INDIVIDUAL SEPARATE FINANCIAL STATEMENTS AT 30.06. 2024

OPIS

BIANNUAL REPORT

FOR SEMESTER I 2024, IN COMPLIANCE WITH THE ASF REGULATION NO. 5/2018 (appendix no. 14 from the regulation)

DATE OF THE REPORT: 12th of August 2024
NAME OF THE TRADING COMPANY: ŞANTIERUL NAVAL ORŞOVA S.A
HEADQUARTERS: NO. 4 TUFĂRI STREET, ORŞOVA TOWN, 225200 MEHEDINŢI COUNTY
PHONE: 0252/362399; FAX: 0252/360648
REGISTRATION CODE FOR VAT PURPOSES: RO1614734
NUMBER IN THE TRADE REGISTER: J25/150/1991
SHARE CAPITAL ISSUED AND PAID UP: 28.557.297,5 LEI
NUMBER OF SHARES: 11.422.919 common shares, each of 2,5 lei;
REGULATED MARKET WHERE THE REAL ESTATE VALUES ISSUED ARE TRANSACTIONED: STOCK EXCHANGE BUCHAREST (symbol: SNO)
MAIN PROPERTIES OF THE REAL ESTATE VALUES ISSUED BY THE ISSUER: NEGOTIABLE ON THE STOCK MARKET

1. IMPORTANT EVENTS THAT OCCURRED IN THE FIRST 6 MONTHS, AS WELL AS THE MAIN RISKS AND UNCERTAINTIES FOR THE NEXT 6 MONTHS OF 2024. IMPLICATIONS OF THE CONFLICT BETWEEN RUSSIA AND UKRAINE ON THE HALF-YEARLY FINANCIAL RESULTS. RELATED PARTY TRANSACTIONS.

The Orsova Shipyard Company carried out its production activity at its main headquarters and the service provision activity at the Agigea branch, during the first semester of 2024, without interruptions and in accordance with the provisions and objectives established by the income and expenditure budget for this period.

This semester, 3 ships were completed and delivered to the intra-community partners, respectively two tanks, of 110 m and 135 m, and an 80 m passenger ship.

The turnover registers an increase of 8.78% compared to the provisions of the BVC, and an increase of 24.13% compared to the corresponding period of last year.

As in previous years, the revenues from the operating activity were mainly achieved on account of the production of ships from Orsova, respectively 78.92%. The provision of services (repairs), whose volume increased by 79.64% compared to the previous period, holding a share of 13.64%, were mainly carried out at the Agigea branch. The saloons in the patrimony of the Agigea branch and which, in previous years, represented the main source of income of the branch, were partially rented in sem. I 2024 on the domestic market, so that on 30.06.2024 three salande were under contract.

The value – in absolute figures – of the 3 ships delivered abroad was 8.333.250 Euros (in the corresponding period of 2023, a number of 3 ships worth 7.704.953 Euros were delivered, built at the main headquarters).

Regarding the result of the company's activity, at the end of the reporting period the company registers a profit. Compared to the provisions of the BVC, both the operating profit and the gross profit were made above the budgeted level.

By cost centers the situation is as follows:

- at the main office, the gross profit recorded on 30.06.2024 was 3.057.690 lei, while in the corresponding period of last year, gross profit was made in the amount of 210.145 lei;
- on 30.06.2024, the Agigea branch recorded a gross profit of RON 3.165.620, while in the corresponding period of last year it recorded a gross profit in the amount of RON 387.833;

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

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

The geopolitical context driven by the existing conflict between Russia and Ukraine did not have a significant negative impact on the simplified individual interim financial statements as at 30 June 2024.

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

Starting with 14.11.2023, SEA CONTAINER SERVICES S.R.L. has become an affiliate of the Orsova Shipyard S.A. It holds, as of 30.06.2024, 47.0630% of the share capital of the Orsova Shipyard S.A. During the analyzed period, transactions were registered with this related party in the amount of 915.168,73 lei.

II. DETAILED INFORMATION CONCERNING:

1. THE ECONOMICAL AND FINANCIAL SITUATION

a) Balance sheet elements at 30.06.2024

The assets, capitals and debts at 30.06.2024, in comparison to the same period of the previous year, are thus:

		No.	Sold at		INCREASE/DECREASE VARIATION SEM. I 2024/ SEM. I 2023 (%)
		row	**30.06.2024**	**30.06.2023**	
A		B	1	2	3
FIXED ASSETS					
I. TANGIBLE ASSETS		01	38.533.393	37.419.247	2,98
II. INTANGIBLE ASSETS		02	61.381	86.177	(28,77)
III. FINANCIAL ASSETS		03	136.933	6.000	2.182,22
IV. USE RIGHTS OF LEASING ASSETS		04	135.410	780.146	(82,64)
V. REAL-ESTATE INVESTMENTS		05	606.447	596.638	1,64
FIXED ASSETS-TOTAL (row.01 to 05)		**06**	**39.473.564**	**38.888.208**	**1,51**
CURRENT ASSETS					
I. FUNDS		07	25.712.343	43.165.219	(40,43)
II. DEBTS		08	8.929.518	12.438.413	(28.21)
III. SHORT-TERM FINANCIAL INVESTMENTS		09	19.196.818	5.491.442	249,58
IV. CASH AND ACCOUNTS AT BANKS		10	9.745.981	5.883.710	65,64
CURRENT ASSETS - TOTAL (row.07 to 10)		**11**	**63.584.660**	**66.978.784**	**(5,07)**
ADVANCED EXPENSES		**12**	**499.132**	**385.908**	**29,34**
DEBTS WHICH MUST BE PAID WITHIN ONE YEAR		**13**	**13.062.802**	**22.928.202**	**(43,03)**
CURRENT NET ASSETS/CURRENT NET DEBTS (row.11 +12-13 -18)		**14**	**51.020.753**	**44.434.827**	**14,82**
TOTAL ASSETS MINUS CURRENT DEBTS (row.06 +14)		**15**	**90.494.317**	**83.323.035**	**8,61**
DEBTS WHICH MUST BE PAID IN MORE THAN A YEAR		**16**	**3.735.285**	**4.148.356**	**(10,75)**
COMMISSIONS		**17**	**144.020**	**575.934**	**(74,99)**
ADVANCE INCOME		18	**237**	**1.663**	**(85,75)**
INVESTMENT GRANTS			**5.468**	**-**	**-**
CAPITAL AND					

RESERVES					
I CAPITAL (row 20 to 22) out of which:		19	**24.969.538**	**24.651.234**	**1,29**
-subscribed and paid capital	Sold	20	28.557.298	28.557.298	-
-other elements of the capital (ct.103)	Sold C	21			
	Sold D	22	3.587.760	3.906.064	(8,15)
II. CAPITAL PREMIUMS		23	**8.862.843**	**8.862.843**	**-**
III. RESERVES FROM REEVALUATION		24	**28.289.468**	**29.304.680**	**(3,46)**
IV. RESERVES (ct.1061+1063+1068)		25	**19.202.154**	**18.596.499**	**3,26**
V. REPORTED RESULT, EXCEPT FOR THE REPORTED RESULT COMING FROM THE FIRST APPLICATION OF THE IAS 29 (CT.117)	**SOLD C**	26	**271.300**	**-**	**-**
	SOLD D	27	**-**	**3.322.897**	-
VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD (CT.121)	**SOLD C**	28	**5.014.241**	**506.386**	**890,20**
	SOLD D	29	**-**	**-**	**-**
Profit allocation		30	**-**	**-**	-
OWN CAPITALS - TOTAL (row. 19+23+24+25+26-27+28-29-30)		31	**86.609.544**	**78.598.745**	**10,19**
Public assets (ct.1026)		32			
CAPITALS – TOTAL (row.30+31)		33	**86.609.544**	**78.598.745**	**10,19**

The following conclusions can be drawn from the above data:

- Fixed assets registered a total increase of 1.51%.

In the structure, tangible assets increased by 2.98% due to investments made and intangible assets decreased by 28.77% as a result of depreciation. The rights to use the leased assets (in this case the lease agreement with CNAPMC) also registered a decrease of 82.64%, at the end of September ending the 5-year period for which the contractual clauses were negotiated. As regards financial fixed assets, the increase is due to the establishment of a warehouse in customs for the payment of customs duties for the import of certain materials;

- Current assets decreased by 5.07% overall.

