IMPACT DEVELOPER & CONTRACTOR SA

SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2020

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ENDORSED BY THE EUROPEAN UNION

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

This is a free translation from the original Romanian version.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of,
IMPACT DEVELOPER & CONTRACTOR S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of IMPACT DEVELOPER & CONTRACTOR S.A. (the "Company"), with registered office in Bucharest, identified by unique tax registration code 1553483, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the financial statements.

2. The financial statements as at December 31, 2020 are identified as follows:

• Net assets/Equity	kRON	637,083
• Net profit for the financial year	kRON	69,247

3. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016, with subsequent amendments for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the matter
Valuation of Investment Property As disclosed in Note 9 to the separate financial statements, investment property held by the Company is recorded at RON 456,768 thousand as of December 31, 2020 (December 31, 2019: RON 383,285 thousand). Investment properties primarily represent land plots. The Company applies the fair value model after initial measurement. Fair value of investment property is determined on the basis of a valuation performed by an independent appraiser, with experience in this industry. Any changes in fair value are recognized in profit or loss account. The valuation method used by the independent appraiser includes inputs and data from various sources, based on the type of the asset and involves judgements and a high degree of estimates. In the Romanian market actual transaction values for real estate deals are not publically available and there is not a high volume of transactions in larger land plots. The sales comparables method therefore has inherent limitations and a significant degree of judgement is required in its application. Because of the significance of estimates and judgements involved in assessing this area and considering the significant value of Investment Property, we consider that the Valuation of Investment Property is a key audit matter.	Our procedures in relation to management's valuation of investment properties include: - Evaluation of the independent external valuers' competence, capabilities and objectivity; - Assessing the methodologies used by the independent external valuer and the appropriateness of the key assumptions based on our knowledge of the property industry and using our in-house valuation experts; - Performing independent comparison to market prices for similar assets in the same market; and - Assessing the disclosures of the valuation bases, the key assumptions and the sensitivity analysis, including change from the prior year to the current year, together with its effect on the current year income statement, in the context of IFRS requirements and common market practice.

Other information – Administrators' Report

6. Management is responsible for the preparation and presentation of the other information. The other information is included in a separate report.

Our opinion on the financial statements does not cover the other information and, unless explicitly provided in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended December 31, 2020, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Administrators' report, we read and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

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On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

a) the information included in the administrators' report for the financial year for which the financial statements have been prepared are consistent, in all material respects, with these financial statements;

b) the administrators' report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2020, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We have been appointed by the General Assembly of Shareholders on April 28, 2020 to audit the financial statements of IMPACT DEVELOPER & CONTRACTOR S.A. for the financial year ended December 31, 2020. The uninterrupted total duration of our commitment is 1 year, covering the financial year ended December 31, 2020.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued and this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- We have not provided for the Company the **non-audit services** referred to in Article 5 (1) of EU Regulation No. 537/2014.

The engagement partner on the audit resulting in this independent auditor's report is Alina Mirea.

Alina Mirea, Audit Partner

For signature, please refer to the original signed Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 1504

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. FA 25

The Mark Building, 84-98 and 100-102 Calea Grivitei,
8th Floor and 9th Floor, District 1
Bucharest, Romania
March 17, 2021

(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Tangible assets	**8**	4,244	6,309
Intangible assets		136	128
Investment property	**9**	456,768	383,285
Financial assets	**11**	58,340	56,191
Total non-current assets		**519,488**	**445,914**
Current assets			
Inventories	**10**	147,927	201,787
Trade and other receivables	**12**	140,911	91,938
Cash and cash equivalents	**13**	52,065	35,357
Total current assets		**340,903**	**329,081**
Total assets		**860,391**	**774,995**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**14**	272,464	281,907
Share premium		65,711	68,760
Revaluation reserve		3,001	3,001
Other reserves		12,389	8,787
Own shares	**15**	(2,675)	(7,771)
Retained earnings		286,193	230,996
Total equity		**637,083**	**585,681**
Non-current liabilities			
Loans and borrowings	**16**	148,396	115,723
Trade and other payables	**17**	510	330
Deferred tax liability	**23**	55,300	46,051
Total non-current liabilities		**204,206**	**162,105**

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	31 December 2020	31 December 2019
Current liabilities			
Loans and borrowings	**16**	2,215	1,765
Trade and other payables	**17**	16,220	24,537
Provisions for risks and charges	**18**	667	907
Total current liabilities		**19,102**	**27,209**
Total liabilities		**223,308**	**189,314**
Total equities and liabilities		**860,391**	**774,995**

The financial statements have been authorized for issue by the management on March 17, 2021 and signed on its behalf by:

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda,**
CEO	CFO	BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2020
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	31 December 2020	31 December 2019
Revenue from real estate inventories	19	109,926	156,695
Costs of real estate inventories on stock		(67,656)	(83,266)
Gross profit		**42,270**	**73,429**
Net rental income	19	1,297	72
General and administrative expenses	20	(19,160)	(19,929)
Marketing expenses		(3,004)	(3,871)
Depreciation and amortization		(704)	(745)
Other operating income/expenses	21	(1,882)	(3,509)
Total other income / expenses		**(23,453)**	**(27,983)**
Gains on investment property	9	64,328	144,559
Impairment of assets		(1,059)	253
Annual operating profit		**82,086**	**190,259**
Finance costs, net	22	1,995	(7,150)
Profit before tax		**84,081**	**183,109**
Income tax expense	23	(14,834)	(28,970)
Profit of the period		**69,247**	**154,139**
Total comprehensive income attributable to Company shareholders:		**69,247**	**154,139**
Total comprehensive income for the period		**69,247**	**154,139**

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CEO	CFO	BoD President

(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1, 2020		**281,907**	**68,760**	**3,001**	**8,788**	**(7,771)**	**230,996**	**585,681**
Comprehensive income								
Profit for the year		-	-	-	-	-	69,247	69,247
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**69,247**	**69,247**
Transactions with shareholders of the Company								
Own shares acquired during the year	15	-	-	-	-	(9,610)	-	(9,610)
Paid dividends		-	-	-	-	-	(10,449)	(10,449)
Share capital reduction by cancelling shares	14	(9,444)	(3,049)	-	-	12,492	-	-
Share-based payments		-	-	-	-	2,214	-	2,214
Other changes in equity								
Set up of legal reserves		-	-	-	3,601	-	(3,601)	-
Transfer of reserves		-	-	-	-	-	-	-
revaluation reserves		-	-	-	-	-	-	-
Balance on December 31, 2020		**272,464**	**65,711**	**3,001**	**12,379**	**(2,675)**	**286,193**	**637,083**

The financial statements have been authorized for issue by the management on March 17, 2021 and signed on its behalf by:

Sorin Apostol,
CEO

Giani Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1, 2019		**285,330**	**68,760**	**3,064**	**730**	**(3,038)**	**94,020**	**448,866**
Comprehensive income								
Profit for the year		-	-	-	-	-	154,139	154,139
Other comprehensive income		-	-	-	-	-	26	26
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**154,165**	**154,165**
Transactions with shareholders of the Company								
Own shares acquired during the year	15	-	-	-	-	(8,156)	-	(8,156)
Paid dividends		-	-	-	-	-	(9,195)	(9,195)
Share capital reduction by cancelling shares	14	(3,423)	-	-	-	3,423	-	-
Other changes in equity								
Set up of legal reserves		-	-	-	8,058	-	(8,058)	-
Transfer of reserves		-	-	(63)	-	-	63	-
revaluation reserves		-	-	-	-	-	-	-
Balance on December 31, 2019		**281,907**	**68,760**	**3,001**	**8,788**	**(7,771)**	**230,996**	**585,681**

The financial statements have been authorized for issue by the management on March 17, 2021 and signed on its behalf by:

