

Certified translation from Romanian

EXTRAJUDICIAL EXPERT ACCOUNTING REPORT

The undersigned IVAȘCU GHEORGHE, chartered accountant, holder of the chartered accountant's book no. 1788/2009, registered in the C.E.C.C.A.R. Constanta Branch, have drawn up this expert report, based on the service contract no. 168/02.11.2023.

This service contract concerns the verification of the project for the division of SC TURISM, HOTELURI, RESTAURANTE Marea Neagră SA, division established by the decision of the Board of Directors 53/02.11.2023.

CHAPTER I

INTRODUCTION

PARAGRAPH I

SC THR Marea Neagră SA has its registered office in Mangalia, 29 Lavrion street, Constanta county, and has an unlimited life.

Phone number 0241752452/0241755559. Unique registration code at the Trade Register Office 2980547.

Trade register number J13/696/1991.

Subscribed and paid-up share capital 57600848,70 lei, divided into 576008490 shares.

Tax registration code RO2980547.

Website: www.thrmareaneagra.ro

The regulated market on which the issued securities are traded is BURSA DE VALORI BUCUREȘTI (market symbol: EFO).

THR Marea Neagra does not hold any repurchased shares.

1. ACTIVITY DESCRIPTION

a) The company operates in Romania and is not present in other geographical markets. The company's main activity, according to the classification is CAEN code 5510 "Hotels and similar accommodation facilities", i.e. the provision of accommodation, food services, spa treatment and tourist entertainment services.

The company operates through its workplaces located in the tourist resorts of national interest: Eforie Nord, Eforie Sud, Neptun, Venus and Saturn, being among the main companies in the country.

The company also has hotel establishments located in the market with well-established national positions.

The activity has a seasonal character, determined by the period of holidays and stays on the Romanian Black Sea coast.

b) Date of establishment of the company

The trading company was established on 05.03.1991 under the name SC EFORIE SA

The company changed its name from Eforie SA to T.H.R. Marea Neagră SA in 2005, according to the decision of the delegated judge at the Constanta Trade Register Office number 10.687/24.01.2005, and during 2010, the company moved its registered office to Mangalia, 29 Lavrion street, Constanta county.

THR Marea Neagra has a unitary system of management, with a Board of Directors managing the company in 2022.

c) Description of significant mergers and reorganisations

In 2022, there were no mergers or judicial reorganisations.

d) Description of acquisitions and/or disposals of assets

in 2022, the company acquired a Beach Bar located on the beach of Eforie Nord, in the immediate vicinity of the Vraja Mării complex, which belongs to THR.

General evaluation elements:

a) Total income: 69.842.412 lei

b) Total costs: 74.803.872 (less the current, deferred income tax and specific tax, totalling 1.501.684 lei);

c) Gross profit/loss: (4.961.460) lei

d) Turnover: 45.383.547 lei

e) Available in the account: 382.174 lei

f) Export: n/a

The concentration of revenue in a limited period of the year (June-August) usually involves temporary financing of activities from attracted sources, i.e. bank loans, which are repaid as revenue is received for the current financial year.

Company valuation

Description of the main products and/or services provided, specifying:

(a) the main markets for each service and the methods of distribution-

in the year 2022, THR Marea Neagră SA operated under direct management a number of 4.648 accommodation places and 2.745 catering places, located in tourist resorts on

the Romanian Black Sea coast in establishments classified as 4*, 3* and 2*, according to the classification certificates in force at the date of this project.

Our main products are accommodation, catering and leisure packages (spa, swimming pools, cold mud baths).

An important distribution channel is online sales through specialised websites, with only a small part of sales on their own account, accommodation services being mostly sold by tour operators.

Direct sales at hotel receptions, especially at weekends, have a significant share of sales.

b) Revenue structure by main service categories:

Indicators	BVC THR 31.12.2022	Made 31.12.2022	Made 31.12.2021	Index made 31.12.2022/BVC 31.12.2022	Index made 31.12.2022/actual 31.12.2021
Total income	55.327.726	69.842.412	120.473.334	126,23%	57,97%
Total turnover, of which:	55.183.226	45.383.547	45.893.102	82,24%	98,89%
Accommodation	31.758.100	19.482.655	25.328.182	61.35%	76,92%
Catering	15.171.900	8.195.021	12.261.524	54,01%	66,84%
Rentals	6.503.226	8.048.579	5.422.965	123,76%	148,42%
Other income	1.750.000	9.657.291	2.880.431	551,85%	335,27%

within the total revenue of 2022, the turnover amounts to 45.383.547 lei, which represents a reduction of 1,11% compared to the turnover of the previous year (45.893.102 lei) and a reduction of 17,76% compared to the approved budget for 2022.

The revenues that make up the turnover in 2022 were generated from the following activities:

- Accommodation
- Catering
- Active rents
- Other additional income-services: parking, swimming pool entrance fee, beach chair rental, etc.

The largest share in the turnover structure is represented by the revenue from accommodation activities at 42.93%.

Income from catering represents 18,06% of turnover, income from active renting accounts for 17.73%.

As regards the "Other income" group reflected in the turnover, made by carrying out secondary activities such as parking, swimming pool entrance fee, beach chair rental, etc., totals 9.657.291 lei, i.e. a share of 21.28%, a share given by income from food services provided by third parties, in the amount of 8.349.320 lei.

PERSONNEL MATTERS

As regards human resources in 2022 compared to 2021, the evolution is as follows:

Crt. no.	Indicator	No. at 31.12.2022	Average no. in 2022	Average no. in 2021
A	No. of permanent staff of which:	39	39	85
	a) Staff Tesa	25	25	34
	b) Operational staff	14	14	51
B	No. of seasonal staff	37	156	187
	TOTAL STAFF	76	195	272

Compared to 2021, in 2022 the average number of seasonal staff will decrease by 66.78%, due to a decrease in the number of employees, to the later opening of accommodation and catering establishments and to the provision of catering services by third parties (such as the Cleopatra-Narcis, Aida and Brad restaurants).

The dynamic situation of gross wages and the efficiency indicator - labour productivity - is as follows:

Crt. no.	Indicator	2022	2021	Index 2022/2021 (%)
1	Gross salary expenses (less salaries of members of the Board of Directors and directors with mandate) (lei)	14.433.114	13.315.651	108,39%
2	Average number of employees	195	272	71,69%
3	Turnover (lei)	45.383.547	45.893.102	98,89%
4	Labour productivity (lei/employee)	232.736,14	168.724,64	137,94%

Expenditure on gross wages and salaries increased by 8.39% on account of the increase in salary levels for seasonal employees and at the expense of meal vouchers and seasonal staff.

In terms of the efficiency of the use of human resources as measured by labour productivity, it will increase by 37.94% in 2022 compared to 2021.

Compared to the average gross salary level on the economy of 6.095 lei, the average gross salary level recorded on the company is 6.159,47 lei, which is 1.06% higher.

Relations between managers and employees, regulated by the Collective Labour Agreement, are based on communication, involvement and team spirit, respecting the working rules and procedures established by the ROI, the job description.

The financial statements as at 31.12.2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accrual accounting principle and the going concern principle have been applied in the preparation of the financial statements.

The company declares that it has prepared annual financial statements for the financial year ended 31.12.2022 in accordance with International Financial Reporting Standards, as adopted by the European Union, applicable to companies whose securities are admitted to trading on a regulated market pursuant to the Order of the Minister of Public Finance No 881/2012 and the Order of the Minister of Public Finance No 2844/2016 as amended.

The company's accounting records are stated in lei in accordance with IFRS as adopted by the European Union.

In accordance with IAS 29 and IAS 21, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the measuring unit current at the date of the financial statements, i.e. non-monetary items should be restated using a general price index at the date of acquisition or

contribution. IAS 29 states that an economy is considered hyperinflationary if, among other factors, the cumulative inflation index exceeds 10% over a 3-year period.

Consequently, as at 31.12.2015, the company restated its share capital in accordance with IAS 29, by reconstructing the evolution of the capital and reserves from establishment to 2003 (with the exact date of the source) with the application of inflation indices.

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on the measurement of the nature and liquidity of assets within the statement of financial position and a presentation of income and expenses by nature within the statement of comprehensive income, believing that these methods of presentation provide information that is more relevant than other methods that would have been permitted by IAS 1.

Basics of evaluation

The financial statements are prepared using the cost method, except for land, buildings, investment property, assets held for sale, etc., which are revalued at fair value. The fair value method is applied except for assets or liabilities for which the fair value cannot be reliably determined.

The valuation of assets and liabilities was carried out as follows:

- Inventories are valued at the lower of cost and net realisable value.
- Tangible fixed assets are initially valued
 - i) at the acquisition cost, for those purchased against payment;
 - ii) at the contribution value, for those received as a contribution in kind for the creation/increase of share capital;
 - iii) at fair value at the date of acquisition, for those received free of charge.

For subsequent recognition, the revaluation model has been adopted at company level.