In the structure, we note a decrease on account of stocks by 40.43% (there was a decrease in both the stocks of raw materials and materials necessary for the completion of the new constructions planned for this year, but on the other hand we also note a reduction in the production stock in progress); The receivables register a decrease of 28.21% compared to the corresponding period of

2023, due to the fact that the company collected until 30.06.2024 the receivables registered in the analyzed period; The company's cash availability registered a significant increase, by 65.64%, these being influenced by the above;

- Advance expenditures increased by 29.34%, driven by the increase in local taxes and fees;

- Debts with a payment term of up to one year registered a significant decrease of 43.03%, mainly due to the reduction of commercial debts. Liabilities to be paid in a period of more than one year also decreased by 9.96% and refer to the deferred tax, constituted as a result of the revaluation of tangible fixed assets, respectively to the liabilities related to the rights to use leased assets in accordance with IFRS 16;

- On the total company, shareholders' equity increased by 10.19% compared to the corresponding period of 2023. In the structure, there is a decrease in revaluation reserves by 3.46% (the company carried out the revaluation of assets at the end of last year, with a decrease from the revaluation), and a significant increase in the profit achieved on 30.06.2024 compared to the profit recorded in the corresponding period of 2023. We also mention that the OGMS in the meeting of 22.04.2024 approved that the loss recorded at the end of 2022 be covered from the retained earnings;

As a result of the above, the total assets/liabilities at the end of the first half of 2024 recorded a decrease compared to the corresponding period of last year, respectively from RON 106.252.900 on 30.06.2023 to RON 103.557.356, on 30.06.2024.

Further information on assets, liabilities and equity can be found in the Notes to the simplified individual interim financial statements ended 30.06.2024, attached to this report.

b) Profit and loss account

The operational incomes for the first 6 months amounted 55.032.950 lei (on 30.06.2023 they were amounting 44.225.224 lei), having the following structure:

- Sales of goods (constructions and ship bodies)	41.456.717 lei
- Rendering of services	7.847.836 lei
- Income from the sale of waste products and goods	2.508.219 lei
- Income from rentals	2.981.388 lei
- Other operational incomes	238.790 lei

Compared to the previous year, there is an increase in operating income by 24.44%, while related expenses increased by 12.18%. Thus, at the end of the reporting period, the company records a profit from the operating activity.

The gross profit as of 30.06.2024, in the total amount of RON 6.223.310, in the structure is presented as follows:

- 5.842.691lei – Profit from operating activity
- 380.619 lei – Profit from financial activity

Compared to the provisions of the BVC, it can be seen that the operating revenues were achieved in a proportion of 109.26% and the operating expenses exceeded the budgeted level by 4.54%. The gross profit from the operating activity was achieved in a proportion of 176.07%, but we mention that both profit centers (the head office and the Agigea branch) exceeded the budgeted profit. We note that the revenues from the ship repair activity were at a higher level than that achieved in the first half of 2023 and the income from rents (mainly those made from the rental of three lounges in the branch's assets) positively influenced the result of the company's activity. Also, the revenues obtained from the sale of residual products resulting from the production activity but also from the scrapping, mainly, of a floating crane, contributed to these achievements.

As for the company's financial activity, the company made a profit that exceeded both the budgeted level and the one achieved in the similar period of 2023. Over 80% of the company's revenues are expressed in euros, and come from ship deliveries in the intra-community area. This fact determined that the company was permanently exposed to currency risk (leu/euro parity). In the first half of 2024, this parity was fluctuating, and, in order to protect itself against the depreciation of the exchange rate, the company concluded hedging transactions.The gains from exchange rate differences were recorded both from the revaluation of foreign currency availabilities and as a result of hedging transactions. At the same time, the company made investments of cash (lei) in term deposits, bearing interest. Thus, a profit of 380.619 lei is recorded from the financial activity (in the previous year a profit of 223.957 lei was recorded).

The table below summarizes the achievements as of 30.06.2024, compared to 30.06. 2023 and with the provisions of the income and expenditure budget.

DESCRIPTION OF THE INDICATOR	REALIZED		PROVIDED IN THE B.V.C. SEM.I 2024	%	
	30.06.2024	30.06.2023		2024/2023	Realiz. /BVC
TURNOVER	54.794.160	44.142.412	50.370.612	124,13	108,78
INCOME FROM OPERATION	55.032.950	44.225.224	50.370.612	124,44	109,26
EXPENSES FROM OPERATION	49.190.259	43.851.203	47.052.225	112,18	104,54
PROFIT/LOSS FROM OPERATION	5.842.691	374.021	3.318.387	1562,13	176,07
FINANCIAL INCOME	472.385	478.872	400.000	98,65	118,10
FINANCIAL EXPENSES	91.766	254.915	250.000	36,00	36,71
PROFIT FROM THE FISCAL ACTIVITY	380.619	223.957	150.000	169,95	253,75
TOTAL GROSS PROFIT/LOSS	6.223.310	597.978	3.468.387	1040,73	179,43
Tax on profit (delayed tax/income from the tax on delayed profit	(1.209.069)	(91.592)	(88.000)	1320,06	1373,94
NET PROFIT/LOSS (A)	5.014.241	506.386	3.380.387	990,20	148,33

Other information concerning the incomes and expenses can be found in the Notes to the fiscal situations concluded on 30.06.2024, attached to the present report.

c) Cash flow

Throughout the first half of 2024, the company had sufficient sources of financing such that it was not necessary to take out bank loans. Cash and cash equivalent as of 30.06.2024 totaled RON 9.745.981 (as of 30.06.2023: RON 5.883.710)

In order to guarantee the advances received from customers, openings of letters of credit for suppliers and letters of guarantee of good performance, as of June 30, 2024, the company had contracted through BRD the following approved ceilings, these being at the same level as those of last year:

- 1.500.000 Euro limit multi-options and multi-estimates at BRD-GSG,
- 2.069.000 USD limit for the coverage of the currency risk.

From the multi-option and multi-currency ceiling, at the end of the first semester of 2024, a letter of guarantee was issued in favor of the National Company for the Management of Maritime Ports Constanta, in the amount of 224.566,92 lei and a letter of good performance in favor of Black See Offshore Centre, in the amount of 155.000 euros.

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

The company had no outstanding obligations at the end of the first half of 2024, all obligations being paid on time or compensated, both to the state budget and the social security budget, as well as to employees, shareholders, third parties and other creditors.
The company did not have any loans for investments during this period.

2. ANALYSIS OF THE COMMERCIAL COMPANY'S ACTIVITY

As we have shown, during the analyzed period the company completed and delivered, from the activity at the main headquarters in Orsova, to intra-community foreign customers, a number of 3 tankers, of 110 and 135 m in length and a passenger ship of 80 m in length.
Out of the 5 hydroclap salanas from the Agigea Branch, three of them were rented during the analyzed period. Rental solutions are also being sought for the two lounges located at the quay. We specify that this semester, after a technical analysis, the decision was made to scrap the floating crane in the branch's patrimony, and to capitalize on the resulting materials (iron waste). As a result of this action, the company made significant revenues from the sale of scrap metal. Also, compared to the similar period in 2023, both at the headquarters and at the branch, the ship repair activity was intensified.
A structural analysis of revenue is presented in the Notes to the simplified individual interim financial statements (Notes 5 and 6), which are an integral part of this report.
In the current particularly difficult conditions when the demand for the river vessel segment on which the company operates is maintained, solutions have been found at the management level to ensure the continuity of the activity in the coming period, the order book ensuring that we cover the production capacity at the main headquarters in Orsova for the entire year 2024 and the first quarter of 2025. This volume of orders ensures, in a fair manner, the workload currently available to the company but also the subcontracting of some works.
Even if the company has contracts covered for a good part of the next period, there are continuous changes on the river vessel market. These changes concern both the level of demand and the price at which it is contracted. Also, the military conflict in Ukraine may have a significant impact on the European and global economy in the coming period.

From the point of view of the structure of the demand for the construction of river vessels, on the market segment on which the company operates, we cannot speak of major changes, currently being demanded especially tankers for the transport of chemical, oil, gas and other liquid goods, but we also notice an increase in the demand for passenger ships.

The average number of employees on June 30, 2024 was 337 employees, maintaining the same level as in 2023.

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

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

2.2 Investment expenditure

In the first half of this year, investments were made in a proportion of 94.18% compared to the provisions of the BVC, and in a proportion of 561.23% compared to the first half of 2023. The total value of expenses of this nature amounted to 4.897.241 lei, compared to 5.200.000 lei as budgeted and 872.590 lei made in the first half of 2023.

These expenses were incurred in a proportion of 77.23% at the main headquarters and 22.77% at the Agigea branch, new machinery and work equipment being purchased. We mention that in the first half of 2024, the important investment with a major impact on the company's activity was operationalized at the headquarters, respectively the welding robot was put into operation. As for the project to modernize the launch track from the patrimony of the Agigea branch, a project started over 5 years ago, its completion is estimated to be achieved by the end of this year.

The company had its own sources to finance these investment expenses.

2.3 Events, transactions and economic changes which significantly affect the incomes from the main activity.

During the analyzed period, the company had no transactions or economic changes that significantly affected the revenues from the basic activity.

2.3.1. Aspects of risks arising from the armed conflict in Ukraine

Regarding the risk caused by the conflict in Ukraine, we specify that although the company does not have direct exposure, it has lost one of the potential suppliers of raw materials (naval sheet).