Sorin Apostol,
CEO

Giani Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	2020	2019
Cash flows from operating activities:			
Profit for the period		**69,247**	**154,139**
Adjustments for:			
Depreciation of tangible non-current assets		578	629
Amortization of intangible non-current assets		74	73
Impairment of tangible non-current assets, net		1,975	(86)
Result from disposal of assets, net	**21**	(40)	(122)
Impairment of inventories, net		17,157	4,596
Impairment of trade and other receivables, net		(916)	(167)
Shares granted to employees		2,214	-
Legal settlements			612
Changes in fair value of investment property	**9**	(64,328)	(144,559)
Corporate tax	**23**	14,834	28,970
Net changes in provisions for risks and charges	**18**	(240)	306
Interest expenses	**22**	7,825	9,095
Interest income	**22**	(6,432)	(4,450)
Foreign exchange differences, net	**22**	2,185	2,505
Other financial income	**22**	(5,573)	
Other		53	(63)
Profit/loss from selling real estate investments		-	(638)
Cash generated in operations before changes to working capital		**(30,634)**	**(103,300)**
Inventories		30,721	62,840
Long term trade and other receivables		(2,658)	11,014
Trade and other payables		(19,427)	(11,557)
Cash generated from operations		**47,250**	**113,136**
Income tax paid		(5,840)	(6,384)
Interest paid		(6,621)	(8,483)
Net cash generated from operations		**34,789**	**98,269**
Cash flows from investing activities:			
Acquisitions of tangible assets and investment property		(2,566)	(15,882)
Acquisitions of intangible assets		(82)	(134)
Net cash used for investing activities		**(2,648)**	**(16,016)**

(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	2020	2019
Cash flows from financing activities:			
Paid dividends	**14**	(10,448)	(9,094)
Repayment of borrowings		(19,349)	(69,816)
Cashing from loans		51,631	41,030
Loans granted to affiliates		(40,156)	(41,654)
Repayment of loans granted to affiliates		4,662	14,117
Acquisitions of new shares		(9,610)	(8,156)
Sale of financial investments		7,867	-
Other		(30)	-
Net cash from (used for) investing activities		**(15,433)**	**(73,573)**
Net increasing/ (decreasing) of cash and cash equivalents		**16,708**	**8,681**
Cash and cash equivalents on January 1st		**35,357**	**26,676**
Cash and cash equivalents on December 31st	**13**	**52,065**	**35,357**

The financial statements have been authorized for issue by the management on March 17, 2021 and signed on its behalf by:

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda.**
CEO	CFO	BoD President

(All amounts are expressed in thousand RON, unless stated otherwise)

1. REPORTING ENTITY

Impact Developer & Contractor SA ("the Company") is a Company registered in Romania whose activity is the development of real estate.

The registered office of the Company is Willbrook Platinum Business &Convention center 172 -176 Bucuresti Ploiesti Building A 1st floor Bucharest, 1st district.

The shareholding structure on December 31st, 2020 and December 31st, 2019 is presented in Note 14.

The Company controls several other entities and prepares consolidated financial statements. According to the provisions of Law no. 24/2017, such entities shall also prepare separate financial statements.

The Company and its subsidiaries (together referred to as the „Group") are as follows:

	Country of registration	Nature of activity	% of shareholding at 31 December 2020	% of shareholding at 31 December 2019
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Actual Invest House SRL	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real Estate development	100%	100%

The Company is one of the first companies active in real estate development sector in Romania, being constituted in 1991 through public subscription. Initially, its first activities were renting and maintenance of deluxe villas in Bucharest area. In 1995, the Company introduced the residential concept on the Romanian market and, step by step, it changed into a pure real estate developer. Starting 1996, the Company's securities are publicly traded in Bucharest Stock Exchange (BVB).

In 2020 the business of Impact revolved around the GREENFIELD residential complex in Bucharest and Boreal Plus in Constanta.

2. THE BOARD OF ADMINISTRATION

The Board of Administration represents the decision-making body on all significant aspects for the Company as a whole due to its strategic, financial or reputational implications. The Board delegates the management powers of the Company, under the conditions and limits provided by the law and by the Articles of Incorporation.
The Board of Administration consists of 5 members:

- Iuliana Mihaela Urda, chairperson of the Board of Administration
- Intrepid Gem SRL
- Ruxandra-Alina Scarlat, Administrator
- Daniel Pandele, Administrator
- Laviniu Dumitru Beze, Administrator

In the Ordinary General Assembly of the Shareholders from April 24, 2019, a new member of the Impact's Board of Administration has been elected, namely INTERPID GEM SLRL, by means of the natural entity, permanent representative of the legal entity, Mr. Vaduva Petru Ion. His mandate has started on April 24, 2019 and is valid until April 27, 2021.

2. THE BOARD OF ADMINISTRATION

Executive Management of the Company

On 29.01.2020 the Board of Administration of Impact decided to appoint Mr. Apostol Sorin as General Manager of the Company for 6 (six) months, starting with 01.02.2020, with the option to change it to a permanent designation. He replaced Mr. Bogdan Ionut Oslobeanu, who requested his mandated to be terminated in order to follow other carrier opportunities, starting with de 31.01.2020. On 27.07.2020 the Board of Administration of Impact decided to extend Mr. Apostol Sorin's mandate as CEO for a period of twelve (12) months.

Mr. Apostol Sorin continues his strategy to develop the Company to the level of the existing projects and shall initiate new projects to consolidate the company's current top position on the residential market.

3. BASIS OF PREPARATION

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union ("EU IFRS"). The separate Financial Statements are available on the company and Bucharest Stock Exchange website once they are approved by the Board of Directors and General Shareholders Meeting.

The financial statements have been prepared on an ongoing concern basis and under the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

The going concern principle

The Company has prepared forecasts, including certain sensitivities taking into account the principal business risks, at the Company's and Impact Group level. Having considered these forecasts, the Directors remain of the view that the Company's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Company to conduct its business for at least the next 12 months. Accordingly, the financial statements have been prepared on a going concern basis.

The Company made an initial assessment of the risks and uncertainties. Therefore, management considered different scenarios, taking into account the following:

• Sales and pre-sales
• Prices
• Evolution of real estate projects
• Cash and external financing

At the date of issuance of these financial statements, the Company records sales for 47 apartments in Greenfield Băneasa and Luxuria Domenii Residence (developed through a subsidiary) (i.e. for the period corresponding to 2021) and has a stock of 225 pre-sold apartments for Greenfield Baneasa, Luxuria Domenii Residence and Boreal Plus.

Part of the aforementioned pre-sales is expected to be converted into sales in 2021, ensuring steady revenues for the company to support its activity and continue the projects started within the Impact Group (Greenfield Plaza, Greenfield - Teilor District, Constanța Boreal Plus and Luxuria phase B) together with the unrestricted cash at the level of the Impact Group of EUR 13.8 million at March 15, 2021.

As regards pre-sales, the Company expects a significant increase in volume due to the projects that the Company is currently carrying out in Greenfield, Teilor District (Phases 1 and 3); Greenfield Panoramic 1 and 2, Luxuria Domenii Residence Phase B, Boreal Plus Constanta (Phase 1) and from the second half of the year also Greenfield Copou Iasi - first phase.

3. BASIS OF PREPARATION (continued)

The Company is in the process of obtaining building permits for Greenfield Copou Iasi and in various stages of negotiations with the builders and financing banks for this project. In addition, the Company considers that a major impetus in the Company's activity is the construction of Greenfield Plaza (a multifunctional complex that will include SPA areas (with relaxation areas and 2 swimming pools), fitness rooms and sports fields, commercial areas (including a big one for an important retailer on the Romanian market). The Company entered into a partnership with the City Hall of Bucharest Sector 1 for the construction of a public kindergarten and a public school, as the Company transferred to the City Hall the land for these new constructions where the entire Greenfield project will be carried out. Greenfield Plaza is scheduled to be ready in October 2021.

