

**CASA DE BUCOVINA – CLUB DE MUNTE S.A.  
BOARD OF ADMINISTRATORS' REPORT  
FOR THE FIRST QUARTER OF 2024  
(01.01.2024 – 31.03.2024)**

*This report is a translation from its Romanian version. In case of any difference between the Romanian and the English versions, the Romanian version shall prevail*

Quarterly report in accordance with:	The provisions of Law no. 24/2017 and FSA Regulation no. 5/2018
Date of the report:	14 May 2024
Name of the issuer:	CASA DE BUCOVINA – CLUB DE MUNTE S.A.
Headquarters:	Gura Humorului, 18, Republicii Square, Suceava County
Phone/fax no.:	+40 230 207 000/ +40 230 207 001
Sole Registration Code:	10376500
Registration Number with the Trade Register:	J33/718/1998
Subscribed and aid-in share capital:	16,231,941.2 lei
Main features of the issued securities:	162,319,412 shares, with a face value of RON 0.1/share
Regulated market on which the securities are traded	Bucharest Stock Exchange
LEI Code	2549003JCE4UBBB88S53

## 1. Main financial indicators

### Financial results

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
<b>Revenue from touristic services, of which:</b>	<b>1,400,564</b>	<b>1,082,599</b>
Revenue from hotel services	490,807	329,623
Revenue from catering (restaurant, bar)	795,527	609,935
Revenue from SPA, playgrounds, various	43,196	38,472
Revenue from rentals	71,034	104,569
Other revenue	0	7,219
Operating expenses	(2,225,788)	(1,899,875)
<b>Operating loss</b>	<b>(825,224)</b>	<b>(810,057)</b>
Financial revenue	129,687	118,633
Net gain/(Net loss) from the revaluation of financial assets at fair value through profit or loss	576,993	(82,515)
(Loss)/Profit before tax	(118,544)	(773,939)
<b>(Net loss)/Net profit for the period</b>	<b>(131,953)</b>	<b>(748,477)</b>

### Financial position

	31.03.2024	31.12.2023
Cash and current accounts	4,306,796	5,935,387
Deposits at banks	3,154,704	2,405,345
Financial assets at fair value through profit or loss	5,831,757	5,254,764
Financial assets at amortized cost	2,237,951	2,237,707
Fixed assets held for sale	3,655,933	3,655,933
Inventories	191,358	195,890
Other assets	673,461	509,275
Tangible and intangible fixed assets	19,801,799	19,935,457
<b>Total assets</b>	<b>39,853,759</b>	<b>40,129,758</b>
Deferred tax liability	1,694,563	1,683,862
Trade payables	593,818	653,944
Other liabilities	1,334,275	1,431,605
<b>Total liabilities</b>	<b>3,622,656</b>	<b>3,769,411</b>
<b>Equity</b>	<b>36,231,103</b>	<b>36,360,347</b>
<b>Total equity and liabilities</b>	<b>39,853,759</b>	<b>40,129,758</b>

## 2. Company information

Casa de Bucovina – Club de Munte SA was established in March 1998 as a stock company with private capital, having 6 founding shareholders, legal Romanian entities. After initiating and carrying out a public offer of shares, the company was listed on the regulated market operated by the Bucharest Stock Exchange, starting with 12 May 2008 and having the ticker BCM.

Casa de Bucovina- Club de Munte SA's core business is hotel services, catering and recreational/leisure services, selling tourism services, organizing conferences or events for national and foreign companies, etc.

The company's core activity is stipulated under article 5 of the Constitutive Act, and according to NACE codification – 5510 it is defined as "Hotels and other similar accommodation facilities".

Best Western Bucovina, the company's main asset, is a hotel that offers the unique experience of Bucovina's hospitality.

## 3. Analysis of the company's activity

The company provides a full range of services: from basic hotel services (accommodation and food & beverage), all-inclusive packages for seminars, conferences and congresses, to tailored services for clients or groups.

The company has used all the distribution channels for tourism: both Romanian and foreign travel agencies, online booking reservation websites, direct distribution to corporate and individual clients.

The marketing strategies used were based on promoting the concept of an area still unspoiled by the side effects of mass tourism, positioning Bucovina as a destination where local customs and traditions are at home. The marketing strategies and pricing policies were characterized by a maximum elasticity, adapted to a price-sensitive market, consumer dominated.

The following packages were promoted:

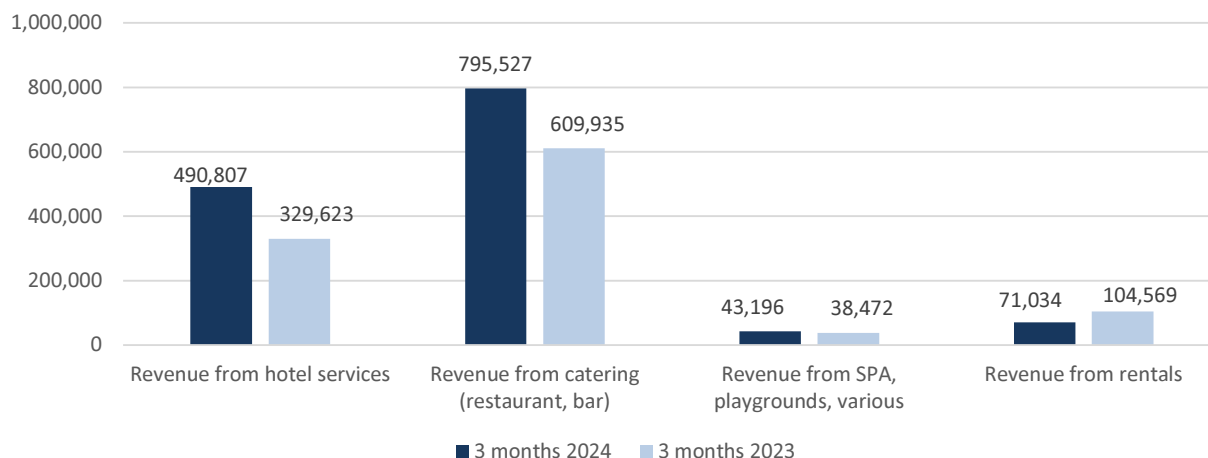
- active vacation offers;
- holydays packages with early booking discounts;
- team-building offers;
- conferences packages.

For the domestic market, the company uses both traditional distribution channels – travel agencies, congress organizers, reception, as well as modern and unconventional channels (Online Travel Agencies, Facebook, Blogs, Influencers, Instagram).

In the first three months of 2024, the company recorded a 29.37% increase in revenue its main activity, compared to the similar period of 2023. In this period, the revenue from the accommodation activity registered an increase of 48.9%, while the revenue from the catering activity grew by 30.43%.

In the first three months of 2024, the hotel recorded an increase in the number of customers, especially in the segment of tourists for conferences and corporate events, where the increase was of approximately 48% compared to the similar period in 2023, but also among individual customers where the increase was of approximately 7%. The same situation was recorded in the segment of foreign circuit tourists, where the number of tourists registered in the reporting period is approximately 140% compared to the number of those registered in the similar period of 2023.

## Breakdown of revenue from touristic services



In this period, operational expenses registered an increase of 17.15% compared to the similar period of 2023, mainly based on the increase in personnel costs (+22.3%, against the background of the increase in the minimum wage) and the increase in the cost of goods sold (+38.01%).

For the segment of conference tourism and corporate events, direct sales have become the most important distribution channel for hotel products. The offer for events such as team building for companies has integrated, in addition to accommodation and meal services, a leisure facility from the extremely varied offer of the area, a fact that increased the attractiveness of the hotel product. Thus, active sales in this segment began to materialize in events, starting with the autumn of 2023 and the first part of 2024.

In the first 3 months of 2024 there were no events of the nature of the merger or reorganization of the company. During the first 3 months of 2024, the company did not make significant acquisitions / disposals of assets used in the core business.

For the next 9 months there are a number of macroeconomic and geopolitical uncertainty factors. The prolongation of the conflict in Ukraine, the maintenance of a high level of inflation in Europe and especially in Eastern European countries, the prospect of an economic recession in Germany and possibly in the entire European Union, the influence of the European and national elections in most European countries, can call into question the forecasted results in the company's activity in the summer/autumn season. However, we believe that the company will reach its assumed targets for the year 2024. In this context, the company analyzes various business continuity plans, applicable to as many scenarios as possible.

## 4. The economic and financial position

### 4.1. The company's tangible assets

The company owns a total land area of 122.630 sqm (located in Gura Humorului, Voronet and in the Arinis Dendrologic Park), of which 119.142 sqm are fully owned and 3.488 sqm are taken into concession. Along with the land, the company owns the following buildings:

- hotel (opened in 2002) located in Gura Humorului, 18, Republicii street, Suceava county, consisting of basement, mezzanine, ground floor and 8 floors, 127 rooms with a capacity of 220 guests;
- catering capacity: 2 restaurants with 180 and 60 seats, bar (60 seats) and terrace (60 seats);
- conference center: 6 rooms in the hotel (capacity between 25 and 100 seats);
- multipurpose stand-alone conference room with a capacity of 280 seats;
- office space in a Gura Humorului, 18, Republicii street, with a built surface of 171 sqm;
- Arinis Inn located in Arinis Park - terrace with a capacity of 140 seats.

The depreciation of fixed assets is computed using the straight-line depreciation method. The depreciation periods (which approximate the lives of the assets) are in accordance with the current legislation.

## 4.2. Financial statements

The financial statements for the period ended 31 March 2024 were prepared in accordance with the Finance Ministry Order no. 2844/12.12.2016 for the approval of the accounting Regulations compliant with the International Financial Reporting Standards.

The figures are expressed in lei and the financial statements are not revised nor audited by the company's auditors.

In the tables below there are presented the statement of financial position and the statement of profit or loss and other comprehensive income related to the first three months of the year 2024.

<i>lei</i>	<b>31 March 2024</b>	<b>31 December 2023</b>
<b>Active</b>		
<b>Assets</b>		
Cash and bank accounts	4,306,796	5,935,387
Deposits at banks	3154704	2,405,345
Financial assets at fair value through profit or loss	5,831,757	5,254,764
Fixed assets held for sale	2,237,951	2,237,707
Inventories	3,655,933	3,655,933
Other assets	191,358	195,890
Tangible and intangible fixed assets	673,461	509,275
<b>Total Assets</b>	<b>19801799</b>	<b>19935457</b>
	<b>39,853,759</b>	<b>40,129,758</b>
<b>Liabilities</b>		
Deferred tax liability	1,694,563	1,683,862
Trade payables	593,818	653,944
Other liabilities	1,334,275	1,431,605
<b>Total liabilities</b>	<b>3,622,656</b>	<b>3,769,411</b>
<b>Equity</b>		
Share capital	31,078,307	31,078,307
Reserves from revaluation of tangible assets	9,077,920	9,092,142
Reported result	(3,925,124)	(3,810,102)
<b>Total Equity</b>	<b>36,231,103</b>	<b>36,360,347</b>
<b>Total Liabilities and Equity</b>	<b>39,853,759</b>	<b>40,129,758</b>

More information regarding the elements that constitute the statement of financial position is presented in the Notes to the financial statements for the financial period ended 31 March 2024.

<i>lei</i>	<b>31 March 2024</b>	<b>31 March 2023</b>
Revenue from touristic services	1,400,564	1,082,599
Other revenue		7,219
Expenses with raw materials and consumables	(319,881)	(319,811)
Cost of goods sold	(333,826)	(241,886)
Third party expenses	(258,079)	(245,622)
Personnel expenses	(986,417)	(806,552)
Depreciation and impairment of fixed assets	(182,281)	(183,052)
Other expenses	(145,304)	(102,952)
<b>Operating loss</b>	<b>(825,224)</b>	<b>(810,057)</b>
Financial revenue	129,687	118,633
Net gain/(Net loss) from revaluation of financial assets at fair value through profit or loss	576,993	(82,515)
<b>Loss before tax</b>	<b>(118,544)</b>	<b>(773,939)</b>
Tax expense	(13,409)	25,462
<b>Net loss for the period</b>	<b>(131,953)</b>	<b>(748,477)</b>

In the first three months of 2024, the company recorded a 29.37% increase in revenue from tourist services, compared to the similar period of 2023. During this period, the revenue from the accommodation activity increased by 48.9%, while the revenue from public catering activity increased by 30.43%.