- Intangible assets were initially measured at cost. After recognition, intangible assets are accounted for on the basis of cost-based model, i.e. at their cost less any depreciation and any accumulated impairment losses.
- Investment property (buildings and land) is determined at fair value by an independent valuer by:
 - i) determining the replacement value;
 - ii) estimation of the accumulated depreciation
 - iii) determination of the residual value of the building
 - iv) direct comparison method by reference to existing prices in a similar and comparable market in the area.
- Financial investments are recognised at cost.

- Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell, less transaction costs.
- Cash and cash equivalents are stated in the balance sheet at cost.

2.3 Accounting policies specific to certain standards and interpretations contained in IFRS.

Based on the provisions of each individual Standard, the company has developed accounting policies that comply with them. where the Standards provide for alternatives or exceptions, the policies chosen have been established.

The Company has applied the following International Financial Reporting Standards in 2022 with the implied changes to the Company's accounting policies.

IAS 1- Presentation of Financial Statements:

Fundamental accounting principles, structure and content of financial statements, required line items and the notion of true and fair view, supplemented by amendments applicable from 1 January 2013.

IAS 2 - Inventories:

Definition of the accounting treatment applicable to inventories in the historical cost system: valuation (first-in-first-out, weighted average cost and net realisable value) and the scope of allowable costs.

IAS 7 - Cash Flow Statements:

Analysis of cash changes, classified into three categories: operating flows, investment flows, financing flows.

IAS 8-Accounting Policies, Changes in Accounting Estimates and Errors:

Defining the classification, disclosures and accounting treatment of certain items in the income statement.

IAS 10 - Events after the balance sheet date:

Provisions relating to the taking into account of post-closing items: definitions, time limits, and conditions of application, particular cases (dividends)

IAS 12 - Income tax:

Definition of the accounting treatment of income taxes and detailed provisions on deferred taxes, supplemented by amendments applicable from 1 January 2013.

IAS 16 – Tangible fixed assets:

Principles and date of accounting for assets, determination of their book value and principles relating to the accounting for depreciation.

IAS 19 - Employee benefits:

Principles of accounting and disclosure of employee benefits: short and long-term benefits, post-employment benefits, equity benefits and termination benefits, with revisions made in 2011 applicable from 1 January 2013.

IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance:

Principles of accounting and disclosure of direct or indirect public aid (clear identification, notion of fair value, link to subsidised fixed assets, etc.).

IAS 21 - The Effects of Changes in Foreign Exchange Rates:

Defining the accounting treatment of foreign operations, foreign currency transactions and the translation of a foreign entity's financial statements.

IAS 23 - Borrowing costs:

Definition of the accounting treatment of borrowing costs in the value of qualifying assets.

IAS 24 - Related Party Disclosures:

Detailed information on relationships and transactions with related parties (legal entities and individuals) that exercise control or significant influence over one of the group's companies or management.

IAS 26 - Accounting and Reporting of Retirement Benefit Plans:

Definition of principles of assessment and information on pension schemes (funds), distinguishing between defined contributions and defined benefit schemes.

IAS 28 - Investments in Associates:

Definition of valuation and disclosure principles for investments in associates other than those held by:

- a) venture capital organisations; or
- b) mutual funds, closed-end funds and similar entities, including insurance funds with an investment component, that on initial recognition are deemed to be at fair value through profit or loss or are classified as held for trading and accounted for in accordance with IAS 39 - Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit or loss in the period of change.

IAS 29 - Financial reporting in hyperinflationary economies:

Reconstitution of changes in share capital and reserves.

IAS 32 - Financial Instruments: Overview:

Presentation rules (classification of debt/equity, expenditure or income/equity).

IAS 33 - Earnings per share:

Principles of determining and representing earnings per share.

IAS 36 - Impairment of Assets:

Key definitions (recoverable amount, fair value less costs to sell, value in use, cash-generating units), timing of impairment testing, accounting for impairment, case of goodwill.

IAS 37-Provisions, contingent liabilities and contingent assets:

Definition of provisions and estimation methods, particular cases analysed (of which, the issue of restructuring)

IAS 38- Intangible assets

Definition and accounting treatment of intangible assets, recognition and measurement policies on the treatment of research and development expenditure, etc.

IAS 40 - Investment Property:

Choice between two valuation methods: fair value or amortised cost, transfers between different categories of assets, etc.

IFRS 1- First-time Adoption of International Financial Reporting Standards:

Procedures for the publication of financial statements in accordance with IAS/IFRS, optional exceptions and mandatory exceptions to the retrospective application of IAS/IFRS, supplemented by amendments applicable from 1 January 2013.

IFRS 5- Non-current assets held for sale and discontinued operations:

Definition of a trading asset and abandonment, valuation of these items.

IFRS 7 - Financial instruments: disclosures:

Financial reporting related to financial instruments mainly concerns:

- i) information about the significance of financial instruments
- ii) information on the nature and extent of risks arising from financial instruments, supplemented by amendments applicable from 1 January 2013.

IFRS 9 - Financial Instruments:

Incorporates the requirements for classification and measurement, impairment, general hedge accounting and recognition of financial instruments, issued in July 2014, effective on or after 1 January 2018.

IFRS 12 - Disclosure of Interests in Other Entities:

Requires an entity to disclose information that will enable users of its financial statements to evaluate: the nature and risks associated with the interests held in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 - Fair Value Measurement:

Defining fair value, establishing a single IFRS framework for measuring fair value, requiring fair value disclosures.

IFRS 5 - Revenue from contracts with customers:

Its objective is to establish the principles that an entity should apply to report information useful to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It applies to an entity's first annual IFRS financial statements for the period beginning on or after 1 January 2018, having been published in May 2014 and adopted by the European Union in September 2016, with an effective date in the EU from 1 January 2018.

IFRS 16-Leases:

It aims to standardise the recognition of finance and operating leases in order to improve comparability in the financial statements of entities using different types of leases.

Presentation currency and functional currency.

The financial statements are presented in Romanian lei (RON), rounded to the nearest RON, which is the reference currency. Romanian Leu being both the functional and presentation currency.

Transactions and balances

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date. Monetary assets and liabilities recorded in foreign currency at the date of the balance sheet are converted into functional currency at the exchange rate on that day.

The exchange rates of the main foreign currencies were:

	31 December 2022	31 December 2021
EUR	4,9474	4,9486
USD	4,3735	4,6346

Currency transactions are recorded in the accounts both in foreign currency and in lei (RON). The following accounting policies apply:

- the conversion of transactions from a foreign currency into the functional currency (RON) is carried out on the basis of the exchange rate in force on the date on which the transactions take place;
- cash, receivables and payables recorded in a currency other than the Romanian Leu, existing in balance at the end of a financial year, shall be valued at the exchange rate communicated by the National Bank of Romania for the last banking day of the year.

Foreign exchange gains and losses arising from the settlement of transactions denominated in other currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement as part of the financial result.

Translation differences relating to non-monetary items, such as equity securities, are reported as follows:

- As part of the gain or loss on fair value adjustment for equity securities held for trading purposes;
- Included in equity in the fair value reserve under available-for-sale equity securities.

Materials in the nature of inventory items

According to the Decision of the Board of Directors no. 78/16.12.2022 and the report of the financial-accounting department no. 6527/08.12.2022, starting from 2022, the procedure for the recognition of stocks of inventory items is modified as follows:

- Inventory items-goods of a stock nature whose value of VAT-free purchase is up to 2.500 lei and the useful life is less than one year, in which case the expenditure will be charged when the goods are put into use;
- Inventory items in the nature of fixed assets-goods in the nature of stocks with a purchase value excluding VAT of up to 2,500 lei and a useful life of more than one year, in which case goods which cumulatively meet this condition will be gradually expensed over a standard period of 3 years, starting from the month in which they are put into use, on the basis of a schedule drawn up for each individual good.

Tangible fixed assets

Recognition assessment

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost.

Tangible fixed assets are initially valued at acquisition cost (for those acquired for consideration), contribution value (for those received as a contribution in kind when forming/increasing share capital) or fair value at the date of acquisition (for those received free of charge).

Evaluation after recognition

For subsequent recognition, the revaluation model has been adopted at company level, where the value of the revalued asset is its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

Revaluations should be made with sufficient regularity to ensure that the carrying amount is not materially different from what would have been determined using the fair value at the balance sheet date. Revaluations are carried out by independent valuers certified by ANEVAR.

The revalued (surplus) value replaces the acquisition cost.

Revaluation surplus is reflected in other comprehensive income and accumulated in equity as revaluation surplus (unless the increase offsets a decrease from a previous revaluation of the same asset previously recognised in profit or loss, in which case the increase is recognised directly in profit or loss).

Revaluation losses are recognised in profit and loss (unless the decrease offsets a previous revaluation increase), accumulated in equity as revaluation surplus, in which case the reduction is recognised in other comprehensive income, reducing the revaluation surplus).

Trade receivables

Trade receivables are classified as financial assets. A financial asset is recognised in the statement of financial position when and only when the company becomes party to the contractual provisions of the instrument.