As regards selling prices, the Company considers that they are at arm's length and does not believe that there will be major downward price adjustments this year. The approval by law from the end of last year to increase the 5% VAT ceiling to EUR 140,000 will lead to a recovery of this sector, even if the Government has taken the measure to implement this law with a delay of 1 year (as of 2022).

As regards funding, in the first 2 months of 2021, the Group repaid one of the financing for the Luxuria phase A2 project and will pay until August the second financing loan from the same bank for phase A1. Moreover, Impact Group is in advanced negotiations for the financing of Greenfield Plaza and Phase 1 of Teilor District and Boreal Plus phase 1. The other projects are already financed. In 2021, the Company submitted documentation for obtaining financing through European funds for phases 4-5 of Greenfield Teilor.

The Company is closely monitoring the evolution of the Covid-19 pandemic. In 2020, the impact of this pandemic on the main activity was not significant. Management estimates that with the new vaccines to stop this virus, the positive evolution of the pandemic by decreasing the number of cases, and the encouraging developments of the economy forecast by the Government will provide a solid basis for the Company's development in the coming years.

The Company continues to fulfill its obligations and therefore continues to apply the going concern accounting principle.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in RON, this being also the functional currency of the Company. All financial information is presented in thousand RON.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been constantly applied by the Company, for all periods presented in these Financial Statements.

Below is presented the summary of the significant accounting policies.

(a) Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currency at the date of reporting are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rate prevailing at the date of the determination of fair value. The non-monetary elements denominated in a foreign currency that are carried at historical cost are converted using the exchange rate at the date of transaction

The exchange rate differences resulted from translation are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Tangible assets

Land and buildings held for use in production, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment.
Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

The estimated useful lives of property, plant and equipment are as follows

• building	40 years
• plant, equipment and vehicles	3–5 years
• fixtures and fittings	3–12 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting.

(c) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(d) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including Property under construction for such purposes), is measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value.

All of the Company's property interests held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment property (continued)

When the use of a property is changed, such that it is reclassified to property, plant and equipment or inventories, its fair value as of the date of reclassification becomes the cost of the property for the purpose of subsequent accounting.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The valuation of inventories upon entry into the company is done using the following techniques:

- ✓ Residential properties — specific identification
- ✓ Land — weighted average cost
- ✓ Other — first in-first out (FIFO)

(f) Trade and other receivables

Trade receivables on normal terms excluding derivative financial instruments do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. The carrying amount of trade and other receivables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Share capital

- **Ordinary shares**

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity at its value net of any fiscal effect

- **Repurchase and reissue of ordinary shares (treasury shares)**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares are classified as treasury shares and are presented in the treasury share reserves. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(i) Dividends

Dividends are recognized in the period when their allocation is approved.

(j) Own shares

Own shares consist of treasury shares and shares held within an employee benefit trust. The Company has an employee benefit trust to satisfy the exercise of share options that have vested under the Company's share option schemes.

Own shares are recognized at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognized in equity, with any difference between the sale proceeds from the original cost being taken to retained earnings. No gain or loss is recognized in the performance statements on transactions in own shares.

(k) Borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

- **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss.

To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure On qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade payables and other payables

Trade payables on normal terms are not interest-bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs. The carrying amount of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the Present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Revenues

Revenues are recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Company is expected to be entitled to receive in exchange of those goods or services. Revenues are recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Revenues comprises the fair value of the consideration received or receivable, net of value added tax, after eliminating sales within the Company. Revenue and profit are recognized as follows:

(i) Revenue from sale of residential properties

Revenue from sale of residential properties during the ordinary course of business are valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognised when the significant risks and rewards of ownership have been transferred to the customer, this is deemed to be when title of the property passes to the customer on legal completion, the associated costs and possible return of goods can be estimated reliably. This is the point at which all performance obligations are satisfied and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable for certain rebates to be granted, and their value can be measured reliably, then these are recognised as a reduction of the revenues when the sale revenues are recognised. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the payment is almost always less than one year, the company has also instalments payments over a period more than one year but those are not significant.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenues (continued)

(ii) Revenues from re-charging utilities

The revenues from recharge of utilities are recognised when they are realized, together with the utilities expenses invoiced by the suppliers The Company recharges the utilities under the form of administrative costs. These revenues refer to the rented properties, to the properties sold without the transfer of ownership (sales in instalments) and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utilities suppliers in their own name

(o) Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

- **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

- **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognized for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(p) Share-based payments

The Company has applied the requirements of IFRS 2 "Share-based payment". The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date they are granted. The fair value is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial instruments – fair values and risk management

The risk management function within the Company is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

(r) Operating leasing agreements

The Company analyzes at the commencement of the contract the extent to which a contract is, or contains a lease. Namely, the extent to which the contract confers the right to use an identifiable asset for a period of time in exchange for the consideration.

The Company applies a single recognition and measurement approach to all leases, except for short-term leases and low-value assets. The Company recognizes lease payables for lease payments and the right to use the assets representing the right to use the underlying asset. i) Right to use assets: The Company recognizes the right to use assets at the date of commencement of a lease (i.e. the date on which the underlying asset is available for use). The right to use the assets is measured at cost excluding accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The cost of the right to use the assets includes the amount of the recognized lease liability incurred at initial direct costs and lease payments made on or before the commencement date excluding any lease benefits received. The right to use the assets is amortized on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

• Land and buildings: 1 -2 years

• Other equipment: 1 -2 years

If ownership of a leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a call option, depreciation is calculated using the asset's estimated useful life. The duration of the lease contract was considered the irrevocable period of the lease contract, without taking into account the option of extension. The right to use assets is also subject to impairment.

At the date of commencement of the lease, the Company recognizes the lease payables measured at the current value of the lease payments to be made throughout the lease. Lease payments include fixed payments (including fixed payments as a substance) excluding any lease benefits receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under the residual value guarantee. Lease payments also include the exercise price of a call option that is reasonably certain to be exercised by the Company and penalty payments for the termination of the lease, if the lease term reflects the group's option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or conditions that determine the payments occur.

To calculate the current value of lease payments, the Company uses the incremental loan rate at the commencement date of the lease because the default interest rate of the lease is not readily determinable. After the start date, the amount of the lease liability is increased to reflect the accretion of interest and decreased for the lease payments made. In addition, the carrying amount of the lease is re-measured if there is a change, a modification in the lease term, a change in lease payments (change in future payments resulting from a change in an index or instalment rate used to determine those lease payments) or a change in the valuation of an underlying asset purchase option. Lease liabilities are included in Note 16 Trade and other payables.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events that is not recognized because:

  i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Company's financial statements but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or on-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognized in the Company's financial statements but disclosed when an inflow of economic benefits is probable.

(t) Subsequent events

Events occurring after the reporting date December 31, 2020, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the financial statements.

Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(u) Segment reporting

The Company operates only in Romania. The single operating segment is considered to be the development of real estate.

(All amounts are expressed in thousand RON, unless stated otherwise)

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 5, the directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these forecasts. Estimates and hypothesis on which these are based on are under ongoing review. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

(i) Fair value measurements and valuation processes of investment property

Valuation of investment property and property, plant and equipment.

The Company has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Company's investment property, property developed for sale and property, plant and equipment in their current state. The most recent real estate investment assessment took place on December 31, 2020. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

In the Romanian market actual transaction values for real estate deals are not publically available and there is not a high volume of transactions in larger land plots. The sales comparables method therefore has inherent limitations and a significant degree of judgement is required in its application.