In this period, operating expenses registered an increase of 17.15% compared to the similar period of 2023, especially based on the increase in personnel costs (+22.3%, against the background of the increase in the minimum wage level), the increase in the cost of goods sold (+38.01 %, taking into account the increase in revenue from the activity of public catering) and the increase in the costs of services provided by third parties (+5.07%). At the same time, operational administrative expenses not associated with the tourism activity (valuations, notary fees, lawyers, etc.) registered a significant increase in the reporting period (+98.67%). Expenses with other taxes, fees and similar payments registered an increase of 51.43% compared to the similar period of last year.

Thus, the company recorded an operating loss of 825,224 lei in the first 3 months of 2024, compared to the loss recorded in the similar period last year, of 810,057 lei, but lower than the budgeted operational loss for this period, of 894,388 lei.

The recorded financial result was a profit of approx. 0.71 mn lei, compared to the profit of 0.04 mn lei in the first 3 months of 2023, on the basis of the registration of a net gain from the the marking-to-market of the fund units owned.

The positive financial result, cumulated with the registered operating loss, led to a negative gross result of approx 0.12 mn lei, compared to the gross loss of 0.77 mn lei registered in the similar period of last year, and to the negative gross result budgeted for the first three months of 2024, of 0.81 mn lei.

More information regarding the elements that constitute the statement of profit or loss and other comprehensive income is presented in the Notes to the financial statements for the financial period ended 31 March 2024.

### 4.3. Revenues and expenditures budget execution

The main financial indicators registered in the first three months of 2024 compared with the REB for the first three months of 2024 are presented in the table below:

	REB 3 months 2024	Actual 3 months 2024
Total revenue	1,273,376	1,400,564
Total expenses	1,241,784	1,261,753
Profit from operating activity*	31,592	138,811
GOP**	-545,733	-457,988
<b>Operating result</b>	<b>-894,388</b>	<b>-825,224</b>
Financial result	85,000	706,680
<b>Result before taxes</b>	<b>-809,388</b>	<b>-118,544</b>

\* The profit from operating activity is determined as the difference between the revenue earned on all activity segments and the expenses incurred for all activity segments, less general costs, marketing, utilities, maintenance, expenses with the Administration Board, taxes, royalties, insurances, depreciation, provisions and repairs and modernization expenses

\*\* GOP – Gross Operating Profit

In the first three months of 2024 the revenue from the accommodation segment (0.49 mn lei) was 14% higher than budgeted. The revenue from the catering activity (0.80 mn lei) was 4% higher than budgeted, while the revenue from rentals, SPA and playgrounds (0.11 mn lei) registered an increase of 38% compared to the budgeted figures. The growth recorded in the accommodation segment was caused by the increase in the occupancy rate by 2.5 percentage points compared to the budgeted level and a 2% increase in the average tariff.

### 4.4. Liquidity, risk and management indicators

Liquidity indicators		31.03.2024	31.03.2023
Current liquidity	Current assets / Current liabilities	11,00	18,65
Quick liquidity – acid test	(Current assets - Inventories) / Current liabilities	8,86	18,42
Indicatori de risc		31.03.2024	31.03.2023
Indebtedness	Debt / Equity*100	n/a	n/a
Interest coverage ratio	EBIT / Interest costs	n/a	n/a
Management indicators		31.03.2024	31.03.2023
Clients turnover (days)	Average clients balance / Turnover *90	15,67	24,79
Fixed assets turnover	Turnover / Fixed assets	0,07	0,05

## 5. Changes that affect the company's capital and management

5.1. Description of the circumstances when the company was not able to meet its financial obligations during the analyzed period.

In the first three months of 2024 CASA DE BUCOVINA – CLUB DE MUNTE S.A. was not in any situation unable to meet its financial obligations during the analyzed period.

5.2. Description of any change in the shareholders' rights.

During the first three months of 2024 there were no changes in the rights of the holders of the shares issued by CASA DE BUCOVINA – CLUB DE MUNTE S.A.

## **6. Company management**

### **6.1. Board of Administrators**

According with the Constitutive Act of the Company and the resolutions of the General Shareholders Meeting, the company has adopted the unitary management system, which entails appointing a Board of Administrators composed of an odd number of Administrators and delegating the management of the company to a general manager.

The Board of Administrators consists of 5 members. The members of the board have four-year mandates, according with the legal provisions in force.

As at 31.03.2024, the Board of Administrators had the following members:

- Dan Florin Marinescu - President;
- Ion Romica Tamas - Vicepresident;
- Cristina Gabriela Gagea - member;
- Dana Ababei - member;
- Dumitru-Florin Chiribuca - member.

The Ordinary General Meeting of Shareholders of the Company, convened on 26.04.2024 elected the following persons as members of the Board of Administrators, with a mandate of 4 years, starting on 28.04.2024: Dumitru-Florin Chiribuca, Corina-Ramona Alan, Petre-Florin Dinu, Cristina-Gabriela Gagea and Ion-Romica Tamas. Subsequently, in the meeting of the Board of Administrators on 08.05.2024, Petre-Florin Dinu was elected President of the Board of Administrators and Ion-Romica Tamas was elected Vicepresident of the Board of Administrators.

The CVs of the administrators are available on the company's website, [www.bestwesternbucovina.ro](http://www.bestwesternbucovina.ro), under the Shareholder Information section, Corporate Governance sub-section.

### **6.2. Executive management**

As at 31.03.2024, the executive management of the company was provided by:

- General Manager - Mandate contract – Ion Romica Tamas;
- Head of financial-accounting service – Permanent contract – Dorina Tiron;
- Sales Manager – Permanent contract – Doina Prosciuc;
- Food & Beverage Manager – Permanent contract – Stefan Ghisovan;
- Accommodation Manager – Permanent contract - Analaura – Iuliana Simota;
- Technic Manager – Permanent contract – Mihai Sava.

### **6.3. Corporate governance**

The company disseminates on its website, [www.bestwesternbucovina.ro](http://www.bestwesternbucovina.ro), information about its structures of corporate governance and also the list of the members of the Board of Administrators, mentioning the members who are independent and/or nonexecutive, the updated Constitutive Act and the declaration of compliance.

At company level, there has been established the Audit Committee. The company will analyze the opportunity to create other advisory committees to examine the important aspects proposed by corporate governance and to support the activity of the Board of Administrators.

The current and financial reports are currently and systematically provided to company's shareholders. Information regarding the General Meeting of Shareholders, the convening notice, the agenda, the special power of attorney forms, vote by correspondence forms, draft resolutions are posted on a special section of the website. The company ensures the immediate information of all the shareholders about the decisions made and the vote result after the General Meeting of Shareholders.



The shareholders' participation to the meeting is strongly encouraged, shareholders who cannot attend have the possibility to vote by correspondence or by representative.

The Investors Relation is supported by an internal structure that informs the shareholders in accordance with the questions submitted in writing/ by phone.

## 7. Subsequent events

The Extraordinary General Meeting of Shareholders of CASA DE BUCOVINA – CLUB DE MUNTE S.A., convened on 08.04.2024 decided, mainly, the following:

1. Approves the transfer of the company's hotel and tourism activity, respectively the assets and liabilities related to the hotel and tourism activity, including:

(a) the asset named "Hotel Best Western Bucovina" located in Gura Humorului, Piata Republicii no. 18, Suceava county, composed of buildings and land under concession registered in Land Registry no. 30931 Gura Humorului having cadastral numbers 261/25, 261/26 and 127/22, land registered in Land Registry no. 31913 Gura Humorului located in Gura Humorului, Sf. Mihail str., Suceava county, having cadastral number 370/2, as well as land and buildings registered in Land Registry no. 34591 Gura Humorului having cadastral numbers 34591 and 34591-C1 located in Gura Humorului, Piata Republicii no. 18 bis, Suceava county;

(b) the Arinis tourist inn composed of land with an area of 3,496 sqm - part of the land registered in Land Registry no. 44975 Gura Humorului with a total area of 47,287 sqm currently having the cadastral number 44975 as well as a construction having 236 sqm built surface on the ground with the cadastral number 44975-C1 currently located in the Arinis Dendrological Park in Gura Humorului, Suceava county;

as well as all equipment, furniture, inventories, contracts, titles, rights and liabilities related to the transferred hotel and tourism activity, which will be carried out through a business transfer contract together with any other necessary or useful contracts associated with the transfer for a minimum price equal to with the equivalent in lei of the sum of 2,778,500 euros, calculated at the leu/euro exchange rate communicated by the National Bank of Romania on the date of the transfer, which does not include value added tax.

2. Approves the authorization of the board of administrators of the company to carry out the acts and operations necessary to carry out the transfer of the hotel and tourist activity to the interested persons and the method of transfer, in compliance with the legal provisions and confidentiality obligations including, but not limited to: (i) establishing the procedure and the contractual clauses regarding the transfer of the hotel and tourist activity to a buyer, respectively to a person who will continue, in an independent manner, the transferred hotel and tourist activity; (ii) establishing the final transfer price in compliance with the minimum value decided by the general meeting of the company's shareholders; (iii) establishing the tangible and intangible assets, real estate, goods and liabilities that are the object of the transfer of the hotel and tourist activity; (iv) establishing the contracts related to the hotel and tourist activity to be transferred; (v) establishing the authorizations, licenses, notices and other documents that will be transferred to the buyer, within the limits allowed by the legal provisions in force; (vi) approval of the final form of the transfer contract of the company's hotel and tourism activity and (vii) fulfillment of all documents and formalities necessary for the company's compliant execution of the company's hotel and tourist activity transfer contract and its related contracts.

3. Approves the authorization of the legal representative of the company (i) to sign on behalf of the company, based on the written decision of the board of administrators of the company, the final form of the contract for the transfer of the hotel and tourism activity of the company, as well as all authentic documents or necessary to implement the transfer of the activity hotel and tourism of the company, including in front of the public notary and any other persons or authorities; (ii) to fulfill, based on the written decision of the board of administrators of the company, all the necessary documents and formalities for the compliant execution by the company of the agreement or contract of transfer of the company's hotel and tourism activity.

4. Approves the delegation to the company's board of administrators of the attribution of relocating the company's headquarters in accordance with the provisions of art. 114 para. (1) from Law 31/1990.

The Ordinary General Meeting of Shareholders of CASA DE BUCOVINA – CLUB DE MUNTE S.A., convened on 26.04.2024 decided, mainly, the following:

- the approval of the financial statements for 2023;
- the coverage of the net loss recorded in the financial year 2023, amounting to 787.404,15 lei, according to the proposal of the Board of Administrators;
- the election of the members of the Board of Administrators.

## **8. Annexes**

Financial statements for the financial period ended 31.03.2024

## **9. Signatures**

**Ion Romica Tamas**

Vicepresident of the Board of Administrators

General Manager

**Dorina Tiron**

Head of the financial-accounting service

**Casa de Bucovina – Club de Munte S.A.**

**Interim Financial Statements  
as at 31 March 2024**

**Prepared in accordance with  
FMO no.2844/12.12.2016,  
for the approval of the  
accounting Regulations compliant with  
International Financial  
Reporting Standards**

Unaudited

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**Casa de Bucovina – Club de Munte S.A.**  
**Statement of profit or loss and other comprehensive income**  
*for the financial period ended 31 March 2024*

<i>in LEI</i>	Note	31 March 2024	31 March 2023
Revenue from touristic services	5	1,400,564	1,082,599
Other revenue			7,219
Expenses with raw materials and consumables		(319,881)	(319,811)
Expenses on goods sold		(333,826)	(241,886)
Expenses on services provided by third parties	6	(258,079)	(245,622)
Employee benefits expenses	7	(986,417)	(806,552)
Depreciation and impairment of tangible and intangible assets	8	(182,281)	(183,052)
Other expenses	9	(145,304)	(102,952)
<b>Operating loss</b>		<b>(825,224)</b>	<b>(810,057)</b>
Financial revenue	10	129,687	118,633
Net gain / (Net loss) from financial assets at fair value through profit or loss	11	576,993	(82,515)
<b>Loss before tax</b>		<b>(118,544)</b>	<b>(773,939)</b>
Tax expense	12	(13,409)	25,462
<b>Net loss for the period</b>		<b>(131,953)</b>	<b>(748,477)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in revaluation reserve of tangible assets		-	-
<b>Total comprehensive income for the period</b>		<b>(131,953)</b>	<b>(748,477)</b>
<b>Earnings per share</b>			
Basic	13	(0.0008)	(0.0046)
Diluted		(0.0008)	(0.0046)

The financial statements were approved by the Board of Administrators on 14.05.2024.

Ion Romica Tamas  
General Manager

Dorina Tiron  
Head of financial-accounting service

The notes on pages 6 to 37 are part of the interim financial statements.