Trade receivables are stated at original invoice value less the impairment adjustment created for doubtful receivables. The amount of the impairment adjustment is calculated as the difference between the carrying amount and the recoverable amount.

Financial assets and liabilities

Classification

The Company classifies financial instruments held in the following categories:

Financial assets or financial liabilities measured at fair value through profit or loss

This category includes financial assets or financial liabilities held for trading and financial instruments classified at fair value through profit or loss on initial recognition. A financial asset or financial liability is classified in this category if it was acquired principally for speculative purposes or if it has been designated in this category by the Company's management.

Held-to-maturity investments

Held-to-maturity investments are those non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has a firm intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less impairment losses.

in the case of THR Marea Neagră SA this is not the case

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the company intends to sell immediately or in the near future.

Available-for-sale financial assets

Available-for-sale financial assets are those financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. in the case of THR Marea Neagră SA this is not the case.

Specific tax

As of 1 January 2017, the company applies the provisions of L170/2016 on the specific tax for certain activities with the main CAEN code 5510 "Hotels and similar accommodation facilities"

from the date mentioned in the previous paragraph, according to Law 170/2016 on the specific tax on certain activities, Romanian legal entities that on 31 December 2016 cumulatively met the conditions:

- had as their principal or secondary activity in their constitutive documents one of the activities corresponding to CAEN codes 5510 - 'Hotels and similar accommodation facilities', 5520 - 'Holiday and short-stay accommodation facilities', 5530 - 'Caravan parks, camping sites and trailer parks', 5590 - 'Other accommodation services', 5610 - 'Restaurants', 5621 - 'Event catering', 5629 - 'Other food service activities'.c.a.', 5630 - 'Bars and other beverage serving activities', which actually carry out activities in the areas mentioned in the previous paragraph, are not in liquidation, according to the Law, are liable to pay the tax specific to certain activities.

According to Article 5 para. 2 of the Methodological Norms for the application of Law no. 170/2016, the Company calculates the specific tax for the period of the calendar year for which it carries out its activity, the period established being that from the opening of the establishment until the last day of validity of the operating permit for the establishments in the Mangalia municipality district where operating permits are issued, and for those in the Eforie Municipality, as no operating permits are issued for hotel establishments, the whole year is taken into account.

Provisions

Provisions are liabilities that are uncertain in terms of time value placement.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. It must also be possible to estimate reliably the amount of the obligation.

If the company expects a partial or full reimbursement of the expenses required to settle a provision (e.g. through insurance contracts) it will have to:

- a) recognise a reimbursement only if it is certain that the reimbursement will be made if the company meets its obligations and the amount recognised as reimbursement will not exceed the provision;
- b) In the statement of comprehensive income, the expense relating to a provision may be disclosed after deducting the recognised amount of the reimbursement.

Provisions are not recognised for costs that are incurred in carrying on the business in the future.

The Company records provisions for onerous contracts in situations where the benefits expected to be derived from a contract are less than the unavoidable expenses associated with meeting the contractual obligations. Provisions for risks and charges are recognised when the Company has a legal or constructive obligation as a result of past events, when an outflow of resources embodying economic benefits is required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Revenue recognition

Revenues recorded by the Company are accounted for according to their nature (operational, financial).

Revenue should be measured at the fair value of the consideration received or receivable. If the transaction is financial in nature, fair value is determined

By discounting all amounts received in the future using an implicit interest rate, the difference to the book value being interest income.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the recognised recoverable expenses.

Amounts collected on behalf of third parties, such as sales taxes, goods and services taxes, and value added taxes, are not economic benefits generated for the entity and do not result in increases in equity. Therefore, they are excluded from income. Similarly, in the case of an agency agreement, gross inflows of economic benefits include amounts collected on behalf of the principal that do not result in increases in the entity's equity. Amounts collected on behalf of the principal are not income. Instead, income is the amount of commissions.

Revenue from the provision of services shall be entered in the accounts as and when it is received. The provision of services includes the execution of works and any other operations which cannot be considered as supplies of goods. The stage of completion of the work is determined on the basis of the statement of work accompanying the invoices, acceptance reports or other documents certifying the stage of completion and acceptance of the services rendered. Recognition also requires that it is probable that the economic benefits associated with the transaction will flow to the Company, that the stage of completion of the transaction at the end of the period and the costs incurred for the transaction as well as the costs to complete the transaction can be measured reliably.

Interest income is recognised using the effective interest method pro rata over the relevant period of time, based on the principal and the effective interest rate over the period to maturity, or over shorter periods if transaction costs are linked to this period, when it is determined that the company will earn such income. When unpaid interest has accrued before the acquisition of an interest-bearing investment, subsequent interest receipts are apportioned between the pre-purchase and post-purchase periods; only the post-purchase portion is recognised as income.

Income from financial fixed assets, i.e. dividends receivable from entities in which the Company holds an interest, is recognised in the Company's financial statements in the financial year in which it is approved by the General Meeting of each entity.

Also as income from financial fixed assets, the nominal value of shares received free of charge is also recorded as a result of the direct incorporation of the profit for the last period into the share capital of an entity in which a holding is held.

Shares received free of charge as a result of increases in the share capital of issuers, increases made by incorporating the current year's profit, are recorded in the accounts as dividend income at nominal value (cost) and subsequently recognised at fair value.

The proceeds from the sale/disposal of equity investments will be recognised on the date when ownership is transferred from the seller to the buyer, using settlement date accounting.

Income from trading in equity securities is recognised on a gross basis (transaction value) and income from short-term financial investment transactions is recognised on a net basis (difference between sale value and cost).

As at 31.12.2022, the company carried out a revaluation of tangible fixed assets, buildings and land.

In accordance with IAS16, paragraph 77, on the revaluation of property, plant and equipment, we present the following information:

a) the valuation was carried out on the basis of information corresponding to 31.12.2022 (valuation date);

b) The valuation report was drawn up by an independent ANEVAR authorized appraiser, namely by PricewaterhouseCoopers Management Consultants SRL, based in Cluj Napoca, Bld. 1 December 1989;

c) the fair (market) value approach has been applied for the valuation of tangible fixed assets;

- the direct comparison method was applied for land valuation by reference to existing prices on a similar and comparable market in the area.

The company revalued its property, plant and equipment in the following years: 1999, 2002, 2003, 2005, 2007, 2009, 2011, 2012, 2015, 2019, 2021 and 2022.

The revaluation surplus was reflected in other comprehensive income and accumulated in equity as revaluation surplus.

The revaluation losses were reflected in other comprehensive income in the accounts, reducing the revaluation surplus as this decrease offset a previous revaluation increase.

The revaluation differences existing in the balance as at 31.12.2022, related to fixed assets in the patrimony are 199.892.789 lei, and according to the nature of the fixed assets have the following composition:

Explanation	Financial year ending 31.12.2022 (lei)	Financial year ended 31.12.2021 (lei)
Reserves from land revaluation	113.291.523	108.280.821
Reserves from revaluation of constructions	85.201.543	85.247.545
	1.399.723	1.453.794
Revaluation reserves on tangible fixed assets		
Total revaluation reserves	199.892.789	194.982.160

Please note that the company reclassifies the revaluation differences from account 105 - Revaluation reserves to account 1175 - Retained earnings from revaluation surplus on disposal of fixed assets (by sale or scrapping).

Revaluation differences made before 2004 cannot be distributed to shareholders. Only revaluation differences after 2004, allocated from the balance of account 105 to the balance of account 1175, representing a gain realised by the company through sale, can be distributed to shareholders.

For tangible assets recorded in the company's assets, there were no changes in the method of determining depreciation of tangible assets and no assets or parts of depreciation expense were reclassified to other expenses.

On tangible fixed assets the company has no restrictions on the title of ownership.

The company owns the property on 31.12.2022:

- all assets in the patrimony;
- land with a total area of 435,570.55 sqm (436,608.55 sqm existing at the beginning of the year, of which 1,038 sqm were sold in Vacanța Dunărea village) obtained as follows:
 - 394.125,01 sqm based on the ownership certificates issued by the Ministry of Tourism for Saturn SA, Venus SA, Eforie Nord SA, Eforie Sud SA and the hand-over-receipt protocol between Neptun-Olimp SA and Miorița Estival 2002 SA;
 - 17.278.70 sqm purchased from the Municipality of Eforie Nord according to the sale-purchase contracts;
 - 24.166,84 sqm, following the exchange with Mangalia City Hall and Eforie Nord City Hall.

Pledged, mortgaged, restricted assets

On 31.12.2022 the Company has mortgages:

- on the asset Complex Hotel-Restaurant Sirena in Saturn and the related land, in favour of BCR, the value of the guaranteed loan being 5.000.000 lei on 31.12.2022, the amount of 853.643 lei being used;
- on the asset Complex Hotel-Restaurant Șiret in Saturn and the related land, in favour of Transilvania Leasing and Credit IFN SA, the value of the guaranteed loans being RON 6,000,000, as of 31.12.2022, the balance being RON 4.339.541.