For investment property assets are mainly valued using the sales comparison approach. The key assumptions underlying the market value of the Company's land assets are:

- the selection of comparable land plots resulting in order to determine the "offer price" which is taken as the basis to form an indicative price

- the quantum of adjustments to apply against the offer price to reflect deal prices, and differences in location and condition.

The key inputs are summarized in note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation. A sensitivity analysis of the three key assets is presented below:

Asset	Impact on the valuation included in the balance sheet at 31 December 2020 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield land	- 10,389 thousand RON	+ 10,389 thousand RON
Barbu Vacarescu land	- 6,870 thousand RON	+ 6,870 thousand RON
Ghencea land	- 5,295 thousand RON	+ 5,295 thousand RON

Management agrees that the valuation of the fair value of the Group's land portfolio, performed by Colliers Valuation and Advisory S.R.L., may lead to different receipts from a sale that may differ from the carrying amount.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Transfers of assets both from and to investment property

IAS 40 (investment property) requires that transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgemental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

- For the Ghencea and Barbu Vacarescu projects, in 2019, management has taken the view that legal restrictions on the use of assets are an indication of change in use and Consequently these assets are reclassified to investment property and recorded at fair value as at the balance sheet date.

- For a portion of the Greenfield land, management considers that a potential development will not take place in the following 3-4 years from the balance sheet date. Consequently these assets continue to be accounted for at fair value within investment property.

Had different judgements been applied in determining a change in use, then the financial statements may have been significantly different as a result of the differing measurement approach of inventories and investment properties.

(iii) Legal issues

The management of the Company analyses regularly the status of all ongoing litigations, and, following a consultation with the Board of Administration decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the separate financial statements. Key legal matters are summarized in Note 26.

On December 31, 2020, a subsidiary company is engaged in a dispute with Cluj City Council. The company is seeking reimbursement of costs amounting to RON 17 million plus expenses. Based on advice from the Company's lawyers, management believes that the outcome of the case will not result in an adverse outcome in these financial statements. However, the matter is judgmental and in the event that recoveries are less than the carrying value of the asset then a financial loss will result.

(iv) Cost allocation

In order to determine the profit that the Company should recognize on its developments in a specific period, the Company has to allocate site-wide development costs between units sold in the current year and to be sold in future years. Industry practice does vary in the methods used and in making these assessments there is a degree of inherent uncertainty. In the event that there is a change in future development plans from those currently anticipated then the result would be fluctuations in cost and profit recognition over different project phases.

(v) Effects of the Coronavirus pandemic

The Company has been closely monitoring for one year the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will adjust its strategy in order to mitigate the impact of the pandemic and respect its commitments to its clients, financers and shareholders. Certain judgments as regards the effects of the pandemic are presented in Note 2.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company adopted and applied the following accounting standards issued by the International Accounting Standards Board that are mandatory for financial years beginning on or after 1 January 2020.

- **Conceptual Framework in IFRS standards**
  The International Accounting Standards Board ("IASB") issued the revised Conceptual Framework for Financial Reporting on March 29, 2018. The Conceptual Framework establishes a comprehensive set of concepts for financial reporting, standard setting, guidance for the preparers of financial statements in developing consistent accounting policies and assistance for users in understanding and interpreting standards. The IASB also issued a separate attached document, Amendments to the References to the Conceptual Framework to IFRS standards, which sets out the amendments to the affected standards in order to update the revised references to the Conceptual Framework. The objective of the document is to support the transition to the revised Conceptual Framework for entities that develop accounting policies using the Conceptual Framework when no IFRS standard applies to a particular transaction. For those who prepare financial statements and develop accounting policies based on the Conceptual Framework, the document enters into force for annual periods starting on or after January 1, 2020.

- **IFRS 3: Business Combinations (Amendments)**
  The IASB has issued amendments to the definition of a business (Amendments to IFRS 3) in order to address the challenges that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are in effect for business combinations for which the acquisition date falls within the annual reporting period beginning on or after January 1, 2020 or later and for asset acquisitions occurring on or after the beginning of that period, and early application is permitted. Management considered that this amendment did not have a significant impact on the Group's financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of "Material" (Amendments)**
  The amendments clarify the definition of "material" and how it should be applied. The new definition states that "information is material if its omission, concealment or misrepresentation could, in a reasonable scenario, influence users' economic decisions based on financial statements that present financial information about a specific entity." Also, the explanations that accompany the definition have been improved. The amendments also ensure the consistent definition of the term "material" in all IFRS standards. The changes take effect for annual periods beginning on or after January 1, 2020 and early application is permitted. Management estimated that this amendment did not have a significant impact on the Group's financial statements.

- **Interest rate benchmark reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**
  In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 concluding the first phase of its activity to address the effects of the Interbank Offered Interest Rate ("IBOR") reform on financial reporting. The published amendments address issues that have an impact on financial reporting prior to the replacement of an IBOR with an alternative reference rate and address the implications of the specific requirements for the application of hedge accounting in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which requires a predictive analysis. The amendments provide for temporary exemptions applicable to all hedging relationships that are directly affected by the IBOR reform, which allow for the continuation of hedge accounting in the period of uncertainty before replacing an IBOR with an alternative reference rate with almost no risk. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional uncertainty arising from the IBOR reform. The amendments shall enter into force for annual periods beginning on or after 1 January 2020 and shall be applied retroactively. The second stage (exposure draft) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced by a risk-free interest rate (RFR). Management considered that this amendment did not have a significant impact on the Group's financial statements.

This year, a number of non-binding amendments to IFRS were issued by the International Accounting Standards Board (IASB) and the Company did not opt for early application.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments refer to an inconsistency identified between the requirements of IFRS 10 and those of IAS 28 in connection with the sale or asset contribution of an investor in favor of the associate or joint venture. The main consequence of the changes is that a total gain or loss is recognized when the transaction involves a business (whether or not it is in the form of a subsidiary). A partial gain or loss is recognized when a transaction involves assets that do not represent a business, even if they are in the form of a subsidiary. In December 2015, the IASB postponed indefinitely the date of entry into force of this amendment pending the results of a research project on accounting using the equity method. The changes have not yet been adopted by the EU.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments)**
  The changes take effect for annual reporting periods beginning on or after January 1, 2022 and early application is permitted. However, in response to the COVID-19 pandemic, the Board postponed the date of entry into force by one year, respectively to 1 January 2023, in order to give companies more time to implement the required classification changes. The amendments aim to promote consistency in the application of classification requirements by helping companies determine whether, in the statement of financial position, liabilities and other payment obligations with uncertain settlement dates should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change the existing requirements for measuring or recognizing any asset, liability, income or expense, nor the information that entities present regarding these items. The amendments also clarify the requirements for classifying liabilities that can be settled by the company by issuing equity instruments. These changes have not yet been adopted by the EU.

- **IFRS 3 Business Combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and Annual Improvements 2018-2020 (Amendments)**

  The changes take effect for annual periods beginning on or after January 1, 2022 and early application is permitted. The IASB has issued amendments with a reduced scope to the following IFRS standards:
  - **IFRS 3 Business Combinations (Amendments)** - updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting, without changing the accounting requirements for business combinations.
  - **IAS 16 Property, plant and equipment (Amendments)** - The amendments prohibit a company from deducting from the costs of property, plant and equipment the amounts received from the sale of items produced, while the company prepares the asset for operation. Instead, a company will recognize these sales receipts and the related cost in the profit or loss account.
  - **IAS 37 Provisions, contingent liabilities and contingent assets (Amendments)** -changes indicate exactly what costs a company includes when determining the cost of performing a contract in order to assess whether a contract is onerous.
  - **The annual improvements 2018-2020** bring minor changes to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples that accompany IFRS 16 Leases.

  The changes have not yet been adopted by the EU.