**Casa de Bucovina – Club de Munte S.A.**  
**Statement of financial position**  
*as at 31 March 2024*

<i>in LEI</i>	Notă	31 martie 2024	31 decembrie 2023
<b>Assets</b>			
Cash and current accounts	14	4,306,796	5,935,387
Deposits at banks	15	3,154,704	2,405,345
Financial assets at fair value through profit or loss	16 a)	5,831,757	5,254,764
Financial assets measured at amortised cost	16 b)	2,237,951	2,237,707
Tangible assets held for sale	17	3,655,933	3,655,933
Inventories		191,358	195,890
Other assets	18	673,461	509,275
Tangible and intangible assets	19	19,801,799	19,935,457
<b>Total Assets</b>		<b>39,853,759</b>	<b>40,129,758</b>
<b>Liabilities</b>			
Deferred tax liability	21	1,694,563	1,683,862
Trade payables	20 a)	593,818	653,944
Other liabilities	20 b)	1,334,275	1,431,605
<b>Liabilities</b>		<b>3,622,656</b>	<b>3,769,411</b>
<b>Equity</b>			
Share capital	22 a)	31,078,307	31,078,307
Reserves from revaluation of tangible assets	22 b)	9,077,920	9,092,142
Retained earnings	22 c)	(3,925,124)	(3,810,102)
<b>Total Equity</b>		<b>36,231,103</b>	<b>36,360,347</b>
<b>Total Liabilities and Equity</b>		<b>39,853,759</b>	<b>40,129,758</b>

Ion Romica Tamas  
 General Manager

Dorina Tiron  
 Head of financial-accounting service

The notes on pages 6 to 37 are part of the interim financial statements.

**Casa de Bucovina – Club de Munte S.A.**  
**Statement of changes in equity**  
*for the financial period ended 31 March 2024*

<i>in LEI</i>	<b>Share capital</b>	<b>Reserves from revaluation of tangible assets</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance as at 1 January 2024</b>	<b>31,078,307</b>	<b>9,092,142</b>	<b>(3,810,102)</b>	<b>36,360,347</b>
<b>Total comprehensive income for the period</b>				
Net result for the period	-	-	(131,953)	(131,953)
<b>Other comprehensive income</b>				
Distribution to legal reserve				
Recognition of deferred tax		-		-
Increase in revaluation reserve for tangible assets				
Increase in revaluation reserve for tangible assets, net of deferred tax		2,709		2,709
Transfer from revaluation reserve to retained earnings as depreciation	-	(16,931)	16,931	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(14,222)</b>	<b>(115,022)</b>	<b>(129,244)</b>
<b>Transactions with shareholders recognized directly in equity</b>				
Dividends to be paid				
Prescribed dividends	-	-	-	-
<b>Transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2024</b>	<b>31,078,307</b>	<b>9,077,920</b>	<b>(3,925,124)</b>	<b>36,231,103</b>

# Casa de Bucovina – Club de Munte S.A.

## Statement of changes in equity

for the financial period ended 31 March 2024

<i>in LEI</i>	Share capital	Reserves from revaluation of tangible assets	Retained earnings	Total equity
<b>Balance as at 1 January 2023</b>	<b>31,078,307</b>	<b>14,273,716</b>	<b>(7,060,501)</b>	<b>38,291,522</b>
<b>Total comprehensive income for the period</b>				
Net result for the period	-	-	(748,477)	(748,477)
<b>Other comprehensive income</b>				
Distribution to legal reserve				
Recognition of deferred tax		(2,277,161)		(2,277,161)
Increase in revaluation reserve for tangible assets				
Transfer from revaluation reserve to retained earnings as depreciation	-	(41,463)	41,463	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,318,624)</b>	<b>(707,014)</b>	<b>(3,025,638)</b>
<b>Transactions with shareholders recognized directly in equity</b>				
Dividends to be paid				
Prescribed dividends	-	-	-	-
<b>Transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2023</b>	<b>31,078,307</b>	<b>11,955,092</b>	<b>(7,767,515)</b>	<b>35,265,884</b>

Ion Romica Tamas  
General Manager

Dorina Tiron  
Head of financial-accounting service

The notes on pages 6 to 37 are part of the interim financial statements.



# Casa de Bucovina – Club de Munte S.A.

## Statement of cash flow

for the financial period ended 31 March 2024

<i>in LEI</i>	Note	31 March 2024	31 March 2023
<b>I. Cash flow from operating activities</b>			
<b>1 – Gross result</b>		<b>(118,544)</b>	<b>(773,939)</b>
<b>2 - Adjustments for non-cash items and other items included in investing or financing activities, of which:</b>		<b>(605,204)</b>	<b>87,323</b>
2.1. Depreciation of fixed assets	18	182,281	183,052
2.2. Provisions for risks and charges	9	(84,175)	(49,970)
2.3. Adjustments for assets impairment	9		(890)
2.4. Maintenance costs and revenue from assets disposal		2,234	(7,000)
2.5. (Net gain) / Net loss from financial assets at fair value through profit or loss	11	(576,993)	82,515
2.6. Interest income	10	(128,551)	(120,384)
<b>3 - Changes in working capital during the period, of which:</b>		<b>(298,770)</b>	<b>(218,064)</b>
3.1. (Increase) / Decrease in balances of trade receivables and other receivables		(179,641)	(27,061)
3.2. (Increase) / Decrease in inventory balance		4,532	(5,452)
3.3. Increase / (Decrease) in trade payables and other liabilities balances		(123,661)	(185,551)
<b>4. Profit/Revenue tax paid</b>		<b>-</b>	<b>-</b>
<b>Net cash used in operating activities (A)</b>		<b>(1,022,518)</b>	<b>(904,680)</b>
<b>II. Cash flow from investment activities</b>			
5 - cash payments for the acquisition of tangible and intangible assets, including improvements, recognized in profit or loss		(477)	-
6 - cash receipts from interest and similar		167,183	105,555
7 - net placements in deposits with a maturity of more than 3 months and less than one year	15	(788,235)	(715,632)
<b>Net cash (used in)/from investment activities (B)</b>		<b>(621,529)</b>	<b>(603,077)</b>
<b>III. Cash flow from financing activities</b>			
8 - dividend payments to shareholders		-	(853)
<b>Net cash used in financing activities (C)</b>		<b>-</b>	<b>(853)</b>
<b>Cash flows – Total (A+B+C)</b>		<b>(1,644,047)</b>	<b>(1,508,610)</b>
<b>Cash at beginning of period</b>		<b>5,930,614</b>	<b>3,768,226</b>
<b>Cash at end of period</b>		<b>4,286,567</b>	<b>2,259,616</b>
<b>Cash and cash equivalents include:</b>			
<i>in LEI</i>	Note	31 March 2024	31 March 2023
Cash on hand		25,704	15,589
Current accounts in banks		321,073	456,506
Bank deposits with an original maturity of less than 3 months		3,939,790	1,787,521
<b>Total cash and cash equivalents</b>	14	<b>4,286,567</b>	<b>2,259,616</b>

Ion Romica Tamas  
General Manager

Dorina Tiron  
Head of financial-accounting service

The notes on pages 6 to 37 are part of the interim financial statements.

# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **1. Reporting entity**

Casa de Bucovina – Club de Munte SA (the „Company”) is a joint stock company which operates in Romania in accordance with the provisions of Company Law no. 31/1990 republished with subsequent amendments and completions. The Company is headquartered in Gura Humorului, 18 Republicii Square, Suceava county.

The Company has as main activity hotel services, catering and recreational/leisure services, selling tourism services, organizing conferences or events, for national and foreign companies.

The Company’s shares are listed on the regulated market of Bucharest Stock Exchange, Standard category, with the BCM ticker, starting with 12 May 2008.

As of 31 March 2024, 73.98% of the Company is owned by SIF Muntenia S.A., and 26.02% by other shareholders. Depozitarul Central S.A. Bucuresti keeps the evidence of shares and shareholders, according to the legal provisions.

### **2. . Basis of preparation**

#### **(a) Declaration of conformity**

The interim financial statements have been prepared in accordance with the Finance Ministry Order no. 2844/12.12.2016 for the approval of the accounting Regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are traded on a regulated market, with subsequent amendments and completions. The International Financial Reporting Standards are the standards adopted according to the procedure set out in the (CE) Regulation no. 1606/2002 of the European Parliament and the Council as of 19 July 2002 for the enforcement of International Accounting Standards.

The Company is part of SIF Muntenia Group, being its subsidiary. SIF Muntenia S.A. prepares annual financial statements in accordance with FSA Norm no. 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, Sector of Investments and Financial Instruments, with subsequent amendments and completions (FSA Norm no. 39/2015).

Starting with 1 January 2018, the Company complied with the classification criteria as an investment entity in accordance with IFRS 10 "Consolidated Financial Statements.". Consequently, SIF Muntenia S.A. will no longer prepare consolidated financial statements, the individual financial statements being the entity's only financial statements.

#### **(b) Presentation of financial statements**

The interim financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements" and IAS 34 "Interim Financial Reporting”. The Company has adopted a presentation based on liquidity in the statement of financial position and a presentation of revenue and expenses according to their nature in the statement of profit or loss and other comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than those that would have been presented under other methods allowed by IAS 1.

#### **(c) Functional and presentation currency**

The Company's management considers that the functional currency, as defined by IAS 21 "Effects of exchange rate variation", is the Romanian leu (lei). Interim financial statements are prepared and presented in lei, rounded to the nearest leu, currency chosen by the Company's management as presentation currency.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 2. Basis of preparation (continued)

#### (d) Basis of valuation

The interim financial statements were prepared using the fair value convention for financial assets at fair value through profit or loss. Other assets and financial liabilities, as well as the non-financial assets and liabilities are presented at amortised cost, revalued value or historical cost.

#### (e) Use of estimates and judgements

The preparation of interim financial statements in accordance with International Financial Reporting Standards involves the management's use of estimates, judgments and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expenses. Judgments and assumptions associated with these estimates are based on historical experience and on other factors deemed reasonable considering these estimates. The results of these estimates form the basis for judgments related to accounting values of assets and liabilities that cannot be obtained from other sources of information. The results obtained can differ from these estimates.

Judgments and assumptions are regularly reviewed by the Company. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period, or in the period in which the estimates are revised and future periods if the revisions affect both the current period and future periods.

#### (f) Going concern

The present interim financial statements were prepared on a going concern basis, which assumes that the Company will continue its activity in the foreseeable future, without entering into the impossibility of continuing the activity or without its significant reduction. To assess the applicability of this presumption, management analyzes forecasts of future cash inflows. Based on these analyses, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of going concern in the preparation of the financial statements is justified.

From the analysis carried out regarding the implications of the conflict in Ukraine and the war in Israel in the Company's activity, the management considers that the continuity of its activity will not be affected (see Note 4).

### 3. Significant accounting policies

The accounting policies have been applied consistently to all the periods presented in the interim financial statements prepared by the Company.

#### (a) Transactions in foreign currency

Operations denominated in foreign currency are recorded in lei at the official exchange rate at the settlement date of transactions. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated into the functional currency at the exchange rate of that day.

Gains or losses resulting from the settlement thereof and the conversion using the exchange rate at the end of the financial period of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

The exchange rates of the main foreign currencies were:

Currency	31 March 2024	31 December 2023	Variation
Euro (EUR)	1: LEU 4,9695	1: LEU 4,9746	- 0,10%
US Dollar (USD)	1: LEU 4,6078	1: LEU 4,4958	+ 2,49%

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 3. Significant accounting policies (continued)

#### (b) Accounting for the hyperinflation effect

Under IAS 29, „Financial reporting in hyperinflationary economy”, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the measuring current unit at the balance sheet date (non-monetary items are restated using a general price index from the date of purchase or contribution).

Under IAS 29, an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%.

Continued decline in inflation and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency was adopted by the Company ceased to be hyperinflationary with effect for financial periods starting with 1 January 2004. Therefore, the provisions of IAS 29 were adopted in the preparation of the financial statements until 31 December 2003.

#### (c) Cash and cash equivalents

Cash and cash equivalents include: actual cash, current accounts and deposits made with banks (including blocked deposits and interest on bank deposits).

When drawing up the statement of cash flows, the following have been considered as cash and cash equivalents: the actual cash, the current accounts with banks and the deposits with a maturity of less than 90 days (excluding blocked deposits).

#### (d) Financial assets and liabilities

##### (i) Classification

The company classifies the financial instruments held into the following categories:

##### *Financial assets measured at amortized cost*

A financial asset is measured at amortized cost if it meets both of the conditions below and is not designated as at fair value through profit or loss:

- is owned within a business model whose purpose is to keep assets for the collection of contractual cash flows; and
- its contractual conditions generate, at certain dates, cash flows that are only principal payments and interest on the principal due.