The financial interim individual statuses on 30.06.2024 were not audited.

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

The share capital of the company Şantierul Naval Orşova SA, registered with the Trade Register Office attached to the Mehedinți Court, had no changes during the first semester of 2024, being equal to that of 31.12.2023, respectively of 28.557.297.5 lei. The share capital is divided into 11.422.919 common shares, registered shares of RON 2.5 each. A share held entitles the respective shareholder to one vote in the general meeting.

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

The shareholder structure at the end of the first half of 2024, compared to the one recorded on 30.06.2023, registered changes in terms of significant shareholders, as follows:

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

We mention that in November 2023 there were significant changes in the shareholder structure, in the sense that the shareholders Transilvania Investments Alliance S.A. and Infinity Capital Investments S.A. sold all the holdings in our company to the companies Sea Container Services S.R.L. and SIF 4 Muntenia, respectively. Also, in the first half of 2024, the shareholder structure underwent changes compared to the one recorded at the end of 2023 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 Financiari Muntenia S.A. changed its name to Longshield Investment Group S.A.

The evolution of the company's share price and trading volume, on the Bucharest Stock Exchange, in the last 5 years, between July 2019 and July 2024, is shown in the chart below (top shows the evolution of the trading price, and at the bottom the volume of traded shares):

From this chart it can be seen that the price of SNO shares had an increasing evolution, registering a maximum value in 2021 of over 7 lei/share. Currently, the trading value of a share is 6.85 lei/share, but liquidity remains at a low level.

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

The composition of the Board of Directors of the company, during the period 01.01-22.04.2024, was as follows:

• MR. ROSCA RADU-CLAUDIU, a 52-year-old Romanian citizen, an economist by profession. On 30.26.2024 he did not hold shares in the company;
• MR. ION DUMITRU, a 75-year-old Romanian citizen, an economist by profession. On 30.06.2024 he did not hold shares in the company;
• MR. FAINAREA MARIUS, a 55-year-old Romanian citizen, an engineer by profession. On 30.06.2024 he did not hold shares in the company;
• MR. ZOESCU MIHAI, a 45-year-old Romanian citizen, an economist by profession. On 30.06.2024 he did not hold shares in the company;
• MR. MIHAI CONSTANTIN-MARIAN, a 58-year-old Romanian citizen, a lawyer by profession. On 30.06.2024 he did not hold shares in the company;

During the first half of 2024, there were changes in the composition of the Board of Directors following the election of the directors, by the cumulative voting method, held in April 2024.

Thus, the composition of the Board of Directors, as it resulted from the expression of the shareholders' votes, starting with 23.04.2024, is as follows:
Mr. Ion Dumitru – President
Mr. Pripa Alexandru – vice-president
Mr. Fainarea Marius – member
Mrs. Patrascu Nadina Elena - member
Mrs. Catalina Dumitrascu – member

• MR. ION DUMITRU, a 75-year-old Romanian citizen, an economist by profession. On 30.06.2024 he did not hold shares in the company;
• MR. PRIPA ALEXANDRU, 40-year-old Romanian citizen, economist by profession. On 30.06.2024 he did not hold shares in the company;
• MR. FAINAREA MARIUS, a 55-year-old Romanian citizen, an engineer by profession. On 30.06.2024 he did not hold shares in the company;
• MRS. PĂTRASCU NADINA ELENA, 29-year-old Romanian citizen, economist by profession. On 30.06.2024 he did not hold shares in the company;

• MRS. DUMITRASCU CATALINA, 35-year-old Romanian citizen, economist by profession. On 30.06.2024 he did not hold shares in the company;

The company is not aware of any cases of agreements, agreements or family ties between the directors and other persons due to which the directors were appointed to these positions
Between 01.01-30.06.2024, an ordinary general meeting of shareholders was held, respectively on 22.04.2024, which had the following items on the agenda:

1. Election of the meeting secretariat consisting of three members, namely Mrs. Maria Carstoiu, Mrs. Carmen Incă and Mr. Horia Ciorecan, shareholders with the identification data available at the company's headquarters, in charge of verifying the presence of the shareholders, fulfilling the formalities required by law and the articles of association for holding the general meeting, counting the votes cast during the general meeting meeting and drawing up the minutes of the meeting;
2. Presentation of the report on the results of the revaluation of tangible fixed assets of the ship group. Approval of the recording of revaluation differences in the net amount of RON 269,048.14 in the accounting records as of 31.12.2023;
3. Presenting, discussing and approving the annual financial statements, for the financial year 2023, prepared in accordance with the International Financial Reporting Standards, based on the Management Report of the Board of Directors and the Report of the statutory financial auditor;
4. Approval that from the deferred result, representing the surplus realized from revaluation reserves, the amount of RON 1.367.084,18 be used to cover the net accounting loss;
5. Approval of the distribution of the net profit made in 2023. The Board of Directors proposes that the net profit in the amount of RON 3.453.687,23 be distributed to the following destinations:
   - RON 2.848.032,44 to cover the net accounting loss
   - RON 605.654,79 as its own source of financing;
6. Approval of the Income and Expenditure Budget and the investment program for 2024, according to the proposal of the administrators;
7. Presentation and submission for approval of the Remuneration Report for the financial year 2023;
8. Discharge of the directors for the financial year 2023;
9. Election of the members of the Board of Directors, for a 4-year term starting on 23.04.2024, with the application of the cumulative voting method;

10. Discharge of the directors who have not been reconfirmed by cumulative vote in the new Board of Directors for the activity carried out in the financial year 2024;
11. Approval of the fixed remuneration due to the directors for the financial year 2024, according to art.19 (2) of the Articles of Association, at the level approved by the shareholders for the financial year 2023.
12. Approval of the conclusion of the Management Agreement with the members of the Board of Directors;
13. Approval of the performance indicators and objectives for the financial year 2024, annexed to the management and mandate contract;
14. Appointment of Mr. Mircea Ion Sperdea for the signing of the Management Agreement with the members of the Board of Directors, as a conventional representative on behalf of the company;
15. Approval of the realization in the financial year 2024 of the accounting entry under "income" of dividends not collected for more than 3 years from the due date, for which the right to the dividend is extinguished by prescription, respectively the dividends related to the financial year 2019 existing in the balance as unpaid on 31.12.2023, in the amount of RON 67.446,42.
16. Approval of July 02, 2024 as the registration date and ex-date of July 1, 2024 for the identification of the shareholders on whom the effects of the decision of the Ordinary General Meeting of Shareholders are reflected.
17. Empowerment of Mr. Mircea Ion Sperdea, General Manager of the company, to sign the resolution of the Ordinary General Meeting of Shareholders (OGMS) and any other documents necessary for the execution of the OGMS resolution and to carry out the formalities of its publicity and registration.
18. Approval of the form of the management contract to be concluded with the members of the Board of Directors.

Decision no. 59/22.04.2024, adopted on this occasion, was made public and was communicated, within the legal term, to the Bucharest FSA and the Bucharest Stock Exchange, in accordance with the legal requirements.

4. SIGNIFICANT TRANSACTIONS

During the first half of 2024, the company Santierul Naval Orsova S.A. did not record transactions with persons acting in concert or in which these persons were involved.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

Reference		Note	30.06.2024 RON	31.12.2023 RON
	Assets			
	Fixed assets			
IAS 1.54(a)	Tangible assets	*14*	38.533.393	38.860.571
	Freehold land and land improvements	*14*	1.201.941	1.201.941
	Buildings	*14*	16.842.121	17.706.276
	Plant and machinery, motor vehicles	*14*	18.065.772	18.450.791
	Fixtures and fittings […]	*14*	96.862	98.728
	Tangible assets in progress	*14*	2.326.697	1.402.835
IAS 1.54(c)	Intangible assets	*15*	61.381	81.164
	Other intangible assets	*15*	61.381	81.164
IAS 1.54(b)	Investment property	*18*	606.447	606.447
IFRS 16,IAS 8	Rights to use the leased assets	*17*	135.410	495.806
IAS 1.54(h)	Trade receivables and other receivables		136.933	6.000
IAS 1.54(o), 56	Deferred tax assets		23.044	104.832
IAS 1.60	**Total fixed assets**		**39.496.608**	**40.154.820**
IAS 1.54 (g)	Inventories	*19*	25.712.343	28.967.886
IAS 1.54(h)	Trade receivables and other receivables	*21*	8.906.474	12.089.896
IAS 1.55	Accrued expenses	*21*	499.132	153.995
IAS 1.54(d)	Short term investments		19.196.818	6.495.815
IAS 1.54(i)	Cash and cash equivalents	*24*	9.745.981	11.943.703
IAS 1.60	**Total Current Assets**		**64.060.748**	**59.651.295**
	Total Assets		**103.557.356**	**99.806.115**
	Equity			
IAS 1.54(r), 78(e)	Share capital	*25*	28.557.298	28.557.298
IAS 1.54(r), 78(e)	Share premium		8.862.843	8.862.843
IAS 1.55, 78(e)	Reserves		47.491.622	47.157.267
IAS 1.54(r), 78(e)	Result for the period		5.014.241	3.453.687
IAS 1.55. 78(e)	Retained earnings		271.300	(2.848.032)

