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CASA DE BUCOVINA – CLUB DE MUNTE S.A.
BOARD OF ADMINISTRATORS' REPORT FOR THE FINANCIAL YEAR 2023

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

Yearly report in accordance with:	Law no. 24/2017 and FSA Regulation 5/2018
For the financial year:	2023
Date of the report:	22.03.2024
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
Regulated market on which the securities are traded	Bucharest Stock Exchange
Subscribed and paid-up share capital:	16.231.941,2 lei
Key features of the issued securities:	162.319.412 shares, with a face value of 0,1 lei/share
LEI code	2549003JCE4UBBB88S53

Main results of issuer's activity

Revenue from touristic services, of which:	2023	2022
Revenue from hotel services	**9.338.895**	**8.236.852**
Revenue from catering (restaurant, bar)	3.910.468	3.328.922
Revenue from SPA, playgrounds, various	5.024.591	4.549.720
Revenue from rentals	129.047	132.327
Other revenue	274.789	225.883
Operating revenue	5.854.055	14.582
Operating expenses	**15.192.950**	**8.251.434**
Operating (loss)	(15.858.146)	(8.350.604)
Financial revenue	**(665.196)**	**(99.170)**
Revenue from touristic services, of which:	496.694	332.262
Net gain/(Net loss) from the revaluation of financial assets at fair value through profit or loss	151.285	(174.646)
(Loss)/Profit before taxes	**(17.217)**	**58.446**
(Loss)/Profi aferent/(a) for the financial year	**(787.404)**	**37.924**

Financial position	31.12.2023	31.12.2022
Cash and current accounts	5.935.387	3.777.381
Deposits at banks	2.405.345	2.990.468
Financial assets at fair value through profit or loss	5.254.764	5.103.480
Financial assets at amortized cost	2.237.707	2.236.488
Fixed assets held for sale	3.655.933	-
Inventories	195.890	172.281
Other assets	509.275	1.007.516
Tangible and intangible fixed assets	19.935.457	24.131.641
Total assets	**40.129.758**	**39.419.255**
Trade payables	653.944	645.351
Other liabilities	1.431.605	482.382
Deferred tax liability	1.683.862	-
Total liabilities	**3.769.411**	**1.127.733**
Equity	**36.360.347**	**38.291.522**
Total equity and liabilities	**40.129.758**	**39.419.255**

1. Analysis of the Company’s activity

1.1. a) Description of issuer’s main activity

Casa de Bucovina- Club de Munte SA’s core business is hotel services, catering and recreational/leisure services, the sale of travel packages, the organization of 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.

The main asset of the company is a four-star hotel which has been operating since 2002, affiliated with the international Best Western chain. The hotel has the following facilities:

- 127 rooms/ 220 beds;
- 2 restaurants (180 and 60 seats);
- 7 different sizes conference rooms (25 to 280 seats);
- lobby bar (60 seats);
- terrace;
- summer terrace;
- SPA area.

1.1. b) The issuer’s incorporation date

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 Bucharest Stock Exchange, starting with 12 May 2008 and having the BCM ticker.

1.1. c) Description of any merger or significant reorganization of the issuer, of its subsidiaries or controlled companies during the financial year

In the financial year 2023 the company was not involved in any mergers. Casa de Bucovina – Club de Munte SA does not have subsidiaries, nor controlled companies.

The year 2023 was another year of tourism revival after the global COVID-19 pandemic. In Europe, tourism has returned in almost all countries to the figures from the period before the pandemic, with these figures being exceeded in the main destinations and gaps still to be recovered in the secondary destinations. Romania did not make the discordant note either, with the main destinations (Bucharest, Brasov) reaching the figures of 2019 and the secondary destinations still having to recover.

1.1. d) Description of asset acquisitions and/or asset disposals

During the reporting period, the company purchased inventory items in the amount of 114.675 lei and made hotel repairs (bar + lobby modernization) in the amount of 55.208 lei.

The investments were made entirely from the company’s own resources.

1.1.1. General valuation elements:

a) profit: In the year 2023 the company registered an operating loss amounting to 665.196 lei (2022: operating loss of 99.170 lei) and a net loss of 787.404 lei (2022: profit of 37.924 lei).

b) turnover: In the year 2023 the turnover of Casa de Bucovina – Club de Munte SA increased by 13,4% year-on-year, reaching 9.338.895 lei.

c) export: Not applicable.

d) costs: In 2023 the company's operating expenses registered an increase of 89,9% yoy (reaching 15.858.146 lei). More information on the structure of expenses can be found in chapter 5 - Financial statements.

e) % of market share held: In 2023 the accommodation capacities in Gura Humorului increased with a number of 36 rooms, all in 3 and 4-star accommodation facilities. This increase has lead to a decrease of the market share held by the company in recent years, from 15,5% in 2014, to 9,25% in 2023 (2022:9,55%). Compared to other years, this decrease had a much greater impact, as it is a 4-star location in the immediate vicinity of the hotel.

f) liquidity: At the end of 2023 the company's cash, current accounts and deposits with banks amounted to 8.340.732 lei.

1.1.2. Evaluation of the issuer's technical level

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.

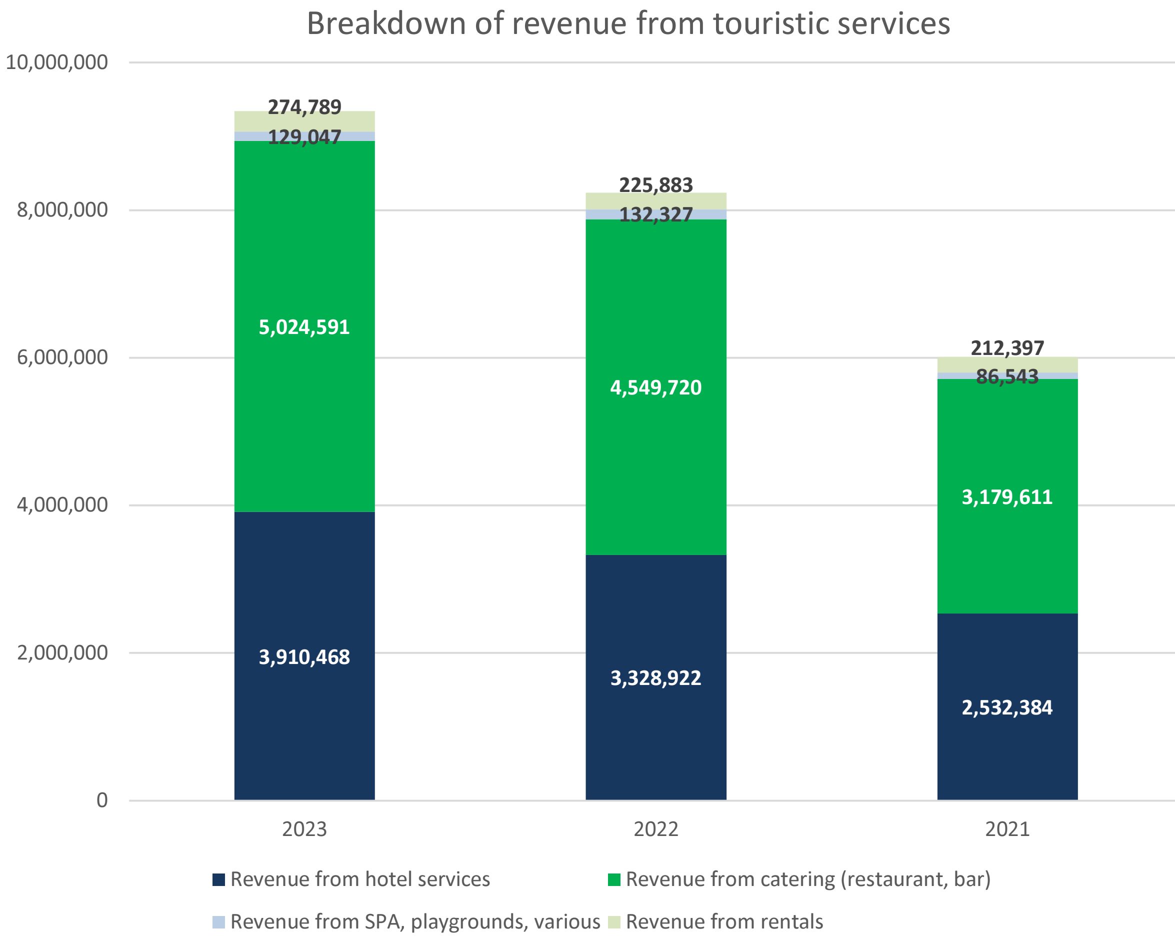
The following service packages were created and promoted:

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

The Best Western Bucovina hotel has in its portfolio both Romanian and foreign clients - itinerant groups of tourists, especially from the European Community area. The main distribution - sales channel for foreign customers is represented by the travel agencies that create the cultural circuits that are sold in the destination countries.

If in the first part of the year the company recorded a decline in the bookings of corporate events and congresses, in the second part of the year the company recorded a fairly sharp return of revenue from this business segment. The groups of foreign tourists registered an increase compared to 2022, but still far from the figures recorded before the pandemic.

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 and social media).



On the accommodation segment, the revenues registered a growth of 17,5% compared to the values registered in 2022, both due to the increase in tariffs (+7%), and also based on the increase in the number of accommodation nights (+10.5%). The catering segment registered a growth in revenue of 10,4% yoy. The increases were due to the increase in the number of tourists, and also to the increase in prices for the catering segment.

Description of the new products taken into consideration of which a substantial part of the assets would be affected in the next financial year, as well as the development stage of these products: Not applicable.

1.1.3. Evaluation of the supply activity

In 2023 the company continued the program of developing the relationship with the local producers for the food raw materials - meat and dairy products, as well as with specific HORECA suppliers, while maintaining extended commercial relations with the main Cash & Carry stores in the area.

The company is not dependent on the imports of goods, their share being a rather small one.

The inventories of raw materials have a reduced size, thus determining a good inventories turnover.

1.1.4. Evaluation of the sales activity

a) Description of the evolution of sales on the domestic and/or foreign market and of the sales prospects on the medium and long term

Compared to the previous year, in 2023 the company recorded a 13,4% increase in revenue from tourist services, with increases in all activity segments, but lower than the estimated increases. In the first semester of 2023, the recorded increases did not reach the estimates, both against the background of the lack of individual tourists - caused by the lack of snow in the winter months - a reticence recorded among the organizers of conferences and congresses, as well as the reticence of international tourists to travel in an area perceived as being close to the conflict zone in Ukraine. In the second semester of the year, the increases recorded were according to estimates in almost all segments (except international tourists).

Even if all business segments have returned to activity, the main business segment remained, as in 2022, the segment of individual Romanian tourists. Seasonal peaks were recorded especially during the summer vacation, August bringing an occupancy rate of 72,3%. The autumn period brought a return of the corporate events segment, with an increase beyond expectations in November. Another peak of activity was recorded by the company during the winter holidays, when the company recorded an occupancy rate of over 90%. Thus, the revenue recorded in December exceeded the estimated one, very close to that of August - even if the occupancy rate in the whole month of December was only 34%.

Indicator	31.12.2023	31.12.2022	31.12.2021
Occupancy rate	39,4%	35,7%	29,3%
Accommodation-nights	17.959	16.249	13.590
Number of rooms	125	127	128

Accommodation-night – the 24-hour interval in which a room is occupied

Compared to previous years, the segment of individual tourists remained stable, both due to the preservation of vacation tickets for employees in the public system, and due to the increased availability against the background of a reduced presence of leisure groups. The granting of holiday vouchers led to an increase in bookings, especially on direct booking channels, with owners trying to book directly at the hotel in order to check the possibility of paying with this form of payment.

b) Description of the competitive situation in the issuer’s field of activity, the market share of the issuer’s products or services and of its main competitors

The Best Western Bucovina Hotel is still the only hotel that operates under an international franchise in the area of the monasteries of Bucovina.

For the cultural circuit groups segment and the MICE segment Casa de Bucovina –Club de Munte SA competes with the hotels from the areas close to Bucovina: Piatra Neamt, Bistrita and Iasi, that have large and modern locations, with similar or superior capacities and facilities.

For the individual tourists’ segment, the local competition is represented by 3-4 stars hotels and guesthouses, in Suceava, Gura Humorului, Campulung Moldovenesc, Vatra Dornei, as well as on the touristic route of the monasteries (Voronet – Putna – Sucevita – Moldovita).

In 2023, in Gura Humorului the accommodation capacity has increased with another 36 rooms, in the 4-star segment, through the opening of a hotel unit in the immediate vicinity of the Best Western Bucovina hotel. Even if the attractiveness of the area increases every year due to the projects for the development of relaxation and leisure possibilities, the accommodation capacity grows at an equally fast pace. The new locations, smaller, oriented towards individual tourism, have a higher degree of attractiveness during this period when tourists want a limitation of contact with other people or seek complete spa services.

c) Description of any significant dependency of the issuer towards a single client or towards a group of clients whose loss would have a negative impact on the issuer’s revenue

The slow return of the international tourism segment, corroborated with the limitation of activity for the events segment due to the lack of availability of participants to travel long distances, shows us that a continuation of the development of attractiveness for the segment of individual tourists is necessary.

1.1.5. Evaluation of the issuer's employees/personnel

Regarding human resources, on 31.12.2023 compared to 2022, the evolution and personnel breakdown was as follows:

	No. of personnel		Weight in total personnel	
	2023	2022	2023	2022
Total personnel hotel and leisure, of which:	55	51	83,3%	82,3%
- accommodation	28	27	42,4%	43,6%
- food&beverage	26	23	39,4%	37,1%
- SPA	1	1	1,5%	1,6%
Maintenance, repairs, transport, ancillary, production personnel	5	5	7,6%	8,1%
TESA personnel	6	6	9,1%	9,7%
Total	**66**	**62**	**100%**	**100%**

In 2022 a number employees benefited from the provisions of ordinance no. 132/2020 regarding the reduction of working time (Kurzarbeit), with the support of 75% of the reduced salary by the Romanian State.

The company's relations with its employees are governed by the Collective Labor Agreement. No labor union does operate within the company.

Conflicting elements that can negatively affect the working relations at the company level do not exist nor are reported.

1.1.6. Evaluation of the impact of the issuer's activity on the environment

In 2023, the company obtained the environmental authorization no. 208/12.06.2023 with unlimited validity, under the conditions of obtaining the annual visa, June 2023 - June 2024 being the first period covered. The activity of the company does not have a significant environmental impact.