At the date of transition to IFRS9, on 01.01.2018, the financial assets held by the Company, except for financial assets held at fair value through profit or loss, were classified in this category.

##### *Financial assets at fair value through other items of comprehensive income*

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated at fair value through profit or loss:

- is owned within a business model the objective of which is achieved both by collecting contractual cash flows and by selling financial assets; and
- its contractual conditions generate, at certain dates, cash flows that represent only principal payments and interest on the principal due.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

*for the financial period ended 31 March 2024*

### 3. Significant accounting policies (continued)

#### (d) Financial assets and liabilities (continued)

##### *(i) Classification (continued)*

Upon the initial recognition of an investment in equity instruments that are not held for trading, the Company may irrevocably choose to make subsequent changes in fair value in other comprehensive income. These options apply to each instrument, as appropriate.

##### *Financial assets at fair value through profit or loss*

All financial assets that are not classified at amortized cost or at fair value through other comprehensive income, as described above, will be measured at fair value through profit or loss. In addition, upon initial recognition, the Company may irrevocably designate that a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through other comprehensive income is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting mismatch that would otherwise arise if it were otherwise.

The Company owns financial assets classified in this category as described in the Note 16 a).

##### *(ii) Recognition*

Financial assets and financial liabilities are recognized on the date on which the Company becomes party to the contractual terms of the respective instrument. Financial assets and liabilities are measured at initial recognition at fair value.

##### *(iii) Compensations*

Financial assets and liabilities are offset and the net result is presented in the statement of financial position only when there is a legal right to compensation if their intention is to settle on a net basis, or if the achievement of the asset and settlement of the liabilities is intended simultaneously.

Revenues and expenses are presented net only when permitted by the accounting standards, or for the profit and loss resulted from a group of similar transactions such as the trading activity of the Company.

##### *(iv) Valuation*

##### *Valuation at amortised cost*

The amortized cost of a financial asset or liability is the amount at which that asset or financial liability is measured after initial recognition, less principal payments, plus or minus the accumulated depreciation to date, using the effective interest method, less reductions related to impairment losses.

##### *Valuation at fair value*

The fair value is the price that would be received to sell an asset or paid to settle a liability in a transaction carried out under normal conditions, at the valuation date, between participants on the main market (the market with the highest turnover and activity level) or if no principal market, on the most advantageous market in which the Company has access to on that date. The fair value of a liability reflects the risk of non-compliance (non-performing risk).

When available, the Company measures the fair value of an instrument using the price quoted on an active market for that instrument. A market is considered active if transactions with the asset or liability are at a sufficient frequency and volume to constantly provide information to establish the price.

# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **3. Significant accounting policies (continued)**

#### **(d) Financial assets and liabilities (continued)**

##### ***(iv) Valuation (continued)***

If there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable input data and minimize the use of unobservable input data. The chosen evaluation technique incorporates all the factors that market participants would consider when determining the price of a transaction.

The best proof of the fair value of a financial instrument at initial recognition is the transaction price - the fair value of the consideration received or given. If the Company determines that the fair value at the initial recognition differs from the transaction price and the fair value is obvious either by the existence of an active market quotation for a similar asset or liability or by a valuation technique based on observable market entry, that instrument is initially measured at fair value. Subsequently, the difference between the fair value and the trading price is depreciated in profit or loss, over the life of the financial instrument.

Financial assets and long positions are measured at the purchase price (bid). Debt and short positions are measured at the sale price (ask). When the Company has risk positions that can be covered, average market prices can be used to measure the risk position, and adjustments to sale or purchase prices are applied only to open net positions.

The Company recognizes the transfer between fair value hierarchy levels at the end of the reporting period in which the transfer took place.

##### ***(v) Impairment identification and valuation of expected credit losses***

The expected credit loss is the difference between all contractual cash flows that are owed to the Company and the present value of all cash flows that the Company expects to receive, using the original effective interest rate.

A financial asset or group of financial assets is impaired as a result of credit risk in the event that one or more events occurred that have a negative impact on the estimated future cash flows of the assets.

The Company assesses whether the credit risk for a financial asset has increased significantly from initial recognition on the basis of information available without cost or undue effort, which is an indicator of significant credit risk increases since initial recognition.

The Company recognizes in profit or loss the amount of changes in expected loss of credit over the life of the financial assets as impairment gain or loss.

Gains or losses from impairment are determined as the difference between the carrying amount of the financial asset and the present value of future cash flows using the effective interest rate of the financial asset at its original date.

The Company recognizes favorable changes in expected credit losses during the entire lifetime as an impairment gain, even if the expected credit loss during its lifetime is less than the amount of expected credit loss that was included in the cash flows estimated at the initial recognition.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

*for the financial period ended 31 March 2024*

### 3. Significant accounting policies (continued)

#### (d) Financial assets and liabilities (continued)

##### *(vi) Derecognition*

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expire or when the Company has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction in which it substantially transferred all the risks and rewards related to the ownership. Also, the Company fully derecognizes the financial assets when it does not have reasonable estimates of the recovery of the contractual cash flows.

Any interest in transferred financial assets held by the Company or created for the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations have been completed or when contractual obligations are canceled or expired.

##### *(vii) Gains and losses on disposal*

Gains or losses on the disposal of a financial asset or financial liability measured at fair value through profit or loss are recognized in the current profit or loss.

In the derecognition of equity instruments designated as financial assets at fair value through other comprehensive income, gains or losses representing favorable or unfavorable valuation differences, identified in revaluation reserves, are recognized in other comprehensive income (retained earnings representing the surplus realized - IFRS 9).

Upon derecognition of financial assets, the retained earnings as of the date of transition to IFRS 9 is transferred to a retained earnings representing the surplus realized.

A gain or loss on a financial asset that is measured at amortised cost is recognized in current profit or loss when the asset is derecognised.

#### **(e) Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortised cost using the effective interest method, less any impairment losses.

#### **(f) Tangible assets**

##### *(i) Recognition and valuation*

Tangible assets recognized as assets are initially valued at cost. The cost of a tangible assets item comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and conditions necessary for it to be used for the purpose intended by the management, such as: staff costs arising directly from the construction or acquisition of assets, the costs of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees.

Tangible assets are classified by the Company in the following asset classes of the same nature and similar use:

- Land;
- Constructions;

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 3. Significant accounting policies (continued)

#### (f) Tangible assets (continued)

##### (i) Recognition and valuation (continued)

- Equipment, technical equipment and machinery;
- Vehicles;
- Other tangible assets.

Land and constructions are stated at revalued amount, this being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

The other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses if they were recognized after the date of 31 December 2003 respectively the at the inflated value of the cost or depreciation until 31 December 2003 (if the assets were acquired before that date) less any accumulated depreciation and any accumulated impairment losses after 31 December 2003.

Fair value is based on market price quotations adjusted, if necessary, to reflect differences in the nature, location or conditions of that asset.

Revaluations are performed by specialized assessors, members of ANEVAR. The frequency of the revaluations is dictated by market dynamics for the land and constructions owned by the Company.

The expenditures with the maintenance and repairs of tangible assets are recorded in the statement of comprehensive income when incurred, while significant improvements to tangible assets, which increase the value or duration of their life, or which increase their capacity to generate economic benefits, are capitalized.

##### (ii) Depreciation

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

Constructions	40-50 years
Equipment	2-12 years
Vehicles	4-8 years
Furniture and other tangible assets	4-12 years

Land is not subject to depreciation.

Depreciation methods, useful life durations and estimated residual values are reviewed by the Company's management at each reporting date.

##### (iii) Sale/scraping of tangible assets

Tangible assets that are scrapped or sold are removed from the statement of financial position along with the corresponding accumulated depreciation. Any profit or loss resulting from such operations is included in the current profit or loss.

#### (g) Intangible assets

##### (i) Recognition and valuation

The intangible assets acquired by the Company, which have a determined useful life duration are stated at cost less cumulated depreciation and less cumulated impairment losses.



# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 3. Significant accounting policies (continued)

#### (g) Intangible assets (continued)

##### (ii) Subsequent expenses

The subsequent expenses are capitalized only when these lead to an increase in the value of future economic benefits incorporated in the asset to whom these expenses are destined to. All the other expenses, including the expenses for goodwill and brands are recognized in profit or loss as they are incurred.

##### (iii) Depreciation of intangible assets

Depreciation is calculated at the asset's cost less its residual value.

The depreciation is recognized in profit or loss using the straight-line method over the estimated useful life of the intangible assets, other than goodwill and brands, from the date they are ready to use.

The estimated useful life durations for the current and comparative periods are the following:

- software 3 years.

The depreciation methods, useful life durations and residual values are revised at the end of each financial year and adjusted, if necessary.

#### (h) Fixed assets held for sale

Fixed assets will be classified as held for sale if their carrying amounts will be recovered primarily through a sale transaction rather than through continuing use. Thus, an asset can be classified as held for sale according to IFRS 5 only if the following criteria are met:

- ✓ The asset is available for immediate sale in its current condition,
- ✓ The sale of the asset is very likely.

For the sale to be very likely, all the criteria below must be met:

- ✓ The appropriate level of management has assumed a sales plan;
- ✓ An active program was initiated to locate a buyer and realize the plan;
- ✓ The asset is actively traded at a reasonable price compared to its current fair value;
- ✓ Significant changes or withdrawal of the plan are not likely;
- ✓ It is expected that the sale will meet the derecognition criteria to be recorded as a sale within one year.

##### (i) Valuation before classification as held for sale

As a first step, immediately prior to the initial classification of an asset as held for sale, the carrying amount of the asset will be measured according to the applicable IFRS standards (eg property, plant and equipment are measured according to IAS 16) including any cumulative impairment and any reduction in the balance sheet value, if applicable. This first step is applicable to a newly acquired asset as well as an existing asset that will be reclassified as held for sale under this policy.

##### (ii) Valuation at the initial classification as held for sale

Upon initial classification as held for sale, the individual asset identified as held for sale is measured at the lower of:

- ✓ accounting value and
- ✓ its fair value minus selling costs.

If the fair value minus costs of sale is greater than the book value of the asset, no adjustment is necessary. Otherwise, an impairment loss as a result of this initial measurement is recorded directly in the profit and loss account and the value of the fixed asset is adjusted accordingly.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 3. Significant accounting policies (continued)

#### (h) Fixed assets held for sale (continued)

##### *(iii) Subsequent valuation*

At the subsequent valuation, the fixed asset held for sale is measured at the lower value between the carried value and the fair value minus the costs of sale.

Fixed assets held for sale are not depreciated.

##### *(iv) Recognition of impairment losses and reversals*

Any initial or subsequent reduction of the book value of an asset (or group intended for disposal) to the fair value minus the costs generated by the sale is recognized as an impairment loss.

The subsequent increase in fair value less costs to sell an asset is recognized in income, without exceeding the accumulated impairment loss that was recognized either in accordance with IFRS 5 or previously in accordance with IAS 36 "Impairment of assets".

##### *(v) Derecognition*

If the criteria for classifying an asset or group intended for sale as held for sale are no longer met, the asset or group intended for sale will no longer be classified as held for sale.

A fixed asset that is no longer classified as held for sale is measured at the lower of:

- ✓ the value carried forward before classification as held for sale, adjusted for any depreciation, amortization or revaluation necessary if the asset or group intended for disposal would not have been classified as held for sale; and
- ✓ the recoverable amount on the date of the decision not to sell.

#### (i) Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is based on the average price method and includes the expenses related to the acquisition of inventories, the production or processing costs and other costs supported to bring the inventories in the current form and location.

The net realizable value is the sale price estimated across the normal business course, less the estimated cost for completion and the necessary costs to make the sale.

#### (j) Impairment of non-financial assets

The carrying amount of the Company's assets that are not financial, other than deferred tax assets, are revised at each reporting date to identify the existence of indications of impairment. If such indication exists, the recoverable amount is estimated for the respective assets.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group that generates cash and independently of other assets and other groups of assets has the capacity to generate cash. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of an asset or cash-generating unit is the maximum of its value in use and its fair value less costs to sell the asset or unit. To determine value in use, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the asset.

# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **3. Significant accounting policies (continued)**

#### **(j) Impairment of non-financial assets (continued)**

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether they decreased or no longer exist. The impairment loss shall be resumed if there was a change in the estimates used to determine the recoverable amount. An impairment loss is resumed only if the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

#### **(k) Dividends to be distributed**

Dividends are treated as a profit distribution in the period they were declared and approved by the General Shareholders Meeting. The dividends declared before the reporting date are registered as liabilities at the reporting date.