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024 (continued)

Reference		Row	30.06.2024 RON	31.12.2023 RON
	Other elements of equity		(3.587.760)	(3.753.867)
	Total equity		**86.609.544**	**81.429.196**
	Liabilities			
	Long-term liabilities			
IAS 1.54(o), 56	Deferred tax liabilities		3.609.830	3.775.937
IFRS 16,IAS 8	Other debts, including lease liability	*22,23*	125.455	60.040
IAS 1.60	**Total long-term liabilities**		**3.735.285**	**3.835.977**
	Current liabilities			
IAS 1.54(k)	Trade payables and other debts, including derivatives	*22*	13.062.802	13.884.794
IAS 1.55, 11.42(b)	Deferred income		5.705	950
IAS 1.54(l)	Provisions		144.020	655.198
IAS 1.60	**Total current liabilities**		**13.212.527**	**14.540.942**
	Total Liabilities		**16.947.812**	**18.376.919**
	Total Equity and Liabilities		**103.557.356**	**99.806.115**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 30 JUNE 2024

Reference		Note	30.06.2024	30.06.2023
			RON	RON
	Continuing operations			
IAS 1. 82(a)	Income	*5*	51.845.888	43.155.858
IAS 1.99,103	Other income	*6*	3.187.062	1.069.366
	Total Operational Income		**55.032.950**	**44.225.224**
	Expenses related to inventories	*7*	(17.492.829)	(20.637.091)
	Utility expenses	*8*	(1.406.757)	(946.928)
	Employee benefits expenses	*9*	(18.022.451)	(14.043.801)
	Depreciation and amortization expenses	*14,15*	(3.247.454)	(2.265.312)
	Depreciation expenses related to rights-of-use for leased assets		(360.395)	(329.232)
	Gains/losses on disposal of property		(368.074)	(7.161)
	Increase/(Decrease) of receivables allowances and inventory write-down	*10*	104	0
	Increase/(Decrease) of provision expenses		511.178	1.103.658
IAS 1.99, 103	Other expenses	*11*	(8.803.581)	(6.725.336)
	Total Operational expenses		**(49.190.259)**	**(43.851.203)**
	The result of operational activities		**5.842.691**	**374.021**
	Financial income	*12*	472.385	478.872
IAS 1.82(b)	Financial expenses	*12*	(91.766)	(254.915)
	Net financial result	*12*	**380.619**	**223.957**
IAS 1.85	**Result before taxation**		**6.223.310**	**597.978**
IAS 1.82(d),IAS 12.77	Current income tax expenses	*13*	(1.127.281)	0
	Deferred income tax expenses	*13*	(367.650)	(91.592)
	Deferred income tax income		285.862	0
IAS 1.85	**Result for continuing operations**		**5.014.241**	**506.386**
IAS 1.82(f)	**Result for the period**		**5.014.241**	**506.386**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 30 JUNE 2024 (continued)

		Note	30.06.2024 RON	30.06.2023 RON
	Other comprehensive income			
IAS 1.82(g)	Revaluation of property, plant and equipment		**(271.300)**	**0**
IAS 1.85	Other comprehensive income after tax		**(271.300)**	**0**
IAS 1.82 (i)	**Total comprehensive income for the period**		**4.742.941**	**506.386**
	Attributable profit			
IAS 1.83(b)(ii)	Shareholders		5.014.241	506.386
	Profit for the period		**5.014.241**	**506.386**
	Total attributable comprehensive income			
IAS 1.83(b)(ii)	Shareholders		**4.742.941**	**506.386**
	Earnings per share			
IAS 33.66	Basic earnings per share		0.44	0.04
IAS 33.66	Diluted earnings per share		0.44	0.04
	Continuing operations			
IAS 33.66	Basic earnings per share		0.44	0.04
IAS 33.66	Diluted earnings per share		0.44	0.04

Reference	**STATEMENT OF CHANGES IN EQUITY**									
IAS 1.108,109		**Attributable to equity holders**								
		Share capital	**Share premium account**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Result for the period**	**Other elements of equity**	**Profit appropriation**	**Total equity**
	Balance at December 31,2022	**28.557.298**	**8.862.843**	**29.304.680**	**18.596.499**	**892.220**	**(4.215.117)**	**(4.014.451)**	**-**	**77.983.972**
	Loss/ Net profit for the year	-	-	-	-	(4.215.117)	7.668.804	-	-	3.453.687
	Transfer in reserve	-	-	(782.550)	-	474.865	-	260.584	-	(47.101)
	Revaluation reserve	-	-	38.638	-	-	-	-	-	38.638
	Balance at December 31, 2023	**28.557.298**	**8.862.843**	**28.560.768**	**18.596.499**	**(2.848.032)**	**3.453.687**	**(3.753.867)**	**-**	**81.429.196**
IAS 1.106(d)(i)	Loss/ Net profit for the year	-	-	-	-	3.453.687	1.560.554	-	-	5.014.241
	Transfer in reserve	-	-	271.300	(605.655)	334.355	-	166.107	-	166.107
	Balance at June 30, 2024	**28.557.298**	**8.862.843**	**28.289.468**	**19.202.154**	**271.300**	**5.014.241**	**(3.587.760)**	**-**	**86.609.544**

STATUS OF THE TREASURY CASH FLOW

IAS 1.10(d), 113	**For the fiscal year completed**		
		30.06.2024	**30.06.2023**
	Treasury Cash Flow for operating activities		
	Profit of the period	5.014.241	506.386
	Adjustment for:		
	Depreciation of intangible and tangible assets	3.375.239	2.562.838
	Gain/losses from the sale of the tangible assets	368.074	7.161
	Net expenses / (net income) with provisions	(511.178)	(1.103.658)
	Adjustments for impairment of current assets	104	0
	Current income tax expenses	1.127.281	0
	Expenses on the delayed income tax	367.650	91.592
	Income from the delayed income tax	(285.862)	0
	Cash Flow from operating activities before the amendment of the working capital	**9.455.549**	**2.064.319**
	Amendment of the working capital:		
	Stocks modification	3.255.543	7.648.481
	Modification of the commercial account receivables and of other account	3.334.938	(10.318.844)
	Modification of the advanced expenses	(345.137)	(224.286)
	Modification of the commercial debts and of other debts	(47.054)	1.111.882
	Cash flow generated from operating activities	**15.653.839**	**281.552**
IAS 7.31.32	Paid interests	(13.985)	(34.116)
IAS 7.35	Profit /specific tax paid	(509.940)	0
IAS 7.10	**Net cash flow from operating activities**	**15.129.914**	**247.436**
	Treasury Cash Flow from investment activities		
IAS 7.31	Cashed interests	275.896	74.540
IAS 7.16(a)	Tangible and intangible assets acquisition	(4.897.241)	(872.590)
	Short term investments	(12.701.003)	(2.006.419)
IAS 7.10	**Net cash used in investment activities**	**(17.322.348)**	**(2.804.469)**
	Treasury cash flow from financing activities		
IAS 7.17(d)	Increase (Repayment) of loans	65.415	(331.009)
IAS 7.17(d)	Paid dividends	(70.703)	(80.656)
IAS 7.10	**Net cash from (used in) financing activities**	**(5.288)**	**(411.665)**
	Net increase/decreases of the cash flow and of the cash flow equivalents	**(2.197.722)**	**(2.968.698)**
	Cash Flow and equivalents from 1st of January	**11.943.703**	**8.852.408**
	Cash flow and cash flow equivalents at 30th of June	**9.745.981**	**5.883.710**

Reference	**NOTES TO SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS**
IAS 1.10(e)	**1. Reporting company**
IAS 1.138 (a),(b)	**Şantierul Naval Orşova S.A**. is a company headquartered in Romania. The registered office address of the Company is: Tufari Street, no.4, Orşova, Mehedinți county.
IAS 1.51(a)-(c)	The individual financial statements in accordance with IFRS have been prepared for the period 01.01-30.06.2024. The Company's main activity is the **construction of ships and floating structures (NACE code: 3011).**
IAS 1.112(a)	**2. Basis of preparation**
	a. Statement of compliance
IAS 1.16	The company has prepared Individual Financial Statements for the period 01.01-30.06.2024 in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, according to the Order of the Minister of Public Finance no. 881/2012 regarding the application by companies whose securities are admitted to trading on a regulated market of the International Financial Reporting Standards and the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as subsequently amended and supplemented.
IAS.10.17	The financial statements have been authorized for issue by the Board of Directors on August 12 th, 2024.
	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.

