



S.C. TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA S.A.

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e-mail.: office@thrmareaneagra.ro
Constanta Trade Register Registration No.: J13/696/1991, CIF: RO2980547,
IBAN account: RO71 RNCB 0117 0151 6314 0001, Commercial Bank Romanian – Mangalia Agency
Subscribed and paid share capital: 57.600.848,70 lei

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TO

GENERAL MEETING OF SHAREHOLDERS

Point 7 *We propose for approval the following:*

I. Covering the loss from the correction of accounting errors in the amount of 1,179,804.57 lei, (accounting account 1174) from "Retained earnings arising from the surplus of revaluation reserves taxed" (account 1175).

The Accounting Act allows us, when it comes to expenses of other periods, to record them on an account other than that of the result of the current financial year (account 121), namely that of retained earnings (account 117), in the form of retained accounting loss.

The provisions of Accounting Law no. 82/1991, Law 31/1990 and OMFP 2844/2017 also state that any distribution of dividends cannot be made if the company registers retained accounting loss. **The carried forward accounting loss** may be offset against the profit for the financial year or **brought forward, i.e. the "Revaluation reserves surplus", which has been fed on account of revaluation differences related to outflows of assets, differences that have been taxed**, according to **the decision of the general meeting of shareholders.**

The loss component in the amount of 1,179,804.57 lei is as follows:

- Expenses with employees' rents, with linen rental services in 2022, income reversal from rent differences from taxes related to Magura complex and Capitol complex, cancellation of rental income related to Jupiter Hotel (contract terminated at the beginning of 2023), in the total amount of **575,402.87 lei;**
- **Expenses with commissions for online reservations and fees in the amount of 5,872.74 lei;**
- **Expenses with works executed by third parties (consultancy for elaboration of photovoltaic panel financing application, installation works for technical equipment regarding the security of objectives, commissioning of Cleopatra restaurant awnings, PSI services, cancellation of duplicate invoices, finding faults of luminous companies, inspection and authorization of elevator H Diana, CNCIR maintenance, manufacture of Brad terrace bar countertops, Campland electrical connection, etc.) in the total amount of 29,416.03 lei;**
- Expenses with materials repairing works executed in 2022 and received in 2023 at the objectives Aida, Bai Recii, Cerna, Prahova, Laundry, Cleopatra, in the amount of **244,285.40 lei;**
- Materials and goods consumed in 2022, whose invoices entered the company in 2023 in the amount of **2,475.61 lei;**



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- Old balance adjustments in the amount of **27,644.15 lei**
- Reinstatement of erroneously adjusted depreciation December 2021 in the amount of **236,730.13 lei**
- Salary expenses following Marius Zamfir's reactivation and commitment to pay Ene Daniela in the amount of 12,053.15 lei
- Income adjustments from tourism services related to 2021/2022 in the amount of 6,346.12 lei
- Utility expenses (electricity, water, gas) for 2022 in the amount of **51,323.85 lei**;

II. Coverage of carried forward accounting loss arising from the first application of **IAS 29, i.e. the amount of 102,691,274 RON** on the debit of account 118 - "Retained earnings arising from the first-time adoption of IAS 29", using the same equity items that generated this loss:

- account 1028 "Social capital adjustments" for the amount of **85.945.333 lei**
- account 104 "Capital premiums from the application of IAS 29" in the amount of **41**

lei

- account 1061 "Legal reserves from the application of IAS 29" for the amount of **1.280.018 lei**
- account 1068 "Other reserves under IAS 29: for the amount of **15.465.883 lei**

This amount was recorded in the accounts in 2015, following the request of the Financial Supervisory Authority, by which the company performed the restatement of the share capital according to the provisions of IAS 29 "Financial reporting in hyperinflationary economies" (applicable in Romania until 01 January 2004), registering an increase of equity by the amount of **102,691,274 RON**. This adjustment did not change the share capital registered with ONRC, but had a negative impact (loss) on retained earnings.

III. Covering losses related to the cancellation of own shares, respectively the amount of **4,329.31 lei** existing in the debit of account 149 - "Losses related to the sale / cancellation of equity instruments" **from "Retained earnings arising from the surplus of revaluation reserves taxed" (account 1175).**

In EGM no. 1 of THR Marea Neagra SA of 22.10.2019, it was decided to redeem own shares by the company, in accordance with the applicable legal provisions, within the limit of 1% of the share capital, ie a maximum of 5,789,499 shares with a nominal value of 0.10 lei/share, at a minimum price equal to the market price of the company's shares on BVB and at a maximum price of 0.15 lei/share, with the purpose *of "distributing the repurchased shares, free of charge, to the directors, directors and employees of the company in order to streamline and retain their activity within a Stock Option Plan program"* and with the development of the program for a maximum period of 9 months,



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From the beginning of the program until its end, the company repurchased 2,941,452 shares. At a market value of 298,474.51 lei.

On 05.10.2020, by the majority provided by law, the Extraordinary General Meeting of Shareholders of THR Marea Neagra SA decides to change the destination of the buy-back program approved by EGM no. 1 of 22.10.2019, in "***reduction of capital by cancellation of own shares***" with the amount of 294,145.20 lei, representing the equivalent value of the 2,941,452 shares at the nominal value of 0.1 lei/share.

Between the market value and the nominal value of the repurchased shares with which the share capital was reduced, resulted in a loss of 4,329.31 lei.

**CA PRESIDENT
Mihaela ICHIM**