#### **(l) Revaluation reserves**

Revaluations are carried out with sufficient regularity so that the carrying amount does not substantially differ from the value which would be determined using the fair value at the date of the statement of financial position. In this regard, the Company performed revaluations of tangible assets (land and constructions) with independent assessors at 31 December 2023.

The difference between the value resulting from revaluation and the net carrying amount of tangible assets is stated in the revaluation reserve, as a distinct sub-element within equity.

If the revaluation result is an increase of the carrying amount, then it is treated as follows: as an increase in the revaluation reserve stated in equity if there was not a decrease previously recognized as an expense for the same asset or as income to compensate the expense with the decrease previously recognized for that asset.

If the revaluation result is a decrease below the net carrying amount, it is treated as an expense equal to the full amount of the impairment when in the revaluation reserve there is not recorded an amount related to that asset (revaluation surplus) or as a decrease in revaluation reserve to the lower of that reserve amount and the value of the decrease, and the potential not-covered difference is recorded as an expense.

The revaluation surplus included in the revaluation reserve is transferred to retained earnings when this surplus represents a realized gain. The gain is deemed realized as the asset for which the revaluation reserve was constituted is depreciated, respectively at its removal if it has not been completely depreciated. No part of the revaluation reserve may be distributed, directly or indirectly, except where revalued asset was sold, in which case the revaluation surplus is the gain actually realized.

#### **(m) Legal reserves**

Legal reserves are constituted as 5% of the gross profit at the end of the year, until the legal reserves amount to 20% of the nominal paid-up share capital, according to legal provisions. These reserves are tax deductible and are only distributed at the liquidation of the Company.

#### **(n) Provisions for risks and expenses**

Provisions are recognized in the statement of financial position when the Company acquires the obligation related to a past event and in the future it is likely to be required to a consumption of economic resources to extinguish this obligation and a reasonable estimate of the obligation can be made. To determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the liability.

# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **3. Significant accounting policies (continued)**

#### **(o) Related parties**

The parties are considered to be related with the Company in case one of the parties has the possibility to directly or indirectly control the other party or can influence significantly the other party through its holding or based on contractual rights, familial or other relationship, as defined by IAS 24 „Presentation of information regarding related parties”.

#### **(p) Employees benefits**

##### ***(i) Short term benefits***

Obligations with short-term benefits granted to employees are not updated and are recognized in the statement of profit or loss as the services are provided.

Short-term employee benefits include salaries, bonuses. Short-term employee benefits are recognized as an expense when services are rendered. The Company recognizes a provision for the amounts expected to be paid as short-term cash bonuses or employee benefit schemes, while the company currently has a legal or constructive obligation to pay those amounts as a result of past service rendered by employees and whether that obligation can be estimated reliably.

##### ***(ii) Defined contribution plans***

All the Company’s employees are insured and have the legal obligation to contribute (through social contributions) to the Romanian State pension system (a State defined contribution plan).

Starting with 2018, the Company retains, declares and pays on behalf of its employees the contribution to social security and the contribution to health insurance according to the provisions of the Fiscal Code modified by GEO no.79 / 2017.

The Company is not engaged in any independent pension scheme and consequently, has no other obligations in this regard. The Company is not engaged in any other post-retirement benefit system. The Company has no obligation to provide further services to current or former employees.

##### ***(iii) Long term employee benefits***

The Company's net obligation in respect of services related to long-term benefits is the amount of future benefits that employees have earned in return for services rendered by them in the current and prior periods.

The Company has no obligation to grant benefits to employees at the retirement date.

#### **(q) Revenue**

##### ***(i) Sale of goods***

Revenue for goods sold during the current activities are measured at fair value of the amounts received or receivable, less returns, trade discounts and rebates for volume. Revenue is recognized when there is persuasive evidence, usually in the form of an executed sales contract and the risks and benefits resulting from the ownership of goods are transferred substantially to the buyer, the recovery of the amounts is probable, the costs and potential returns of goods can be reliably estimated, the entity is no longer involved in the managing the goods sold and the revenue amount can be measured reliably. If it is likely for certain discounts or rebates to be granted and their value can be measured reliably, then they are recognized as a reduction of revenue as the sales are recognized.

##### ***(ii) Services rendering***

Revenue from rendering of services is recorded as it is made. Services also include the execution of works and other operations cannot be treated as a delivery of goods.

The stage of completion of the works is determined based on statements accompanying invoices, records of acceptance or other evidence on the stage of completion of the services rendered.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

*for the financial period ended 31 March 2024*

### 3. Significant accounting policies (continued)

#### (r) Financial revenue and expenses

Financial revenue include interest revenue related to invested amounts. Interest revenue is recognized in profit or loss on an accrual basis, based on the effective interest method.

The gains and losses from the differences of the exchange rate related to financial assets and liabilities are reported on a net basis, either as financial revenue or financial expense, based on foreign exchange fluctuations: net gain or net loss.

#### (s) Current and deferred tax

As a result of the elimination of the specific tax according to art. VI of GO no. 16/2022 and art. 47 paragraph (2) Fiscal Code, the Company calculates the profit tax. In 2023, the Company benefited from the fiscal facilities provided by GEO 153/2020, obtaining a 13% reduction in the profit tax.

In the financial period ended on 31 March 2024 and 31 March 2023, no current profit tax was calculated.

For the financial period ended 31 March 2024 and 31 March 2023, the current income tax rate was 16%.

#### (t) Earnings per share

The Company presents basic earnings per share and diluted for ordinary shares. Basic earnings per share is determined by dividing profit or loss attributable to ordinary equity shareholders by the Company's weighted average number of ordinary shares outstanding over the reporting period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects arising from potential ordinary shares.

#### (u) Subsequent events

Events occurred after the end of the reporting period are those events favorable and unfavorable, that occur between the end of the reporting period and the date the financial statements are authorized for issue.

Subsequent events that provide additional information about the Company's position to the date of ending the reporting period (adjusting events) are reflected in the financial statements.

Events after the end of the reporting period that require no adjustments are shown in the notes, when considered significant.

#### (v) Activity segments

An activity segment is the component of an entity:

- a) which is engaged in business activities that could obtain revenues and could incur expenses;
- b) whose results of the activities are regularly examined by the main decision factor from the entity, in order to make decisions regarding the allocated resources for the segment and the evaluation of its performance, and
- c) for which separate financial information is available

An entity shall separately report information about an activity segment that respects any of the following quantitative criteria:

- a) its reported revenue, including: revenue from external clients and sales or transfers between segments represent 10% or more of the combined revenues, internal and external, of all activity segments;
- b) the absolute value of its reported profit or loss is 10% or the higher, in absolute value, of (i) the combined profit reported for all activity segments that did not report a loss and (ii) the combined loss for all activity segments that reported a loss;
- c) its assets represent 10% or more of the combined assets of all activity segments.

The Company's activity is hotel services. All the revenues from accommodation, conference rooms rental, SPA services, catering, realized in the same location do not constitute activity segments in accordance with IFRS 8.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

*for the financial period ended 31 March 2024*

### 3. Significant accounting policies (continued)

#### (w) Leases

As of 1 January 2019, in accordance with IFRS 16 "Leases", a contract is, or contains a lease if it transmits the right to control the use of an asset identified for a period of time in exchange for a consideration.

As a lessee, based on the leasing agreements, the Company did not recognize assets related to the right of use of the underlying asset and lease liabilities arising from these contract, because it has applied the exceptions from the application of IFRS 16 for leases with a lease term of 12 months or less and which do not contain purchase options and leases where the underlying asset has a low value.

As a lessor, the financial statements remain unaltered by the introduction of the IFRS 16 standard.

### 4. Accounting estimates and significant judgments

The Management discusses the development, selection, presentation and application of significant accounting policies and estimates. All these are approved at the meetings of the Board of Administrators.

These presentations complete the information on financial risk management (see Note 28). Significant accounting judgments on applying the Company's accounting policies include:

#### Key sources of uncertainty of estimates

##### *Adjustments for the impairment of assets valued at amortized cost*

Assets registered at amortized cost are tested for impairment according to the accounting policy described in Note 3(d)(v).

Assessment for impairment of receivables is made on an individual level and is based on management's best estimate of the present value of cash flows expected to be received. To estimate these flows, the management makes certain estimates related to the financial position of the counterparty. Each impaired asset is individually analyzed. Accuracy of the adjustments depends on estimates of future cash flows for specific counterparties.

##### *Determining the fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques in accounting policy described in Note 3(d)(iv). For financial instruments rarely traded and for which there is no price transparency, fair value is less objective and is determined using various levels of estimates of the degree of liquidity, the concentration degree, uncertainty of market factors, assumptions of price and other risks affecting the respective financial instrument.

##### *Fair value hierarchy*

The Company uses the following hierarchy for fair value measurement methods:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes items that are not based on observable and unobservable input parameters which can have a significant effect on the assessment instrument. This category includes instruments that are valued based on quoted prices for similar instruments but which are subject to adjustments based largely on unobservable data or estimates to reflect the difference between the two instruments.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 4. Accounting estimates and significant judgments (continued)

*Fair value hierarchy (continued)*

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or the prices quoted by brokers. For all other financial instruments, the Company determines fair value by using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation techniques. Assumptions and variables used in valuation techniques include interest rates without risk and reference rates, margins for credit risk and other premiums used in estimating discount rates, yields on bonds and equity, exchange rates, indices price of capital, volatilities and correlations predicted. The purpose of valuation techniques is to determine the fair value of financial instruments which reflect the price at the reporting date, the price that would be determined in objective conditions by market participants.

#### 31 March 2024

In Lei	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss			5.831.757	5.831.757

#### 31 December 2023

In Lei	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss			5.254.764	5.254.764

For the financial period ended 31 March 2024, the Company presented financial assets at fair value through profit or loss on level 3 of the fair value hierarchy the closed-end fund units amounting to 5.831.757 lei (31.12.2023: 5.254.764 lei) (Note 16 a).

Under the fair value model for financial assets at fair value through profit or loss - fund units, a positive change of fair value of 10% leads to profit after tax increase of 583.176 lei at 31 March 2024 (31 December 2023: 525.476 lei), a negative change of 10% having an equal negative net impact.

#### *Classification of financial assets and liabilities*

The Company's accounting policies provide the basis for the classification of assets and liabilities, at the initial moment, in different accounting categories.

#### *Revaluation of tangible assets*

Tangible assets such as land and buildings are subject to revaluation, and changes in fair value are recognized in other comprehensive income.

#### *Measurement of fair value*

On 31 December 2023, the Company's tangible assets were valued by an independent external valuer authorized by the National Association of Authorized Valuers in Romania ("ANEVAR"). Revaluations of land and buildings at 31 December 2023 were performed on the basis of the following methods, in accordance with the valuation principles and techniques contained in the ANEVAR Standards for valuation of assets:

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 4. Accounting estimates and significant judgments (continued)

*Measurement of fair value (continued)*

- The market comparison method for buildable land;
- In the case of the plots of land located in the Dendrological Park, for which there are building restrictions and for which rental contracts were identified, the income method was used - direct capitalization;
- The income method, with an average capitalization rate of 12%, combined with the cost method, in the case of constructions.

*Fair value hierarchy*

Based on the input data used in the valuation technique, the fair value of tangible assets was classified at level 3 of the fair value hierarchy.

*Valuation techniques*

In direct comparisons, the sales or offers of properties similar to those valued were collected, analyzed, compared and adjusted, to identify similarities and differences between these properties and the prices of the comparables were adjusted to account for the differences in the characteristics of the evaluated properties. The comparison elements used include property rights, financing and sales terms, post-purchase expenses, market conditions, location, physical characteristics, best use and applicable planning regulations.

Under the cost-based approach, the net replacement cost method was used, in view of the specialized character of certain buildings (hotel). Therefore, the net replacement cost was determined based on the price in the updated specialist catalogs, with update indices or on the basis of works estimates. The degree of wear was determined taking into account upgrades on finishings and installations, capital repairs and building development stages.

Tangible assets have been evaluated taking into account the best use of these assets. Based on the analysis of location information and property characteristics identified in the market analysis, it was found that generally the best use is the one available at the time of the valuation.

### *Climate-related aspects*

Following the adoption of the European Green Pact, the need arose to have unified criteria for reporting activities that can be considered sustainable from the environmental point of view, criteria that would ensure increased transparency and coherence in the classification of these activities ("taxonomy") and risk limitation of ecological disinformation (the concept of "greenwashing").

Thus, in June 2020, Regulation (EU) 2020/852 was published on the establishment of a framework to facilitate sustainable investments and to amend Regulation (EU) 2019/2088 (Taxonomy Regulation). On 6 July 2021, the European Commission adopted Delegated Act (EU) 2021/2178 (the "Delegated Regulation") supplementing Article 8 of the Taxonomy Regulation, which requires large financial and non-financial entities to provide information to investors about the environmental performance of assets and their economic activities.