For the year 2023 Casa de Bucovina – Club de Munte S.A. did not register litigations for breaches of environmental protection rules and does not foresee such litigations at the date of the report.

1.1.7. Evaluation of the research and development activity

No research and development activities are performed within the company.

1.1.8. Evaluation of the issuer's risk management

The main risks the company is exposed to are the interest rate risk, the currency risk, the price risk, the liquidity risk, the taxation risk, the economic environment risk, operational risk and reputational risk.

The general risk management strategy aims to maximize the company's profit based on the level of risk to which it is exposed and to minimize the potential adverse variations on the financial performance of the company. The company uses a variety of policies and procedures for the management and assessment of the types of risks the company is exposed to.

Interest rate risk

As at 31 December 2023 and 31 December 2022 a significant portion of the Company's assets are interest-bearing, the cash and cash equivalents are generally invested at an interest rate for the short term. The Company does not hold instruments with a variable interest rate. The interest rates on its cash deposits range between 0,75% and 1,00% FX-denominated deposits, and betweed 5,3% and 7,00% for RON-denominated deposits in 2023 (2022: 4,15% and 8,75%), and for the bonds held the interest rate is 4% p.a.

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.

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.

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.

Liquidity risk
Liquidity risk is the company's risk of encountering 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.

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.

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.

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.

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, with the economic environment, in front of customers.

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.

Internal control
The company has implemented an internal control system by applying internal methods and procedures at each department level.

Internal audit
The main responsibilities of the internal auditor are as follows:

- Establish, implement and maintain an audit plan to assess and review the effectiveness and adequacy of systems, internal control mechanisms and procedures;
- Verification of the compliance with the rules and working procedures adopted by the Board of Administrators of the company;
- Issuing reports on the topics specified in the internal audit plan addressed to the Board of Administrators of the company;
- Issuing recommendations based on the outcome of the activity carried out under the audit plan;
- Verify compliance with the recommendations in the reports.

In 2023, the internal audit activity for Casa de Bucovina – Club de Munte S.A. has been carried out in compliance with the internal audit plan established in accordance with the objectives and the specific activity of the company.

1.1.9. Elements of perspective on the issuer's activity

a) Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the issuer's liquidity, compared to the same period last year

For the year 2024, the company takes into account the maintenance of some factors of economic uncertainty, taking into account the fact that the year 2024 is a year with multiple electoral campaigns, a situation that could affect the company's activity. Maintaining a certain reluctance of the companies in organizing corporate events and the decrease of the attractiveness of the hotel for the segment of individual tourists will represent obstacles in reaching the proposed budget. At the same time, international tourism presents at the time of the report the premises of a year with an increase in volumes, close to those recorded in 2019.

We consider that the Company currently has and continues to take the necessary measures to ensure a sufficient cash flow to pay its due obligations, both under normal conditions and under stress conditions, without bearing unacceptable losses or endangering the reputation of the company.

At the date of this report, the company evaluates the events and factors of uncertainty and the potential financial impact of the war in Ukraine, in order to identify the necessary measures to be implemented, following which the investors will be informed accordingly.

The Company cannot accurately quantify the economic impact on its financial performance, but it continuously monitors the evolution of the relevant events, in order to identify the best directions of action through which the continuity of the company's activity can be ensured.

b) Presentation and analysis of the effects of capital expenditures, current or anticipated, on the financial status of the issuer compared to the same period last year.

Information on the investments made by the company in 2023 can be found in chapter 1.1. d) Description of asset acquisitions and/or asset disposals.

Regarding the anticipated expenses, these will be realized in accordance with the revenue and expenditure budget, submitted to the OGSM approval on 26/27.04.2024.

c) Presentation and analysis of events, transactions and economic changes that significantly affect the revenue from the main activity.

See those mentioned in sub-point 1.1.9. a).

2. The issuer's tangible assets

2.1. Specification of the location and characteristics of the main production facilities owned by the issuer

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.

2.2. Description and analysis of the wear degree of the issuer's assets.

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

Each year the company incurs renovation expenses, which are included in the REB and approved by the GSM in order to maintain the Best Western standards.

2.3. Specification of the potential issues related to the issuer's ownership of tangible assets

As at 31.12.2023 the company has not identified potential issues related to the ownership of its tangible assets.

All land and buildings owned by the company are registered.

3. The issuer's securities market

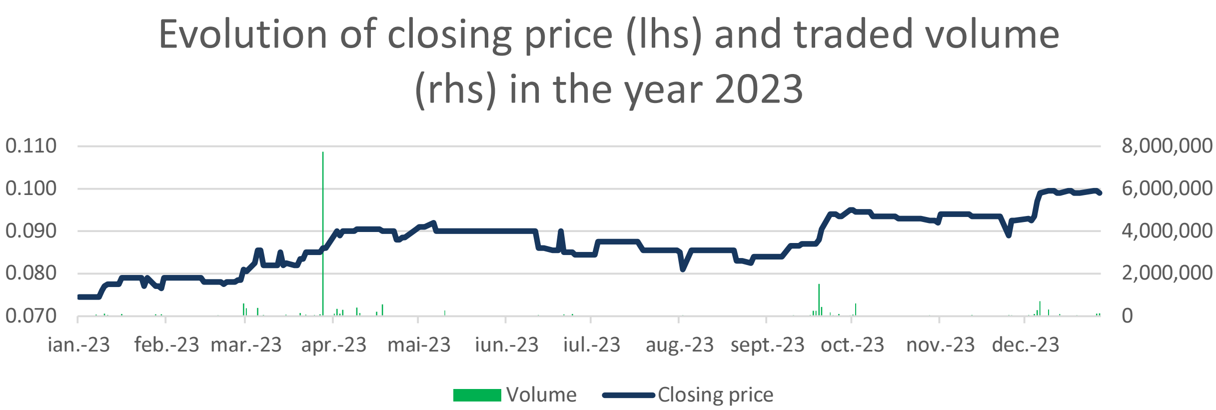
3.1. Specification of the markets in Romania and other countries on which the securities issued by the company are traded

The shares issued by the company have been traded on the Bucharest Stock Exchange starting with 12.05.2008, having the ticker BCM, ISIN code ROBUCMACNOR5 and Bloomberg ticker BCM RO equity. The record of Casa de Bucovina – Club de Munte SA's shares and shareholders is held by the Central Depository, a company authorized by the NSC/FSA.

Information on the trading of BCM shares in 2023 compared with 2022 and 2021 is presented in the table below:

	2023	2022	2021
Total volume (shares)	19.163.068	12.468.338	14.766.083
Minimum price (lei/share)*	0,0745	0,0725	0,0800
Maximum price (lei/share)*	0,0995	0,0975	0,0995

* *Closing prices*



At the end of the years 2023 and 2022 the shareholding structure of Casa de Bucovina – Club de Munte SA was the following:

	31.12.2023 Number of shares	(%)	31.12.2022 Number of shares	(%)
SIF Muntenia S.A.	120.079.482	73,98	112.400.276	69,25
Other shareholders	42.239.930	26,02	49.919.136	30,75
Total	**162.319.412**	**100,00**	**162.319.412**	**100,00**

3.2. Description of the issuer's dividend policy

Casa de Bucovina - Club de Munte SA does not have a multi-annual dividend policy, dividend distribution and the amounts allocated as dividends are established annually by the General Shareholders Meeting.

Casa de Bucovina - Club de Munte SA has paid dividends for the financial years 2013-2017 and 2019, according to the following table:

lei	2013*	2014	2015**	2016	2017***	2018	2019
Net profit	620.463	620.507	518.751	608.926	672.741	55.385	2.847.039
Dividends	1.336.392,8	552.220,7	502.018,8	568.954,6	669.358	0	2.272.472
Gross dividend/share	0,0080	0,0033	0,0030	0,0034	0,0040	0	0,014

** According to GSM decision from 30.04.2014, the total value of the profit to be distributed included both the profit to be distributed for the financial year 2013, as well as the undistributed retained earnings as per GSM decision from 23.04.2013 (lei 809.019)*
*** According to GSM decision from 29.04.2016, the total value of the profit to be distributed included both the profit to be distributed for the financial year 2015, as well as the undistributed retained earnings for the financial year 2013 (lei 63.178) and the undistributed retained earnings for the financial year 2014 (lei 30.459)*
**** According to GSM decision from 20.04.2018, he total value of the profit to be distributed included both the profit to be distributed for the financial year 2017, as well as the undistributed retained earnings for the financial years 2015 and 2016 (13.919,58 lei)*

According to the OGSM decision on 24.04.2023, the net profit for the financial year 2022, amounting to 37.924 lei, was distributed as follows: 2.922 lei to legal reserve and 35.002 lei as undistributed profit.

3.3. Description of any activity performed by the issuer regarding the acquisition of its own shares

Not applicable.

3.4. If the issuer has subsidiaries, specification of the number and face value of shares issued by the parent company which are held by its subsidiaries.

Casa de Bucovina – Club de Munte SA does not have subsidiaries.

3.5. If the issuer has issued bonds and/other debt securities, a presentation on how the company meets its obligations to the holders of such securities.

Casa de Bucovina – Club de Munte SA has not issued bonds and/or other debt securities during the year 2023.

3.6. Corporate governance

The company has made and will make the necessary professional and administrative efforts to ensure alignment with the provisions of the Corporate Governance Code and the transparent presentation of these results.

The company disseminates on its website, www.bestwesternbucovina.ro, information about its structures of corporate governance and also the list of the members of the Board of Administrators, the updated Constitutive Act and the declaration of conformity.

The Board of Administrators of Casa de Bucovina – Club de Munte has met 9 times in 2023, to analyze the activity of the company and the perspectives of ensuring the continuity of the activity and its future development.

The company's Board of Administrators has two independent members. According to the information gathered from the members of the Board of Administrators, there is no relationship between the board member and a shareholder who holds directly or indirectly shares representing more than 5% of all voting rights and which could hinder the member's position regarding the Board of Administrators' decisions.

As of the date of this report, Mr. Dan Florin Marinescu, President of the Board of Administrators of the Company, is also Consiliul de Administratie al VALEA CU PESTI S.A.. member in the Board of Administrators of VALEA CU PESTI S.A.. Mrs. Cristina Gagea, member in the company's Board of Administrators is also a member in the Board of Administrators of ELECTROMAGNETICA S.A. and Investment Director of S.A.I. Muntenia Invest S.A. (the administrator of Societatea de Investitii Financiare Muntenia S.A.). Mrs. Dana Ababei, member in the company's Board of Administrators, is also the General Manager of CMF Consulting S.A. Mr. Dumitru Florin Chiribuca, member in the company's Board of Administrators is also the Head of Local Taxes Office within Gura Humorului City Hall. Otherwise mentioned above, the company has no information on the existence of other relatively permanent commitments and professional obligations of the members of the company's Board of Administrators.

The Audit Committee has been established. 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 Shareholders Meeting, 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 company's website. The company ensures the immediate information of all the shareholders about the decisions made and the vote result after the General Shareholders Meeting. The shareholders' participation to the meeting is strongly encouraged, shareholders who cannot attend have the opportunity 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.

Casa de Bucovina - Club de Munte SA's Corporate Governance declaration is annexed to this report.

4. Issuer's management

4.1. The 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.

On the OGSM on 28.04.2020, the company's shareholders have chosen the following persons as members of the Board of Administrators, with a term of 4 years: Mircea Constantin, Cristina Gabriela Gagea, Ion Romica Tamas, Dana Ababei and Dumitru Florin Chiribuca. Subsequently, the members of the Board of Administrators have chosen Mr. Mircea Constantin as President and Mr. Ion Romica Tamas as Vice-President.

The Ordinary General Meeting of Shareholders of the Company, convened on 29 April 2021, decided the election of Mr. Marinescu Dan Florin as a member of the Board of Directors, with a term equal to the remaining period until the expiration of the mandate of his predecessor, respectively from 01 May 2021 to 28 April 2024, following the resignation of Mr. Constantin Mircea starting dated 30 April 2021. Subsequently, in the meeting of the Board of Administrators on 06.05.2021, Dan Florin Marinescu was elected President of the Board of Administrators.

The CVs of the administrators are available on the company's website, www.bestwesternbucovina.ro, under the Shareholder Information section, Corporate Governance sub-section.

According to available information to the company, there is no agreement, arrangement or family relationship between the administrators and another person due to whom that person was appointed administrator.

As of 31.12.2023, the members of the Board of Administrators held shares issued by Casa de Bucovina - Club de Munte SA as follows:

- Ion Romica Tamas: 99.000 shares;
- Dan Florin Marinescu: 0 shares;
- Dumitru Florin Chiribuca: 0 shares;
- Ababei Dana: 0 shares;
- Gagea Cristina: 0 shares.

4.2. The executive management

In 2023 the executive management of the company was provided by:

- General Manager – Management contract (dated 16.02.2014) - Ion Romica Tamas (for the period 01.01.2023 – 15.01.2023);
- General Manager – Management contract (dated 12.01.2023) – Dorina Prosciuc (for the period 16.01.2023 – 31.08.2023);

- General Manager – Management contract (dated 30.08.2023) - Ion Romica Tamas (for the period 01.09.2023 – 31.12.2023);
- Head of financial-accounting service – Permanent contract (starting with 23.09.2003) – Dorina Tiron)
- Sales Manager – Permanent contract (starting with 01.07.1999) – Doina Prosciuc (for the periods 01.01.2023 – 15.01.2023 and 01.09.2023 – 31.12.2023) ;
- Food & Beverage Manager – Permanent contract (starting with 01.11.2006) – Stefan Ghisovan;
- Accommodation Manager – Permanent contract (starting with 08.11.2003) - Analaura – Iuliana Simota;
- Technical Director – Permanent contract (starting with 12.08.2002) – Mihai Sava.

According to available information to the company, there is no agreement, arrangement or family relationship between the members of the executive management and another person due to whom that person was appointed member of the executive management.

As of 31.12.2023, the members of the executive management held shares issued by Casa de Bucovina - Club de Munte SA as follows:

- Ion Romica Tamas: 99.000 shares;
- Dorina Tiron: 1.055 shares;
- Doina Prosciuc: 43.516 shares;
- Stefan Ghisovan: 1.406 shares;
- Analaura – Iuliana Simota: shares;
- Mihai Sava: 20.352 shares.