No compensation from third parties for impaired fixed assets was recorded under this asset category.

With reference to the NOTES to the balance sheet as at 31.12.2022, we state the following:

Stock category	Value recognised at 31.12.2022	Impairment adjustments at 31.12.2022	Sold to 31.12.2022	Value recognised at 31.12.2021	Change in stocks 31.12.2022/ 31.12.2021
Materials (excluding price differences on goods and VAT)	64.284	404.808	469.091	433.551	14,83%
Material advances	26.370	0	26.370	41.335	63,80%
Materials in the nature of inventory items	1.875.101	33.732	1.908.834	112.136	1.672,17%
Third party materials	159.185	0	159.185	159.185	100%
Goods	37.940	0	37.940	(17.557)	-
Packaging	3.719	0	3.719	0	0%
TOTAL	2.166.600	438.540	2.605.140	728.650	297,34%

Material stocks are of the nature of materials purchased for investments and repair works. Given that some equipment is very old and it is not expected to be used in the near future, have been adjusted in 2018, 2020 and 2021 for depreciation in the amount of 438.540 lei.

Stocks at 31.12.2022 have increased mainly because of materials of an inventory nature whose policy of expensing them is no longer when they are put into use, but in instalments, on a timetable basis, over a period of 3 years from the date of purchase.

Note 13 - receivables and fixed assets

Receivables are presented in the financial statements according to their nature, at the amount likely to be collected:

Claims	31.12.2022	Create adjustments	Cancel adjustments	31.12.2021
Trade receivables	4.567.509			3.011.518
Impairment adjustments for trade receivables	(2.073.866)	(134.742)	337.588	(2.276.713)
Receivables from group entities	0			0
Sundry debtors and other receivables	541.983			123.130
Impairment adjustments for other receivables	0			0
Total financial assets other than cash classified as loans and receivables	3.035.626	(134.742)	337.588	857.935
Claims relating to employees	28.908			27.480
Other claims on the state budget	4.051.658			3.823.675
Impairment adjustments and other claims on the state budget	(27.472)	0	815.537	(842.829)
Prepayments (advances)	369.800			0
TOTAL	7.458.520	(134.742)	1.152.945	3.866.261

The company's net receivables as at 31.12.2022 increased by 92.91% compared to the receivables as at 31.12.2021, mainly due to the increase in the balances of trade receivables represented by tourist services and rents, social security receivables, debtors from suppliers, outstanding amounts represented by certain works or services provided by third parties, advances paid to third parties for services to be completed in 2023.

The company's net receivables consist of:

net trade receivables represented by tourist and other services provided by THR Marea Neagră to third parties, in the amount of 2.493.643 lei (4.567.509 lei gross) which were adjusted by the amount of 2.073,866 lei,

representing debts older than one year related to services rendered to Rugby Club Constanta, Marea Comtur, Transilvania Hotel & Travel SA, Sind Tour Operator, ACS Cuza Sport, Ager Construct, Remat Sud Mangalia, Cuemjiev loan, Dumitras Florence, Gorj Turism, Inter Tour Bacau, Sind Gaz, Media Class etc). The highest amounts are represented by the rents due by Neptun Hotels (615.703 lei for complex Măgura), FBY Impex (98.116 lei for complex Capitol), GDM AXIS (56.320 lei hotel Prahova) and by the tourist services provided to Amarino (54.637 lei), Bibi Touring (137.058), Creative Eye (138.590 lei), Iri Travel (347.622 lei), Transilvania Travel (68.949 lei), Travel Brands (77.533 lei);

- receivables from the state budget mainly represented by VAT to be recovered in the amount of 3.049.841 lei, current income tax in the amount of 566.556 lei, non-recoverable VAT related to suppliers' invoices in the amount of 381.565 lei;

- various debtors and other receivables in the amount of 541.983 lei mainly represented by advances paid to suppliers for unbilled services in the amount of 256.494 lei, amounts pending settlement represented by works and services rendered by third parties in the amount of 162.554 lei and 118.839 lei - medical leave paid by the Health Insurance House;

- claims in relation to employees amounting to 28.908 lei representing imputations.

in addition to the receivables presented in the above table, the company also holds fixed receivables in the total net amount of 97.459 lei (501.030 lei gross adjusted by 10.000 lei representing Marea Comtur bail and 393.571 lei representing bail in the files with Mangalia City Hall).

NOTE 13- RECEIVABLES (continued)

depending on their age, the book value of receivables is as follows:

Claims	Receivables from 31.12.2022	<30 days	30-90 days	90-180 days	180-365 days	>365 days
Trade receivables	4.567.509	226.169	44.303	2.213.604	55.226	2.028.207
Impairment adjustments for trade receivables	(2.073.866)	0	0	0	0	(2.073.866)
Receivables from group entities	0	0	0	0	0	0
Sundry debtors and other receivables	541.983	145.061	156.782	186.308	4.777	49.055
Impairment adjustments for other receivables	0	0	0	0	0	0
Total financial assets other than cash classified as loans and receivables	3.035.626	371.230	201.085	2.399.912	60.003	3.396
Claims relating to employees	28.908	225	0	2.062	0	26.621
Other claims on the state budget	4.051.658	39.708	88.154	1.771.448	460.280	1.691.528

Adjustments for impairment of other receivables from the state budget	(27.472)	0	0	0	0	(27.472)
Prepayments (advances)	369.800	94.655	0	262.797	12.348	0
TOTAL	7.458.519	505.818	289.239	4.436.219	533.172	1.694.073

NOTE 14 - PREPAID EXPENSES

Prepaid expenses	31.12.2022	31.12.2021
Other prepaid expenses (Bucharest Stock Exchange, SIM valuation)	23.434	11.347
OPERA maintenance expenses, CUI interface, access barrier system	181.940	0
D-Edge-SAS advance expenditure	89.966	
Road tax	1.009	756
Insurance policies (CASCO, RCA, administrators' liability)	96.798	56.746
Total expenditure recorded in advance	393.148	68.848

NOTE 15-CASH AND EQUIVALENTS IN CASH

Prepaid expenses	31.12.2022	31.12.2021
Other prepaid expenses (Bucharest Stock Exchange, SIM valuation)	23.434	11.347
OPERA maintenance expenses, CUI interface, access barrier system	181.940	0
D-Edge-SAS advance expenditure	89.966	
Road tax	1.009	756
Insurance policies (CASCO, RCA, administrators' liability)	96.798	56.746
Total expenditure recorded in advance	393.148	68.848

Investments (works, fixed assets), repair works, supply of materials for repairs, inventory items, payment of instalments and interest on loans from Transilvania Leasing led to a corresponding decrease in cash in lei from RON 10,409,326, as at 31.12.2021, to RON 303,878, as at 31.12.2022.

NOTE 17- SHARE CAPITAL, SHAREHOLDERS' STRUCTURE AND CHANGES IN SHARE CAPITAL

The share capital of the companies is fully paid up and amounts to 57,600,848.70 lei, with 576,008,487 shares issued and outstanding. During the reporting periods, the subscribed and paid-up share capital did not change.

Of the total number of shares issued and outstanding at 31.12.2022, THR MAREA NEAGRA SA does not own redeemed shares

The main characteristics of the securities issued by T.H.R. Marea Neagră SA: common, registered, indivisible, of equal value and dematerialized, issued at a nominal value of 0.10 lei/share.

On 31.12.2022, the shareholder structure, taken from the BVB website, was as follows:

Shareholders	Percentage (%)	Number of shares	Capital value (lei)
SIF Transilvania SA	78,7985%	453.885.873	45.388.587,30
The Romanian State through the Ministry of Economy, Energy and Business Environment	0,2769%	1.595.223	159.522,30
Other legal persons	5,9096%	34.039.599	3.403.959,90
Individuals	15,0150%	86.487.792	8.648.779,20
TOTAL	100,0000%	576.008.487	57.600.848,70

The company has no employee share schemes and there are no restrictions on voting rights. It is also not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The shares of T.H.R. Marea Neagră SA are listed on the Bucharest Stock Exchange, category II, since 15 August 2002, with the symbol "EFO".

on the last trading day of 2022, i.e. 30.12.2022, at the close of the Stock Exchange, T.H.R. Marea Neagră SA shares were quoted at a maximum value of 0.2030 lei/share, compared to 0.1770 lei/share on 31.12.2021 and to 0.1285 lei/share on 31.12.2020, thus increasing continuously.

NOTE 18- CAPITAL RESERVES, REVALUATION DIFFERENCES

Shareholders	Percentage (%)	Number of shares	Capital value (lei)
SIF Transilvania SA	78,7985%	453.885.873	45.388.587,30
The Romanian State through the Ministry of Economy, Energy and Business Environment	0,2769%	1.595.223	159.522,30
Other legal persons	5,9096%	34.039.599	3.403.959,90
Individuals	15,0150%	86.487.792	8.648.779,20
TOTAL	100,0000%	576.008.487	57.600.848,70

The revaluation differences relate to the Company's land, buildings and other property, plant and equipment and arise from the revaluation of property, plant and equipment in 1999, 2002, 2003, 2005, 2007, 2009, 2011, 2012, 2015, 2019, 2021 and 2022.