The company is exempted from the application of the provisions of this Regulation, in accordance with Article 7 (3) of the Delegated Regulation, not being subject to the publication of non-financial information (non-financial statement), in accordance with the provisions of Article 19a or 29a of Directive 2013/34/EU, as amended and subsequent amendments.



# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

*for the financial period ended 31 March 2024*

### 4. Accounting estimates and significant judgments (continued)

#### *The impact and implications of military conflicts*

The global geopolitical situation has deteriorated since 24 February 2022, with the invasion of Ukraine by Russia, followed by the start of the war in Israel on 7 October 2023.

Both the military conflict in Ukraine and the war between Hamas and Israel did not have a significant impact, directly or indirectly, on the performance of the Company's activities. Operating activity, development of investment projects, but also current activities are carried out normally.

The outbreak of the conflict between Hamas and Israel in 2023, triggered a realignment of political, military and economic alliances, with potential economic impact:

- the prices of many goods will continue to remain high, the conflicts in Ukraine and Israel inducing their high volatility;
- inflation rates are expected to remain high in the near future, both in Romania and in the rest of the world, but decreasing and with a volatile outlook;
- the monetary policy interest rates of the central banks (eg NBR, Fed, ECB, BoE) are expected to remain high (the end of the "cheap money" period);
- the disruption (up to the interruption of) supply chains is likely to persist and intensify under the conditions in which de-globalization (regionalization and protectionism) will continue.

The geopolitical framework and the global economic situation, marked by an increase in the uncertainty regarding economic growth, the potential intensification of the war between Russia and Ukraine or the escalation of the war between Hamas and Israel, are challenging the financial system in Romania, with adverse implications on the commodity markets and the global supply chains. supply, in the context in which international trade is already relatively fragmented following previous shocks.

Upon the analysis the impact of these two conflicts on the Company, we conclude that it does not have a direct exposure related to Russia, Ukraine or Israel, does not hold direct or indirect investments in commercial companies of these states. Also, the Company has no exposure to businesses, companies or banks that are currently affected by international sanctions. The indirect impact on the financial situation is aligned with the global and regional effects of the conflict in Ukraine and the war in Israel.

**Casa de Bucovina – Club de Munte S.A.**  
**Notes to the financial statements**  
*for the financial period ended 31 March 2024*

**5 Revenue from touristic services**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Revenue from hotel services	490,807	329,623
Revenue from catering (restaurant, bar)	795,527	609,935
Revenue from SPA, playgrounds, various	43,196	38,472
Revenue from rental	71,034	104,569
<b>Total</b>	<b>1,400,564</b>	<b>1,082,599</b>

In the financial period ended 31 March 2024, the revenue from touristic services increased by 29,37% compared to the financial period ended 31 March 2023.

**6 Third party expenses**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Third party expenses	245,108	177,894
Expenses with repairs and maintenance	12,971	67,728
<b>Total</b>	<b>258,079</b>	<b>245,622</b>

**7 Personnel expenses**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Salaries	846,681	690,717
Expenses with social security and social protection	28,821	25,795
Expenses with meal tickets	110,915	90,040
<b>Total</b>	<b>986,417</b>	<b>806,552</b>

The average number of employees in the period ended 31 March 2024 was 64 (period ended 31 March 2023: 62), and the effective number of employees as of 31 March 2024 is 65 (31 March 2023: 62).

**8 Expenses with the depreciation and impairment of tangible and intangible assets**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Expenses with depreciation	182,281	183,052
	<b>182,281</b>	<b>183,052</b>

**Casa de Bucovina – Club de Munte S.A.**  
**Notes to the financial statements**  
*for the financial period ended 31 March 2024*

**9 Other expenses**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Expenses with other taxes, fees and similar	136,492	90,131
Expenses with commissions and fees	49,328	24,829
Postal and telecommunications expenses	11,538	12,181
Protocol, advertising and publicity expenses	2,367	1,289
Expenses with bank services and similar	5,059	5,653
Expenses with insurance premiums	8,116	12,095
Income from reversal of provisions	(84,175)	(49,970)
Income from reversal of adjustments for impairment of assets	-	(890)
Expenses with assets sold	2,234	
Expenses with compensations, fines and penalties	149	65
Expenses with royalties, management locations and rents	14,196	7,569
<b>Total</b>	<b>145,304</b>	<b>102,952</b>

**10 Financial revenue**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Revenue from interest	128,551	120,384
Net gain/(net loss) from foreign exchange differences	1,136	(1,751)
<b>Total</b>	<b>129,687</b>	<b>118,633</b>

**11 Net gain/(net loss) from the revaluation of financial assets**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Net gain /(Net loss) from the revaluation of financial assets at fair value through profit or loss (Note 16 a)	576,993	(82,515)
<b>Total</b>	<b>576,993</b>	<b>(82,515)</b>

**12 Income tax expense**

	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Current income tax</b>		
Expense with the current income tax	-	-
<b>Deferred income tax</b>		
Expense from deferred income tax	13,409	(25,462)
<b>Total</b>	<b>13,409</b>	<b>(25,462)</b>

**Casa de Bucovina – Club de Munte S.A.**  
**Notes to the financial statements**  
*for the financial period ended 31 March 2024*

**13 Earnings per share**

	<b>31 March 2024</b>	<b>31 March 2023</b>
(Loss)/Profit attributable to ordinary shareholders	(131,953)	(748,477)
Weighted average number of ordinary shares	162,319,412	162,319,412
<b>Basic earnings per share</b>	<b>(0.0008)</b>	<b>(0.0046)</b>

**14 Cash and current accounts**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Current accounts	321,073	1,115,528
Cash	25,704	41,699
Deposits with a maturity of less than 3 months	3,939,790	4,773,387
Other values	15,673	4,773
Cash advances	4,556	
<b>Total</b>	<b>4,306,796</b>	<b>5,935,387</b>

The current accounts at banks are always at Company's disposal and are not restricted, except for the amount of 52.531 Lei (31 December 2023: 53.982 Lei) representing personnel collateral.

**15 Bank deposits**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Bank deposits with a maturity higher than 3 months and less than a year (i)	3,129,235	2,341,000
Receivables attached	25,469	64,345
<b>Total</b>	<b>3,154,704</b>	<b>2,405,345</b>

(i) Bank deposits are permanently available to the Company and are not restricted or burdened with charges.

**16 Financial assets**

*a) Financial assets at fair value through profit or loss*

At 31 March 2024 the Company owns fund units valued at fair value (cost: 4.999.996 lei ), acquired in 2018, to Fondul Inchis de Investitii Star Value, managed by SAI Star Asset Management, registered in the FSA Public Register under no. CSC08FIIR / 400008, authorized by FSA Decission no. 8 / 08.02.2007, FIA Star Value authorized by FSA Decission no. 197 / 17.09.2021, with the registration code CSC09FIAIR / 400008. Fund units held are valued at the unit value of the net asset (VUAN), calculated by the fund manager using closing prices for the fund's financial instruments. The differences in the fair value measurement of the fund units held determined a net gain of 576.993 Lei (31 March 2023: a net loss of 82.515 lei ) (Note 11).

<b>FIA Star Value</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Fair value	5,831,757	5,254,764
<b>Total</b>	<b>5,831,757</b>	<b>5,254,764</b>

	<b>31 March 2024</b>	<b>31 December 2023</b>
Number of fund units	4.691,00	4.691,00

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 16 Financial assets (continued)

#### b) Financial assets valued at amortized cost

	31 March 2024	31 December 2023
Bonds	2,225,000	2,225,000
Receivables attached	12,951	12,707
<b>Total</b>	<b>2,237,951</b>	<b>2,237,707</b>

In 2018 the Company has acquired 890.000 bonds issued by Firos S.A, which are dematerialized, nominative and freely transferable, with a fixed yield. The acquisition value of the bonds was 2.225.000 lei, with a fixed interest rate of 4% per year. The maturity of the bonds is 36 months from the subscription date. These bonds are guaranteed by the issuer through the mortgage on a plot of land owned by the issuer, located in Bdul. Timisoara no.100T, Bucharest. In the first semester of 2021 these bonds have reached their maturity. The principal amount, of 2.225.000 lei, was collected in full by the Company.

In **August 2021** the Company acquired from Firos 890.000 registered and freely transferable bonds, with a fixed annual yield, under the same conditions as those mentioned above and specified in the "Offer document for the sale by private placement of a number of 890.000 dematerialized bonds, nominative, with a fixed annual yield".

The value of the cumulated interest as of 31.03.2024 is of 12.951 lei (31.12.2023: 12.707 lei).

FIROS S.A., headquartered in Bucharest, 100 Timisoara Blvd., sector 6, sole registration code 434492 is a subsidiary of SIF Muntenia. SIF Muntenia valued its subsidiary and the valued amount as of 31 October estimated by an independent valuer is of 51.658.440 lei (31 October 2022: 42.397.814 lei).

### 17 Fixed assets held for sale

The company reclassified in 2023, in the category of fixed assets held for sale, the plots of land obtained following the exchange with the City of Gura Humorului, as a result of the Management's expression of intention to sell these assets, in a period of less than a year.

	01 January 2024	Intrari	Iesiri	31 March 2024
Cost	3,655,933		-	3,655,933
Adjustments for impairment	-		-	-
<b>Net value</b>	<b>3,655,933</b>		<b>-</b>	<b>3,655,933</b>

Fixed assets held for sale are land valued at the lower of book value and fair value less costs generated by the sale.

### 18 Other assets

	31 March 2024	31 December 2023
Trade receivables (i)	270,736	225,527
Prepayments (ii)	273,797	144,125
Other receivables (iii)	128,928	139,623
<b>Total</b>	<b>673,461</b>	<b>509,275</b>

## Casa de Bucovina – Club de Munte S.A.

### Notes to the financial statements

for the financial period ended 31 March 2024

#### 18 Other assets (continued)

(i) Trade receivables	31 March 2024	31 December 2023
Clients	446,053	395,120
Adjustments for impairment of client receivables	(176,761)	(176,761)
Suppliers – debtors for goods and services	1,444	7,168
<b>Total</b>	<b>270,736</b>	<b>225,527</b>

(ii) Prepayments	31 March 2024	31 December 2023
Concession of land – inflated cost	104,620	104,986
Value of concession of land – paid in advance	33,331	33,447
Miscellaneous	10,848	5,692
Tax for land and buildings	124,998	
<b>Total</b>	<b>273,797</b>	<b>144,125</b>

(iii) Other receivables	31 March 2024	31 December 2023
Receivables from the State budget	57,715	69,164
Various debtors	84,173	83,384
Adjustments for the impairment of various debtors	(13,210)	(13,210)
Other personnel receivables	-	35
Other financial assets (*)	250	250
<b>Total</b>	<b>128,928</b>	<b>139,623</b>

\* The Company is a founding member of the Association for Tourism Development – Gura Humorului, established in June 2009, in accordance with Government Ordinance no. 26/2000 regarding associations and foundations, with subsequent modifications and additions and with the Decree no. 31/1954, being founded by 26 founding members, with an initial patrimony of 6.800 lei, comprised of the partners' cash contributions. The contribution of the Company was of 250 LEI, representing 3.67% of the association's patrimony.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 19. Tangible and intangible assets

#### A. Tangible assets

##### a) Evolution of tangible assets as at 31 March 2024

<i>in LEI</i>	Land	Buildings	Technical equipment and vehicles	Other equipment, machinery and furniture	Tangible assets in progress	Total
<i>Gross book value</i>						
<b>31 December 2023</b>	<b>6,581,048</b>	<b>12,141,502</b>	<b>2,938,374</b>	<b>773,852</b>	<b>112,525</b>	<b>22,547,301</b>
Inflows	-	-	71,788	-	-	71,788
Closed prepayments	-	-	-	-	(21,408)	(21,408)
Outflows	-	-	(117,556)	(4,629)	-	(122,185)
<b>31 March 2024</b>	<b>6,581,048</b>	<b>12,141,502</b>	<b>2,892,606</b>	<b>769,223</b>	<b>91,117</b>	<b>22,475,496</b>
<i>Cumulated depreciation</i>						
<b>31 December 2023</b>	-	<b>0</b>	<b>(2,059,472)</b>	<b>(553,952)</b>	-	<b>(2,613,424)</b>
Expense with depreciation	-	(121,250)	(50,205)	(10,501)	-	(181,956)
Outflow	-	-	117,556	2,395	-	119,951
<b>31 March 2024</b>	-	<b>(121,250)</b>	<b>(1,992,121)</b>	<b>(562,058)</b>	-	<b>(2,675,429)</b>
<i>Net book value</i>						
<b>31 December 2023</b>	<b>6,581,048</b>	<b>12,141,502</b>	<b>878,902</b>	<b>219,900</b>	<b>112,525</b>	<b>19,933,877</b>
<b>31 March 2024</b>	<b>6,581,048</b>	<b>12,020,252</b>	<b>900,485</b>	<b>207,165</b>	<b>91,117</b>	<b>19,800,067</b>