4.3. For all the persons mentioned at 4.1. and 4.2. above a mention of potential dispute or administrative proceedings during the past five years regarding their activity within the issuer, or any other action pertaining to their ability to meet the requirements of their roles within the issuer.

The company is not aware of any potential dispute or administrative proceedings during the past five years for the members of the Board of Administrators or the members of executive management regarding their activity within the company, or any other action pertaining to their ability to meet the requirements of their roles within the issuer.

5. Financial and accounting statement

5.1. Financial statements

The financial statements as at 31 December 2023 have been prepared in accordance with Finance Ministry Order no. 2844/12.12.2016 for the approval of Accounting Regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market. The transition date to the International Financial Reporting Standards was 1 January 2011.

The financial statements are denominated in lei and are audited by 3B Expert Audit.

The table below shows the main elements of the company's financial position as of 31.12.2023, compared with elements of the company's financial position as of 31.12.2022 and 31.12.2021:

lei	**31 December 2023**	**31 December 2022**	**31 December 2021**
Assets			
Cash and current accounts	5.935.387	3.777.381	3.499.696
Deposits at banks	2.405.345	2.990.468	3.829.297
Financial assets at fair value through profit or loss	5.254.764	5.103.480	5.278.126
Financial assets measured at amortised cost	2.237.707	2.236.488	2.235.268
Fixed assets held for sale	3.655.933	-	-
Inventories	195.890	172.281	179.853

lei	31 December 2023	31 December 2022	31 December 2021
Other assets	509.275	1.007.516	840.247
Tangible and intangible assets	19.935.457	24.131.641	23.367.215
Total assets	**40.129.758**	**39.419.255**	**39.229.702**
Liabilities			
Trade payables	653.944	645.351	529.764
Other liabilities	1.431.605	482.382	446.340
Deferred tax liabilities	1.683.862	-	-
Total liabilities	**3.769.411**	**1.127.733**	**976.104**
Equity			
Share capital	31.078.307	31.078.307	31.078.307
Reserves from revaluation of tangible assets	9.092.142	14.273.716	14.439.568
Retained earnings	(3.810.102)	(7.060.501)	(7.264.277)
Total equity	**36.360.347**	**38.291.522**	**38.253.598**
Total equity and liabilities	**40.129.758**	**39.419.255**	**39.229.702**

Taking into account the interest rates in the market, significantly lower than the inflation rate, as well as the liquidities available, in 2018 the company purchased fund units issued by the closed-end fund Star Value, with a total value of approx. 5 million lei, with exposure to issuers traded on the Bucharest Stock Exchange, specially to the issuers that constitute the BET FI Index.

With the entry into force of IFRS 9 Financial Instruments, the Company has classified the fund units as financial assets at fair value through profit or loss, which implies the inclusion in the statement of comprehensive income of realized or unrealized gains or losses from holding the fund units.

On 25.10.2023 CASA DE BUCOVINA – CLUB DE MUNTE S.A. signed the land exchange contract with Orasul Gura Humorului, in accordance with the EGSM resolution on 16.08.2023.

In the Extraordinary General Shareholders Meeting of CASA DE BUCOVINA – CLUB DE MUNTE S.A. on 16.08.2023, shareholders approved the exchange of the following immovable properties owned by the company: (i) land with an area of 25.490 sqm, located in Gura Humorului, Arinis Dendrological Park, urban land, registered in the Land Registry no. 45051 of Gura Humorului city, Suceava county, having cadastral no. 45051; (ii) land with an area of 46.486 sqm, located in Gura Humorului, Arinis Dendrological Park, urban land, registered in the Land Registry no. 44163 of Gura Humorului city, Suceava county, having cadastral no. 44163; (iii) land with an area of 994 sqm, located in Gura Humorului, Arinis Dendrological Park, urban land, registered in the Land Registry no. 44974 of Gura Humorului city, Suceava county, having cadastral no. 44974; and (iv) land with an area of 142 sqm, located in Gura Humorului, Arinis Dendrological Park, urban land, registered in the Land Registry no. 44976 of Gura Humorului city, Suceava county, having cadastral no. 44976; with the following immovable properties owned by the City of Gura Humorului: (i) land with an area of 10.000 sqm, located in Gura Humorului, Arinis area, urban land, registered in the Land registry no. 44767 of Gura Humorului city, Suceava county, having cadastral no. 44767; (ii) land with an area of 5.000 sqm, located in Gura Humorului, Arinis area, urban land, registered in the Land registry no. 45059 of Gura Humorului city, Suceava county, having cadastral no. 45059; (iii) land with an area of 4.600 sqm, located in Voronet, Suceava county, DJ 177D, urban land, registered in the Land registry no. 45045 of Gura Humorului city, Suceava county, having cadastral no. 45045.

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 December 2023.

The main elements of the statement of comprehensive income for the last three financial years are presented in the following table:

lei	**2023**	**2022**	**2021**
Revenue from touristic services	9.338.895	8.236.852	6.010.935
Other revenue	5.854.055	14.582	522.983
Expenses with raw materials and consumables	(1.474.701)	(1.480.374)	(1.129.783)
Cost of goods sold	(1.843.678)	(1.765.531)	(1.222.603)
Expenses on services provided by third parties	(935.095)	(1.018.432)	(468.618)
Employee benefits expenses	(3.594.455)	(2.643.521)	(2.216.020)
Depreciation and impairment of tangible and intangible assets	(2.906.297)	(605.747)	(611.926)
Other expenses	(5.103.920)	(836.999)	(844.736)
Operating (loss)	**(665.196)**	**(99.170)**	**40.232**
Financial revenue	496.694	332.262	226.995
Net gain / (Net loss) from financial assets at fair value through profit or loss	151.285	(174.646)	376.171
(Loss) / Profit before tax	**(17.217)**	**58.446**	**643.398**
Tax expense	(770.187)	(20.522)	(20.522)
(Net loss) / Net profit for the financial year	**(787.404)**	**37.924**	**622.876**
Other comprehensive income			
Items that can be reclassified to profit or loss			
Increase in revaluation reserve of tangible assets	588.066	-	-
Deferred tax liability related to the revaluation reserve	94.091	-	-
Total comprehensive income for the period	**(293.429)**	**37.924**	**622.876**

Compared to the previous year, in 2023 the company registered a 13,4% increase in operating revenues, due to a 17,5% increase in revenue from hotel services, while the revenue from food&beverage grew by 10,4%.

In 2022 the company benefited from receiving state aid in the form of grants awarded through the Kurzarbeit program, which covered personnel expenses in the amount of approximately 0.26 million lei.

The company has taken measures to keep operational expenses to a minimum, by optimizing the size of operational staff, optimizing inventories, limiting energy and gas consumption, thus managing to limitat the increases in the level of expenses. Personnel expenses registered the highest increase, of 36% (on the background of the increase in personnel requirements following the increase in activity, the increase in the minimum wage in the economy and the elimination of Kurzarbeit provisions). At the same time, expenditure on goods sold registered an increase of 4,4% (below the growth rate of the revenue from the catering activity). At the same time, expenses with raw materials and consumables as well as expenses with services provided by third parties decreased by 0,4% and 8,2%, respectively.

The operational result was impacted by the registration of a net income as a result of the land exchange operation, in the amount of 1.67 million lei, as well as a net loss of 2.19 million lei, from the revaluation of tangible assets.

Thus, the company registered an operating loss of 0,67 million lei compared to an operating loss of 0,1 million lei in 2022, and the budgeted operating profit of 0,67 million lei.

The net result for 2023 was influenced by the positive financial result of 0,65 million lei, due to the interest on deposits and bonds (0,5 million lei), while marking-to-market of the fund units held led to a gain of 0,15 million lei, but also by the tax expense of 0,77 million lei, leading to a net loss of 0,79 million lei, compared to the net profit of 0,04 million lei registered in 2022.

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 December 2023.

lei	**31 December 2023**	**31 December 2022**	**31 December 2021**
I. Cash flow from operating activities			
1 – Result before taxes	**(17.217)**	**58.446**	**643.398**
2 - Adjustments for non-cash items and other items included in investing or financing activities, of which:	***675.767***	***474.755***	***55.815***
2.1. Depreciation of fixed assets	720.097	605.747	611.926
2.2. Provisions for risks and charges	36.828	26.976	62.379
2.3. Impairment of current assets	51.918	890	(14.990)
2.4. (Net gain) / net loss from the revaluation of financial assets at fair value through profit or loss	(151.285)	174.646	(376.171)
2.5. Interest income	(494.265)	(330.658)	(227.329)
2.6. (Net gain) from the sale of assets and decommisionings	(1.673.726)	(2.846)	-
2.7. Net loss from the revaluation of tangible assets at fair value,through the profit and loss account	2.186.200	-	-
3 - Changes in working capital during the period, of which:	***561.969***	***212.803***	***(77.750)***
3.1. (Increase) / Decrease in balances of trade receivables and other receivables	468.406	84.928	(326.579)
3.2. (Increase) / Decrease in inventory balance	(23.609)	7.572	(11.757)
3.3. Increase / (Decrease) in trade payables and other liabilities balances	117.172	120.303	260.586
4. Profit/Income tax paid	***(10.261)***	***(20.522)***	***(14.754)***
Net cash from operating activities(A)	**1.210.258**	**725.482**	**609.709**
II. Cash flow from investment activities			
5. Cash payments for the acquisition of tangible and intangible assets	(133.807)	(1.633.743)	(83.708)
6. Cash receipts from financial assets measured at amortized cost on their maturity	-	-	2.225.000
7. Cash payments for the acquisition of financial assets measured at amortized cost	-	-	(2.225.000)
8. Cash receipts from interest and similar	472.802	349.635	200.023
9. Net placements in deposits with a maturity of more than 3 months and less than one year	605.368	818.631	2.340.000
10. Cash receipts from the sale of tangible assets	8.830	14.123	-
Net cash from investment activities (B)	**953.193**	**(451.354)**	**2.456.315**
III. Cash flow from financing activities			
11. Dividend payments to shareholders	(1.063)	(1.599)	(4.224)
Net cash from financing activities (C)	**(1.063)**	**(1.599)**	**(4.224)**
Cash flows – Total (A+B+C)	**2.162.388**	**272.529**	**3.058.800**
Cash at beginning of period	**3.768.226**	**3.495.697**	**436.897**
Cash at end of period	**5.930.614**	**3.768.226**	**3.495.697**

5.2. Liquidity, risk and management indicators

Liquidity indicators		2023	2022
Current liquidity	Current assets / Current liabilities	10,72	15,93
Quick liquidity – acid test	(Current assets-Inventories) / Current liabilities	10,62	15,75
Risk indicators		**2023**	**2022**
Indebtedness	Debt / Equity*100	n/a	n/a
Interest coverage ratio	EBIT / Interest costs	n/a	n/a
Management indicators		**2023**	**2022**
Inventory turnover	COGS / Average inventory	10,02	6,76
Days of storage	Average inventory / COGS *365	36,44	54
Clients turnover (days)	Average clients balance / Turnover *365	9,75	9,03
Trade payables turnover (days)	Average suppliers balance / Acquired goods (without services)*365	39,39	35,00
Fixed assets turnover	Turnover / Fixed assets	0,47	0,34
Total assets turnover	Turnover / Total assets	0,23	0,21

5.3. Revenue and Expenditures Budget Execution

The main financial indicators registered in 2023, compared with the 2023 REB are presented in the following table:

	REB 2023	Actual 2023
Total revenues	9.288.546	9.338.895
Total expenses	5.253.618	5.778.886
Profit from operating activity*	**4.034.928**	**3.560.009**
General, marketing, utilities and maintenance expenses	1.947.987	2.131.172
GOP**	**2.086.941**	**1.428.837**
Expenses with the BOA, auditors, taxes, royalties, insurance	633.820	658.337
Operating result before the expenses with depreciation, repairs, modernization and provisions	**1.453.121**	**770.499**
Depreciation	687.000	720.098
Repairs and modernization expenses	100.000	169.883
Other revenue	-	5.854.055
Other expenses	-	6.399.769
Operating result	**666.121**	**-665.196**
Financial result	300.000	647.979
Gross result	**966.121**	**-17.217**

** 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*

6. Annexes

Corporate Governance Declaration

Statement of conformity

Financial statements at 31.12.2023

Notes to the financial statements at 31.12.2023

The auditor's report for the financial statements at 31.12.2023

7. Signatures

Dan Florin Marinescu
President of the Board of Administrators

Dorina Tiron
Head of Financial-Accounting Department

Status of compliance with the provisions of the new BSE Corporate Governance Code as of 31 December 2023

Code provisions	Complies	Does not comply or partially complies	Observations
SECTION A - RESPONSIBILITIES			
A.1. All companies should have internal regulation of the Board which includes terms of reference/ responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	X		
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	X		
A.3. The Board of Directors should have at least five members.	X		
A.4. The majority of the members of the Board should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board should submit a declaration that he/she is	X		

Code provisions	Complies	Does not comply or partially complies	Observations
independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment.			
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	X		The information is included in the annual report presented to the General Shareholders Meeting.
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights.	X		The information is included in the annual report presented to the General Shareholders Meeting.
A. 7. The company should appoint a Board secretary responsible for supporting the work of the Board.	X		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing		X	Implementation pending

Code provisions	Complies	Does not comply or partially complies	Observations
the purpose, criteria and frequency of the evaluation process.			
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	X		The information is included in the annual report presented to the General Shareholders Meeting.
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	X		The information is included in the annual report presented to the General Shareholders Meeting.
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		X	The Board of Administrators has assumed the charges of the nomination committee, to evaluate the candidates for position of member of BoA and to make recommendations to the GSM for their appointment
SECTION B - RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM			
B.1 The Board should set up an audit committee, and at least one member should be an independent non-executive. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	X		

Code provisions	Complies	Does not comply or partially complies	Observations
B.2. The audit committee should be chaired by an independent non-executive member.	X		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.		X	Implementation pending
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.		X	The company intends to make the necessary efforts to comply
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.		X	Under the applicable regulations, at the end of each semester, the financial auditor will analyze the reported transactions during that semester according to art. 108 of Law no. 24/2017 and will draw up a report stating whether the price, in conjunction with the rights and obligations assumed by the parties, is correct in relation to other existing offers on the market
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	X		
B.7. The audit committee should monitor the application of statutory and	X		