The differences from the revaluation of the company's assets in the amount of 199.892.789 lei, compared to the balance as of 31.12.2021, is increasing in value by absolute amount of 4.910.629 lei on account of the revaluation as at 31.12.2021 of the land and buildings in the company's assets.

Legal and other reserves, in the total amount of 72.622.981 lei, with an increase compared to 2021 (24.210.105 lei), by 299.97%, due to the allocation to other reserves of 48.056.163 lei from the net profit of 2022 and the allocation to legal reserves of 356.713 lei from the gross profit of 2022.

NOTE 19- RETAINED EARNINGS

Item name	31.12.2022	Discounts	Growth	31.12.2021
Retained earnings excluding retained earnings arising from the first-time adoption of IAS 29	52.842.025	60.301.797	55.902.200	57.241.623
Retained earnings representing retained earnings	0	51.128.844	51.128.844	0
Retained earnings from correction of accounting errors	(4.461.881)	4.053.614	4.711.072	(5.119.340)
Realised surplus on revaluation reserves	57.303.907	5.119.340	62.283	62.360.963
Retained earnings from first-time adoption of IAS 29	(102.691.275)	0	0	(102.691.275)

The data presented above are in accordance with the balance sheet prepared by T.H.R. Marea Neagră as at 31.12.2022, filed with the tax authorities under no. 567375485/21.06.2023.

We attach to this extrajudicial expert report the balance sheet, the trial balance as at 31.12.2023 and the receipt for submission of the balance sheet.

PARAGRAPH II

I have prepared this extrajudicial expert report on the basis of the decisions of the Board of Directors no. 53/02.11.2023 and 52/02.11.2023, respectively appointing me to examine the Division Project of T.H.R. Marea Neagra, approval of the Partial Asymmetric Division Project of T.H.R. Marea Neagra.

PARAGRAPH III

The need for this extra-judicial expert report was determined by the preparation of the Division Project of T.H.R Marea Neagra

PARAGRAPH IV

The documentary material on which the extrajudicial expert report was based was:

- Companies Act No 31/1990, as republished and subsequently amended ("Companies Act");
- Law No 265/2022 on the trade register and on the amendment and completion of other acts of legislation affecting registration in the trade register;
- Law No 287/2009 on the Civil Code ("Civil Code");
- Accounting Act No 82/1991, as republished and subsequently amended;
- Order of the Minister of Public Finance No 897/2015 for the approval of the Methodological Norms on the reflection in the accounts of the main operations of division, dissolution and liquidation of companies, as well as the withdrawal or exclusion of certain associates from companies ("Order No 897/2016");

- Order of the Minister of Public Finance No 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards ("Order No 2844/2016");
- Law No. 227/2015 on the Fiscal Code, as subsequently amended ("Fiscal Code");
- Government Decision no. 1/2016 approving the Methodological Norms for the application of Law no. 227/2015 on the Fiscal Code ("Methodological Norms for the application of the Fiscal Code").

PARAGRAPH V

The extra-judicial expert accounting work was carried out during the period 02.11.2023-06.11.2023, at the IVAȘCU GHEORGHE financial and accounting expertise office, in Constanța, 31 Cumpenei Street.

PARAGRAPH VI

This extrajudicial expert report was drawn up on 06.11.2023.

CHAPTER II

CARRYING OUT THE EXPERTISE

in accordance with the trial balance as at 31.12.2022, Annex A has been prepared, which includes the division of the balances of the T.H.R. Marea Neagra accounts as at 31.12.2022 into the balances of the accounts of SC HOTELURI RESTAURANTE SUD SA and the balances of the T.H.R. Marea Neagra accounts after the division. The beneficiary company is SC HOTELURI RESTAURANTE SUD SA.

Analysis and verification of the data contained in Annex A to this extra-judicial expert report shows the following:

1. The share capital of T.H.R. Marea Neagră as of 31.12.2023 was 57.600.848,70 lei and was divided as follows:
 - 25.044.849 lei for SC HOTELURI RESTAURANTE SUD SA, representing 43.48%, i.e. 25,044,849/57,600,848.70
 - 32.555.999.70 lei for the Black Sea T.H.R., after division, representing 56.52%, i.e. 32.555.999,70/57.600.848,70

The data in Annex A correspond to the data in Annex B, which includes ASSETS, LIABILITIES and EQUITY.

2. The elements assimilated to the capital-account 102 has a credit balance of 85.945.333 lei and has been entirely distributed to T.H.R. Marea Neagră after the division, so the amount of 85.945.333 lei is due to T.H.R. Marea Neagră after the division.

3. Other equity, account 103. T.H.R. Marea Neagra as at 31.12.2022 has a balance of 27.982.740,79 lei and has been division as follows:

- 15.269.552,99 lei for SC HOTELURI RESTAURANTE SUD SA, representing 54.57%, i.e. $15.269.552,99/27.982.740,79$
- 12.713.187,80 for SC T.H.R. MAREA NEAGRĂ, after the division, representing 45.43%, i.e. $12.713.187,80/27.982.740,79$.

4. Capital premium - Account 104. THR Marea Neagra, as at 31.12.2012 has a balance of 1.895.854,70 lei and was divided as follows:

- 1.895.854,70 lei for SC T.H.R Marea Neagră division, representing 100%.

5. Revaluation reserves-account 105 has a balance at 31.12.2022 of 199.892.788,93 lei and was divided as follows:

- 96.042.480,25 lei for SC HOTELURI RESTAURANTE SUD SA, representing 48.05%, i.e. $96.042.480,25/199.892.788,93$
- 103.850.308,68 for T.H.R. Marea Neagra after division, representing 51.95%, i.e. $103.850.308,68/199.892.788,93$

6. Legal reserves -Account 1061. It has a balance of 10.914.647,69 and has been divided as follows:

- 4.189.136,99 lei for SC HOTELURI RESTAURANTE SUD SA, representing 38.38%, i.e. $4.189.136,99/10.914.647,69$
- 6.725.510,70 lei for T.H.R. Marea Neagra after division, representing 61.62%, i.e. $6.725.510,70/10.914.647,69$

7. Other reserves-account 1068 has a balance of 78.454.234/13 and has been divided as follows:

- 42.193.752,83 lei for SC HOTELURI RESTAURANTE SUD SA, representing 53.78%, i.e. $42.193.752,83/78.454.234,13$
- 36.260.481,30 lei for SC T.H.R. Marea Neagră after the division, representing 46.22%.

8. The retained earnings of account 117 have a balance of 52.842.024,67 as at 31.12.2022 and have been distributed in full to SC T.H.R. Marea Neagră, after the division, in 100%.

9. Retained earnings - adjustment IAS 29-account 118, has a balance of 102.691.273 as at 31.12.2022 and has been distributed in full to SC T.H.R. Marea Neagră, after the division in 100%.

10. Profit and loss account 121-has a balance of 6.463.143,33 lei, as of 31.12.2022 and has been distributed in full to SC T.H.R. Marea Neagră, after the division, in 100%.

11. The distribution of the profit-account 129, has a balance of 356.713 lei and was distributed in full to SC T.H.R. Marea Neagră after the division in 100%.

12. Legal losses from the sale/cancellation of instruments-account 149-has a balance of 4.329.31 lei and has been fully allocated to SC T.H.R. Marea Neagra after division, 100%.

13. Provisions-account 151-has a balance of RON 2.158.968,79 and was allocated in full to SC T.H.R. Marea Neagră, in a percentage of 100%.

14. Long-term bank loans-account 162-has a balance of 4.339.541,01 lei and was allocated in full to SC T.H.R. Marea Neagră, after the division, in 100%.

15. Other loans and assimilated liabilities - account 167 has a balance of 2.072.569,17 lei and has been divided as follows:

- 504.537,40 lei to SC HOTELURI RESTAURANTE SUD SA, representing 24.34%, i.e. $504.537,40/2.072.569,17$

- 1.568.031,77 lei to SC. T.H.R. Marea Neagră after the division, representing 75,66%, i.e. $1.568.031,77/2.072.569,17$

The above data comprise the balances on CLASS I accounts and the data in Annex A correspond to the data in Annex B.

ACCOUNTS - CLASS II

Class II consists of the following accounts which have debit and credit balances:

1. Concessions, patents, trademark licenses:

- Account 205 - has a debit balance of 2.378.860,52 lei and was fully allocated to SC T.H.R. Marea Neagră after the division, in 100%.

2. Other intangible fixed assets - account 208 has a debit balance of 283.048,55 lei and has been allocated in full to SC T.H.R. Marea Neagră after the division, in 100%.