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

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

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

b. Professional judgements and key assumptions

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

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

- Note 18 –Investment property classification;
- Note 22 – Loans.

c. New International Financial Standards not applied by the Company

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

These are:

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

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

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

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

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

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

d. Presentation of financial statements

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

Comparative information has been presented so that they are in accordance with the revised standard. As the impact of change in accounting policy is reflected only on presentation aspects, there is no impact on earnings per share.
IAS 1 Presentation of Financial Statements is basis for the financial statements presentation to ensure comparability both with the entity's financial statements for previous periods and with the financial statements of other entities.

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

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

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

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

Expenses representing inventories consumption, depreciation of fixed assets, interest expenses, employee expenses etc. and which according to the IFRS stipulations, are included in some assets value, are recognized during the period depending on their nature. Complementarily, the accounting records related to assets in progress, on recognize of the related income accounts.
In preparation of the annual accounting reports, as well as those submitted during the year to the territorial units of the Ministry of Public Finance, which are prepared in accordance with the format established by the Ministry of Public Finance, the Company which, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, does not present either the value of these expenses or the value of the corresponding revenues as it is stipulation by OMFP 2844 of December 12, 2016 for approving the Accounting Regulations compliant with International Financial Reporting Standards (paragraph 182).

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

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

e. Standards and interpretations available in the current period

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies

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

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

a. Foreign currency

(i) Transactions in foreign currency

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

b. Financial instruments

(ii) Share capital

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

c. Tangible Assets

IAS 16.73 (a) (i) Recognition and evaluation

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Reclassification to investment property

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

(iii) Depreciation of tangible non-current assets

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

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

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

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

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

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

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

(iv) Derecognition

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

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

d. Intangible Assets

(1) Cost

(i) Software

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

(ii) Other intangible assets

All other intangible assets are recognized at cost.

Intangible assets are not revalued.

(2) Amortization

(i) Software

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

(ii) Other intangible assets

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

e. Rights-of-use for leases assets

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

Leasing liability is presented as a separate line in the financial statement.
Leasing liabilities are subsequently updated by increasing the carrying amount to reflect the amount of the amount of the revalued lease debt and by reducing the carrying amount to reflect the lease payments made. The company revalues the lease debt (and makes an appropriate adjustment to the right to use the asset) when:

- The lease term has changed, in which case the lease debt is revalued by updating the lease payments.

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

Rights-of-use assets

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

f. Investment property

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

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

For the evaluation after recognition, the company uses the fair value model, this accounting treatment has been applied to all investment properties.
A gain or loss arising from a change in fair value of investment property shall be recognized as an income or as an expense in the statement of comprehensive income for the period.
In determining the fair value of investment property, the company uses the services of certified values.

g. Inventories

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

Measurement of inventories

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

Cost of inventories

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

Price differences over the cost of acquisition or production should be disclosed separately in the accounts and are recognized in cost of the asset.
Regarding the method of valuation, the company used, until December 31, 2010, the weighted average cost method, but starting from January 1, 2011, the company is using the first-in - first out method.

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

h. Impairment

(i) Financial assets (including receivables)

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

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

IAS 1.112(a) 117(a)

3. Significant accounting policies (continued)

i. Employee benefits

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

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

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

j. Provisions

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

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

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

(2) Provisions for litigation

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

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

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

(3) Provisions for guarantees

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

k. Revenue

Revenue refers to goods sold and services rendered.

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

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

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

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

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

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

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

IAS 1.112(a)
117(a)

3. Significant accounting policies (continued)

m. Income tax

The Company records current income tax using the taxable income from tax reporting, determined by the relevant Romanian legislation.
Income tax obligation for the reporting period and prior periods is recognized to the extent that is not paid.
If the amounts paid on the current and prior periods exceed the amounts due for those periods, the excess is recognized as recoverable amount.

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

4. Determination of fair value

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

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

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

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

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

4. Determination of fair value (continued)

If IAS 16 “Property, plant and equipment” allows the determination of fair value through other methods if there isn't an active market, IAS 38 “Intangible Assets” narrow the assets that can be revalued, showing that only the assets for which an active market exists, can be revalued.

A special structure of non-current assets is the investment property. IAS 40 “Investment Property” offers two options for their evaluation: cost model or fair value model. As compared to IAS 16“ Property, plant and equipment”, where, if cost model is applicable, entities are only encouraged to disclose the fair value in the notes, IAS 40 “Investment Property” requires the estimation of fair value, for evaluation (fair value model) or to present in the notes (cost model).

For in assets held for continuing use, it can sometimes be difficult to estimate fair value minus costs of disposal. In the absence of a reliable basis for estimating the amount that an entity could obtain, from the sale of these assets in an arm's length transaction between knowledgeable, willing parties, IAS 36 ”Impairment of Assets” indicates that the entity may use the asset's value as its recoverable amount (fair value is equal with the value in use).

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

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

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

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

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

5. Incomes

		30.06.2024	30.06.2023
IAS 18.35(b) (i)	*Sales of goods*	41.456.717	38.052.483
IAS 18.35(b) (ii)	Rendering of services	7.847.836	4.723.521
IFRS 15.113(a)	Sales of waste products and commodities	2.508.219	343.453
IAS 40.75 (f) (i)	Income from rental of real estate investments	33.116	36.401
	Total	**51.845.888**	**43.155.858**

Revenues for the first 6 months of 2024 are 20.14% higher than those of the corresponding period last year. This increase is due both to the increase in revenues from the sale of vessels built at the main headquarters in Orsova (during this period the Company completed and handed over to external customers, in accordance with the production schedule, a number of 3 vessels, the same as in the corresponding period of 2023), but also to the significant increase in revenues from the sale of residual products resulting from the production activity but also from the scrapping, mainly, of a floating crane located in the branch's patrimony.
The river/sea vessel construction market is still deficient, but the company has its production capacity covered by the end of the year.
Although it does not represent a significant percentage of the turnover, the provision of services registered an increase of 66.14%, and this increase compared to the previous year was mainly due to the ship repair activity carried out both at the headquarters in Orsova and at the Agigea branch.
These presentations are made by the Company in accordance with IFRS 8.

6. Other incomes

	30.06.2024	30.06.2023
Income from rents (other than rent real estate investments)	2.948.272	986.554
Other operational incomes	238.790	82.811
Total	**3.187.062**	**1.069.366**

I In the period 01.01 - 30.06.2024 these revenues are at a higher level than in the corresponding period of the previous year (increase by 198.03%). The amounts realized during this period and recorded in the rental income position are related to the lease contracts for spaces in the patrimony of the Agigea branch but also from the rental of three saunas. Regarding the Other operating income position, we note an increase in the amount realized in the first half of 2024 compared to the corresponding period of the previous year, the company realizing in the analyzed period revenues from contractual penalties.

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

7. Outgoings on stocks

	30.06.2024	30.06.2023
Expenses with raw materials	10.210.674	14.523.159
Expenses of consumable materials, from whom:	6.866.424	5.742.749
Expenses *of auxiliar materials*	*6.027.333*	*5.277.897*
Expenses *of fuel*	*241.528*	*180.834*
Expenses *with spare parts*	*196.904*	*183.810*
Expenses *of other consumable materials*	*400.659*	*100.208*
Expenses regarding materials of nature inventory items	254.032	255.929
Expenses of unstocked materials	153.858	115.118
Expenses regarding goods	8.072	5.206
Received discount	(231)	(5.070)
Total	**17.492.829**	**20.637.091**

In sem. I 2024 the significant share in the total inventory expenditure is held by raw materials (naval sheet) and auxiliary materials (profiles, pipes). During the analyzed period, there was a decrease in expenses, by 15.24% compared to the previous year, this decrease being mainly due to the decrease in the prices of raw materials and basic auxiliary materials, but also to the structure of the ships built.
Expenses representing inventory consumption that, according to IFRS, are included in the value of assets are recognized during the period depending on their nature. Accordingly, the value of the assets in execution is recorded in the accounting, on account of the related income accounts. It should be noted that the Company, according to IAS 1, has chosen to present the analysis of expenses using a classification based on their nature, and therefore does not present either the amount of these expenses or the amount of the corresponding income.

8. Utilities outgoings

	30.06.2024	30.06.2023
Expenses with energy	1.374.317	924.678
Expenses with water	32.440	22.250
Total	**1.406.757**	**946.928**

In the first half of 2024, utility expenses, in correlation with the production achieved, also increased compared to the first half of 2023 (by 48.56%), but we mention that supply tariffs also saw a slight increase.
We specify that an influencing factor in this increase is also the method of presenting expenses using a classification based on their nature, according to IAS 1.