- **IFRS 16 Leases - Covid-19-Related Rent Concessions (Amendments)**
  The amendments apply retrospectively for annual reporting periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements that have not yet been authorized to be issued by May 28, 2020. The IASB has amended the standard by granting tenants exemptions from the application of the requirements of IFRS 16 regarding the treatment of amendments to leases for leases that arise as a direct consequence of the COVID-19 pandemic. The amendments provide a practical expedient for lessees to account for any change in lease payments resulting from the lease concession that arises as a consequence of COVID-19 in the same way that it would register the change, in accordance with IFRS 16, if it were not a change of lease.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

The facilities can be applied only if all the following conditions are met:

- The modification of the lease payments results in a revised consideration for the lease which is, substantially, similar or lower than the consideration for the lease immediately prior to the modification;
- Any reduction in lease payments only affects payments initially due on or before June 30, 2021.
- There were no substantive changes to the other terms and conditions of the lease.

Management considered that this amendment did not have a significant impact on the Group's financial statements.

- **Interest rate benchmark reform – Phase Two - IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**
  In August 2020, the IASB published the Interest Rate Benchmark Reform - Phase Two - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, complementing its work to address the effects of the IBOR reform. The amendments provide temporary exemptions that address the effects on financial reporting when IBOR is replaced by an almost risk-free reference (RFR). The amendments provide, in particular, a practical expedient when accounting for changes in the basis for determining contractual cash flows related to financial assets and liabilities, requiring the adjustment of the effective interest rate - treatment similar to an event to update the reference rate in the contract. The amendments also provide for exemptions from the termination of the hedging relationship, including a temporary exemption from the need to identify the hedged component separately when an RFR instrument is designated in a hedging relationship against a hedged component. In addition, the amendments to IFRS 4 are intended to allow insurers that continue to apply IAS 39 to obtain the same exemptions as those provided for in the amendments to IFRS 9. There are also amendments to IFRS 7 *Financial Instruments: Disclosures* to allow users of financial statements to understand the effects of IBOR reform on financial instruments and risk management strategy. The changes take effect for annual periods beginning on or after January 1, 2021 and early application is permitted. Although the application is retrospective, the entities do not have to make restatements for the previous periods.

The Company assesses that none of these amendments have a significant impact on the financial statements.

(All amounts are expressed in thousand RON, unless stated otherwise)

8. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

Cost / valuation	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Balance at January 1,2020	**16,129**	**2,989**	**1,154**	**278**	**20,550**
Additions	1,269	88	65	347	1,769
Transfers	-	-	-	-	-
Disposals	50	26	5	340	421
Change in fair value due to revaluation	(53)	-	-	-	(53)
Balance at 31 December 2020	**17,295**	**3,050**	**1,214**	**286**	**22,687**
Accumulated depreciation and impairment losses					
Balance at January 1,2020	**10,825**	**2,406**	**1,010**	**-**	**14,241**
Charge for the period	1,080	216	58	-	630
(Reversal of)/Impairment loss	2,058	-	-	-	2,058
Accumulated depreciation of disposals	25	25	1	-	33
Balance at 31 December 2020	**13,937**	**2,598**	**1,066**	**-**	**16,895**
Carrying amounts					
At 1 January 2020	**5,305**	**582**	**144**	**278**	**6,309**
At 31 December 2020	**3,358**	**453**	**148**	**286**	**4,244**

(All amounts are expressed in thousand RON, unless stated otherwise)

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost / valuation	**Land and buildings**	**Machinery, equipment and vehicles**	**Fixtures and fittings**	**Assets under construction**	**Total**
Balance at January 1, 2019	**13,013**	**2,927**	**1,118**	**1,034**	**18,101**
				-	
Additions	4,490	76	36	108	4,710
Transfers	-	-	-	-	-
Disposals	1,374	23	-	863	2,260
Change in fair value due to revaluation	-	-	-	-	-
Balance at 31 December 2019	**16,129**	**2,989**	**1,154**	**278**	**20,550**
Accumulated depreciation and impairment losses					
Balance at January 1, 2019	**10,633**	**2,120**	**945**	**-**	**12,902**
Charge for the period	304	304	65	-	674
(Reversal of)/Impairment loss	9860	-	-	-	(86)
Accumulated depreciation of disposals	27	18	-	-	45
Balance at 31 December 2019	**10,825**	**2,406**	**1010**	**-**	**14,241**
Carrying amounts					
at 1 January 2019	**4,001**	**806**	**173**	**1,034**	**5,629**
at 31 December 2019	**5,305**	**582**	**144**	**278**	**6,309**

(All amounts are expressed in thousand RON, unless stated otherwise)

9. INVESTMENT PROPERTY

Reconciliation of carrying amount of property investments

	2020	2019
Balance on January 1	**383,285**	**217,113**
Additions	3,504	12,300
Entries by transfer		
Entries by transfer	5,981	95,381
Disbursements by transfer	-	(85,130)
Disposals	(330)	(939)
Changes in fair value on projects transferred from inventory	64,328	144,559
Balance on December 31	**456,768**	**383,285**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties.

Main real estate investments in land

	31 December 2020		31 December 2019	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	210,209	207,789	197,085	165,779
Barbu Vacarescu land (Bucharest)	26,322	137,399	26,322	118,503
Blvd. Ghencea – Timisoara land (Bucharest)	258,925	105,908	258,925	95,286
Total	**495,456**	**451,096**	**482,332**	**379,568**

In 2019, the Company decided to reclassify the land located in Barbu Vacarescu (2.63 ha) and Prelungirea Ghengea-Timisoara Blvd. (15.55 ha) from inventory to investment property. The decision was made based on the analysis of the legal cases involving the land (more details below) which showed that a definitive and irrevocable Court decision would be expected in the distant future. As such, the Company would have to analyse the market conditions at those points in time to decide the best use of the land, namely if it will be used to construct to sell or to construct to rent.

Considering the above, the Company considers that at the end of 2019 there is sufficient evidence that the future use of the land is uncertain and thus the land should be classified as investments and not as inventory, in accordance with IAS 40 provision regarding “land held for a currently undetermined future use”.

Details on the legal issues related to land are found in Note 26.

Valuation processes

The Company’s investment properties were valued at December 31, 2020 by independent professionally Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having experience regarding the location and nature of the properties evaluated.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valuation technique used in determination of the fair value of investment property.

(All amounts are expressed in thousand RON, unless stated otherwise)

9. INVESTMENT PROPERTY (continued)

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorized as Level 3 fair value at December 31, 2020. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques

The following table presents the valuation techniques used in the determination of the fair value of investment properties categorized as a Level 3 fair value

The table below presents a summary of the most significant assets and key assumptions used:

Asset	**Main parameters at 31 December 2020**	**Main parameters at 31 December 2019**
Greenfield Baneasa land	• Price offer per square meter for land used as comparable: from 170 EUR / sqm to 300 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location and condition: from -30% discount to + 40% premium	• Price offer per square meter for land used as comparable: from 98 EUR/sqm to 200 EUR/sqm Observable offer price adjustments to reflect transaction prices, location and condition: discount from -25% to +45% premium
Barbu Vacarescu land	• Price offer per square meter for land used as comparable: from 1,327 EUR/sqm to 2.600 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -5% to -50% • Additionally, an additional discount rate of 4% was applied for a period of 2 years to consider the current aspects of the disputes	• Price offer per square meter for land used as comparable: from 1,327 EUR/sqm to 2,500 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -20% to -50% • Additionally, an additional discount rate of 4% was applied for a period of 3 years to consider the current aspects of the disputes
Blvd Ghencea- Timisoara land	• Price offer per square meter for land used as comparable: from 100 EUR/sqm to 150 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -3% to -30%	• Price offer per square meter for land used as comparable: from 70 EUR/sqm to 120 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -3% to -20%

The carrying value as at 31 December 2020 of the land plots pledged is of 153,133 (31 December 2019: 165,209).