3. Land and land improvements- Account 211-has a debit balance of 62.707.603,32 lei and has been allocated as follows:

- 26.956.810,19 lei to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company - represents 42,99%, i.e. $26.956.810,19/62.707.603,32$

- 35.750.793,13 lei to SC T.H.R. Marea Neagră after the division- represents 57.01%, i.e. $35.750.793,13/62.707.603,32$

4. Buildings-Account 212- has a debit balance of 92.055.576,05 and has been allocated as follows:

- 32.260.080,30 lei to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 35,04%, i.e. $32.260.080,30/92.055.576,05$

- 59.795.495,75 lei to SC T.H.R. Marea Neagră after the division and represents 64.96%, i.e. $59.795.495,75/92.055.576,05$

5. Technical installations, means of transport- Account 213-has a debit balance of 18.560.369,10 and has been allocated as follows:

- 4.983.959,58 was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 26.85%, i.e. $4.983.959,58/18.560.369,10$

- 13.576.409,52 was allocated to SC T.H.R. Marea Neagră and represents 73.15%, i.e. $13.576.409,52/18.560.369,10$

6. Furniture, office machinery, equipment - account 214 - has a debit balance of 14.499.314,18 lei and has been allocated as follows:

- 4.479.141,68 lei was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 30,89%, i.e. $4.479.141,68/14.499.314,18$ lei

- 10.020.172,50 lei was allocated to SC T.H.R. Marea Neagră after the division and represents 69.11%, i.e. $10.020.172,50/14.499.314,18$.

7. Real estate investments-account 215-has a debit balance of 238.350.42,68 lei and has been allocated as follows:

- 107.598.762,43 lei was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 45,14%, i.e. $107.598.762,43/238.350.429,68$

- 130.751.667,25 lei was distributed to SC T.H.R. Marea Neagră after the division and represents 54.86%, i.e. $130.751.667,25/238.350.429,68$.

8. Tangible fixed assets in course of construction-account 231-has a debit balance of 4.392.490,42 lei and has been allocated as follows:

- 3.344.733,14 was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 76.15%, i.e. $3.344.733,14/4.392.490,42$

- 1.047.757,28 lei and was distributed to SC T.H.R. Marea Neagră after the division and represents 23.85%, i.e. $1.047.757,28/4.392.490,42$.

9. Real estate investments in progress-account 235-has a debit balance of 1.133.141,45 lei and has been fully allocated to SC T.H.R. Marea Neagră after the division, i.e. 100%.

10. Assets related to rights of use-account 251-has a debit balance of 335.546,47 lei and has been allocated as follows:

- 189.361,07 lei was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 56,43%, i.e. $189.361,07/335.546,47$

146.185,40 lei was allocated to SC T.H.R. Marea Neagră after division and represents 43.57%, i.e. $146.185,40/335.546,47$

11. Shares held in affiliated entities-account 261-has a debit balance of 2.432.010 lei and was distributed in full to SC T.H.R. Marea Neagră after the division, i.e. 100%.

12. Other non-current receivables-account 2678-has a debit balance of 501,030.61 lei and was distributed in full to SC T.H.R. Marea Neagră after the division, i.e. 100%.

13. Depreciation of installations, means of transport-account 2813-has a credit balance of 13.446.325,54 lei and was allocated as follows:

- 3.423.553,11 lei was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 25,46%, i.e. $3.423.553,11/13.446.325,54$

- 10.022.772.43 lei was distributed to SC T.H.R. Marea Neagră after the division and represents 74.54%, i.e. $10.022.772.43/13.446.325,54$

14. Depreciation of other tangible fixed assets-account 2814-has a credit balance of 10.308.306,92 lei and has been allocated as follows:

- 2.913.439,53 lei was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 28,26%, i.e. $2.913.439,53/10.308.306,92$

- 7.394.867,39 lei was distributed to SC T.H.R. Marea Neagră after the distribution and represents 71.74%, i.e. $7.394.867,39/10.308.306,92$.

15. Depreciation of assets related to leased transport rights - account 2853 - has a credit balance of 132.950,39 lei and was entirely allocated to SC T.H.R. Marea Neagră, i.e. 100%.

16. Adjustments for the depreciation of tangible fixed assets-account 291-has a credit balance of 346.406,40 lei and was allocated as follows:

- 3.356,98 was distributed to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company and represents 0.97%, i.e. $3.356,98/346.406,40$

- 343.049,42 was allocated to THR Marea Neagra after the division and represents 99.03%, i.e. $343.049.42/346.406,4$

17. Adjustments for the depreciation of tangible fixed assets-account 2931-has a credit balance of 1.530.177 lei and was distributed in full to SC HOTELURI RESTAURANTE SUD SA - the beneficiary company, i.e. 100%.

18. Adjustments for impairment of fixed assets (shares and other fixed assets)-account 296-has a credit balance of 2.835.581,57 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

CLASS III-STOCK

Class III consists of the following accounts:

1. Consumables-account 302-has a balance of 469.091,48 lei, which has been allocated as follows:

- 122.989,48 lei (annex no. 4) was allocated to SC HOTELURI RESTAURANTE SUD SA and represents 26.22%, i.e. $122.989,48/469.091,48$

- 346.102 lei was distributed to SC T.H.R. Marea Neagră after the division and represents 73.78%, i.e. $346.102/469.091,48$

2. Materials in the nature of inventory items:

- account 303-has a balance of 1.908.833,64 lei and was allocated as follows:

• 319.816,65 lei (Annex 5), was distributed to SC HOTELURI RESTAURANTE SUD SA and represents 16.75%, i.e. $319.816,65/1.908.833,64$

• 1.589.016,99 lei was distributed to T.H.R. Marea Neagră after the division and represents 83,25%, i.e. $1.589.016,99/1.908.833,64$

3. Fixed assets held for sale account 311-has a balance of 85.916 lei and has been fully allocated to SC T.H.R. Marea Neagră after the division and represents 100%.

4. Stocks in the course of supply-goods -account 327- has a balance of 430.23 lei and was entirely allocated to SC T.H.R. Marea Neagră, after division and represents 10%.

5. Materials and equipment held by third parties - Account 351 - has a balance of 159.185,35 lei and has been allocated as follows:

- 5.735,74 lei was distributed to SC HOTELURI RESTAURANTE SUD SA and represents 3,60%, i.e. $5.735,74/159.185,35$

- 153.449,61 lei was distributed to SC T.H.R. Marea Neagră after the division and represents 96.40%, i.e. $153.449,61/159.185,35$

6. Goods-account 371-has a balance of 38.422.86 and has been allocated in full to SC T.H.R. Marea Neagră after the division and represents 100%.

7. Packages-account 381-has a balance of 3.719 and has been fully allocated to SC T.H.R. Marea Neagră after division and represents 100%.

8. Adjustments for depreciation of materials-account 392-has a balance of 438,540.03, which was allocated in full to T.H.R. Marea Neagra, after division

The total value of the stocks that have been allocated to SC HOTELURI RESTAURANTE SUD SA is 448,541.87 lei and consists of consumables, inventory items and materials and materials held by third parties.

The remaining stocks were allocated to SC T.H.R. Marea Neagră after the division.

The stocks allocated to SC HOTELS RESTAURANTS SUD SA are listed by quantity and value in the annexes.

CLASS IV

Class IV consists of the following accounts:

1. Suppliers-account 401-has a balance of RON 2.576.097,05 and has been allocated as follows:

- 637.169,77 lei (as per the annex) was distributed to SC HOTELURI RESTAURANTE SUD SA and represents 24.73%, i.e. $637.169,77/2.576.097,05$

- 1.938.927,28 lei (as per the annex) was distributed to SC T.H.R. Marea Neagră after the division and represents 75,27%, i.e. $1.938.927,28/2.576.097,05$

2. Suppliers of fixed assets-account 404 has a credit balance of 1.729.816,58 lei and has been allocated as follows:

- 1.158.302,37 lei to SC HOTELURI RESTAURANTE SUD SA and represents 66,96%, i.e. $1.158.302,37/1.729.816,58$

- 571.514,21 lei to T.H.R. Marea Neagră, after division, and represents 33.04%, i.e. $571.514,21/1.729.816,58$

3. Suppliers - unpaid invoices - account 408 - has a credit balance of 707.562,68 lei and has been allocated as follows:

- 53.350,27 lei to SC HOTELURI RESTAURANTE SUD SA and represents 7.54%, i.e. $53.350,27/707.562,68$

654.212,41 to SC T.H.R. Marea Neagră, after division and represents 92.46%, i.e. $654.212,41/707.562,68$

Suppliers-debtors-account 409-has a debit balance of 873.184,33 lei (as shown in the appendix) and was distributed as follows: 439.881,74 lei to SC HOTELURI RESTAURANTE SA 50.38%, i.e. $439.881,74/873.184,33$ lei.

