



ȘANTIERUL NAVAL ORȘOVA S.A.
Nr. RC J25/150/1991 CIF: RO 1614734
Capital social: - subscris 28.557.297,5 lei
- varsat 28.557.297,5 lei
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Codul LEI (Legal Entity Identifier): 254900UAXJ8TPIKLXG79
Cod IBAN: RO96RNCB0181022634120001- B.C.R. Orșova
Cod IBAN: RO59BRDE260SV03176142600- B.R.D. Orșova



REPORT
ON THE RESULT OF THE RE –ASSESSMENT OF SHIPS GROUP
(NAVAL TRANSPORT MEANS)
ON 31.12.2022

Dear shareholders,

According to the Accounting regulations which are in compliance with the International Standards of Financial Reporting (IAS16), but also with the company's accounting principles from the GUIDE of the accounting policies approved by the Management Board, the company started the reassessment of the main groups of tangible assets on 31.12.2022, respectively:

- Re-assessment of the ships' group existing at the head-office and branch-office;
- Carrying out the degradation test for the dormant fixed assets at the branch in Agiea.

The last revaluation of these fixed assets took place in 2021.

The necessity to re-assess is imposed - as shown - by the accounting regulations which are in compliance with the International Standards of Financial Reporting (IAS 16) which stipulate that: *"The re-assessment must be done regularly enough to ensure that the accounting value does not differ much from what it would have been settled by usage of the fair value at the end of the reporting period."*

As well, the elements from a group of tangible assets shall be re-assessed in order to avoid the selective re-assessment and the reporting in the annual financial reports of certain values which represent a combination of costs and values calculated at different dates.

In order to carry out the works above the company required the services of a specialized company - certified by ANEVAR - S.C. Darian DRS SA Cluj -Napoca.

According to the Assessment report, the following differences to be recorded resulted:

Total differences from revaluation (increase),	836.984,15 lei
From which,	
a) differences from revaluation, Orșova headquarters – total	-15.251,86 lei
b) differences from revaluation, Agiea suc- total	- 821.732,29 lei

In what the accounting treatment is concerned for the re-assessment differences, the legal norms (IAS 16 point 39 and 40), the following are stipulated:

(39) If the accounting value of an asset is increased as outcome of the re-assessment process, then the increase must be seen in other elements from the global result and cumulated in the own capital, as surplus from the re-assessment. However, the increase must be seen in the profit or loss to the extent to which it compensates for a reduction from the re-assessment of the same asset, previously seen in the profit or loss.

(40) If the accounting value of an asset is decreased as outcome of the re-assessment process, then the decrease must be seen in the profit or loss. However, the decrease must be also seen in other elements from the global result to the extent to which the surplus from the re-assessment shows a credit balance for that asset. The decrease seen in other elements of the global result softens the cumulated amount in the own capital as surplus from the re-assessment.

In accordance with the above, decrease in revaluation was recorded at the expense of capital, namely in the account 105 “Revaluation Reserves”.

On the basis of the Valuation Report, the company also recorded operations related to the other categories of fixed assets subject to valuation, as we have shown at the beginning of this report, namely the depreciation of other fixed assets under conservation, with the exception of buildings, in the amount of 395,779.82 lei. Thus, on 31.12.2022, the amount of 39,941.34 lei was taken back to the company's income, having established, from previous years, a depreciation of 435,721.16 lei.

General Manager,
Mircea Ion Sperdea

Economic Manager,
Marilena Visescu