(All amounts are expressed in thousand RON, unless stated otherwise)

10. INVENTORIES

	31 December 2020	31 December 2019
Finished goods and goods for resale	14,587	64,685
Residential developments:		
- Land	97,042	121,925
- Development and construction costs	36,298	15,177
	147,927	**201,787**

Inventories are represented by:

	31 December 2020	31 December 2019
Residential project Greenfield	110,650	174,615
Land and development expenses Constanta	31,591	21,877
Other inventories	5,686	5,295
	147,927	**201,787**

Land with a carrying amount of RON 97,042 thousand as at 31 December 2029 (2019: RON 121,925 thousand) consists of land held by the Company for development of new residential properties and infrastructure, mainly in Bucharest, as well as land which the Company intends to realize value through direct sale.

Completed residential properties with a carrying value of 14,587 RON as at December 31, 2020 (2019: 64,685 RON) refer entirely to apartments held for sale by the Company

The carrying value as at December 31, 2020 of the finished goods inventories pledged is of 7,325 thousand RON.

11. FINANCIAL ASSETS

	31 December 2020	31 December 2019
Interests in affiliates and associates	66,473	64,323
Impairment of interest in affiliates and associates	(8,133)	(8.133)
	58,340	**56,190**

(All amounts are expressed in thousand RON, unless stated otherwise)

11. FINANCIAL ASSETS (continued)

The Company holds interests in the following affiliates:

	31 December 2020			
	Percentage	**Gross value**	**Impairment**	**Book value**
Actual Invest House	6.23%	110	(110)	-
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	1	-	1
Impact Finance	99%	1	-	1
Greenfield Rent	99%	1	-	1
Total affiliates		**64,324**	**(8,133)**	**56,191**
Star Residence	22%	2,149	-	2,149
Total associates		**2,149**	**-**	**2,149**
Total affiliates and associates		**66,473**	**(8,133)**	**58,340**

	31 December 2019			
	Percentage	**Gross value**	**Impairment**	**Book value**
Actual Invest House	6.23%	110	(110)	-
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	1	-	1
Impact Finance	99%	1	-	1
Greenfield Rent	99%	1	-	1
		64,324	**(8,133)**	**56,191**

Clearline Development and Management SRL hold the rest of 93. 77% in Actual Invest House S.R.L.

a) Actual Invest House S.R.L, a company that provides management services for new residential developments.

b) Clearline Development and Management S.R.L. Clearline Development and Management S.R.L. (former Lomb SA) is the project company through which IMPACT was to develop a residential project in Cluj-Napoca, in partnership with the local authority. For investments made by Clearline Development & Management SRL in the realization of the Lomb project in Cluj, the project company has a litigation (see Note 26) amounting to 17,053 thousand RON, plus legal interest, a file that is currently pending at the Court in Arges and is currently carrying out the expertise (Urban and Construction) in the file.

c) Bergamot Developments S.R.L., company within the group with main object of activity real estate development, which starting with 2018 developed a residential ensemble of approx. 51.382 square meters, 500 apartments, on a land of approximately 17,213 sqm, respectively the first phase of the residential complex Luxuria Domenii Residence.

(All amounts are expressed in thousand RON, unless stated otherwise)

11. FINANCIAL ASSETS (continued)

d) Bergamot Developments Phase II S.R.L., a company within the group having as main object of activity the real estate development, which is to develop the Phase II (130 apartments) of the residential complex Luxuria Domenii Residence, consisting of 13,618 square meters built on a plot of 5,769 sqm.

e) Impact Finance & Developments S.R.L. has a role in diversifying the range of services related to home sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings.

f) Greenfield Copou Residence S.R.L., a company within the group having as main object of activity the lease and sublease of its own or of rented property has been incorporated in December 2019.

g) Star Residence Invest S.A., a company whose main object of activity is the letting and sub-letting of real estate, in which Impact holds 22% ownership at the end of 2020.

Star Residence SRL is a private company founded on October 7, 2020, being 100% owned by the Company. On December 23, 2020, 77.62% of the shares of Star Residence SRL were sold to private investors (see Note 27).

12. TRADE AND OTHER RECEIVABLES

	Short term		Long term	
	31-Dec-20	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**
Trade receivables	3,970	9,256	-	-
Receivables from affiliates	127,067	83,093	-	-
Sundry debtors	(613)	(737)	-	-
Receivables from State	1,044	(82)	-	-
Advance payments to suppliers (for services)	4,847	408	-	-
Other receivables	4,596	-	-	-
	140,911	**91,938**	**-**	**-**

An allowance has been made for estimated irrecoverable amounts from trade receivables of 2,384 thousand RON (2019: 3,692 thousand RON).

As of December 31, 2020, the Company did not have any trade receivables and other pledged receivables.

The trade receivables include the amount of 1,040 thousand RON (2019: 3,719) in relation with sale contracts for residential properties.

(All amounts are expressed in thousand RON, unless stated otherwise)

13. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Current accounts	52,048	35,346
Petty Cash	8	4
Cash advances	9	7
	52,065	**35,357**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 311 thousand RON is restricted cash. In addition, the carrying value of the cash and cash equivalents pledged with banks, as of December 31, 2020 in of 125 thousand RON and 28 thousand EUR.

14. SHARE CAPITAL

	31 December 2020	31 December 2019
Share capital paid in	265,000	274,444
Adjustments of the share capital (hyperinflation)	7,464	7,463
	272,464	**281,907**

The shareholding structure at the end of each reported period was as follows

	31 December 2020	31 December 2019
	%	*%*
Gheorghe Iaciu	59.41%	56.82%
Andrici Adrian	15.98%	15.43%
SWISS CAPITAL	12.53%	12.22%
Other shareholders	12.08%	15.53%
	100%	**100%**

All shares are ordinary and have equal ranking related to the Company's residual assets. The nominal value of one share is 1 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 1 share during the meetings of the Company.

In accordance with the Constitutive Act of the company, during the GSM of 28 April 2020, the share capital was decreased by 9,443,532 RON from 274,443,532 RON, by reducing the number of shares from 274,443,532 to 265,000,000 following the cancellation of 9,443,532 own shares previously acquired by the company.

Dividends

During the financial year ended on December 31, 2020, the Company did declare and paid dividends to its shareholders in total amount of 10,449 thousand RON related to the financial year 2019 and paid dividends to its shareholder amounting 10,449 thousand RON.

(All amounts are expressed in thousand RON, unless stated otherwise)

15. OWN SHARES

In accordance with the company's articles of association, authority was sought at the AGM dated 15.06.2017 to purchase up to 2.56% of the company's shares in issue as at the date of the decision. (Maximum 7,000,000 shares). The authority, that has been exercised, was approved and remains exercisable for 24 months from the approval date.

At the AGM dated 24.04.2019, the buy back of a maximum number of 10,000,000 (ten millions) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 3.60 % of the subscribed and paid in share capital, representing a maximum of 3.60 % of the paid in share capital on the date of the resolution.

The own shares reserve represents the cost of shares in IMPACT purchased in the market, to satisfy options and conditional share awards under the Company's share option plans.

As at 31 December 2020 the Company has in balance 2,578 thousand own shares, at an average price of RON 1,0869/share with a nominal value of RON 2,675 thousand (2019: RON 7,771 thousand). During 2020, the Company granted 1,205 shares to employees and BoA members.

16. LOANS AND BORROWINGS

This note discloses information related to the contractual terms of the interest-bearing loans and borrowings of the Company, valued at amortized cost. Information related to the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is included in Note 24.