- 433.302,59 lei to T.H.R Marea Neagră, after division, and represents 49,62%, i.e. $433.202,59/873.184,33$

5. Customers-account 411-has a debit balance of 4.550.271,83 lei (as shown in the annex) and has been allocated as follows:

- 209.772,80 lei to SC HOTELURI RESTAURANTE SUD SA and represents 4.61%, i.e. $209.772,80/4.550.271,83$

- 4.340.499,03 lei to SC T.H.R. Marea Neagră, after the division, and represents 95.39%, i.e. $4.340.499,03/4.550.271,83$

6. Customers-invoices to be drawn up-account 418-has a debit balance of 17.237,22 (as shown in the Annex) and has been allocated as follows:

- 11,838.59 lei to SC HOTELURI RESTAURANTE SUD SA and represents 68.68%, i.e. $11.838,59/17.237,22$

- 5.398,63 lei to SC T.H.R. Marea Neagră, after division and represents 31.32%, i.e. $5.398,63/17.237,22$

7. Customers-creditors-account 419-has a credit balance of 5.011.565 lei (as shown in the appendix) and has been allocated as follows:

- 2.017.331,53 to SC HOTELURI RESTAURANTE SUD SA and represents 40.25%, i.e. $2.017.331,53/5.011.565$

- 2.994.233,47 lei to SC T.H.R. Marea Neagră, after the division, represents 59.75%, i.e. $2.994.233,47/5.011.565$

8. Personnel-salaries due-account 421-has a credit balance of 51.615,25 lei (as shown in the annex) and has been allocated as follows:

- 8.391 lei was distributed to SC HOTELURI RESTAURANTE SUD SA representing 16,26%, i.e. $8.391/51.615,25$

- 43.224,25 was distributed to SC T.H.R. Marea Neagră after the division, representing 83.74%, i.e. $43.224,25/51.615,25$

9. Personnel - material assistance due - account 423 - has a credit balance of 74.999 lei (as shown in the annex) and has been allocated in full to SC T.H.R. Marea Neagră, after division and represents 100%.

10. Unpaid staff entitlements-account 426- has a credit balance of 56.606 lei (as per the annex) and was fully allocated to SC T.H.R. Marea Neagră, after the division, and represents 100%.

11. Payroll deductions due to third parties-account 427-has a credit balance of 4.019 (as shown in the annex) and has been fully allocated to SC T.H.R. Marea Neagră, after the division, and represents 100%.

12. Other payables and receivables in relation to staff-account 428-has a credit balance of 52.042,74 lei (as shown in the appendix) and has been allocated in full to SC T.H.R. Marea Neagră, after division and represents 100%.

13. Social insurance-account 431-has a credit balance of 208.144 lei, according to the account sheet and was allocated as follows:

- 9.020 lei to SC HOTELURI RESTAURANTE SUD SA and represents 4.33%, i.e. 9.020/208.144
- 199.124 to SC T.H.R. Marea Neagră, after the division, and represents 95.67%, i.e. 199.124/208.144.

14. Insurance contribution for work-account 436-has a credit balance of 12.163 lei and has been allocated as follows:

- 579.83 lei to SC HOTELURI RESTAURANTE SUD SA and represents 4,77%, i.e. 579.83/12.163
- 11.583,17 lei to SC T.H.R. Marea Neagră, after division and represents 95.23%, i.e. 11.583,17/12.163

15. Other social debts and receivables-account 438 (account sheet)-has a debit balance of 118.839 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division.

16. Income tax and other taxes-account 441-has a credit balance of 39.515.502,02 lei and has been allocated as follows:

- 15,269,552.99 lei to SC HOTELURI RESTAURANTE SUD SA and represents 38.64%, i.e. 15,269,552.99/39,515,502.02
- 24.245.949,03 lei to SC T.H.R. Marea Neagră, after the division and represents 61.36%, i.e. 24.245.949,03/39.515.502,02

17. The value added tax to be recovered-account 4424-has a debit balance of 3.049.841,41, which has been allocated in full to SC T.H.R. Marea Neagră after the division.

18. Non-exempt value added tax - account 4428 - has a debit account of 380.871,99 lei (account sheet) and has been allocated as follows:

- 323.390,44 lei to SC HOTELURI RESTAURANTE SUD SA and represents 84.91%, i.e. 323.390,44/380.871,99
- 57.481,55 lei to THR Marea Neagră, after the division, and represents 15.09%, i.e. 57.481,55/380.871,99.

19. Tax on income in the nature of wages and salaries - account 444 - has a credit balance of 39.836 lei (account sheet) and was allocated as follows:

- 1.777 lei to SC HOTELURI RESTAURANTE SUD SA and represents 4,46%, i.e. 1.777/39.836

- 38.059 lei to THR Marea Neagră, after the division, and represents 95.54%, i.e. 38.059/39.836

20. Other taxes, duties and similar payments - account 446.02 - building tax - has a credit balance of 4.369.617,69 lei (account sheet) and has been allocated in full to SC T.H.R. Marea Neagră, after division, and represents 100%.

21. Other taxes-land tax-account 446.03-has a credit balance of 457.139,31 lei (account sheet) and has been fully allocated to T.H.R. after division and represents 100%.

22. Special funds-taxes and similar payments, disability fund-account 447.02-has a credit balance of 5.024 lei (according to the sheet) and was allocated as follows:

- 99 lei to SC HOTELURI RESTAURANTE SUD SA and represents 1.97%, i.e. 99/5.024

- 4.925 lei to SC T.H.R. Marea Neagră after the division and represents 98.03%, i.e. 4.925/5.024

23. Special funds, environmental fund-account 447.01-has a credit balance of 3.40 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

24. Other receivables from the state budget-account 4482-has a debit balance of 53.694,87 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division, and represents 100%.

25. Dividends payable-account 457-has a credit balance of 1.479.050,48 lei (account sheet) and was distributed in full to SC T.H.R. Marea Neagră, after division, and represents 100%.

26. Sundry debtors-account 461-has a balance of 260.589,59 lei (account sheet)-and was entirely allocated to SC T.H.R. Marea Neagră, after the division, and represents 100%.

27. Sundry creditors-account 462-has a credit balance of 13.610,14 lei (account sheet) and was allocated in full to SC T.H.R. Marea Neagră, after the division, and represents 100%.

28. Expenditure recorded in advance-account 471-has a debit balance of 393.148,30 lei (as shown in the Annex) and has been allocated as follows:

- 42.901,64 lei to SC HOTELURI RESTAURANTE SUD SA, representing 10.91%, i.e. 42.901,64/393.148,30 lei after division, representing

- 350.246,66 to SC T.H.R. Marea Neagra, after division, representing 89.09%, i.e. 350.246,66/393.148,30.

29. Settlements from operations in the course of clarification - Account 473 - has a credit balance of 1.367.622,69 lei (as shown in the Annex) and has been allocated as follows:

- 1.412.899,72 lei (1.530.177,04-117.277,32), representing the credit balance and 100% allocated to SC HOTELURI RESTAURANTE SUD SA

- 45.277,03- debit balance allocated to SC T.H.R. Marea Neagră after division.

30. Adjustments for impairment of receivables- Account 490-has a credit balance of 265.009,58 and has been allocated as follows:

- 140.655,43 to SC HOTELURI RESTAURANTE SUD SA, representing 53.08%, i.e. 140.655,43/265.009,58

- 124.354,15 lei to SC T.H.R. Marea Neagră, after the division, representing 46.92%, i.e. 124.354,15/265.009,58.

31. Adjustments for impairment of receivables-customers-account 491-has a credit balance of 2.073.866,22 and has been allocated in full to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

32. Adjustments for impairment of receivables - debtors - account 496 - has a credit balance of 27.472 lei and has been allocated in full to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

CLASS V

Class V consists of the following accounts, which have debit or credit balances:

1. Current accounts with banks-account 512-has debit balances in the amount of 304.888,60 and were fully allocated to SC T.H.R. Marea Neagră after the division, i.e. 100%.

2. Amounts to be settled-account 5125-has a credit balance of 52.092,06 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

3. Short-term bank loans-account 5191-has a credit balance of 853.642,98 lei and has been fully allocated to SC T.H.R. Marea Neagră, after the division, i.e. 100%.

4. Cash in lei-account 5311-has a debit balance of 76.030,58 lei and has been fully allocated to SC T.H.R. Marea Neagra 100% after division, i.e. 100%.

5. Other values-account 532-has a debit balance of 480 lei, representing meal vouchers and was distributed in full to SC T.H.R. Marea Neagră after division, i.e. 100%.

6. Treasury advances-account 542-has a debit balance of 775.14 lei and was distributed in full to SC T.H.R. Marea Neagră after the division, i.e. 100%.

7. Internal transfers-account 581- no balance. All balances relating to class V have been fully allocated to SC T.H.R. Marea Neagră after the division.

CLASS VIII

This class comprises off-balance sheet accounts and includes only accounts with debit balances.

This class consists of the following accounts that have only debit balances.

1. Material values received in safekeeping or custody, i.e. OPTBR, kitchen equipment and machinery custody R Aida-account 8033.01, has a debit balance of 208,082.01 and has been allocated in full to SC HOTELS RESTAURANTS SUD SA i.e. 100%.