**Casa de Bucovina – Club de Munte S.A.**  
**Notes to the financial statements**  
*for the financial period ended 31 March 2024*

**19. Tangible and intangible assets (continued)**

**A. Tangible assets (continued)**

b) Evolution of tangible assets as at 31 March 2023:

<i>in LEI</i>	Land	Buildings	Technical equipment and vehicles	Other equipment, machinery and furniture	Tangible assets in progress	Total
<i>Gross book value</i>						
<b>31 December 2022</b>	<b>10,255,586</b>	<b>14,303,413</b>	<b>2,998,305</b>	<b>773,852</b>	<b>12,171</b>	<b>28,343,327</b>
Inflows	-	-	-	-	-	-
Closed prepayments	-	-	-	-	-	-
Outflows	-	-	(30,673.0)	-	-	(30,673.0)
<b>31 March 2023</b>	<b>10,255,586</b>	<b>14,303,413</b>	<b>2,967,632</b>	<b>773,852</b>	<b>12,171</b>	<b>28,312,654</b>
<i>Cumulated depreciation</i>						
<b>31 December 2022</b>	-	(1,788,835)	(1,915,706)	(510,528)	-	(4,215,069)
Expense with depreciation	-	(115,672)	(55,313)	(10,925)	-	(181,910)
Reversal of cumulated depreciation	-	-	-	-	-	-
Outflow	-	-	30,673.0	-	-	30673.0
<b>31 March 2023</b>	-	(1,904,507)	(1,940,346)	(521,453)	-	(4,366,306)
<i>Net book value</i>						
<b>31 December 2022</b>	<b>10,255,586</b>	<b>12,514,578</b>	<b>1,082,599</b>	<b>263,324</b>	<b>12,171</b>	<b>24,128,258</b>
<b>31 March 2023</b>	<b>10,255,586</b>	<b>12,398,906</b>	<b>1,027,286</b>	<b>252,399</b>	<b>12,171</b>	<b>23,946,348</b>

c) The value of plots of land held by the Company as at **31 March 2024** și **31 December 2023** is the revalued amount at 31 December 2023, determined by the independent valuer Crosspoint Valuation SRL

	Area (sqm) at 31.12.2023	Area (sqm) at 31.03.2024	Value as of 31.12.2023	LEI Value as of 31.03.2024
<b>Land</b>	<b>99,542</b>	<b>99,542</b>	<b>6,581,048</b>	<b>6,581,048</b>

**Land in concession, held by the Company as of 31.03.2024 / 31.12.2023:**

<b>Land - Location / Property document</b>	<b>Area (sqm)</b>
Piata Republicii no. 18, Gura Humorului Concession ctr 5148/4.10.1996, with Gura Humorului City	3.488

d) The value of the buildings held by the Company as of 31.03.2024 representing the revalued amount as at 31.12.2023, determined by the independent valuer Crosspoint Valuation SRL

	Value as of 31.03.2024	LEI Value as of 31.12.2023
<b>Buildings</b>	<b>12,141,502</b>	<b>12,141,502</b>



# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 19. Tangible and intangible assets (continued)

#### A. Tangible assets (continued)

e) The carrying amount that would have been recognized if the assets, representing lands and buildings, were stated according to the **cost-based model (IAS 16.77 (e))** :

	<b>31 March 2024</b>	<b>31 December 2023</b>
Land	6,326,170	6,326,170
Buildings	13,142,913	13,142,913
<b>Total</b>	<b>19,469,083</b>	<b>19,469,083</b>

#### f) Valuation techniques

The valuation report, for the year 2023, of tangible fixed assets (land and buildings) issued by the independent valuer Crosspoint Valuation SRL S.A. has as basis the Standards for the Valuation of Goods, the 2022 edition, developed by National Association of Authorized Valuers in Romania ("ANEVAR"):

- **General standards:** SEV 100 – *General Framework (IVS General Framework)*; SEV 101 – *Terms of Reference for Valuation (IVS 101)*; SEV 102 – *Implementation (IVS 102)*; SEV 103 – *Reporting (IVS 103)*; SEV 104 – *Types of value*;
- **Standards for assets:** SEV 230 – *Real estate rights (IVS 230)*; GEV 630 – *Valuation of real estate*;
- **Standards for specific uses:** SEV 300 – *Valuation for financial reporting (IVS 300)*.

Estimates of fair value have been made in accordance with the provisions of IFRS and the above-mentioned valuation standards.

Revaluations of land and buildings at 31 December 2023 were performed on the basis of the following methods, in accordance with the valuation principles and techniques contained in the ANEVAR Standards for valuation of assets:

- The market comparison method for buildable land;;
- In the case of the plots of land located in the Dendrological Park, for which there are building restrictions and for which rental contracts were identified, the income method was used - direct capitalization;
- The income method, with an average capitalization rate of 12%, combined with the cost method, in the case of constructions.

g) Evolution of **tangible assets in progress** as of 31.03.2024:

<b>Tangible assets in progress</b>	<b>Balance at 31.12.2023</b>	<b>Inputs</b>	<b>Receptions</b>	<b>LEI Balance at 31.03.2024</b>
Arinis Inn, annex	12,171	-	-	12,171
Hotel	78,946	-	-	78,946
<b>TOTAL</b>	<b>91,117</b>	<b>-</b>	<b>-</b>	<b>91,117</b>

#### B. Intangible assets

**Other intangible assets** amounting to **91.688 LEI** represent software licenses for the accounting software, for the software for invoice issue by the reception and various PC operation licenses. These intangible assets come from direct acquisitions. The Company does not own internally generated intangible assets.

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 19. Tangible and intangible assets (continued)

#### B. Intangible assets (continued)

Evolution of intangible assets in the financial period ended 31 March 2024:

<i>in lei</i>	<b>Imobilizari necorporale</b>
<i>Gross book value</i>	
<b>31 December 2023</b>	<b>91,211</b>
Inflows	477
Outflows	-
<b>31 March 2024</b>	<b>91,688</b>
<i>Cumulated depreciation</i>	
<b>31 December 2023</b>	<b>(89,631)</b>
Depreciation expense	(325)
Outflows	-
<b>31 March 2024</b>	<b>(89,956)</b>
<i>Net book value</i>	
<b>31 December 2023</b>	<b>1,580</b>
<b>31 March 2024</b>	<b>1,732</b>

### 20. Trade payables and other liabilities

#### a) Trade payables

	<b>31 March 2024</b>	<b>31 December 2023</b>
Trade payables	398,095	557,982
Advance payments received	195,723	95,962
<b>Total</b>	<b>593,818</b>	<b>653,944</b>

#### b) Other liabilities

	<b>31 March 2024</b>	<b>31 December 2023</b>
Liabilities to the State budget	143,050	143,033
Creditors and other payables	77,938	80,939
Payables to employees	164,444	174,115
Revenue in advance	-	500
Current tax to be paid	818,161	818,161
Provisions*	130,682	214,857
<b>Total</b>	<b>1,334,275</b>	<b>1,431,605</b>
<b>Deferred income tax (Note 21)</b>	<b>1,694,563</b>	<b>1,683,862</b>
<b>Grand total</b>	<b>3,622,656</b>	<b>3,769,411</b>

\* The provisions as of 31 March 2024 and 31 December 2023 represent mainly the provisions for unused leave for the years 2023 and 2022.

## Casa de Bucovina – Club de Munte S.A.

### Notes to the financial statements

for the financial period ended 31 March 2024

#### 21 Deferred income tax

Deferred tax liabilities at **31 March 2024** are detailed in the table below:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net 31.03.2024</b>
Tangible assets	10,807,048		10,807,048
Trade receivables	(176,761)		(176,761)
Various debtors	(13,210)		(13,210)
Prepayments – Concession of land	104,620		104,620
Provisions		130,682	(130,682)
<b>Total</b>	<b>10,721,697</b>	<b>130,682</b>	<b>10,591,015</b>
<b>Deferred income tax liabilities</b>			<b>1,694,563</b>

Deferred tax liabilities at **31 December 2023** are detailed in the table below:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Tangible assets	10,823,979		10,823,979
Trade receivables	(176,761)		(176,761)
Various debtors	(13,210)		(13,210)
Prepayments – Concession of land	104,986		104,986
Provisions		214,857	(214,857)
<b>Total</b>	<b>10,738,994</b>	<b>214,857</b>	<b>10,524,137</b>
Temporary net differences			<b>10,524,137</b>
<b>Deferred income tax liabilities</b>			<b>1,683,862</b>

#### 22. Capital and reserves

##### a) Share capital

As at **31 March 2024** the Company's paid-up share capital is of **16.231.941 lei**.

The share capital is divided in 162.319.412 shares, with a face value of 0,10 lei/share.

Financial Supervisory Authority (ASF) has issued, on 30.09.2020, the certificate for the securities registration no. AC – 3400 -2, that certifies the registration of the common, nominative shares in at the face value of 0.1 lei, in the FSA Register at the 3657 position, with the **BCM** ticker.

The **shareholder register** is held by DEPOZITARUL CENTRAL S.A.

##### The shareholding structure of the Company as at 31 March 2024

<b>31 March 2024</b>	<b>Number of shares</b>	<b>Amount (LEI)</b>	<b>(%)</b>
SIF Muntenia S.A.	120.079.482	12.007.948	73,98
Other shareholders	42.239.930	4.223.993	26,02
<b>Total</b>	<b>162.319.412</b>	<b>16.231.941</b>	<b>100,00</b>

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 22. Capital and reserves (continued)

#### a) Share capital (continued)

The shareholding structure of the Company as at 31 December 2023

31 decembrie 2023	Number of shares	Amount (LEI)	(%)
SIF Muntenia S.A.	120.079.482	12.007.948	73,98
Legal entities	18.103.501	1.810.350	11,15
Individuals	24.136.429	2.413.642	14,87
<b>Total</b>	<b>162.319.412</b>	<b>16.231.941</b>	<b>100,00</b>

#### Reconciliation of share capital

	31 March 2024	31 December 2023
Nominal share capital	16,231,941	16,231,941
Capital premium	4,885,965	4,885,965
Hyperinflation effect – IAS 29	9,960,401	9,960,401
<b>Total share capital and capital premium</b>	<b>31,078,307</b>	<b>31,078,307</b>

For the share capital of 16.733.960 lei related to a number of 167.339.600 shares, according to IAS29, an inflation of 10.267.175 lei was determined, registered at the date of transposition to IFRS at 31.12.2016. For the 5.020.188 repurchased shares, canceled in 2020 the adjustment according to IAS21 decreased with 306.774 lei, resulting an adjustment of 9.960.401 lei.

#### b) Reserves from the revaluation of tangible assets

These reserves account for the cumulative net modifications of the fair value of land and buildings.

The reserves from the revaluation of tangible assets are stated at the value net of deferred tax.

#### c) Reported result

Item	31 March 2024	31 December 2023
Legal reserves	689,195	689,195
Other reserves	1,085,589	1,085,589
Reported result	4,224,742	4,995,215
Reported result related to the adoption for the first time of IAS 29	(9,792,697)	(9,792,697)
Current result	(131,953)	(787,404)
Profit distribution	-	-
<b>Total reported result</b>	<b>(3,925,124)</b>	<b>(3,810,102)</b>

#### d) Legal reserve

According to the legal provisions, the Company creates legal reserves in the amount of 5% of the registered gross profit, until the level of 20% of the share capital is reached. The value of the legal reserve as of 31 March 2024 is of **689.195 lei**, and as of 31 December 2023 is of **689.195 lei**.

The legal reserves cannot be distributed to shareholders.

#### e) Other reserves

Other reserves, amounting to 1,085,589 lei, as of 31 March 2024 (31 December 2023: 1.085.589 lei), are amounts allocated from the net profit for the financial years 2007-2019:

- 22.966 lei from the 2007 net profit, according to OGSM decision no.2/25.04.2008, remained after the coverage of the net loss registered in 2020;

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 23. Capital and reserves (continued)

#### e) Other reserves (continued)

- 616.690 lei from the 2008 net profit, according to OGSM decision no.2/29.04.2009;
- 192.054 lei from the 2009 net profit, according to OGSM decision no.2/22.04.2010;
- 44.054 lei from the 2010 net profit, according to OGSM decision no.2/28.04.2011;
- 50.378 lei from the 2018 net profit, according to OGSM decision no..2/30.04.2019;
- 84.414 lei prescribed dividends, according to OGSM decision no.5/30.04.2019;
- 75.033 lei from the share capital decrease, according to EGSM decision from 28.04.2020 and FSA Certificate no. AC-3400-2/30.09.2020 regarding the share capital decrease.