	31 December 2020	31 December 2019
Non-current liabilities		
Secured bank loans	-	-
Debenture loans	148,396	115,723
	148,396	**115,723**
Current liabilities		
Current portion of secured bank loans	-	-
Short-term borrowings	2,215	1,765
	2,215	**1,765**

Terms and repayment schedules

Terms and repayment schedules of loans and borrowings in balance are as follows

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 31 December 2020	Balance at 31 December 2019
loans					
Credit Value Investments	EUR	10.01.2022	12,000	59,896	58,586
Bucharest Stock Exchange S.A	EUR	12.12.2022	12,525	58,225	58,902
Private placement bonds	EUR	24.12.2026	6,581	32,093	-
Total bonds				**150,214**	**117,488**
Libra Internet Bank	RON	17.06.2021	19,700	397	-
Total bank loans				**397**	**-**
Total				**150,611**	**117,488**

(All amounts are expressed in thousand RON, unless stated otherwise)

16. LOANS AND BORROWINGS (continued)

The interest rates at which the Company borrowed the loans in RON are between 5.3% - 7.05%.

On July 10, 2017, the Company offered 120 A series-bearer bonds for subscription, each with a face value of EUR 100 thousand and a total face value of EUR 12,000 thousand issued in physical form, to two funds of investments managed by Credit Value Investments Sp. z o, (CVI). The bonds were issued on 11th of July 2017 and are due on the date on which they are 54 months from the date of the issue. The bonds bear a fixed interest rate of 6.00% per year, payable twice a year. On 1 February 2021, the Group signed an agreement to extend the maturity for the amount of EUR 6,000 thousand until the maturity of the bonds, i.e. January 2022.

The bonds are mainly secured by a first-rate mortgage covering the obligations arising from the bonds up to the guaranteed maximum amount of EUR 18,000 thousand (eighteen million) on seven plots of land with a total area of 154,308 sqm located in Bucharest, 1st District, Romania, which are the exclusive property of the Company, as well as their accessories. The Company has an early redemption option for the Bonds, which can be exercised from the second interest payment date, provided that the minimum redeemed amount is at least 1,000 thousand.

Bucharest Stock Exchange S.A. approved the application for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. of the bonds issued by the Company, unsecured at a fixed annual interest rate of 5,75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525 thousand.

The bonds were issued following the offer addressed to Eligible Investors, as defined in the prospectus of 28th of November 2017 approved by ASF through the approval decision no. 1710 of November 28th, 2017, amended by the amendment of 8th of December 2017 approved by the ASF by the approval decision no. 1766 of 8th of December 2017 and by the amendment of 13th of December approved by the ASF by the approval decision no. 1816 of 13th of December 2017.

In December 2020, the Company conducted a new issuance of Private Placement bonds worth EUR 6,580 thousand at a fixed interest rate of 6.4% p.a., due twice a year. The bonds were issued by the Company dated 24 December 2020, have a maturity of 6 years and will be listed on the Regulated Market of the BSE in the first half of 2021.

All the financial covenants provided for in the long-term bank loan agreements were achieved at 31 December 2020.

17. TRADE AND OTHER PAYABLES

	31 December 2020	31 December 2019
Non-current liabilities		
Guarantees	510	330
	510	**330**
Current liabilities		
Trade payables	3,373	3,225
Customer deposits	6,086	1,721
Divides payable	200	199
Payable to affiliates	67	275
Other payables	6,494	19,117
	16,220	**24,537**

Information related to the Company’s exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 23.

Revenue recognized in the current year that was included in the customer deposit balance carried forward at the beginning of the period was 9,813 thousand RON (2019: 6,136 thousand RON). In the current reporting period, there have been no recognized incomes related to performance obligations that were satisfied in a prior financial year.

(All amounts are expressed in thousand RON, unless stated otherwise)

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2020	**319**	**588**	**907**
Provisions established during the period	-	391	391
Provisions written back during the period	48	583	631
Balance on December 31, 2020	**271**	**396**	**667**

19. REVENUES

Revenues of the Company:

	2020	2019
Revenue from sale of residential properties	108,084	156,568
Other revenues	1,842	127
	109,926	**156,695**

Net rental income	2020	2019
Revenues from rentals	442	396
Revenue from re-charging utilities	4,219	3,984
Operating expenses directly related to properties rented	(3,364)	(4,308)
	1,297	**72**

20. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
Consumables	373	452
Services provided to third parties	7,353	7,437
Staff costs	11,434	12,040
	19,160	**19,929**

21. OTHER OPERATING EXPENSES/INCOME

	2020	2019
Other operating income	(1,731)	(3,727)
Rent expenses	439	541
(Profit) / Loss on disposal of property, plant and equipment	(40)	(122)
Fines and penalties (income)/expenses	(39)	187
Other operating expenses	3,253	6,630
	1,882	**3,509**

(All amounts are expressed in thousand RON, unless stated otherwise)

22. FINANCE COST/INCOME

	2020	2019
Interest expense	7,647	9,095
Interest income	(6,432)	(4,450)
Foreign exchange result	2,185	2,505
Gains on disposal of subsidiaries	(4,725)	-
Net result from the sale of financial investments	(671)	-
	(1,995)	**7,150**

23. INCOME TAX

(i) Taxes recognized in the profit and loss account

	2020	2019
Expense from-with the deferred profit, net	9,249	21,042
Current income tax	5,582	7,928
Other tax expenses	**14,834**	**28,970**

(ii) Reconciliation of effective tax rate

	2020		2019	
Profit before taxation		**84,081**		**183,109**
Tax using the Company's domestic tax rate	-16%	(13,453)	-16%	(29,297)
Non-deductible expenses and adjustments	7%	6,230	15%	2,019
Tax-exempt income	9%	(7,611)	15%	(1,692)
Recognition of tax effect of previous year tax losses	-	-	-	-
	18%	**(14,834)**	**16%**	**(28,970)**

(iii) Cumulative temporary differences generating deferred tax

	31 December 2020		31 December 2019	
	Cumulative temporary differences	Deferred tax liabilities / (assets)	Cumulative temporary differences	Deferred tax liabilities / (assets)
Property, plant and equipment	(2,417)	(387)	(1,393)	(223)
Investment property	365,207	58,433	312,855	50,048
Inventories	(8,054)	(1,289)	(14,706)	(2,343)
Trade and other receivables	(5,005)	(801)	(4,838)	(774)
	349,731	**55,956**	**291,918**	**46,707**
Fiscal losses which generated deferred tax	(4,101)	(656)	(4,101)	(656)
	345,630	**55,300**	**287,817**	**46,051**

(All amounts are expressed in thousand RON, unless stated otherwise)

23. INCOME TAX (continued)

(iv) Deferred tax balance movements

	Net balance as at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December Net	Assets	Liabilities
2020						
Property, plant and equipment	(223)	-	-	(223)	(223)	
Investment property	50,048	9,249	-	59,296		59,297
Trade and other receivables	(774)	-	-	(774)	(774)	
Inventories	(2,343)	-	-	(2,343)	(2,343)	
Effect of fiscal losses which generated deferred tax	(656)	-	-	(656)	(656)	-
Fiscal (assets) / liabilities, net	**46,051**	**9,249**	-	**55,300**	**(3,996)**	**59,297**

	Net balance as at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December Net	Assets	Liabilities
2019						
Property, plant and equipment	(237)	14	-	(223)	(223)	
Investment property	28,311	21,737	-	50,048	-	50,048
Trade and other receivables	(801)	27	-	(774)	(774)	
Inventories	(1,608)	(735)	-	(2,343)	(2,343)	
Effect of fiscal losses which generated deferred tax	(656)	-	-	(656)	(656)	
Fiscal (assets) / liabilities, net	**25,009**	**21,042**	**-**	**46,051**	**(3,997)**	**50,048**

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial risk management

The Company is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

General risk management framework

The Company does not have any formal commitments to overcome the financial risks. Despite the inexistence of formal commitments, the financial risks are monitored by the Company’s top management, emphasizing its needs to efficiently compensate opportunities and threats.