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

IAS 1.104 **9. Staff costs**

	30.06.2024	30.06.2023
Personnel expenses	16.567.379	12.833.350
Expenses with contributions to compulsory social insurance	1.455.072	1.210.451
Total	**18.022.451**	**10.665.520**
Medium number of employees	**337**	**337**

In the analyzed period of 2024, salary expenses increased by 28.33% compared to the corresponding period of 2023. This increase is due to both the increase in the volume of production achieved and delivered in the week. I of 2023 but also to the increase of the salaries of the Company's staff, starting with May 2024, by a percentage of 10% respectively to the increase, during the analyzed period, of the value of the meal voucher from 30 lei/meal voucher to 40 lei/meal voucher.
As in the case of the other categories of expenses, in the presentation of personnel expenses, an influencing factor in this increase is the method of presenting expenses using a classification based on their nature.

10. Value adjustement of current asset

	30.06.2024	30.06.2023
Losses(Profit) on receivables and various debtors	104	-
Income from adjustments for impaiment of current assets	-	-
Total	**104**	**-**

The amount presented above refers to the profit made during the analyzed period from the reactivation of some debtors.

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

IAS 1.97 **11. Other outgoings**

	30.06.2024	30.06.2023
Expenses with maintenance and repairs	743.461	80.025
Expenses with royalties, managed locations and rents	48.903	37.386
Expenses with premium insurance	107.085	47.699
Expenses with commisions and fees	-	-
Protocol, advertising and advertising expenses	15.185	20.073
Goods and personel transport expenses	1.163.327	781.224
Travel expenses, secondments and transfers	28.145	22.564
Postage and telecommunications expenses	21.812	26.667
Banking services expenses	25.257	31.648
Other expenses for services performed by third parties	6.251.484	5.380.502
Expenses with other taxes and fees	364.820	216.086
Expenses for environment protection	8.106	5.689
Expenses with compensations,fines and penalties	4	3.090
Other operational expenses	25.992	72.683
Total outgoings	**8.803.581**	**6.725.336**

In the period 01.01-30.06.2024, the above level of expenses increased by 30.90% compared to the similar period of the previous year, the main factors influencing this increase being the volume and structure of the production sold, but also the increase in the tariffs of the providers. Thus, we note in the structure an increase in expenses with services provided by third parties by 16.19% due to the fact that in the analyzed period the Company used to a greater extent subcontractors both for the shipbuilding activity and for the ship repair activity. Also, the company has paid increased attention to the maintenance and repair activity of machinery, production halls and social spaces. As regards the auditors' fees, included in the total amount of these items, it is noted that their level is close to that of the previous year. Specifically, they recorded the following values: 49,257 lei, including VAT. fees to statutory auditors (48,726 lei, including VAT, in the corresponding period of 2023) and for internal audit services, the amounts paid in the period 01.01-30.06.2024 were 10,660 lei, including VAT (10,620 lei, including VAT, in the corresponding period of the previous year).
Also in the case of these categories of expenses, an influencing factor in these increases is the method of presenting expenses using a classification based on their nature.

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

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

Recognized in the profit or loss account:

		30.06.2024	30.06.2023
IFRS 7.20 (b)	Interest income from bank deposits	345.624	87.978
IAS 21.52 (a)	Incomes from exchange rates differences	126.761	390.894
	Total financial incomes	**472.385**	**478.872**
IFRS 16.	Interest expense on the leasing account	13.985	34.116
IAS 21.52 (a)	Expenses from exchange diferences rates	77.781	220.799
	Value adjustments regarding financial fixed assets	-	-
	Total financial expenses	**91.766**	**254.915**
	Net financial result	**380.619**	**223.957**

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

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

• due to the evolution of the exchange rate, the income from exchange rate differences was higher than the expenses from exchange rate differences and was lower than those recorded in the similar period of 2023.

• In the analyzed period of 2024, the company did not have bank loans, so it did not register interest on this basis.

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

13a. Expenditure on profit tax

Reference		30.06.2024	30.06.2023
	a) Expenditure on current profit tax		
IAS 12.80 (a)	Current period	1.127.281	0
IAS 12.80 (b)	Adjustments of previous periods		
	b) Deferred income tax expense		
IAS 12.80 (c)	Initial recognition and reversal of temporary differences	367.650	91.592
IAS 12.80 (g)	Changes in previously unrecognized temporary differences		
IAS 12.80 (f)	Recognition of previously unrecognized tax los		
	Total profit tax expenses (a+b)	**1.494.931**	**91.592**
IAS 12.81 (c)	**Reconciliation of effective tax rate**		
	Profit of the period	6.223.310	597.978
	Non-deductible expenses	3.384	16.082
	Non-taxable incomes	511.178	1.103.658
	Taxable amounts	291.821	-
	Elements similar to incomes (amortisation after reevaluation 2003)	1.038.175	677.417
	Tax loss year 2022	-	1.761.405
	Taxable profit(Tax loss)	7.045.509	(1.573.586)
	Expense with the current profit tax	-	-
	Sponsorship	-	-
	Bonus OUG 33/2020	-	-
	Profit after taxation	5.096.029	597.978

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

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

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2023	23.081.969	58.259.701	535.770	1.220.026	83.097.466
IAS 16.73 (e)(i)	Acquisitions	8.300	419.045	17.058	801.819	1.246.222
IAS 16.73 (e)(ii)	Outgoings of non current asset	8.316	474.424	-	361.038	843.778
IAS 16.73 (d)	Balance at June 30,2023	23.081.953	58.204.322	552.828	1.660.807	83.499.910
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2023	2.083.084	41.795.607	458.992	-	44.337.683
IAS 16.73 (d)(vii)	Depreciation during the year	1.045.841	1.164.099	8.619	-	2.218.559
IAS 16.73 (d)(ii)	Outgoings pf non current asset	1.155	474.424	-	-	475.579
IAS 16.73 (d)	Balance at June 30,2023	3.127.770	42.485.282	467.611	-	46.080.663
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2023	**20.998.885**	**16.464.094**	**76.778**	**1.220.026**	**38.759.783**
	Balance at June 30, 2023	**19.954.183**	**15.719.040**	**85.217**	**1.660.807**	**37.419.247**

		Lands and buildings	Machines and equipments	Furniture and fixtures	Work in progress	Total
	Coast or assumed costs					
IAS 16.73 (d)	Balance at 1 January 2024	23.081.953	61.570.014	576.596	1.402.835	86.631.398
IAS 16.73 (e)(i)	Acquisitions	126.226	3.837.836	9.318	1.686.154	5.659.534
IAS 16.73 (e)(ii)	Outgoings of non current asset	-	4.361.571	54.309	762.292	5.178.172
IAS 16.73 (d)	Balance at June 30,2024	23.208.179	61.046.279	531.605	2.326.697	87.112.760
	Depreciation and losses from depreciation					
IAS 16.73 (d)	Balance at 1 January 2024	4.173.736	43.119.223	477.868	-	47.770.827
IAS 16.73 (d)(vii)	Depreciation during the year	990.381	1.993.496	11.184	-	2.995.061
IAS 16.73 (d)(ii)	Outgoings pf non current asset	-	2.132.212	54.309	-	2.186.521
IAS 16.73 (d)	Balance at June 30,2024	5.164.117	42.980.507	434.743	-	48.579.367
IAS 1.78 (a)	**Accounting values**					
	Balance at 1 January 2024	**18.908.217**	**18.450.791**	**98.728**	**1.402.835**	**38.860.571**
	Balance at June 30, 2024	**18.044.062**	**18.065.772**	**96.862**	**2.326.697**	**38.533.393**

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

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

On 30 June 2024, land has a book value of 1.201.941 RON and represents an area of 86.000 square meters, of which:
• 85.790 square meters at its headquarters in Orşova and
• 210 square meters at its Branch in Agigea, Constanta County.

On 31.12.2007, the Agigea Branch, named at that time Shipyard Services SA Agigea, carried out the land revaluation operation of 210 sqm. As a result, after the merger (in 2008) and until this date, the Company's lands are valued at fair value for the land in the Branch's patrimony and at historical cost for the lands from Orșova.
In the course of the year 2017 the company has put up for sale by tender two plots of land in the area Gratca, of 937 square meters and 3,988 square meters, in accordance with the management decision of 16 February 2017. Although these lands have not found yet their buyers, they have been classified in an appropriate manner as non-current assets held for sale (account 311).
The company has completed cadastral situation for the entire area of the premises owned by Orşova headquarters. The company has completed the land register for the whole situation in the area of property at its headquarters in Orşova.

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

At 31 December 2005 the Company proceeded to revise the value of tangible assets by using the opinion of specialists, employed by the Company. At 31 December 2006, the Company proceeded to review the value of buildings and special constructions using the opinion of specialists, employed in the Company. On 31 December 2007, the Company has not proceeded to review the value of assets at the Orşova headquarters, instead, Agigea Branch conducted a revaluation of fixed assets of structures and ships group, before the merger, under the old name: SC Servicii Construcţii Maritime S.A. Agigea.