#### f) Dividends

The value of the net dividends remaining to be distributed on 31.03.2024 is of 64.748 lei (31.12.2023: 64.748 lei). No dividends were distributed for the year 2023, or 2022.

The dividends remaining as at 31.12.2023 unclaimed by shareholders, in the amount of 64,748 lei, have expired, for which the Board of Administrators of the Company submits to the approval of the General Shareholders Meeting the closing of this liability to reserves. The amount of 64,748 lei will be constituted as a reserve – a distribution source at the shareholders' disposal.

### 24 Related parties

#### a) Key management personnel

	31 March 2024	31 December 2023
Members of the Board of Administrators	Marinescu Dan Florin - President Tamas Ion Romica - Vice-President Gagea Cristina – Member Ababei Dana – Member Chiribuca Dumitru Florin - Member	Marinescu Dan Florin - President Tamas Ion Romica - Vice-President Gagea Cristina – Member Ababei Dana – Member Chiribuca Dumitru Florin - Member
Members of executive management	31 March 2024 Tamaş Ion Romică - General Manager Tiron Ioana Dorina - Head of financial-accounting service Ghişovan Ştefan - F&B Manager Prosciuc Doina - Director vânzări Simota Analaura-Iuliana - Sales Manager Sava Mihai - Technic Manager	31 December 2023 Tamaş Ion Romică - General Manager Tiron Ioana Dorina - Head of financial-accounting service Ghişovan Ştefan - F&B Manager Prosciuc Doina - Director vânzări Simota Analaura-Iuliana - Sales Manager Sava Mihai - Technic Manager

#### b) Share holdings of the Company's key management personnel

The number of shares owned by key management personnel is presented in the table below:

	31 March 2024	31 December 2023
Tamas Romica	99,000	99,000
Prosciuc Doina	43,516	43,516
Simota Analaura-Iuliana	30,352	30,352
Sava Mihai	20,352	20,352
Ghisovan Stefan	1,406	1,406
Dorina Tiron	1,055	1,055
<b>Total</b>	<b>195,681</b>	<b>195,681</b>

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 24 Related parties (continued)

#### c) Transactions with the key management personnel:

	31 March 2024	31 March 2023
Salaries paid to management	173,369	132,427
Remunerations paid to the members of the Board of Administrators	25,650	25,650

The Company has not concluded pension commitments with former members of the Board of Administrators or with former managers and has not approved credits to the members of executive management or members of the Board of Administrators.

#### d) Transactions with related parties

The company has identified as a related party FIROS S.A., a subsidiary of the Company's majoritary shareholder, SIF Muntenia. The Company has acquired bonds issued by the related party FIROS S.A. (Note 16 b).

### 25. Commitments

The Company has no capital commitments as of 31 March 2024 and 31 December 2023.

### 26. Financial risk management

#### Management of significant risks

The main risks the Company is exposed to are:

- Market risk (interest rate risk, currency risk and price risk);
- Credit risk;
- Liquidity risk;
- Risk related to taxation;
- Economic environment risk;
- Operational risk.

The overall risk management strategy seeks to maximize Company's profit reported to the level of risk to which it is exposed and minimize any potential adverse variations on the financial performance of the Company.

The company uses a variety of policies and procedures for the management and evaluation of the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

#### (a) Market risk

Market risk is the risk of registering a loss or the failure to achieve expected profit as a result of fluctuations in prices, interest rates and exchange rates of currencies.

The Company is exposed to the following market risk categories:

##### (i) Price risk

The Company is exposed to the risk associated with the variation of the prices of food and non-food products, necessary for the Company's activity. The Company manages this risk through an adequate supply program.

##### (ii) Interest rate risk

As of 31 March 2024 a significant portion of the Company's assets, of 23,32% (31 December 2023 23,27%) are interest-bearing, the cash and cash equivalents are generally invested at an interest rate for the short term. The decrease of the yields affects the asset valuation.

At the reporting date, the profile of the exposure to the interest rate risk for the interest-bearing financial instruments held by the Company was the following:

# Casa de Bucovina – Club de Munte S.A.

## Notes to the financial statements

for the financial period ended 31 March 2024

### 26. Financial risk management (continued)

#### Management of significant risks (continued)

##### a) Market risk (continued)

##### (ii) Interest rate risk (continued)

##### Fixed rate instruments

	31 March 2024	31 December 2023
Bank deposits	7,069,025	7,114,387
Bonds	2,225,000	2,225,000
<b>Total</b>	<b>9,294,025</b>	<b>9,339,387</b>

The Company does not hold instruments with a variable interest rate. The interest rates on its cash deposits range between 1% and 1,25% for FX-denominated deposits, and between 4,75% and 6,50% for RON-denominated deposits in the period ended 31 March 2024 (2023: 0,75% and 1% for FX-denominated deposits, 5,30% si 7% for RON-denominated deposits), and for the bonds held the interest rate is 4% p.a.

##### (iii) Currency risk

The company is exposed to currency risk due to fluctuations of the currency exchange rates, as operating revenues are received under contracts with EUR-denominated prices, with no specific clauses to cover the potential risk of this nature. These contracts have as beneficiaries Romanian travel agencies that are only intermediaries and cannot assume currency fluctuation risks. Most of the company's financial assets and liabilities are denominated in national currency.

##### (b) Credit risk

The credit risk is the risk of loss or failure to achieve estimated profits, due to the counterparty's failure to fulfill its financial obligations. The Company is exposed to the credit risk following its liquidities in the current accounts, bank deposits and other receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new client is individually analyzed in terms of creditworthiness before being offered the Company's standard terms of payment and delivery. Customers who do not meet the established conditions can perform transactions with the Company only with payment in advance.

The Company establishes an impairment adjustment which represents its estimates regarding the loss from trade receivables. The adjustments for trade receivables impairment mainly refer to the specific components of the significant supported and identified individual exposures.

##### (c) Liquidity risk

Liquidity risk is the company's risk to encounter difficulties in fulfilling the obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset. The company's approach regarding its liquidity management consists in ensuring, as much as possible, that it would always have sufficient liquidities to meet its due liabilities, both under normal conditions and under stress conditions, without incurring unacceptable losses or putting at risk the company's reputation.

Generally, the company ensures that it has enough cash to cover its operating expenses.

# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **26. Financial risk management (continued)**

#### **Management of significant risks (continued)**

##### **(d) Risk related to taxation**

The Romanian fiscal legislation provides detailed and complex provisions, having passed through several changes in recent years. Text interpretation and practical procedures for implementing the tax legislation might vary, with the risk that certain transactions are interpreted differently by the tax authorities compared to the Company's treatment. The Romanian Government has a number of agencies authorized to conduct audits (inspections) of companies operating in Romania. These inspections are similar to tax audits in other countries and may cover not only tax matters, but other legal and regulatory matters of interest to these agencies. It is possible that the Company continues to be subject to tax audits on the extent of new tax regulations being issued.

##### **(e) Economic environment risk**

The Company's management cannot foresee all the effects of potential economic or financial crises that would impact the sector in which the company operates, nor their potential impact on the present financial statements. The Company's management believes that it has adopted the necessary measures for the sustainability and the development of the company in current market conditions.

##### **(f) Operational risk**

The operational risk is defined as the risk of recording losses or failure to achieve the estimated profits due to internal factors such as the inappropriate conduct of internal activities, the existence of inadequate personnel or systems, or due to external factors such as economic conditions, technological advances. The operational risk is inherent in all of the Company's activities.

The policies defined for the operational risk management have taken into consideration each type of events that can generate significant risks and the ways of their manifestations, to remove or minimize losses of financial or operational type.

##### **(g) Reputational risk**

Reputational risk is the risk of loss or failure to make estimated profits due to the lack of confidence of tourists, travel agencies, third parties, employees, in the integrity of the Company, in the Company's ability to manage the new conditions of business.

Reputational risk management aims at ensuring a permanent positive image, in accordance with the reality of the market, in front of customers.

##### **(h) Capital adequacy**

The Company policy is to maintain a solid capital base necessary to maintain the trust of investors, creditors and the market and to sustain the future development of the entity.

The Company's equity includes the paid-up capital, different types of reserves and retained earnings. The Company is not subject to mandatory capital requirements.



# **Casa de Bucovina – Club de Munte S.A.**

## **Notes to the financial statements**

*for the financial period ended 31 March 2024*

### **27. Subsequent events**

The Extraordinary General Meeting of Shareholders of CASA DE BUCOVINA – CLUB DE MUNTE S.A., convened on 08.04.2024 decided, mainly, the following:

1. Approves the transfer of the company's hotel and tourism activity, respectively the assets and liabilities related to the hotel and tourism activity, including:

(a) the asset named "Hotel Best Western Bucovina" located in Gura Humorului, Piata Republicii no. 18, Suceava county, composed of buildings and land under concession registered in Land Registry no. 30931 Gura Humorului having cadastral numbers 261/25, 261/26 and 127/22, land registered in Land Registry no. 31913 Gura Humorului located in Gura Humorului, Sf. Mihail str., Suceava county, having cadastral number 370/2, as well as land and buildings registered in Land Registry no. 34591 Gura Humorului having cadastral numbers 34591 and 34591-C1 located in Gura Humorului, Piata Republicii no. 18 bis, Suceava county;

(b) the Arinis tourist inn composed of land with an area of 3,496 sqm - part of the land registered in Land Registry no. 44975 Gura Humorului with a total area of 47,287 sqm currently having the cadastral number 44975 as well as a construction having 236 sqm built surface on the ground with the cadastral number 44975-C1 currently located in the Arinis Dendrological Park in Gura Humorului, Suceava county;

as well as all equipment, furniture, inventories, contracts, titles, rights and liabilities related to the transferred hotel and tourism activity, which will be carried out through a business transfer contract together with any other necessary or useful contracts associated with the transfer for a minimum price equal to with the equivalent in lei of the sum of 2,778,500 euros, calculated at the leu/euro exchange rate communicated by the National Bank of Romania on the date of the transfer, which does not include value added tax.

2. Approves the authorization of the board of administrators of the company to carry out the acts and operations necessary to carry out the transfer of the hotel and tourist activity to the interested persons and the method of transfer, in compliance with the legal provisions and confidentiality obligations including, but not limited to: (i) establishing the procedure and the contractual clauses regarding the transfer of the hotel and tourist activity to a buyer, respectively to a person who will continue, in an independent manner, the transferred hotel and tourist activity; (ii) establishing the final transfer price in compliance with the minimum value decided by the general meeting of the company's shareholders; (iii) establishing the tangible and intangible assets, real estate, goods and liabilities that are the object of the transfer of the hotel and tourist activity; (iv) establishing the contracts related to the hotel and tourist activity to be transferred; (v) establishing the authorizations, licenses, notices and other documents that will be transferred to the buyer, within the limits allowed by the legal provisions in force; (vi) approval of the final form of the transfer contract of the company's hotel and tourism activity and (vii) fulfillment of all documents and formalities necessary for the company's compliant execution of the company's hotel and tourist activity transfer contract and its related contracts.

3. Approves the authorization of the legal representative of the company (i) to sign on behalf of the company, based on the written decision of the board of administrators of the company, the final form of the contract for the transfer of the hotel and tourism activity of the company, as well as all authentic documents or necessary to implement the transfer of the activity hotel and tourism of the company, including in front of the public notary and any other persons or authorities; (ii) to fulfill, based on the written decision of the board of administrators of the company, all the necessary documents and formalities for the compliant execution by the company of the agreement or contract of transfer of the company's hotel and tourism activity.

4. Approves the delegation to the company's board of administrators of the attribution of relocating the company's headquarters in accordance with the provisions of art. 114 para. (1) from Law 31/1990.

The Ordinary General Meeting of Shareholders of CASA DE BUCOVINA – CLUB DE MUNTE S.A., convened on 26.04.2024 decided, mainly, the following:

- the approval of the financial statements for 2023;

- the coverage of the net loss recorded in the financial year 2023, amounting to 787.404,15 lei, according to the proposal of the Board of Administrators;

- the election of the members of the Board of Administrators.

**Ion Romica TAMAS**  
General Manager

**Dorina TIRON**  
Head of financial-accounting service