2. Stocks of inventories of goods in use - Account 8035.01 - has a debit balance of 20,515,693.24 lei and has been allocated as follows:

- 8.854.831.92 was allocated to SC HOTELURI RESTAURANTE SUD SA and represents 43.16%, i.e. $8.854.831.92/20.515.693,24$

- 11.660.861,32 was allocated to SC T.H.R. Marea Neagră after the division and represents 56.84%, i.e. $11.660.861,32/20.515.693,24$.

3. Royalties, management leases, rents and other financial leasing debts-account 8036.1-has a debit balance of 47.754,28 lei and has been allocated as follows:

- 26.007,28 lei was allocated to SC HOTELURI RESTAURANTE SUD SA and represents 54.46%, i.e. $26.007,28/47.754,28$

21.747,00 lei was allocated to SC T.H.R. Marea Neagră after distribution and represents 45.54%, i.e. $21.747,00/47.754.28$

4. Other off-balance sheet items - means of transport under finance lease - account 8039.03 has a debit balance of 335.546,47 lei and has been allocated as follows:

- 189.361,07 lei was allocated to SC HOTELURI RESTAURANTE SUD SA and represents 56.43%, i.e. $189.361,07/335.546,47$ lei.

- 146.185,40 was distributed to SC T.H.R. Marea Neagră after the division and represents 43.57%, i.e. $146.185,40/335.546,47$ lei.

5. Interest on leasing contracts, interest payable on finance leases-account 8051.01- has a balance of 36.501,10 lei and has been allocated as follows:

-20.075,89 lei was allocated to SC HOTELURI RESTAURANTE SUD SA, representing 55%, i.e. $20.075,89/36.501,10$

- 16.425,21 lei was distributed to SC T.H.R. Marea Neagră after the division, representing 45%, i.e. $16.425,21/36.501,10$

As presented by the draft division project, it has been prepared in accordance with the provisions of Article 241 et seq. of the Companies Act, including the provisions of Article 250(a), i.e. the partial demerger in the interest of the shareholders (with the particularity that the demerger will be carried out asymmetrically, with the provisions of Law no. 24/2017 of the ASF Regulation no. 5/2018, as well as other regulations.

SC T.H.R. Marea Neagră SA currently owns assets such as buildings and land that are located along the Romanian coastline.

SC T.H.R. Marea Neagră is active in the tourism industry, which can be grouped into 2 (two) distinct branches of activity, as follows:

- a) The branch of activity to be retained by T.H.R. Marea Neagră SA consists of the activity of hotels and other accommodation facilities and related activities;
- b) The branch of activity to be transferred to SC HOTELS RESTAURANTS SUD SA (the receiving company) consists of the activity of renting and subletting of own or leased real estate.

This branch of activity is composed of assets of SC T.H.R. Marea Neagră SA for hotels, restaurants and certain land.

The value of the assets of SC T.H.R. Marea Neagră to be transferred to the Beneficiary Company was determined on the basis of the financial statements of SC T.H.R. Marea Neagră as of 31.12.2022, audited according to the auditor's report dated 27.04.2023 and approved by the resolution of the Ordinary General Assembly no. 15/19.06.2023.

The value of the assets of SCT.H.R. Marea Neagră SA on 31.12.2022 (reference date) is as follows:

Total assets	417,961,709 lei
Total liabilities	67,914,179 lei
Net asset value	350,047,530 lei
Total number of shares	576.008.487
Book value per share	0,607712542

The allocation of the assets of the transferred Activity between T.H.R. Marea Neagră and the Beneficiary Company has been made taking into account the book values as at 31.12.2022 (reference date). The total value of the assets and liabilities to be transferred to the Beneficiary Company is as follows:

Total assets transferred	173,390,954 lei
Total liabilities transferred	21,190,288 lei
Value of net assets transferred	152.200.666
Number of shares transferred	250.448.490
Book value per share transferred	0,607712452

As presented, the share capital of SC T.H.R. Marea Neagră, according to the financial statements as of 31.12.2022 was 57.600.848,70 lei, and by division, according to the division project it is presented as follows:

- share capital SC T.H.R. Marea Neagră after the division - 32.555.999,70 lei, i.e. 56,52%, i.e. 32.555.999,70/57.600.848,70
- share capital of the beneficiary company – 25.044.849 lei, i.e. 43.48%, i.e. 25.044.849/57.600.849,70

The equity of SC T.H.R. Marea Neagră, as at 31.12.2022, is 350.047.530 and, according to the division project, is as follows:

- equity of SC T.H.R. Marea Neagră, after the division, is 197.841.128 lei, representing 56.52%, i.e. 197.841.128/350.047.530
- the equity of the Beneficiary Company is 152.206.402 lei, representing 43.48%, respectively 152.206.402/350.047.530

In conclusion, according to the demerger project, the value of the assets of SC T.H.R. Marea Neagră, which will be transferred to the Beneficiary Company was determined on the basis of the financial statements of SC T.H.R. Marea Neagră as of 31.12.2022, audited according to the auditor's report dated 27.04.2023 and approved by the resolution of the Ordinary General Meeting of Shareholders of SC T.H.R. Marea Neagră no. 15/19.06.2023.

The value of the assets of SC T.H.R. Marea Neagră SA on 31.12.2022 (reference date) is as follows:

Total assets	417.961.709 lei
Total liabilities	67.914.179 lei
Net asset value	350.047.530 lei
Total number of shares	576.008.487
Book value per share	0,607712542

The allocation of the assets of the transferred Activity between T.H.R. Marea Neagră and the Beneficiary Company has been made taking into account the book values as at 31.12.2022 (reference date). The total value of the assets and liabilities to be transferred to the Beneficiary Company is as follows:

Total assets transferred	173.390.954 lei
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Value of net assets transferred	152.200.666

Number of shares transferred 250.448.490

Book value per share transferred 0,607712452

As presented, the share capital of SC T.H.R. Marea Neagră, according to the financial statements as of 31.12.2022 was 57.600.848,70 lei, and by divisioning, according to the divisioning project it is presented as follows:

- share capital SC T.H.R. Marea Neagră after the division – 32.555.999,70 lei, i.e. 56.52%, respectively 32.555.999,70/57.600.848,70
- share capital of the beneficiary company – 25.044.849 lei, i.e. 43.48%, i.e. 25.044.849/57.600.849,70

The equity of SC T.H.R. Marea Neagră, as at 31.12.2022, is 350.047.530 and, according to the division project, is as follows:

- equity of SC T.H.R. Marea Neagră, after the division, is 197.841.128 lei, representing 56.52%, i.e. 197.841.128/350.047.530
- the equity of the Beneficiary Company is 152.206.402 lei, representing 43.48%, i.e. 152.206.402/350.047.530

CHAPTER III CONCLUSIONS

The present extrajudicial expert report was supposed to analyze the division project prepared at SC T.H.R. Marea Neagră, and the conclusion is:

According to the division project, the value of the assets of SC T.H.R. Marea Neagră to be transferred to the Beneficiary Company was determined on the basis of the financial statements of SC T.H.R. Marea Neagră as of 31.12.2022, audited according to the auditor's report dated 27.04.2023 and approved by the resolution of the Ordinary General Meeting of Shareholders of SC T.H.R. Marea Neagră no. 15/19.06.2023.

The value of the assets of SC T.H.R. Marea Neagră SA on 31.12.2022 (reference date) is as follows:

Allocation of the assets of the transferred Activity between

T.H.R. Marea Neagra and the Beneficiary Company was carried out taking into account

Total assets 417.961.709 lei

Total liabilities 67.914.179 lei

Net asset value 350.047.530 lei

Total number of shares 576.008.487

Book value per share 0,607712542

The total amount of assets and liabilities to be transferred to the Beneficiary Company is as follows:

Total assets transferred 173.390.954 lei
Total liabilities transferred 21.190.288 lei
Value of net assets transferred 152.200.666
Number of shares transferred 250.448.490
Book value per share transferred 0,607712452

As presented, the share capital of SC T.H.R. Marea Neagră, according to the financial statements as of 31.12.2022 was 57.600.848,70 lei, and by division, according to the division project it is presented as follows:

- share capital SC T.H.R. Marea Neagră after the division – 32.555.999,70 lei, i.e. 56.52%, respectively 32.555.999,70/57.600.848,70
- share capital of the beneficiary company – 25.044,849 lei, i.e. 43.48%, i.e. 25.044.849/57.600.849,70

The equity of SC T.H.R. Marea Neagră, as at 31.12.2022, is 350.047.530 and, according to the division project, is as follows:

- equity of SC T.H.R. Marea Neagră, after the division, is 197.841.128 lei, representing 56.52%, i.e. 197.841.128/350.047.530
- the equity of the Beneficiary Company is 152.206.402 lei, representing 43.48%, i.e. 152.206.402/350.047.530

This extrajudicial expert report was drawn up in 4 (four) copies, 3 (three) of which were handed over to SC T.H.R. Marea Neagră.

CONSTANȚA, 06.11.2023

CHARTERED ACCOUNTANT

Ivascu Gheorghe

Signed and stamped