Code provisions	Complies	Does not comply or partially complies	Observations
generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.			
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	X		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	X		
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the audit committee.	X		
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	X		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report	X		

Code provisions	Complies	Does not comply or partially complies	Observations
functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.			
SECTION C - FAIR REWARDS AND MOTIVATION			
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	X		
SECTION D - BUILDING VALUE THROUGH INVESTORS' RELATIONS			
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	X		
D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	X		
D.1.2. Professional CVs of the members of its governing bodies, a Board	X		

Code provisions	Complies	Does not comply or partially complies	Observations
member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;			
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports);	X		
D.1.4. Information related to general meetings of shareholders;	X		
D.1.5. Information on corporate events;	X		
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request;	X		Shareholders can request information by using the e-mail adress actionari@bestwesternbucovina.ro
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semiannual, annual), auditor reports and annual reports.	X		
D.2. A company should have an annual cash distribution or dividend policy. The annual cash distribution or dividend policy principles should be published on the corporate website.		X	
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not.		X	The company intends to make the necessary efforts to comply

Code provisions	Complies	Does not comply or partially complies	Observations
The forecast policy should be published on the corporate website.			
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	X		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	X		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	X		
D . 7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and	X		

Code provisions	Complies	Does not comply or partially complies	Observations
other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.			
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.		X	The company intends to make the necessary efforts to comply
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.		X	The Company does not have yet a policy guiding the supporting of various forms of artistic and cultural expression, sport activities, educational or scientific activities

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Statement of responsibility
for the preparation of the financial statements for the year 2023

As administrators of CASA DE BUCOVINA - CLUB DE MUNTE S.A., in accordance with the provisions of the Accounting Law no. 82/1991 republished and art. 65 alin. 2, letter. c from Law no. 24/2017, we assume the responsibility for the preparation of the financial statements and confirm that:

a) To our knowledge, the annual financial statements for the year 2023 were prepared in accordance with the applicable accounting standards

b) The annual financial statements as of 31 December 2023 provide a fair view of the assets, liabilities, financial position and the profit and loss account of CASA DE BUCOVINA - CLUB DE MUNTE SA.

c) CASA DE BUCOVINA – CLUB DE MUNTE SA operates under a going concern basis.

d) The Board of Administrators' annual report for the year 2023 includes a fair analysis of the development and performance of CASA DE BUCOVINA - CLUB DE MUNTE SA, as well as description of the main risks and uncertainties specific to the activity carried out.

Dan Florin Marinescu
President of the Board of Administrators

Casa de Bucovina – Club de Munte S.A.

Financial Statements
at 31 December 2023

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

Contents

Casa de Bucovina – Club de Munte S.A.
Statement of profit or loss and other comprehensive income
for the financial year ended 31 December 2023

in lei	Note	2023	2022
Revenue from touristic services	5	9.338.895	8.236.852
Other revenue	6	5.854.055	14.582
Expenses with raw materials and consumables		(1.474.701)	(1.480.374)
Cost of goods sold		(1.843.678)	(1.765.531)
Expenses on services provided by third parties	7	(935.095)	(1.018.432)
Employee benefits expenses	8	(3.594.455)	(2.643.521)
Depreciation and impairment of tangible and intangible assets	9	(2.906.297)	(605.747)
Other expenses	10	(5.103.920)	(836.999)
Operating (loss)		**(665.196)**	**(99.170)**
Financial revenue	11	496.694	332.262
Net gain / (Net loss) from financial assets at fair value through profit or loss	12	151.285	(174.646)
(Loss) / Profit before tax		**(17.217)**	**58.446**
Tax expense	13	(770.187)	(20.522)
(Net loss) / Net profit for the financial year		**(787.404)**	**37.924**
Other comprehensive income			
Items that can be reclassified to profit or loss			
Increase in revaluation reserve of tangible assets		588.066	-
Deferred tax liability related to the revaluation reserve		(94.091)	-
Total comprehensive income for the period		**(293.429)**	**37.924**
Earnings per share	14		
Basic		**(0,0049)**	**0,0002**
Diluted		**(0,0049)**	**0,0002**

The financial statements were approved by the Board of Administrators on 22 March 2024.

Dan Florin Marinescu
President of the Board of Administrators

Tiron Dorina
Head of financial-accounting service

The notes on pages 7 to 54 are part of the financial statements.

Casa de Bucovina – Club de Munte S.A.
Statement of financial position
as at 31 December 2023

in lei	Note	31 December 2023	31 December 2022
Assets			
Cash and current accounts	15	5.935.387	3.777.381
Deposits at banks	16	2.405.345	2.990.468
Financial assets at fair value through profit or loss	17 a)	5.254.764	5.103.480
Financial assets measured at amortised cost	17 b)	2.237.707	2.236.488
Fixed assets held for sale	18	3.655.933	-
Inventories		195.890	172.281
Other assets	19	509.275	1.007.516
Tangible and intangible assets	20	19.935.457	24.131.641
Total assets		**40.129.758**	**39.419.255**
Liabilities			
Trade payables	21 a)	653.944	645.351
Other liabilities	21 b)	1.431.605	482.382
Deferred tax liabilities	22	1.683.862	-
Total liabilities		**3.769.411**	**1.127.733**
Equity			
Share capital	23 a)	31.078.307	31.078.307
Reserves from revaluation of tangible assets	23 c)	9.092.142	14.273.716
Retained earnings	23 d)	(3.810.102)	(7.060.501)
Total equity		**36.360.347**	**38.291.522**
Total equity and liabilities		**40.129.758**	**39.419.255**

Dan Florin Marinescu
President of the Board of Administrators

Tiron Dorina
Head of financial-accounting service

The notes on pages 7 to 54 are part of the financial statements.

Casa de Bucovina – Club de Munte S.A.
Statement of changes in equity
as at 31 December 2023

in lei	Share capital	Reserves from revaluation of tangible assets	Retained earnings	Total
Balance as at 1 January 2023	**31.078.307**	**14.273.716**	**(7.060.501)**	**38.291.522**
Total comprehensive income for the period				
Net result for the period			(787.404)	(787.404)
Other comprehensive income				
Increase in revaluation reserve for tangible assets, net of deferred tax		493.975		493.975
Total comprehensive income for the period	-	**493.975**	**(787.704)**	**(293.429)**
Transactions with shareholders recognized directly in equity				
Dividends to be paid				
Share capital decrease				
Total transactions with shareholders recognized directly in equity	-	-	-	-
Other changes in equity				
Transfer from revaluation reserve to retained earnings as depreciation		(4.037.803)	4.037.803	-
Liability regarding the deferred tax related to the reserve from revaluation transferred to retained earnings		646.048	-	646.048
Recognition of deferred profit tax related to revaluation reserves, as an effect of the repeal of Law no. 170/2016		(2.283.795)	-	(2.283.795)
Total other changes in equity	-	**(5.675.549)**	**4.037.803**	**(1.637.746)**
Balance as at 31 December 2023	**31.078.307**	**9.092.142**	**(3.810.102)**	**36.360.347**

Casa de Bucovina – Club de Munte S.A.
Statement of changes in equity
as at 31 December 2022

in lei	Share capital	Reserves from revaluation of tangible assets	Retained earnings	Total
Balance as at 1 January 2022	**31.078.307**	**14.439.568**	**(7.264.277)**	**38.253.598**
Total comprehensive income for the period				
Net result for the period			37.924	37.924
Other comprehensive income				
Increase in revaluation reserve for tangible assets, net of deferred tax				
Total comprehensive income for the period	-	-	**37.924**	**37.924**
Transactions with shareholders recognized directly in equity				
Dividends to be paid				
Share capital decrease				
Total transactions with shareholders recognized directly in equity	-	-	-	-
Other changes in equity				
Transfer from revaluation reserve to retained earnings as depreciation		(165.852)	165.852	-
Total other changes in equity	-	**(165.852)**	**165.852**	-
Balance as at 31 December 2022	**31.078.307**	**14.273.716**	**(7.060.501)**	**38.291.522**

Dan Florin Marinescu
President of the Board of Administrators

Tiron Dorina
Head of financial-accounting service

The notes on pages 7 to 54 are part of the financial statements.

Casa de Bucovina – Club de Munte S.A.
Statement of cash flow
for the financial year ended 31 December 2023

in lei	**Note**	**2023**	**2022**
I. Cash flow from operating activities			
1 – Profit before taxes		**(17.217)**	**58.446**
2 - Adjustments for non-cash items and other items included in investing or financing activities, of which:		***675.767***	***474.755***
2.1. Depreciation of fixed assets	9	720.097	605.747
2.2. Provisions for risks and charges		36.828	26.976
2.3. Impairment adjustments of assets		51.918	890
2.4. (Net gain) / Net loss from financial assets at fair value through profit or loss	12	(151.285)	174.646
2.5. Interest income		(494.265)	(330.658)
2.6. (Net gain /Net loss from the sale of assets and decommisionings		(1.673.726)	(2.846)
2.7. Net loss from the revaluation of tangible assets at fair value,through the profit and loss account	9	2.186.200	-
3 - Changes in working capital during the period, of which:		***561.969***	***212.803***
3.1. (Increase) / Decrease in balances of trade receivables and other receivables		468.406	84.928
3.2. (Increase) / Decrease in inventory balance		(23.609)	7.572
3.3. Increase / (Decrease) in trade payables and other liabilities balances		117.172	120.303
4. Tax paid		***(10.261)***	***(20.522)***
Net cash from operating activities (A)		**1.210.258**	**725.482**
II. Cash flow from investment activities			
5. Cash payments for the acquisition of tangible and intangible assets		(133.807)	(1.633.743)
6. Cash receipts from the sale of tangible assets		8.830	14.123
7. Cash receipts from interest and similar		472.802	349.635
8. Net placements in deposits with a maturity of more than 3 months and less than one year		605.368	818.631
Net cash from investment activities (B)		**953.193**	**(451.354)**
III. Cash flow from financing activities			
9. Dividend payments to shareholders		(1.063)	(1.599)
Net cash used in financing activities (C)		**(1.063)**	**(1.599)**
Cash flows – Total (A+B+C)		**2.162.388**	**272.529**
Cash at beginning of period		**3.768.226**	**3.495.697**
Cash at end of period		**5.930.614**	**3.768.226**

Casa de Bucovina – Club de Munte S.A.
Statement of cash flow
for the financial year ended 31 December 2023

Cash and cash equivalents include:

in lei	**Note**	**2023**	**2022**
Cash on hand		41.699	28.537
Current accounts in banks		1.115.528	1.058.906
Bank deposits with a maturity of less than 3 months		4.773.387	2.680.783
Total cash and cash equivalents	**15**	**5.930.614**	**3.768.226**

Dan Florin Marinescu
President of the Board of Administrators

Tiron Dorina
Head of financial-accounting service

The notes on pages 7 to 54 are part of the financial statements.

1. The 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 Bucharest stock exchange, II tier, with the BCM ticker, starting with 12 May 2008.

As of 31 December 2023, 73,98% of the Company is owned by SIF Muntenia SA, and 26,02% by other shareholders. Depozitarul Central Bucuresti keeps the evidence of shares and shareholders, according to the legal provisions.

Specific indicators:

Indicator	31.12.2023	31.12.2022
1. Occupancy rate	39,36%	35,73%
2. Accommodation-nights	17.959	16.249
3. Number of rooms	125	127

The statutory audit for the financial year 2023 a fost efectuat de 3B Expert Audit SRL. has been performed by 3B Expert Audit SRL. The auditor has exclusively provided financial audit services. The financial auditor’s fee for the year ended 31 December 2023 is of 29.598 lei (31.12.2022: 29.326 lei), values with VAT included.

2. Basis of preparation

(a) Declaration of conformity

The 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 prepares annual financial statements in accordance with FSA Rule 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 (FSA Rule no. 39/2015).

Starting 1 January 2018, SIF Muntenia has complied with the assesment criteria as an investment entity, in accordance with IFRS 10 "Consolidated Financial Statements." Consequently, SIF Muntenia has no longer prepared consolidated financial statements starting with the financial year 2018, with individual financial statements being the entity's only financial statements.

2. Basis of preparation (continued)

(b) Presentation of financial statements
The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the statement of financial position and a presentation of revenues and expenditures according to their nature in the statement of 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). Individual financial statements are presented in lei, rounded to the nearest leu, the currency chosen by the Company's management as presentation currency.

(d) Basis of valuation

The 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 amortized cost, revalued value or historical cost.

(e) Use of estimates and judgements
The preparation of 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 the 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 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.

Taking into account the circumstances detailed above and the ability of the shareholders to provide funds, the management of the Company elaborated these financial statements on a going concern basis.

From the analysis carried out regarding the implications of the conflict in Ukraine and of 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 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 from their settlement and conversion using the exchange rate at year-end of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss.

The exchange rates of the main foreign currencies were:

Currency	31 December 2023	31 December 2022
Euro (EUR)	1: LEU 4,9746	1: LEU 4,9474
US Dollar (USD)	1: LEU 4,4958	1: LEU 4,6346

(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 an initial maturity of less than 90 days (excluding blocked deposits).

3. Significant accounting policies (continued)

(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.

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.

As at 31 December 2023 and respectively 31 December 2022, the Company does not hold financial assets classified in this category.

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 17 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.

3. Significant accounting policies (continued)
(d) Financial assets and liabilities (continued)

(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.

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.

3. Significant accounting policies (continued)
(d) Financial assets and liabilities (continued)

(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 occured 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.

(v) 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 thr 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.

3. Significant accounting policies (continued)
(d) Financial assets and liabilities (continued)

(vi) 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;
- 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.

3. Significant accounting policies (continued)
(f) Tangible assets (continued)

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.

Land and buildings are stated at the amounts from revaluation at 31 December 2015 and 31 December 2018. The most recent revaluation was performed by the Company at 31 December 2018.

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/scrapping 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.

(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.

3. Significant accounting policies (continued)
(g) Intangible assets (continued)

(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.

(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.

3. Significant accounting policies (continued)
(h) Fixed assets held for sale (continued)

(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.

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.

3. Significant accounting policies (continued)

(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 2018.

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.

(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".

3. Significant accounting policies (continued)

(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.

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

Starting from 1 January 2023, the Company opted for the application of the profit 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. In 2023, the Company benefited from the fiscal facilities provided by GEO 153/2020, obtaining a 13% reduction in the profit tax.

In 2022, the Company applied the provisions of the Law no.170/2016 on the specific tax to certain activities, with derogation from Title II of the Fiscal Code.