During 2007, 2008 and 2009 there were entries recorded in the technological equipment category and other intangible category which leads to a presentation in the financial statements, of the assets of these groups, both at historical cost indexed in accordance with government decisions (" GD "), and historical cost.
At 31 December 2009, the Company proceeded to the revaluation of buildings and special constructions, both at the headquarters in the town of Orşova and at Agigea branch, using the opinion of independent external evaluators. The reflection method of the revaluation in the company's bookings was to eliminate the depreciation from the book value of assets. The amount of the revaluation surplus was credited to revaluation reserve balance for those targets whose fair

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

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

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.

At 31 December 2010 and 2011, the company did not revalued non-current assets.

At 31 December 2012, the company revalued buildings and means of naval transport, both at headquarters in the town of Orşova and Agigea branch using the opinion of an independent external value. The Company has used the net value model. The amount of the revaluation surplus was credited to revaluation reserves for those assets which fair value was higher than the net book value, and for the other assets which fair value has been lower than the book value a reduction of the existing revaluation surplus, was reflected affecting operating expenses for the purposes for which revaluation reserves were not previously recognized or the recognized revaluation reserve was insufficient to cover the decrease. For the fixed assets that are under conservation at Agigea branch, an impairment of 6.739 RON was recognized.

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

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

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

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

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

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.
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).

On December 31, 2016, the company proceeded to the revaluation of fixed assets amounted to the nature of shipping assets, using the same external independent evaluator's opinion and based on the same rules on recording differences in results. In the ordinary general meeting of shareholders, the results of this reassessment will be presented as visually distinct agenda. For fixed assets placed in conservation at Agigea branch was recognized an impairment at the end of the year 2016 total of 287.458.76 RON (to 31.12.2015 this impairment was of 252.756,17 RON).

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

On December 31, 2018, the company proceeded to re-evaluate the property, buildings and ships, both at the headquarters of Orşova and at Agigea branch using the opinion of independent external evaluators. The method of reflecting revaluation in the Company's accounts was that of eliminating depreciation from the carrying amount of assets. With the value of the revaluation surplus, the balance of revaluation reserves was credited for those items whose fair value was higher than net book value, and for the other objectives for which the fair value was less than the net book value reflected the decrease of the existing revaluation surplus and / or the impairment of operating expenses in the case of previously unrecognized

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

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

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

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

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

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

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

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

• The income approach for leased buildings (investment properties).

According to IFRS 13, valuation at fair value of buildings and means of naval shipping supposed taking into consideration the characteristics of the assets, which users of financial statements would consider in determining the price of the asset at the balance sheet date. Fair value determination was carried out by an independent external evaluator and shall be treated as level 2 under IFRS 13 for the data taken into account in determining the fair values as at 31 December 2019, the date of financial reporting. At the company level, there has not been any change of the level presented by IFRS 13 for the data taken into account in determining the fair values. Also, the maximum amount for assets valued at fair value does not differ from the current amount of use.

Impairment losses and subsequent reversals

At the end of 2023, for the fixed assets in conservation at the Agigea branch, the depreciation test was also performed, with a total depreciation of RON 419.372,21 being recognized, a depreciation that is maintained as of June 30, 2024.

Pledged or mortgaged non-tangible asset

To guarantee the multi-option and multi-currency global limit, in value of 1.500.000 (at the same level as on 30.06.2023), made available by BRD-GSG SA, the Company established the following::

- First rank mortgage on the following properties: Repair hall, New Hall, Thermal power station, Compressors Station and PSI Shed, Operating Group, Cafeteria, Merged building, all including land, toate împreună cu terenul aferent, properties assessed according to the Guarantee Monitoring Report at EUR 1.512.800 market value, registered in the Land Book Register under the numbers 1133, 1146, 1121, 1145, 1134, 1135 and 1132;
- Security interest with dispossession on a deposit in value of 401.201 EUR.
- Assignment of receivables as collateral on receipts in a total value of 13.759.028 EUR, resulting from the commercial contracts concluded by the Company with third parties, not cashed up at 30.06.2024.

Non-tangible asset under construction

As of 30.06.2024, the company has unfinished investment objectives in the amount of RON 2.326.697 (RON 1.660.807 as of 30.06.2023). A significant share in them is represented by the modernization works of the launch track at the Agigea branch, started more than 5 years ago, including the replacement of the pen trolleys, but also the modernization works of the halls in the branch's patrimony.

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

IAS 38 **15. Intangible assets**

		Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)			
	Cost		
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2023	1.033.977	1.033.977
IAS 38.118(e)	Aquisitions	73.445	73.445
	Outgoings of intangible assets	-	-
IAS 38.118	Balance at 30 of June 2023	1.107.422	1.107.422
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2023	1.006.198	1.006.198
IAS 38.118(e)(vi)	Amortisation during the year	15.047	15.047
	Outgoings of fixed assets	-	-
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of June 2023	1.021.245	1.021.245
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2023**	**27.779**	**27.779**
IAS 38.118(c)	**Balance at 30 of June 2023**	**86.177**	**86.177**

		Other assets	Total
IFRS 3.61 IAS 38.118 (c), (e)			
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 1 January 2024	1.120.152	1.120.152
IAS 38.118(e)	Aquisitions	-	-
	Outgoings of intangible assets	6.894	6.894
IAS 38.118	Balance at 30 of June 2024	1.113.258	1.113.258
	Depreciation and amortisation losses		
IFRS 3.B67 (d)(i),IAS 38.118	Balance at 1 January 2024	1.038.988	1.038.988
IAS 38.118(e)(vi)	Amortisation during the year	13.783	13.783
	Outgoings of fixed assets	6.894	6.894
IFRS 3.B67 (d)(viii),IAS 38.118	Balance at 30 of June 2024	1.051.877	1.051.877
	Accounting values		
IAS 38.118(c)	**Balance at 1 January 2024**	**81.164**	**81.164**
IAS 38.118(c)	**Balance at 30 of June 2024**	**61.381**	**61.381**

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

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

The securities are recognized in the financial statements in accordance with IAS 27 (revised in 2010), IAS 36 (revised in 2009), IAS 39 (revised in 2009) and IFRS 7 (issued in 2008). From the corroboration of the provisions of the 4 standards, the company adopted the following policy for the recognition and evaluation of the shares and the securities:

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

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

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

Other investments	**30.06.2024**			**30.06.2023**		
	Accounting value	**Imparment adjustements**	**Net value**	**Accounting value**	**Imparment adjustements**	**Net value**
Long term investments						
Shares detained at Kritom	684.495	684.495	0	684.495	684.495	0
Other titles detained on long term	0	0	0	0	0	0
Total investments on long term	**684.495**	**684.495**	**0**	**684.495**	**684.495**	**0**

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

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

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

- the total share capital of this company was 1.230.600 euro, consisting of a total number of 4.200 shares of 293 euro / share,
- SCM, at that time held 2.058 shares, respectively 602.994 euros (49%), and Domiki Kritis held 2,142 shares worth 627.606 euros (51%)

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

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

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

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

As of June 30, 2024, 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 June 30, 2024 was RON 0 (as of June 30, 2023, 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.

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

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

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

	Total land-use rights	Total rights of use of assets
Cost		
As of 1 January 2019	**0**	**0**
Inputs	2.502.294	2.502.294
As of 31 December 2019	**2.502.294**	**2.502.294**
Inputs	94.066	94.066
As of 31 December 2020	**2.596.360**	**2.596.360**
Inputs	142.574	142.574
As of 31 December 2021	**2.738.935**	**2.738.935**
Inputs	116.674	116.674
As of 31 December 2022	**2.855.609**	**2.855.609**
Imputs	44.891	44.891
As of 31 December 2023	**2.900.500**	**2.900.500**
Imputs	0	0
As of 30 June 2024	**2.900.500**	**2.900.500**
Amortization		
As of 1 January 2019	**0**	**0**
Depreciation of the year	125.115	125.115
As of 31 December 2019	**125.115**	**125.115**
Depreciation of the year	520.262	520.262
As of 31 December 2020	**645.377**	**645.377**
Depreciation of the year	533.595	533.595
As of 31 December 2021	**1.178.973**	**1.178.973**
Depreciation of the year	567.259	567.259
As of 31 December 2022	**1.746.232**	**1.746.232**
Depreciation of the year	658.463	658.463
As of 31 December 2023	**2.404.695**	**2.404.695**
Amortization of the period	360.395	360.395
As of 30 June 2024	**2.765.090**	**2.765.090**
Net book value		
As of 31 December 2019	**2.377.179**	**2.377.179**
As of 31 December 2020	**1.950.983**	**1.950.983**
As of 31 December 2021	**1.559.962**	**1.559.962**
As of 31 December 2022	**1.109.377**	**1.109.377**
As of 31 December 2023	**495.806**	**495.806**
As of 30 June 2024	**135.410**	**135.410**

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

IAS 40 **18.Real estate investments**

		2024	2023
IAS 40.76(a)	Balance on 1 January	606.477	596.638
IAS 40.76(f)	Acquisitions	0	0
IAS 40.76(d)	Transfer from property, plant and equipment	0	0
IAS 40.76(d)	Disposals/impairments, transfer to property, plant and equipment	0	0
	Balance at 30 June	**606.477**	**596.638**

Starting with September 2019, the Agigea branch proceeded to rent a building located in Constanta, called "Headquarters". During the analyzed period, the lease contracts with the companies Glorios and Protect Instal were in progress. The rental period ended on 31.05.2024.
The Company measures real estate investments at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income.
As of 31.12.2023, the real estate investment was revalued by an independent external valuer. The evaluation method used was the income approach.

