of more than two years (even though its customer base is limited), which supports the continuity of its operations in the short and medium term. However, this assessment must also be made in the context of external uncertainty factors, such as volatility in energy markets, the effects of the Russia—Ukraine conflict on the European economy, as well as geopolitical tensions in the Middle East, all of which may influence gas and oil price developments and, implicitly, the recovery prospects of Western economies.

Furthermore, the European shipbuilding industry has, for several years, experienced a declining trend in its global market share. At the same time, the Romanian shipbuilding industry is also affected by a shortage of skilled labor. This issue also affects SANTIERUL NAVAL ORSOVA, which is additionally located at a distance of only 30 km from a competing shipyard in Turnu Severin.

In light of the above conditions, we consider that the Company should continue, at a sustained pace, its efforts to attract highly qualified personnel, as well as the investments already initiated in new technologies, with the aim of improving the efficiency of its operations.

Other Information — Directors' Report and Remuneration Report

6. Management is responsible for the preparation and presentation of other information, which comprises the Directors' Report, including the Remuneration Report. Our opinion on the financial statements does not cover this other information and, except to the extent explicitly stated in our report, we do not express any form of assurance conclusion thereon. In this regard, our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or with the knowledge we obtained during the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we have read it and report that it has been prepared, in all material respects, in accordance with the provisions of Order of the Minister of Public Finance no. 2844/2016, Chapter 3, points 15—20. The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with those financial statements.

In addition, based on our knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements for the financial year ended 31 December 2025, we are required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report in this regard.

7. We have read the Remuneration Report for the financial year 2025 in order to determine whether it presents, in all material respects, the information required by Article 107,

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paragraphs (1) and (2) of Law no. 24/2017 on issuers of financial instruments and market operations, as republished. We have nothing to report in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of Accounting Law no. 82/1991, republished, Order of the Minister of Public Finance no. 881/2012 regarding the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market, and Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, as well as for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the

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purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions (economic or otherwise) may cause the Company to cease to continue as a going concern. We are not aware of such circumstances.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

16. Requirements regarding the audit of public interest entities

We were appointed by the Ordinary General Meeting of Shareholders on 28 April 2025 to audit the Company's financial statements for the financial year ended 31 December 2025, this being the first year of our engagement.

We confirm that:

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- Our audit opinion is consistent with the additional report submitted to the Audit Committee, which we issued on the same date as this report. Furthermore, in conducting our audit, we have maintained our independence from the audited entity.
- We have not provided the Company with any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

17. Report on compliance with Law no. 162 2017 regarding the statutory audit of annual financial statements and consolidated annual financial statements and Commission Delegated Regulation (EU) 2018/815 on the Regulatory Technical Standard on the European Single Electronic Format ("ESEF")

We have performed a reasonable assurance engagement on compliance with Law no. 162/2017 and Commission Delegated Regulation (EU) 2018/815 as applied to the financial statements included in the Company's annual financial report, as presented in digital files.

a) Responsibilities of management and those charged with governance for the Digital Files prepared in accordance with ESEF

Management is responsible for the preparation of the Digital Files in accordance with ESEF, which includes:

- Designing, implementing and maintaining internal control relevant to the application of ESEF,
- Ensuring consistency between the Digital Files and the financial statements to be filed in accordance with Order of the Minister of Public Finance no. 2844/2016.

Those charged with governance are responsible for overseeing the preparation of the Digital Files in accordance with ESEF.

b) Auditor's responsibilities for the audit of the Digital Files

Our responsibility is to express a conclusion as to whether the financial statements included in the annual financial report are compliant with ESEF, in all material respects, based on the evidence obtained.

Our firm applies the International Standard on Quality Management (ISQM 1) and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's professional judgment, including the

assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

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- Obtaining an understanding of the process for preparing the Digital Files in accordance with ESEF, including relevant internal controls;
- Reconciling the Digital Files with the Company's financial statements to be published in accordance with Order of the Minister of Public Finance no. 2844/2016;
- Evaluating whether the financial statements included in the annual financial report are prepared in a valid XHTML format.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements for the year ended 31 December 2025 included in the annual financial report and presented in the Digital Files comply, in all material respects, with the requirements of ESEF.

In this section, we do not express an audit opinion, a review conclusion, or any other form of assurance on the financial statements. Our audit opinion on the Company's financial statements for the financial year ended 31 December 2025 is included in the opening paragraph - Unmodified Opinion - of our report.

SIACONS S.R.L.

Audit firm registered in the Electronic Public Register FA 1392

STEFAN SZITAS

Statutory auditor registered in the Electronic Public Register AF 436