In 2022, the Company applied the legal facilities related to the specific tax, as follows:

- ✓ according to GEO 11/2022 art. III whereby the specific tax was not due for a period of 180 days starting with 03.02.2022;
- ✓ GEO 153/2020 art I., the Company benefited from a 7% reduction of the specific tax.

For the other types of activities, which are not subject to the specific tax, the Company has owed in 2022 income tax according to art. 10 paragraph (1) of Law no. 170/2016 and art. 9 of the Order of the Minister of Tourism and the Minister of Public Finance no. 264/14.03.2017 / 464/17.03.2017 for the approval of the Methodological Norms for the application of Law no. 170/2017. In the years 2020-2021 both specific tax and current income tax were calculated. The items of revenue and expenses that fall under Title II "Income Tax" of the Fiscal Code related to the financial year 2022 are mainly represented by financial revenue and net losses/gains from the revaluation of financial assets at fair value through profit or loss.

At the end of the financial year 2022, from the analysis of the elements of temporary differences, it was found that they are not related to other possible economic activities, other than those falling under the provisions of Law no. 170/2016. Consequently, at 31 December 2022, the Company does not have any liabilities/receivables related to the deferred tax.

For the financial year ended 31 December 2023, the corporate tax rate was 16% (31 December 2022: 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.

3. Significant accounting policies (continued)

(u) Subsequent events

Events occurred after the financial year are those events favorable and unfavorable, that occur between the end of the financial year 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 financial year (adjusting events) are reflected in the financial statements.

Events after the financial year 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.

(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.

3. Significant accounting policies (continued)

(x) Government subsidies

The Company recognizes government grants in accordance with the provisions of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

Government grants are “government assistance in the form of transfers of resources to an entity in return for compliance, in the past or in the future, with certain conditions relating to the operating activity of the entity. Grants exclude those forms of government assistance that cannot be reasonably assigned a certain amount, as well as those transactions with the government that are indistinguishable from the entity's normal business operations. '

IAS 20 distinguishes between two types of grants: those related to assets, called investment grants, and those related to revenue.

Asset grants are “government grants for which the principal condition is that a beneficiary entity must purchase, build or otherwise acquire fixed assets. There may also be secondary conditions which restrict the type or location of the assets or the periods in which they are to be acquired or held”.

Revenue subsidies are "government subsidies other than assets."

Government grants can be accounted for in accordance with one of two approaches: the capital-based approach, in which a grant is recognized outside profit or loss, and the revenue-based approach, in which the grant is entered in the income statement, in a single exercise or in several exercises.

The company registered in the years 2020 - 2021 government subsidies on revenues. In 2023, no government subsidies were registered.

3. Significant accounting policies (continued)

(y) The implications of the new International Financial Reporting Standards (IFRS)

During the current year, the Company applied all the new standards and amendments to the International Financial Reporting Standards (IFRS), which are relevant for its operations and are in force for the accounting periods starting on January 1, 2023 approved by the European Union.

***A.* The initial application of the new amendments to the existing standards in force for the current reporting period**

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

The adoption of these amendments to the existing standards did not lead to significant changes in the financial statements of the Company.

(i) **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors -** Definition of Accounting Estimates issued by the IASB on 12 February 2021. The amendments focus on accounting estimates and provide guidance on the distinction between accounting policies and accounting estimates.

(ii) **Amendments to IAS 12 "Income tax"-** Deferred tax on receivables and payables arising from a single transaction issued by the IASB on 6 May 2021. According to the amendments, the exemption from initial recognition does not apply to transactions where differences arise temporary both deductible and taxable on initial recognition, resulting in the recognition of equal deferred tax assets and liabilities.

(iii) **Amendments to IAS 12 "Income tax"** – International Tax Reform — Model Rules on Pillar 2 issued by the IASB on 23 May 2023. The amendments introduce a temporary exception to the accounting for deferred taxes arising from jurisdictions that implement global tax rules and disclosure requirements regarding the company's exposure to income taxes arising from the reform, particularly before the legislation implementing the rules comes into force.

(iv) **Amendments to IAS 1 „Presentation of Financial Statements"** – Presentation of Accounting Policies issued by the IASB on 12 February 2021. The amendments require entities to present their material accounting policies rather than significant accounting policies and provide guidance and examples to assist authors financial statements to decide which accounting policies to present in the financial statements.

3. Significant accounting policies (continued)
(y) The implications of the new International Financial Reporting Standards (IFRS) (continued)

B. **Standards and amendments to existing standards issued by the IASB and adopted by the EU, but have not yet entered into force**

At the date of approval of these financial statements, the following amendments to the existing standards were issued by the IASB and adopted by the EU, but are not yet in force:

(i) **Amendments to IFRS 16 „Leases"** - Lease liabilities in a sale and leaseback transaction, issued by the IASB on 22 September 2022. The amendments to IFRS 16 require the seller-lessee to subsequently measure the lease liabilities arising from a leaseback transaction so that it does not recognize any gain or loss related to the retained right of use. The new requirements do not prevent the seller-lessee from recognizing gains or losses on the partial or total termination of a lease in the income statement.

(ii) **Amendments to IAS 1 "Presentation of financial statements"** - Classification of liabilities into short-term liabilities and long-term liabilities, issued by the IASB on January 23, 2020, and Amendments to IAS 1 "Presentation of financial statements" - Long-term liabilities with financial indicators issued by the IASB on October 31, 2022. The amendments issued in January 2020 provides a more general approach to the classification of liabilities provided by IAS 1 starting from the contractual agreements existing at the reporting date. The amendments issued in October 2022 clarify how conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

3. Significant accounting policies (continued)
(y) The implications of the new International Financial Reporting Standards (IFRS) (continued)

C. New standards and amendments to existing standards issued by the IASB, but which have not yet been adopted by the EU

At the date of approval of these financial statements, the following new standards and amendments to existing standards have been issued by the IASB, but have not yet been adopted by the EU:

(i) Amendments to IAS 7 "Statements of cash flows" and IFRS 7 "Financial instruments: Disclosures" – Financing arrangements in the relationship with suppliers issued by the IASB on 25 May 2023. The amendments add information requirements such as and "indicators" under existing disclosure requirements for providing qualitative and quantitative information on financing arrangements in relation to suppliers.

(ii) A Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Convertibility issued by the IASB on 15 August 2023. The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not it is convertible.

(iii) Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures"- Sale of or contribution of assets between an investor and its associates or joint ventures, issued by the IASB in 11 September 2014. The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when the assets sold or contributed represent an enterprise.

(iv) IFRS 14 "Deferral accounts related to regulated activities" issued by the IASB on January 30, 2014. This standard is intended to allow entities that adopt IFRS for the first time, and which currently recognize deferred accounts related to regulated activities according to accounting policies previously generally accepted, to continue to do so when transitioning to IFRS.

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the Company's financial statements in the future.

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.

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.

4. Accounting estimates and significant judgments (continued)

Fair value hierarchy (continued)

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

31 December 2022

In Lei	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss			5.103.480	5.103.480

For the year ended 31 December 2023, 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 5.254.764 lei (31.12.2022: 5.103.480 lei) (Note 17 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 525.476 lei at 31 December 2023 (31 December 2022: 510.348 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. Details regarding the classification of financial assets and liabilities are presented in Note 26.

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.

Measurment 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:

- 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.

4. Accounting estimates and significant judgments (continued)

Tehnici de evaluare
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.

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 in 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 in 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 in 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.

5 Revenue from touristic services

	2023	2022
Revenue from hotel services	3.910.468	3.328.922
Revenue from catering (restaurant, bar)	5.024.591	4.549.720
Revenue from SPA, playgrounds, various	129.047	132.327
Revenue from rental	274.789	225.883
Total	**9.338.895**	**8.236.852**

6 Other revenue

	2023	2022
Other revenue *)	5.854.055	14.582
Total	**5.854.055**	**14.582**

*) During 2023, at the initiative of Gura Humorului City Hall, based on LCD no. 70/12.05.2023 and EGSM of 16.08.2023, published in Official Gazette, Part IV no. 4143/19.09.2023, a land exchange was carried out between the lands owned by the Company and the lands in the Private Domain of Gura Humorului City Hall. As a result of this transaction, the Company recorded expenses related to the transferred assets in the amount of 4,178,848 Lei (Note 10), and income from the transfer of assets in the amount of 5,852,573 Lei.

7 Third party expenses

	2023	2022
Third party expenses	843.260	887.813
Expenses with repairs and maintenance	91.835	130.619
Total	**935.095**	**1.018.432**

8 Personnel expenses

	2023	2022
Salaries	3.095.559	2.491.551
Expenses with social security and social protection	119.916	116.386
Expenses with meal tickets	378.980	294.095
Income from operating subsidies (i)	-	(258.511)
Total	**3.594.455**	**2.643.521**

(i) The Company benefited in 2022 of technical unemployment in the amount of 258.511 lei based on GEO 30/2020 Art XI.

The average number of employees in 2023 was of 65 (2022: 61), and the effective number of employees as of 31 December 2023 is of 66 (31 December 2022: 62).

9 **Expenses with the depreciation and amortization of tangible assets**	**2023**	**2022**
Expenses with depreciation	720.097	605.747
Expenses from revaluation of tangible assets *)	2.186.200	-
	2.906.297	**605.747**

10 Other expenses

	2023	**2022**
Expenses with taxes and similar	429.153	418.362
Expenses with commissions and fees	233.162	172.405
Postal and telecommunications expenses	47.160	48.667
Marketing expenses	5.024	11.685
Expenses with bank services and similar	22.816	26.632
Expenses with insurance premiums	29.366	30.409
Operating expenses with the adjustment for the impairment of current assets	51.918	890
Operating expenses with provisions	36.828	26.976
Expenses with assets disposed of*)	4.178.848	9.023
Expenses with granted donations	11.000	24.000
Travel expenses	2.946	5.607
Expenses with compensations, fines and penalties	21.581	8.373
Expenses with royalties, management and rental locations	34.118	53.970
Total	**5.103.920**	**836.999**

*) During 2023, at the initiative of Gura Humorului City Hall, based on LCD no. 70/12.05.2023 and EGSM of 16.08.2023, published in Official Gazette, Part IV no. 4143/19.09.2023, a land exchange was carried out between the lands owned by the Company and the lands in the Private Domain of Gura Humorului City Hall. As a result of this transaction, the Company recorded expenses related to the transferred assets in the amount of 4,178,848 Lei and income from the transfer of assets in the amount of 5,852,573 Lei (Note 6).

11 Financial revenue

	2023	**2022**
Revenues from interest received	494.265	330.658
Net gain/(Net loss) from FX differences	2.429	1.477
Other financial revenue	-	127
Total	**496.694**	**332.262**

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

	2023	**2022**
Net gain /(Net loss) from the revaluation of financial assets at fair value through profit or loss (Note 17 a)	151.285	(174.646)
Total	**151.285**	**(174.646)**

13 Income tax expense

		2023	2022
a)	**Current income tax**		
	Expense with the current income tax	(818.161)	-
	Expenses with the specific tax	-	(20.522)
		(818.161)	**(20.522)**
	Deferred income tax		
	Expense from deferred income tax	47.974	-
		47.974	**-**
	Total	**(770.187)**	**(20.522)**

b) Reconciliation of the effective tax rate:

	2023	2022
(Loss) / Profit before tax	**(17.217)**	**89.293**
Profit tax in accordance with the statutory tax rate of 16%	**(2.755)**	**14.287**
Effect on corporate income tax:	**772.942**	**83.902**
Legal reserve	-	(468)
Items similar to income	646.048	3.244
Non-taxable income	(24.334)	-
Non-deductible expenses	402.071	2.082
Sponsorships	(11.000)	-
Temporary differences	(47.974)	-
Fiscal loss from the previous	(69.615)	(88.760)
Rebates GEO 153/2020	(122.254)	-
Specific tax	**-**	**20.522**
Income tax	**770.187**	**-**
Fiscal loss to be recovered in the following years when calculating the profit tax (Note 3 (s))	**-**	**(435.095)**

13. Income tax expense (continued)

c) Evolution of deferred income tax

As at **31 December 2023** the evolution of deferred income tax is presented as follows:

	Impact in profit and loss	Impact in reserves	31 December 2023
Deferred income tax - passive			
Reserves from revaluation of tangible assets		1.731.837	1.731.837
Prepaid expenses related to the inflated cost for the land concession due during the concession period.		16.798	16.798
		1.748.634	***1.748.634***
Deferred income tax - asset			
Adjustments for the depreciation of customer receivables	(28.282)		(28.282)
Adjustments for the depreciation of various debtors	(2.114)		(2.114)
Provisions for risks and expenses	(34.377)		(34.377)
	(64.772)	**-**	***(64.772)***
Net deferred tax	**(64.772)**	**1.748.634**	**1.683.862**

As at 31 December 2022, the Company does not appear with debts / receivables with deferred tax, the Company's activity being under the incidence of the specific tax according to Law no. 170/2016, and under the incidence of profit tax are mainly financial revenue and the loss / net gain from the revaluation of financial assets at fair value through profit or loss (Note 3 s)).

14 Earnings per share

	2023	2022
Profit attributable to ordinary shareholders	(787.404)	37.924
Weighted average number of ordinary shares	162.319.412	162.319.412
Basic earnings per share	**(0,0049)**	**0,0002**

15 Cash and current accounts

	31 December 2023	31 December 2022
Current accounts	1.115.528	1.058.906
Cash	41.699	28.537
Deposits with a maturity of less than 3 months	4.773.387	2.680.783
Other values	4.773	9.155
Total	**5.935.387**	**3.777.381**

The current accounts at banks are always at Company's disposal and are not restricted, except for the amount of 53.982 Lei (2022: 42.085 Lei) representing personnel collateral.