19. Stock

		30.06.2024	30.06.2023
IAS 1.78 (c),2.36(b)	Raw materials and materials	8.645.471	11.374.923
IAS 1.78(c), 2.36(b)	Production in progress	17.792.811	32.464.668
IAS 1.78(c), 2.36(b)	Waste products	-	-
	Imparment adjustments	(725.939)	(674.372)
	Stocks at net value	**25.712.343**	**43.165.219**

IAS 1.104, 2.36(e)(f) For stocks of raw materials and materials older than 2 years (for sheet metal stocks older than 3 years), existing in the balance at the end of 2023, without movement, the company proceeded to adjust the book value, constituting a total depreciation of RON 725,939, which remains at the same value as of 30.06.2024.

Compared to the corresponding period of last year, there is a decrease in inventories (by 40.43%), mainly due to stocks of raw materials and materials, in direct correlation with the contracted production, but also a decrease in production in progress (by 45.19%).

20. Fixed assets held for sale

As of 30.06.2024, the company does not hold such assets.

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

21. Trade and similar receivables, other receivables and advances

		30.06.2024	30.06.2023
IAS 1.78 (b)	Trade receivables in relation to related parties	429.926	-
	Loans to executives	-	-
IAS 1.78 (b)	Trade receivables	7.808.861	11.094.130
	Adjustments for the impairment of trade receivables	(166.620)	(166.620)
IFRS 7.8(c)	**Net commercial loans and receivables**	**8.072.167**	**10.927.510**
	Claims - total	**1.333.439**	**1.872.634**
	Different debitors	257.039	448.286
	Suppliers - debtors	254.421	-
	VAT to be recovered and not exigible	276.975	1.302.179
	Adjustment for other receivables	(408.160)	(513.248)
	Expenses registered in advance	499.132	385.908
	Other receivables	454.032	249.509
	Total	**9.405.606**	**12.800.144**

As for trade receivables, as of 30.06.2024 they are at a lower level than those recorded at the end of the corresponding period of the previous year, and are related to current supplies of goods and services, with maturities in the next period.
Regarding the amount representing VAT to be recovered, it is lower than the one recorded in the corresponding period of 2023, with no overdue VAT refunds being recorded.
During the period 01-30.06.2024, no movements of the Company's impairment accounts related to the adjustments of trade receivables were recorded
The receivables analysed in this note do not include receivables presented in the category of fixed assets.

22.Trade payables and other liabilities

	30.06.2024	30.06.2023
Trade payables – short term	2.317.743	5.254.668
Social security and other taxes and fees	1.780.810	1.595.992
Suppliers – unsecured invoices	915.952	1.752.631
Clients- creditors	6.689.478	12.490.161
Other debts	1.358.819	1.834.750
Commercial debts – long term	125.455	224.820
Total	**13.188.257**	**23.153.022**

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

22.Trade payables and other liabilities (continued)

Trade payables refer to payment obligations to suppliers, down from the same period of 2023. and advances received from customers, also lower than in the corresponding period of the previous year. We note an increase in the obligations regarding social security and other taxes and fees due to the state budget, their balance as of 30.06.2024 representing current debts whose payment, by compensation or payment was made after June 30, 2024.

23. Loans Leasing obligations

Finance leases

As of June 30, 2024, the Company has no financial leasing contracts.

Operating leases

The total commitments included in the leasing contract concluded with the National Company Constanta Maritime Ports Administration on June 30, 2024, recognized in accordance with IFRS 16, is RON 186,531. When updating the leasing payments, as the company has no other contracted loans, it used the NBR's monetary policy interest rate of 7%.
The maturity of the leasing debts is as follows:

	2024	**2023**
Initial year	-	-
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	634.972
Year 5	549.970	505.079
Total	549.970	1.140.051
Debt balance June 30	186.531	827.907
Long-term	-	171.200
Short-term	186.531	656.707

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

24.Cash and cash equivalents

	30.06.2024	**30.06.2023**
Bank accounts in lei	2.284.803	2.291.603
Bank accounts in foreign currency	7.452.681	3.576.908
Petty cash in lei	8.329	8.668
Other values	169	6.531
Total	**9.745.981**	**5.883.710**

The total amounts in cash and cash equivalent increased compared to the previous period (by 65.64%), the company having, at the end of the first half, sufficient liquidity to finance the production and investment programs budgeted for 2024.

25. Capital and reserves

Capital social

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

The shareholder structure as of June 30, 2024 is as follows:

	Number Of shares	**Amount (lei)**
Longshield Investment Group S.A.	5.375.969	13.439.923
Sea Container Services S.R.L	5.375.968	13.439.920
Other corporate shareholders/individual shareholders	670.982	1.677.455
	11.422.919	**28.557.298**

We mention that in the first half of 2024 this structure underwent changes compared to the one registered at the end of 2023 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 Financiari Muntenia S.A. changed its name to Longshield Investment Group S.A.

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

The company's shares are registered, dematerialized, ordinary and indivisible.

The identification data of each shareholder, the contribution of each one 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 contractually designated for this purpose.

Each share subscribed and paid by the shareholders according to the law, gives them the right to one 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.

The holding of the action implies the right of adhesion to the statute and to subsequent amendments.

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

26.Employees benefits

a) Remuneration of directors and administrators

In order to carry out the management activity, the Company is obliged to pay the directors a fixed monthly remuneration, established by the articles of incorporation or the decision of the general meeting of shareholders, as the case may be, and a variable remuneration in relation to the manner in which the objectives and performance indicators are achieved, annexed to the management contract.
The fixed monthly remuneration of the directors for the period January 1 – June 30, 2024 was RON 301.734 and for the corresponding period of the previous year it was RON 298.532, in accordance with the provisions of the Articles of Association.
For 2023, the variable remuneration for directors and general manager has not been approved.
The company did not grant advances or loans to directors or administrators in the first 6 months of 2024.

Wage expenses:

	Financial exercise End at 30 June 2024 (lei)	**Financial exercises End at 30 June 2023 (lei)**
Administrators	301.734	298.532
Directors	708.577	651.436
	1.010.311	**949.968**

During the first half of 2024, there were changes in the composition of the Board of Directors following the election of the directors, by the cumulative voting method, held in April 2024.

Thus, the composition of the Board of Directors, as it resulted from the expression of the shareholders' votes, starting with 23.04.2024, is as follows:

Mr. Ion Dumitru – president

Mr. Pripa Alexandru – vice-president

Mr. Fainarea Marius – member

Mr. Patrascu Nadina Elena - member

Mr. Catalina Dumitrascu – member

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

26.Employees benefits (continued)

The indemnities and other rights granted to the directors are provided for in Article 19 of the Articles of Association and in the management contracts, which were approved at the General Meeting of Shareholders on April 22, 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 Article 22 of the Articles of Incorporation and, respectively, from the Mandate Contract concluded between the Board of Directors and the General Manager.

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

Salaries payable at the end of the period:

	30 June 2024	30 June 2023
	(lei)	(lei)
Administrators	29.154	28.879
Directors	32.314	28.007
	61.468	**56.886**

b) Employees

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

	Financial exercise Ended at **30 June 2024**	Financial exercises Ended at **30 June 2023**
Administrative staff	49	46
Direct productive staff	233	227
Indirect productive staff	55	64
	337	**337**

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

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

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

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

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

The IFRS-compliant individual financial statements prepared for the period 01.01-30.06.2024 were approved by the Board of Directors on August 12, 2024 and were signed by:

Administrator	Issued
Ec.Dumitru Ion	Ec. Marilena Visescu

STATEMENT

The undersigned Dumitru Ion – Chairman of the Board of Directors and Marilena Visescu – economic director of the company Şantierul Naval Orşova SA, with administrative headquarters in Orşova, 4 TUFARI Street, Mehedinţi County, declare that to the best of our knowledge, the half-yearly financial and accounting situation for the first half of 2024, which was prepared in accordance with the applicable accounting standards (IFRS), provides a correct and realistic image of the assets, obligations, financial position, profit and loss account of the company indicated above.

We specify that the company does not have subsidiaries.

We also declare that the Report of the Board of Directors of Şantierul Naval Orşova SA, prepared for the first semester of 2024, correctly and completely presents the information provided for this period.

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