16 Bank deposits

	31 December 2023	31 December 2022
Bank deposits with a maturity higher than 3 months and less than a year (i)	2.341.000	2.946.368
Receivables attached	64.345	44.100
Total	**2.405.345**	**2.990.468**

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

a) Bank deposits at **31.12.2023**

Deposit account	Deposit value	Deposit period			Interest rate	Days until 31.12.2023	Accumulated interest for the period LEI
1	2	3			4	5	6
Raiffeisen Bank	30.000	29.11.2023	-	03.01.2024	5.30%	30	132.50
Raiffeisen Bank	40.000	29.11.2023	-	03.01.2024	5.30%	30	176.67
Raiffeisen Bank	50.000	29.11.2023	-	03.01.2024	5.30%	30	220.83
Raiffeisen Bank	30.000	29.11.2023	-	03.01.2024	5.30%	30	132.50
Raiffeisen Bank	40.000	29.11.2023	-	03.01.2024	5.30%	30	176.67
Raiffeisen Bank	30.000	28.12.2023	-	28.01.2024	5.30%	4	17.67
Raiffeisen Bank	40.000	31.10.2023	-	31.01.2024	6.00%	30	200.00
Raiffeisen Bank	60.000	31.10.2023	-	31.01.2024	6.00%	30	300.00
Raiffeisen Bank	20.000	03.11.2023	-	03.02.2024	6.00%	30	100.00
Raiffeisen Bank	100.000	24.11.2023	-	25.02.2024	6.00%	8	133.33
Raiffeisen Bank	100.000	20.12.2023	-	20.03.2024	6.00%	12	200.00
Raiffeisen Bank	150.000	19.12.2023	-	19.03.2024	6.00%	13	325.00
Raiffeisen Bank	200.000	19.12.2023	-	19.03.2024	6.00%	13	433.33
Raiffeisen Bank	200.000	19.12.2023	-	19.03.2024	6.00%	13	433.33
Raiffeisen Bank	200.000	20.12.2023	-	20.03.2024	6.00%	12	400.00
Raiffeisen Bank	100.000	31.10.2023	-	31.01.2024	6.00%	30	500.00
Raiffeisen Bank	60.000	28.11.2023	-	28.02.2024	6.00%	4	40.00
Raiffeisen Bank	49.746	31.10.2023	-	31.01.2024	1.00%	30	42
Raiffeisen Bank	49.746	31.10.2023	-	31.01.2024	1.00%	30	42
Raiffeisen Bank	24.873	30.10.2023	-	29.01.2024	1.00%	4	3
Raiffeisen Bank	49.747	29.12.2023	-	29.01.2024	0.75%	3	3
Libra Bank	269.408	29.12.2023	-	31.01.2024	5.00%	3	110.72
Libra Bank	218.513	29.12.2023	-	29.03.2024	5.35%	3	94.29
Libra Bank	134.788	31.10.2023	-	31.01.2024	5.25%	62	1,202.02
Libra Bank	277.838	19.10.2023	-	19.01.2024	5.35%	74	3,013.59
Libra Bank	257.257	19.10.2023	-	19.01.2024	5.35%	74	2,790.36
Subtotal deposits LEI	***2.781.916***						***11.221,74***

16 Bank deposits (continued)

a) Bank deposits at **31.12.2023 (continued)**

Deposit account	Deposit value	Deposit period			Interest rate	Days until 31.12.2023	Accumulated interest for the period LEI
1	**2**	**3**			**4**	**5**	**6**
Vista Bank	250.000	21.11.2023	-	21.11.2024	6.50%	11	496.53
Vista Bank	327.000	22.11.2023	-	22.11.2024	6.50%	10	590.42
Vista Bank	254.000	21.11.2023	-	21.11.2024	6.50%	11	504.47
Vista Bank	250.000	14.11.2023	-	14.11.2024	6.50%	18	812.50
Vista Bank	250.000	14.11.2023	-	14.11.2024	6.50%	18	812.50
Vista Bank	250.000	14.11.2023	-	14.11.2024	6.50%	18	812.50
Vista Bank	305.000	14.11.2023	-	14.11.2024	6.50%	18	991.25
Vista Bank	215.000	12.12.2023	-	12.12.2024	6.50%	20	776.39
Vista Bank	240.000	12.12.2023	-	12.12.2024	6.50%	20	880.00
Garanti Bank	259.074	07.09.2023	-	07.03.2024	7.00%	116	5,757.80
Garanti Bank	259.074	07.09.2023	-	07.03.2024	7.00%	116	5,757.80
Garanti Bank	259.074	07.09.2023	-	07.03.2024	7.00%	116	5,757.80
Garanti Bank	259.074	07.09.2023	-	07.03.2024	7.00%	116	5,757.80
Garanti Bank	193.787	15.09.2023	-	15.03.2024	7.00%	108	4,009.33
Garanti Bank	222.719	21.08.2023	-	21.02.2024	7.00%	133	5,676.55
Garanti Bank	269.334	21.08.2023	-	21.02.2024	7.00%	133	6,864.67
Garanti Bank	269.334	21.08.2023	-	21.02.2024	7.00%	133	6,864.67
Subtotal deposits LEI	***4.332.471***						***53.122,96***
Total deposits LEI	***7.114.387***						***64.344,70***

The bank deposits registered by the Company on 31 December 2023 are in the amount of 7.114.387 Lei (31 December 2022: 5.627.151 Lei), of which 2.341.000 Lei represent bank deposits with a maturity of more than 3 months and less than one year (31 December 2022: 2.946.368 lei), and 4.773.387 Lei (31 December 2022: 2.680.783 Lei) represent bank deposits with a maturity of less than 3 months.

16 Bank deposits (continued)

b) Bank deposits at **31.12.2022**

Deposit account	Deposit value	Deposit period			Interest rate	Days until 31.12.2022	Accumulated interest for the period LEI
1	2	3			4	5	6
Raiffeisen Bank	30.000	30.12.2022	-	30.01.2023	5,2%	1	4,33
Raiffeisen Bank	40.000	30.12.2022	-	30.01.2023	5,2%	1	5,78
Raiffeisen Bank	50.000	30.12.2022	-	30.01.2023	5,2%	1	7,22
Raiffeisen Bank	30.000	02.12.2022	-	03.01.2023	5,2%	30	130,04
Raiffeisen Bank	30.000	02.12.2022	-	03.01.2023	5,2%	30	130,04
Raiffeisen Bank	40.000	02.12.2022	-	03.01.2023	5,2%	30	173,38
Libra Bank	255.417	30.12.2022	-	31.01.2023	5,5%	2	76,98
Libra Bank	206.369	30.12.2022	-	31.03.2023	6,25%	2	70,67
Libra Bank	127.000	31.10.2022	-	31.01.2023	6,25%	62	1.348,29
Libra Bank	100.000	19.04.2022	-	19.04.2023	4,15%	257	2.922,05
Libra Bank	200.000	19.04.2022	-	19.04.2023	4,15%	257	5.844,11
Libra Bank	200.000	19.04.2022	-	19.04.2023	4,15%	257	5.844,11
Vista Bank	250.000	21.11.2022	-	21.11.2023	7,70%	31	1.657,64
Vista Bank	300.000	21.11.2022	-	22.05.2023	8,75%	41	2.989,58
Vista Bank	250.000	21.11.2022	-	21.11.2023	7,70%	31	1.657,64
Vista Bank	250.000	14.11.2022	-	14.11.2023	7,70%	31	1.657,64
Vista Bank	250.000	14.11.2022	-	14.11.2023	7,70%	31	1.657,64
Vista Bank	250.000	14.11.2022	-	14.11.2023	7,70%	31	1.657,64
Vista Bank	250.000	14.11.2022	-	14.11.2023	7,70%	31	1.657,64
Vista Bank	200.000	12.12.2022	-	12.06.2023	8,75%	20	972,22
Vista Bank	240.000	12.12.2022	-	12.12.2023	7,60%	20	1.013,33
Garanti Bank	250.000	07.12.2022	-	07.03.2023	7,00%	25	1.198,63
Garanti Bank	250.000	07.12.2022	-	07.03.2023	7,00%	25	1.198,63
Garanti Bank	250.000	07.12.2022	-	07.03.2023	7,00%	25	1.198,63
Garanti Bank	250.000	07.12.2022	-	07.03.2023	7,00%	25	1.198,63
Garanti Bank	153.000	15.12.2022	-	15.03.2023	7,00%	17	498,82
Garanti Bank	205.000	15.12.2022	-	15.03.2023	7,00%	17	668,36
Garanti Bank	254.726	18.11.2022	-	20.02.2023	7,50%	45	2.355,34
Garanti Bank	210.913	18.11.2022	-	20.02.2023	7,50%	45	1.950,22
Garanti Bank	254.726	18.11.2022	-	20.02.2023	7,50%	45	2.355,34
Total deposits LEI	***5.627.151***						***44.100,58***

17 Financial assets

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

At 31 December 2023 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 151.285 Lei (31 December 2022: a net oss of 174.646 Lei) (Note 12).

FIA Star Value	**31 December 2023**	**31 December 2022**
Fair value	5.254.764	5.103.480
Total	**5.254.764**	**5.103.480**

	31 December 2023	**31 December 2022**
Number of fund units	4.691,00	4.691,00

b) *Financial assets valued at amortized cost*

	31 December 2023	**31 December 2022**
Bonds	2.225.000	2.225.000
Receivables attached	12.707	11.488
Total	**2.237.707**	**2.236.488**

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 31.12.2023 is 12.707 lei (31.12.2022: 11.488 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).

18 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 ianuarie 2023	Inflows	Outflows	31 December 2023
Cost	-	3.655.933	-	3.655.933
Adjustments for impairment	-	-	-	-
Net value	**-**	**3.655.933**	**-**	**3.655.933**

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

19 Other assets

	31 December 2023	31 December 2022
Trade receivables (i)	225.527	294.471
Prepayments (ii)	144.125	155.009
Other receivables (iii)	139.623	558.036
Total	**509.275**	**1.007.516**

(i) Trade receivables	**31 December 2023**	**31 December 2022**
Clients	395.120	405.587
Adjustments for impairment of client receivables	(176.761)	(124.842)
Suppliers – debtors for goods and services	7.168	13.726
Total	**225.527**	**294.471**

(ii) Prepayments	**31 December 2023**	**31 December 2022**
Concession of land – inflated cost	104.986	106.449
Value of concession of land – paid in advance	33.447	33.914
Miscellaneous	5.692	14.646
Total	**144.125**	**155.009**

(iii) Other receivables	**31 December 2023**	**31 December 2022**
Receivables from the State budget	69.164	437.473
Various debtors	83.384	94.543
Adjustments for the impairment of various debtors	(13.210)	(13.210)
Other personnel receivables	35	-
Non-repayable loans in the nature of grants (**)	-	38.980
Other financial assets (***)	250	250
Total	**139.623**	**558.036**

19 Other assets (continued)

* Based on GEO no. 132 / 07.08.2020 on support measures for employees and employers in the context of the COVID-19 pandemic and for stimulating employment growth, the Company benefited in 2021 from the settlement of a part of the salaries supported from the unemployment insurance budget in the amount of 244,480 lei, collecting until 31 December 2021 the amount of 159,374 lei and 85,106 lei collected on 19.01.2022 and 07.02.2022, respectively.

In 2022, the Government approved through GEO no. 73/2022 for the completion of GEO no. 132/2020, the extension until December 31, 2022, of the application of financial support measures to reduce working time, intended for both employers and other economic entities that are faced with a decrease in production as a result of the international economic crisis, generated by the increase in inflation and the decrease in purchasing power, but also in the context of the armed conflict in Ukraine. The Kurzarbeit program was initiated by the Government in the context of the epidemiological situation determined by the spread of the SARS-CoV-2 coronavirus, applying during the state of emergency/alert, but also for 3 months after its termination, respectively until June 8 of that year , but no later than 31 December 2022. Thus, based on these regulations, the Company benefited in 2022 from the settlement of a part of the salaries borne from the unemployment insurance budget in the amount of 258,511 lei, from which the sum of 219,531 lei was collected in 2022. In 2023 the amount of 38.980 lei was collected.

**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.

20. Tangible and intangible assets
A. Tangible assets

a) Evolution of tangible assets in the financial year **2023**

in lei	Land	Buildings	Technical equipment and vehicles	Other equipment machinery and furniture	Tangible assets in progress	Total
Gross book value						
31 December 2022	**10.255.586**	**14.303.413**	**2.998.305**	**773.852**	**12.171**	**28.343.327**
Inflows			14.111		78.946	**93.057**
Prepayments					21.408	**21.408**
Increases from revaluation through reserves	504.310	83.756				**588.066**
Decreases from revaluation through profit and loss	(2.186.200)					**(2.186.200)**
Cancellation of accumulated depreciation		(2.245.667)				**(2.245.667)**
Land exchange	1.663.285					**1.663.285**
Transfer to assets held for sale	(3.655.933)					
Outflows			(74.042)			**(74.042)**
31 December 2023	**6.581.048**	**12.141.502**	**2.938.374**	**773.852**	**112.525**	**22.547.301**
Cumulated depreciation						
31 December 2022	**-**	**(1.788.835)**	**(1.915.706)**	**(510.528)**	**-**	**(4.215.069)**
Inflows		(456.832)	(217.808)	(43.424)		**(718.064)**
Cancellation of accumulated depreciation		2.245.667				**2.245.667**
Outflows			74.042			**74.042**
31 December 2023	**-**	**-**	**(2.059.472)**	**(553.952)**	**-**	**(2.613.424)**
Net book value						
31 December 2022	**10.255.586**	**12.514.578**	**1.082.599**	**263.324**	**12.171**	**24.128.258**
31 December 2023	**6.581.048**	**12.141.502**	**878.902**	**219.900**	**112.525**	**19.933.877**

20. Tangible and intangible assets (continued)
A. Tangible assets (continued)

b) Evolution of tangible assets in the financial year **2022**

in lei	Land	Buildings	Technical equipment and vehicles	Other equipment machinery and furniture	Tangible assets in progress	Total
Gross book value						
31 December 2021	**10.255.586**	**13.799.880**	**2.173.929**	**767.512**	**12.171**	**27.009.078**
Inflows		503.533	842.376	29.929	1.320.152	**2.695.990**
Closed prepayments					(1.320.152)	**(1.320.152)**
Outflows			(18.000)	(23.589)		**(41.589)**
31 December 2022	**10.255.586**	**14.303.413**	**2.998.305**	**773.852**	**12.171**	**28.343.327**
Cumulated depreciation						
31 December 2021	**-**	**(1.338.531)**	**(1.833.045)**	**(481.503)**		**(3.653.081)**
Inflows		(450.304)	(100.661)	(43.590)		**(594.555)**
Outflows			18.000	14.567		**32.567**
31 December 2022	**-**	**(1.788.835)**	**(1.915.706)**	**(510.528)**		**(4.215.069)**
Net book value						
31 December 2021	**10.255.586**	**12.461.349**	**340.884**	**286.007**	**12.171**	**23.355.997**
31 December 2022	**10.255.586**	**12.514.578**	**1.082.599**	**263.324**	**12.171**	**24.128.258**

c) The breakdown of revaluation reserves, as of 31.12.2023 compared with 31.12.2022, is the following:

Activ	**Value of revaluation reserves as of 31.12.2023 LEI**	**Value of revaluation reserves as of 31.12.2022 LEI**
Buildings	4.725.218	4.806.702
Land	6.098.760	9.467.014
Gross revaluation reserve	**10.823.978**	**14.273.716**
Deferred tax	**(1.731.837)**	**-**
Revaluation reserve net of deferred tax	**9.092.142**	**14.273.716**

d) The value of plots of land held by the Company as of 31.12.2023 representing the revalued amount as at 31.12.2023, determined by the independent valuer and 31.12.2022 is the revalued amount at 31.12.2018, determined by the independent valuer CMF Consulting S.R.L

LEI

	Area (sqm) at 31.12.2023	**Area (sqm) at 31.12.2022**	**Value as of 31.12.2023**	**Value as of 31.12.2022**
Land	**99.542**	**172.654**	**6.581.048**	**10.255.586**

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

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

20. Tangible and intangible assets (continued)
A. Imobilizări corporale (continuare)

e) The value of the buildings held by the Company as of 31.12.2023 representing the revalued amount as at 31.12.2023, determined by the independent valuer and 31.12.2022 is the revalued amount at 31.12.2018, determined by the independent valuer CMF Consulting S.R.L

		LEI
	Value as of 31.12.2023	**Value as of 31.12.2022**
Buildings	**12.141.502**	**14.303.413**

f) 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))** :

		LEI
	31 December 2023	**31 December 2022**
Land	6.326.170	790.322
Buildings	13.142.913	13.142.913
Total	**19.460.083**	**13.933.235**

g) 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.

h)) Evolution of **tangible assets in progress** as of 31.12.2023:

				LEI
Tangible assets in progress	**Balance at 01.01.2023**	**Inputs**	**Receptions**	**Balance at 31.12.2023**
Arinis Inn, annex	12.171	-	-	12.171
Hotel		78.946	-	78.946
TOTAL	**12.171**	**78.946**	**-**	**91.117**

20. Tangible and intangible assets (continued)
B. Intangible assets

Other intangible assets amounting to **91.211 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.

Evolution of intangible assets in the financial year 2023

in lei	**Intangible assets**
Gross book value	
31 December 2022	**90.979**
Inflows	232
Outflows	-
31 December 2023	**91.211**
Cumulated depreciation	
31 December 2022	**(87.596)**
Inflows	(2.035)
Outflows	-
31 December 2023	**(89.631)**
Net book value	
31 December 2022	**3.383**
31 December 2023	**1.580**

Evolution of intangible assets in the financial year 2022

in lei	**Intangible assets e**
Gross book value	
31 December 2021	**87.619**
Inflows	3.360
Outflows	-
31 December 2022	**90.979**
Cumulated depreciation	
31 December 2021	**(76.402)**
Inflows	(11.194)
Outflows	-
31 December 2022	**(87.596)**
Net book value	
31 December 2021	**11.217**
31 December 2022	**3.383**

21 Trade payables and other liabilities

a) Trade payables

	31 December 2023	31 December 2022
Trade payables	557.982	540.602
Advance payments received	95.963	104.749
Total	**653.944**	**645.351**

b) Other liabilities

	31 December 2023	31 December 2022
Liabilities to the State budget	143.033	110.068
Creditors and other payables	80.939	78.535
Payables to employees	174.115	115.750
Revenue in advance	500	-
Current tax to be paid	818.161	-
Provisions*	214.857	178.029
Total	**1.431.605**	**482.382**
Deferred income tax (Note 22)	**1.683.862**	**-**
Total general	**3.769.411**	**1.127.733**

* The provisions as of **31 December 2023** are as follows:
- 512 lei provision for bonuses to employees for the 2012 results, not granted;
- 26.677 lei provision for unused leave for the year 2022;
- 187.668 lei provision for unused leave for the year 2023.

* The provisions as of **31 December 2022** are as follows:
- 512 lei provision for bonuses to employees for the 2012 results, not granted;
- 23.412 lei provision for unused leave for the year 2021;
- 154.105 lei provision for unused leave for the year 2022.

22 Deferred income tax

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

	Assets	Liabilities	Net
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)
Total	**10.738.994**	**214.857**	**10.524.137**
Temporary net differences			**10.524.137**
Deferred income tax liabilities			**1.683.862**

The balance of the deferred income tax recognized directly through the reduction of equity on 31 December 2023 is 1.731.837 lei (31 December 2022: 0 lei), being generated entirely by tangible fixed assets valued at revalued value.

As at 31 December 2022, from the analysis of the elements of temporary differences, it was found that they are not related to other possible economic activities, other than those falling under the provisions of Law no. 170/2016. Consequently, at 31 December 2022, the Company does not have any liabilities/receivables related to the deferred tax.

23. Capital and reserves

a) Share capital

As at **31.12.2023** 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

31 December 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
Total	**162.319.412**	**16.231.941**	**100,00**

31 December 2022	Number of shares	Amount (LEI)	(%)
SIF Muntenia S.A.	112.400.276	11.240.028	69,25
Legal entities	25.748.411	2.574.841	15,86
Individuals	24.170.725	2.417.072	14,89
Total	**162.319.412**	**16.231.941**	**100,00**

Reconciliation of share capital

	31 December 2023	31 December 2022
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
Total share capital and capital premium	**31.078.307**	**31.078.307**

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.

23. Capital and reserves (continued)

b) Own shares

Based on the FSA Decision no. 1121/10.09.2019 approving the public tender offer to buy shares issued by the Company, SSIF Muntenia Global Invest SA acting as an intermediary, the Company acquired 5.020.188 shares representing 3% of the share capital at the offer price 0,0825 lei/share , value of the offer 414.165,51 lei, during the offer period 17.09.2019 - 30.09.2019. 27.064.830 shares were subscribed from 26 shareholders, with an allocation index of 18.54%. The redemption costs amounted to 12.820 lei. The company proceeded to the decrease of the share capital with these redeemed own shares, registering a capital decrease in the amount of 520.019 lei (5.020.188 shares * the nominal value of 0,1 lei / share).

The 5.020.188 repurchased and canceled shares have the value of 502.018,80 lei at the nominal value of 0,1 lei / share, and the inflated value is of 808.792,80 lei.

c) Reserves from the revaluation of tangible assets

These reserves account for the cumulative net modifications of the fair value of land and buildings.
Reserves from the revaluation of tangible assets are presented at the net value of the related deferred tax (the value of the deferred tax is zero as at 31.12.2022, considering the destination of the revalued buildings for the activity subject to the specific tax).

d) Reported result

Item	**31 December 2023**	**31 December 2022**
Legal reserves	689.195	689.195
Other reserves	1.085.589	1.085.589
Reported result, of which:	4.995.215	922.410
Reported result representing the surplus made from revaluation reserves - to be apportioned	3.872.563	-
Reported result related to the adoption for the first time of IAS 29	(9.792.697)	(9.792.697)
Current result	(787.404)	37.924
Profit distribution	-	(2.922)
Total reported result	**(3.810.102)**	**(7.060.501)**

e) 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 December 2023 is of 689.195 lei, and as of 31 December 2022 is 689.195 lei.
The legal reserves cannot be distributed to shareholders.

f) Other reserves

Other reserves amounting to **1.085.589 lei**, as at 31 December 2023 (31 December 2022: 1.085.589 lei), represent amounts distributed from the net profit related to the 2006-2019 financial years:

- 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;
- 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;

23. Capital and reserves (continued)

g) Dividends

The value of the net dividends remaining to be distributed on 31.12.2023 is of 64.748 lei (31.12.2022 : 65.811 lei), from the dividends distributed in 2015, 2016, 2017 and 2019.

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.

h) Distribution of the net result

The Board of Administrators of the company submitsto the General Shareholders Meeting the coverage of the net loss registered in the financial year 2023, amounting to 787.404,15 lei from:

- the reported result representing undistributed profit achieved in previous years in the amount of 341.561,20 lei;
- the difference of 445.842,95 lei from the reported result representing the surplus made from revaluation reserves for the lans taken exchanged by the Company through the exchange contract 319/2023 in the amount of 3.872.562,73 lei.

24 Related parties

a) Key management personnel

	31 December 2023	31 December 2022
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

	31 December 2023	31 December 2022
Members of executive management	Tamaș Ion Romică - General Manager –01-01-15.01 and 01.09 -31.12.2023	Tamas Ion Romica - General Manager
	Prosciuc Doina - General Manager – 16.01.2023 – 31.08.2023	Tiron Dorina – Head of financial-accounting service
	Tiron Ioana Dorina - Head of financial-accounting service	Ghisovan Stefan – F&B Manager
	Ghișovan Ștefan - F&B Manager	Prosciuc Doina – Sales Manager
	Prosciuc Doina - Sales Manager 01.01-15.01; 01.09.2023 – 31.12.2023	Simota Analaura-Iuliana – Accommodation Manager
	Sava Mihai – Technic 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 December 2023	31 December 2022
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
Total	**195.681**	**195.681**

c) Transactions with the key management personnel:

	31 December 2023	31 December 2022
Salaries paid to management	565.187	530.248
Remunerations paid to the members of the Board of Administrators	102.600	102.600

The Company has not concluded pension commitments with former members of the Board of Administrators of with former managers and has not approved credits to the members of executive management of 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 17 b).

25. Commitments

The Company has no capital commitments as of 31 December 2023 and 31 December 2022.

26. Financial assets and liabilities

Accounting classifications and fair values

The table below summarizes the book values and the fair values of the Company's financial assets and liabilities as of **31 December 2023**:

	Fair value through profit or loss	Amortized cost	Total book value	Fair value
Cash and cash equivalents		5.935.387	5.935.387	5.935.387
Deposits at banks		2.405.345	2.405.345	2.405.345
Financial assets at fair value through profit or loss	5.254.764		5.254.764	5.254.764
Financial assets at amortized cost		2.237.707	2.237.707	2.237.707
Other financial assets		509.275	509.275	509.275
Total financial assets	**5.254.764**	**11.087.714**	**16.342.478**	**16.342.478**
Trade payables and similar	-	653.944	653.944	653.944
Other financial liabilities	-	1.431.605	1.431.605	1.431.605
Total financial liabilities	**-**	**2.085.549**	**2.085.549**	**2.085.549**

The table below summarizes the book values and the fair values of the Company's financial assets and liabilities as of **31 December 2022**:

	Fair value through profit or loss	Amortized cost	Total book value	Fair value
Cash and cash equivalents		3.777.381	3.777.381	3.777.381
Deposits at banks		2.990.468	2.990.468	2.990.468
Financial assets at fair value through profit or loss	5.103.480	-	5.103.480	5.103.480
Financial assets at amortized cost		2.236.488	2.236.488	2.236.488
Other financial assets		1.007.516	1.007.516	1.007.516
Total financial assets	**5.103.480**	**10.011.853**	**15.115.333**	**15.115.333**
Trade payables and similar	-	645.351	645.351	645.351
Other financial liabilities	-	482.382	482.382	482.382
Total financial liabilities	**-**	**1.127.733**	**1.127.733**	**1.127.733**

For the estimation of the fair value of the financial assets and liabilities measured at amortized cost, the Company used the following estimations and made the following significant judgments: for the elements of cash and cash equivalents, of other assets and financial liabilities issued or held for very short terms and which in general do not carry interest or have a fixed interest rate, the Company has approximated their fair value as their cost; for financial assets valued at amortized cost, the Company used valuation techniques such as discounted cash flows, using observable market data (therefore, the valuation was performed using level 3 techniques).

27. Subsequent events

Through the Current Report published on 05.03.2024, the Company informs the shareholders and investors on the decission of the Board of Administrators on 04.03.2024, to to convene the Extraordinary General Shareholders Meeting for the date 08/09.04.2024, having on the agenda the approval of the pproving the transfer of the company's hotel and tourism activity, respectively the assets and liabilities related to the hotel and tourism activity, 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.

28. 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 December 2023 a significant portion of the Company’s assets 23,27% (2022: 19,92%) 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:

Fixed rate instruments	**31 December 2023**	**31 December 2022**
Bank deposits	7.114.387	5.627.151
Bonds	2.225.000	2.225.000
Total	**9.339.387**	**7.852.151**

28. Financial risk management (continued)
Management of significant risks (continued)
(a) Market risk (continued)
(ii) Interest rate risk (continued)

The Company does not hold instruments with a variable interest rate. The interest rates on its cash deposits range between 0,75% and 1,00% FX-denominated deposits, and betweed 5,3% and 7,00% for RON-denominated deposits in 2023 (2022: 4,15% and 8,75%), and for the bonds held the interest rate is 4% p.a.

The impact on the net income of the Company to a change of +/-1% in the interest rate of the RON-denominated variable interest-bearing assets and liabilities is of +/- +/- 93.394 lei as of 31 December 2023, respectively +/- 78.522 lei as of 31 December 2022.

(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

(c) 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.

he maximum exposure of the Company to the credit risk amounts to 10.896.867 lei as of 31.12.2023 (31.12.2022: 9.818.904 lei).

Book value	**31 December 2023**	**31 December 2022**
Trade receivables and other current assets, out of which:	**364.900**	**852.258**
- *Trade receivables*	*218.359*	*280.745*
- *Suppliers-debtors*	*7.168*	*13.726*
- *Receivables various debtors*	*70.174*	*81.334*
- *Receivables with the State budget*	*69.164*	*437.473*
- *Other receivables*	*35*	-
- *Non-repayable loans*	-	*38.980*
Bonds	**2.237.707**	**2.236.488**
Cash and bank deposits, out of which:	**8.294.260**	**6.730.157**
- *Vista Bank (fosta Marfin Bank)*	*2.355.564*	*2.250.626*
- *Raiffeisen Bank*	*2.242.094*	*1.040.121*
- *Garanti Bank*	*1.991.592*	*2.085.042*
- *Libra Bank*	*1.158.498*	*1.088.877*
- *Trezoreria Suceava*	*271.724*	*133.150*
- *Banca Transilvania*	*202.664*	*61.332*
- *BCR*	*7.779*	*26.910*
- *Interest for deposits*	*64.345*	*44.100*
TOTAL	**10.896.867**	**9.818.904**

28. Financial risk management (continued)
Management of significant risks (continued)
(b) Credit risk (continued)

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.

Losses from impairment
The analysis of the number of days of delay for trade receivables and other receivables:

31 December 2023	**Gross value**	**Impairment**
in lei		
Current and overdue between 0 and 30 days	128.461	
Overdue between 31 and 60 days	23.257	
Overdue between 61 and 90 days	31.179	
Overdue between 91 and 180 days	37.779	
Overdue between 181 and 360 days	75.025	
More than 360 days	189.971	(189.971)
Total	**485.672**	**(189.971)**

31 December 2022	**Gross value**	**Impairment**
in lei		
Current and overdue between 0 and 30 days	143.801	
Overdue between 31 and 60 days	44.524	
Overdue between 61 and 90 days	74.412	
Overdue between 91 and 180 days	75.150	
Overdue between 181 and 360 days	37.916	
More than 360 days	138.053	(138.053)
Total	**513.856**	**(138.053)**

(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.

28. Financial risk management (continued)
Management of significant risks (continued)
(c) Liquidity risk (continued)

Generally, the company ensures that it has enough cash to cover its operating expenses. The following table presents the residual maturity of the Company's financial assets and liabilities, including the estimated interest payments:

31 December 2023	Book value	Under 3 months	Between 3 and 12 months	Over 1 year	No default maturity
Financial assets					
Cash	1.162.000	1.162.000			
Deposits at banks	7.178.732	4.837.732	2.341.000		
Bonds	2.237.707	12.707	2.225.000		
Fund units	5.254.764				5.254.764
Other assets	509.275	509.275			
Total financial assets	**16.342.478**	**6.521.714**	**4.566.000**	**-**	**5.254.764**
Financial liabilities					
Trade payables	653.944	653.944			
Provisions for risks and expenses	214.857	214.857			
Other liabilities	1.216.748	1.216.748			
Total financial liabilities	**2.085.549**	**2.085.549**			
Liquidity surplus	**14.256.929**	**4.436.165**	**4.566.000**	**-**	**5.254.764**

31 December 2022	Book value	Under 3 months	Between 3 and 12 months	Over 1 year	No default maturity
Financial assets					
Cash	1.096.598	1.096.598			
Deposits at banks	5.671.251	2.724.883	2.946.368		
Bonds	2.236.488	11.488		2.225.000	
Fund units	5.103.480				5.103.480
Other assets	1.007.516	1.007.516			
Total financial assets	**15.115.333**	**4.840.485**	**2.946.368**	**2.225.000**	**5.103.480**
Financial liabilities					
Trade payables	645.351	645.351			
Provisions for risks and expenses	178.029	178.029			
Other liabilities	304.353	304.353			
Total financial liabilities	**1.127.733**	**1.127.733**	**-**	**-**	**-**
Liquidity surplus	**13.987.600**	**3.712.752**	**2.946.368**	**2.225.000**	**5.103.480**

28. 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.

Dan Florin Marinescu	**Tiron Dorina**
President of the Board of Administrators	**Head of financial-accounting service**

Translation from the original document in Romanian

Independent Auditor report

To the shareholders of CASA DE BUCOVINA - CLUB DE MUNTE SA

Report on the audit of financial statements

Opinion

We have audited the annexed Financial Statements of **CASA DE BUCOVINA – CLUB DE MUNTE SA** (hereinafter referred to as „the **Company**”), headquartered in Gura Humorului, 18 Piata Republicii street, registered with the National Trade Register under no. J33/718/1998 and fiscal registration code RO 10376500, which include the statement of financial position as of **December 31st, 2023**, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow, for the financial year ended on this date, as well as a summary of significant accounting policies and explanatory notes.

The financial statements as of **December 31st, 2023** are identified as follows:

Net Asset/Total shareholders’ equity	36.360.347 lei
(Net loss) for the financial year	(787.404) lei

In our opinion, the financial statements give a true and fair view of the Company's financial position as of **December 31st, 2023**, as well as of the financial performance and cash flows for the financial year ended at this date, in accordance with the Order of the Minister of Public Finance no. 2.844/12.12.2016 for the approval of the accounting Regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions.

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation no. 537/2014 of the Parliament and of the European Council (hereinafter "the **Regulation**") and Law no. 162/2017 ("the **Law**"). Our responsibilities under these standards are described in detail in the "*Auditor's Responsibilities in an Audit of Financial Statements*" section of our report. We are independent from the Company, according to the Ethical Code of Professionals issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), according to the ethical requirements that are relevant for the audit of the Romanian financial statements, including the Regulation and the Law, and we have fulfilled the ethical responsibilities, according to these requirements and according to the IESBA Code. We believe that the audit samples we have obtained are sufficient and adequate to provide a basis for our opinion.

Audit key aspects

Key audit aspects are those aspects that, based on our professional judgment, have been of the greatest importance for the audit of the current period's financial statements. These aspects have been addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them and we do not provide a separate opinion on these key aspects.

<table>
<tr><td colspan="2">Valuation financial assets valued at fair value through profit or loss</td></tr>
<tr><td colspan="2">As of 31st December, 2023, the Company owns financial assets at fair value through profit or loss amounting to 5.254.764 lei, representing fund units. The net gain from the revaluation of financial assets at fair value through profit or loss recognized in the financial year 2023 is of 151.285 lei.</td></tr>
<tr><td colspan="2">We refer to the following notes:
Note 3 d) "Significant accounting policies. Financial assets and liabilities"
Note 17 a) "Financial assets at fair value through profit or loss"</td></tr>
<tr><td>Key audit aspects</td><td>Approach within the audit mission</td></tr>
<tr><td>As of 31st December, 2023, the Company owns fund units issued by Fondul Inchis de Investitii Star Value, managed by SAI Star Asset Management, valued at a fair value of 5.254.764 lei.

For these financial assets included in Level 3 of the fair value hierarchy, the Company uses the valuation techniques mentioned in Note 3.

Valuation techniques based on unobservable parameters require a significant level of analysis and estimation from the Company's management to determine fair value.

We considered the valuation of these financial assets as a key audit issue considering the significant judgments and estimates to be made in the valuation process.</td><td>Our audit procedures included:

- We have tested the key controls the Company has implemented to prevent, detect and correct errors that may occur in the process of the valuation of financial assets;

- We received a confirmation letter from the Fund Manager regarding the fund units held by the Company and the fair value of the fund units;

- We assessed the Company's fair value estimates by analyzing the valuation of the assets held by the fund;

- We have assessed the proper fit within the hierarchy of the fair value;

- We have assessed how the notes to the financial statements present fairly and accurately the issues related to the valuation of the financial assets according to the relevant financial reporting framework.</td></tr>
</table>

Other information – Administrators' report and Remuneration report

Administrators are responsible for preparing and presenting other information. That other information include the Administrators' Report but does not include the financial statements and the auditor's report.

Our opinion on the financial statements does not cover this other information, and unless otherwise stated in our report, we do not express any assurance conclusion about it.

Regarding the audit of the financial statements for the year ended as of **31st December, 2023**, it is our responsibility to read that other information and, in this regard, to assess whether that other information is materially inconsistent with the financial statements or with the knowledge we have acquired during the audit, or if they appear to be materially distorted.

Regarding the Remuneration Report, we have read and we report whether it has been prepared, in all material respects, in accordance with the provisions of Law 24/2017 on issuers of financial instruments and market operations ("**Law 24/2017**"), para. no. 106 and 107.

On the sole basis of the activities that must be performed during the audit of the financial statements, in our opinion:

a) The information presented in the Administrators' Report for the financial year for which the financial statements were prepared is consistent, in all material respects, with the financial statements;
b) The Administrators' Report was prepared, in all the significant aspects, in accordance with the Order of the Minister of Public Finance no. 2.844/12.12.2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as subsequently amended and supplemented, Annex 1, Chapter 3, paragraphs 15-20.
c) The Remuneration Report was prepared, in all the significant aspects, in accordance with the provisions of Law 24/2017, para. no. 106 and 107.

In addition, based on our knowledge and understanding of the Company and its environment, acquired in the course of our audit of the financial statements for the year ended as of 31st December, 2023, we are required to report whether we have identified significant misstatements in the Administrators' Report and in the Remuneration Report. We have nothing to report on this aspect.

The responsibility of the management and the persons responsible with the governance for the financial statements

The management of the Company is responsible for the preparation of financial statements that provide a true and fair view in accordance with the Order of the Minister of Public Finance no. 2,844/12.12.2016 for the approval of accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions, and for the internal compliance that management deems necessary to enable the preparation of the financial statements, free of material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its business, for presenting, where appropriate, business continuity related aspects and for using of business continuity accounting, unless the management intends to liquidate the Company or to stop its operations, or has no realistic alternative besides these.

The persons responsible for the governance are responsible for supervising the financial reporting process of the Company.

Auditor's responsibility in a financial statements audit

Our objectives are to obtain a reasonable assurance on whether the financial statements, as a whole, are free from material misstatement, whether caused by fraud or by error, as well as to issue an auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but there is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement, if any. Distortions can be caused either by fraud or error and are considered significant if it can be expected, reasonably, that they, individually or cumulated, will influence the economic decisions of users, taken on the basis of these financial statements.

As part of an ISA-compliant audit, we exert professional reasoning and maintain professional skepticism during the entire process. We also:

- Identify and evaluate risks that could cause significant distortion of financial statements, caused either by fraud or error, prepare and execute audit procedures in response to different risks and we obtain adequate audit evidence in order to provide a basis of our opinion. The risk of not detecting a significant distortion caused by fraud is higher than the risk of not detecting a distortion caused by error because fraud can involve collusion, forgery, intentional omissions, false statements or internal control avoidance.
- Understand relevant internal controls for the audit, used to prepare auditing procedures that are adequate given the circumstances, but without expressing an opinion on the effectiveness of the Company's internal control procedures.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and presentations of information prepared by the management.
- Submit a conclusion regarding the adequacy of management's use of accounting on a going concern basis and determine, based on audit evidence obtained, if there is significant uncertainty regarding the events or conditions that may cast significant doubt on the Company's ability to continue its activity. If we conclude that there is significant uncertainty, we must report it in the auditor's report on the presentation of financial statements or, in the case these presentations are not adequate, to modify our opinion. Our conclusions rely on the audit evidence obtained before the date of the audit report. However, future events or conditions may cause the Company not to be able to continue operations on a going concern basis.
- Assess the overall presentation, structure and content of financial statements, including disclosures and to the extent that the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

We communicate to the persons responsible for governance, among other things, the planned area and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, which we identify during the audit.

Furthermore, we provide to the persons responsible with the governance a statement that we met the professional and ethics requirements on independence and that we communicated them all the relationships and other aspects that can be considered, under reasonable assumptions, to impact our independence and, if the case may be, the related protection measures.

Of all issues reported to the persons responsible for corporate governance, we decide on the most important ones for the audit of the current financial statements and, accordingly, represent key aspects of the audit. We describe these issues in the auditor's report, unless law or regulations prohibit public dissemination of the issue, or if, under extremely rare circumstances, we believe that a matter should not be disclosed in our report because the benefits to the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

Report on Other Legal and Regulatory Provisions

We have been appointed by the Ordinary General Meeting of the Shareholders on April 28, 2020 to audit the financial statements of **CASA DE BUCOVINA – CLUB DE MUNTE SA** for the financial year ended 31 December, 2023. The total uninterrupted term of our commitment is 4 years, covering the financial years ending 31 December 2020 to 31 December 2023

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company, which we issued on the same date that we issued this report. Also, in conducting our audit, we have kept our independence from the audited entity.
- We did not provide for the Company prohibited non-audited services referred to in Article 5 (1) of EU Regulation no. 537/2014.

Report on compliance with Commission Delegated Regulation (EU) 2018/815 ("Technical Regulatory Standard on the European Single Electronic Reporting Format" or "ESEF")

We have performed a reasonable assurance mission on the compliance of the financial statements prepared by the entity of **CASA DE BUCOVINA - CLUB DE MUNTE SA** included in the annual financial report presented in the digital file “n3dspCM42y4iSr8=” with the Delegated Regulation (EU) 2018/815 of the Commission.

Responsibility of the management of CASA DE BUCOVINA - CLUB DE MUNTE SA for the digital files prepared in accordance with ESEF

The Company's management is responsible for preparing the digital file in accordance with ESEF: This responsibility include:

- designing, implementing and maintaining the internal control relevant for the application of ESEF;

- ensuring the consistency between the digital file and the financial statements that will be published in accordance with Order 2844/2016 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions.

The persons responsible for governance are responsible for overseeing the preparation of the digital file in accordance with ESEF.

Auditor's responsibility for auditing Digital Files

We are responsible for expressing a conclusion regarding the extent to which the financial statements included in the annual financial report are in accordance with ESEF, in all material respects, based on the evidence obtained. Our reasonable assurance assignment was performed in accordance with International Assurance Standards 3000 (revised) "Other assurance assignments than audits or revisions of historical financial information" ("**ISAE 3000**") issued by the International Auditing and Assurance Standards Board.

A reasonable assurance mission in accordance with ISAE 3000 requires procedures to be performed to obtain evidence of ESEF compliance. The nature, timing, and extent of the selected procedures depend on the auditor's reasoning, including the assessment of the risk of material misstatement of the ESEF provisions, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the process of preparing digital files in accordance with ESEF, including relevant internal controls;

- reconciliation of digital files that include marked data with the audited financial statements of the Company that will be published in accordance with Order 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions;

- assessing whether all financial statements that are included in the annual financial report are prepared in a valid XHTML format.

We consider that the evidence obtained is sufficient and adequate to provide a basis for our conclusion. In our opinion, the financial statements for the financial year ended 31.12.2023 included in the annual financial report, in the digital files are, in all significant aspects, in accordance with the ESEF Regulation.

In this section we do not express an audit opinion, a revision conclusion or any other assurance on the financial statements. Our audit opinion on the Company's financial statements for the financial year ended 31.12.2023 is included in the section Report on the audit of annual financial statements.

Badiu Dan-Andrei

registered in the electronic public register of financial auditors and audit firms under number 4426/2012

For and on behalf of:

3B Expert Audit S.R.L.

registered in the electronic public register of financial auditors and audit firms under number 73/2001

Bucharest, Romania

25 March 2024

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