The Company’s policies regarding the risk management are defined so as to ensure identification and analysis of the risks the Company is dealing with, setting limits and adequate controls, as well as risk monitoring and compliance with the set limits. The policies and system meant to manage risks are regularly reviewed to reflect the changes occurred in the market conditions and Company’s operations. The Company, through its standards and procedures for coaching and managing, aims to develop an orderly and constructive control environment, where all and each employee understand his/her role and duties.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company’s trade receivables and financial assets.

The net carrying value of the financial assets represent the maximum exposure to credit risk, the maximum exposure to the credit risk at reporting date was:

	Nota	31 December 2020	31 December 2019
Trade and other receivables	11	140,911	91,938
Cash and cash equivalents	13	52,065	35,357
		192,976	**127,295**

Trade receivables and other receivables

The Company’s exposure to credit risk is mainly influenced by the individual characteristics of each customer. All these considered, the management takes into account the demographic characteristics of the customer database, including the collection risk specific to the sector and to the country in which the customer activates, bearing in mind that all these factors influence the credit risk.

In order to monitor customer credit risk, the Company monitors monthly payment delays and takes the steps deemed necessary on a case by case basis.
The maximum exposure to credit risk related to trade and other receivables as at reporting date based on geographical region was:

	31 December 2020	31 December 2019
Romania	140,911	91,938
	140,911	**91,938**

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(a) Credit Risk (continued)

Impairment losses

The receivables' ageing at reporting date was:

	31 December 2020			31 December 2019		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Not yet due	133,608	-	133,608	91,998	-	91.998
Past due 1-30 days	210	-	210	710	-	710
Past due 31–90 days	2,803	-	2,803	278	-	278
Past due 91–120 days	3,832	-	3,832	(127)	-	(127)
Past due 121–365 days	221	(93)	128	25	-	25
Past due more than 1 year	2,621	(2,291)	330	2,744	(3.692)	(948)
	143,295	**(2,384)**	**140,911**	**95,629**	**(3.692)**	**91.938**

Impairment losses at 31 December 2020 are related to a number of customers who provided indications that it is not expected that they will be able to pay amounts owed, mainly due to economic conditions.

The Company considers that the amounts for which no impairment losses were recognized, despite they are past due more than 30 days shall be collected, based on the prior payment behavior and following an analysis of the credit rating of those customers.

Cash and cash equivalents

At 31 December 2020, the Company held cash and cash equivalents in amount of RON 52,065 thousand (31 December 2019: RON 35,357 thousand), representing the maximum exposure to credit risk arising from these assets. The cash and cash equivalents are held at banks and financial institutions in Romania.

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's obligations.

The following table illustrates the remaining contractual maturities of financial liabilities at the end of the reporting period, including estimated interest payments and excluding any impact of netting agreements:

	Carrying value	Total	Less than 1 year	between 1 and 2 years	between 2 and 5 years	More than 5 years
31 December 2020						
Loans and borrowings	150,611	150,611	2,215	116,348	-	32,048
Trade and other payables	16,730	16,730	16,220	510	-	-
	167,341	**167,341**	**18,435**	**116,858**	**-**	**32,048**
Future estimated interest	20,028	20,028	8,916	4,960	6,152	1,880
Total	**187,369**	**187,369**	**27,351**	**121,818**	**6,152**	**1,880**

	Carrying value	Total	Less than 1 year	between 1 and 2 years	between 2 and 5 years	More than 5 years
31 December 2019						
Loans and borrowings	117,488	117,488	1,765	115,723	-	-
Trade and other payables	24,867	24,867	24,536	331	-	-
	142,355	**142,355**	**26,301**	**116,054**	**-**	-
Future estimated interest	**19,092**	**19,092**	**6,866**	**6,866**	**3,360**	**-**
Total	**159,447**	**159,447**	**45,876**	**110,211**	**3,360**	**-**

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(c) Market risk

The Company's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Company aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that sales, purchases and borrowings are denominated in different currencies than the Company's functional currency (Romanian Leu), foremost Euro.

The summary quantitative data about the Company's exposure to the currency risk reported to the management if the Company based on the policy for managing the risk is as follows:

In thousands of RON	**EUR**
31 December 2020	
Monetary assets	
Cash and cash equivalents	48,024
	48,024
Monetary liabilities	
Loans and borrowings	150,214
	150,214
Net exposure	**102,191**

	EUR
31 December 2019	
Monetary assets	
Cash and cash equivalents	1,436
	1,436
Monetary liabilities	
Loans and borrowings	117,488
Net exposure	**(116,052)**

The Company did not conclude any hedging engagements related to the obligations denominated in foreign currencies or to the exposure to the interest rate risk.

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(c) Market risk (continued)

Currency risk (continued)

The main exchange rates used during the year were:

	31 December 2020	Average for 2020	31 December 2019	Average for 2019
EUR 1	4.8694	4.8371	4,7793	4,7452

Sensitivity analysis

A strengtheting / (weakening) of Leu by 10% against the following foreign currencies as at 31 December 2020 and 31 December 2019 would have increased the profits by the amounts indicated below. This analysis was realised based on the variations of the exchange rates considered reasonably possible by the Company at the end of the period, This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	31 December 2020		
	Carrying value	Weakening	Strengthening
Monetary assets and liabilities			
EUR	(102,191)	10,219	(10,219)

	31 December 2019		
	Carrying value	Weakening	Strengthening
Monetary assets and liabilities			
EUR	(116,052)	11,605	(11,605)

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(c) Market risk (continued)

Interest rate risk

	31 December 2020				931 December 2018			
	Carrying value	Variable interest	Fixed interest	Non-interest bearing	Carrying value	Variable interest	Fixed interest	Non-interest bearing
Monetary assets								
Trade and other receivables	140,911	-	-	140,911	91,938	-	-	91,938
Cash and cash equivalents	52,065	-	-	52,065	35,357	-	29,903	5,454
	192,976	**-**	**-**	**192,976**	**127,295**	**-**	**29,903**	**97,392**
Monetary liabilities								
Loans and borrowings	150,611	397	150,214	-	117,488	-	117,488	-
Trade and other payables	16,730	-	-	16,730	24,867	-	-	24,867
	167,341	**397**	**150,214**	**16,730**	**148,913**	**-**	**117,488**	**24,867**

(All amounts are expressed in thousand RON, unless stated otherwise)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(c) Market risk (continued)

Interest rate risk (continued)

As at reporting date, the interest rate profile of the Company's interest-bearing financial instruments, reported to the Company's management was as follows:

	Carrying value	
	31 December 2020	**31 December 2019**
Fixed rate instruments		
Financial assets	-	29,903
Financial liabilities	(150,214)	(117,488)
	(150,214)	**(87,585)**
Variable rate instruments		
Financial liabilities	(397)	-
	(397)	**-**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

25. CAPITAL COMMITMENTS

As at 31 December 2020, the Company has no capital commitments contracted.

26. CONTINGENCIES

Litigations

As of the date of these Financial Statements, the Company was involved in various ongoing lawsuits both as plaintiff and defendant.

The management of the Company analyses regularly the status of all ongoing litigations, and, following a consultation with the Board of Administration decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the separate financial statements.

Taking into account the information available, the management of the Company considers that there are no significant ongoing litigations, except the ones detailed below.

a) Cluj City Council – Cluj Municipality (hereinafter "CCC")

The Company and one of its affiliates (Clearline Development and Management SRL) ("Project Company") are parties in two cases against the Cluj City Council ("CCC"). The disputes originated from a contractual relationship from 2007, when the company entered into an investment contract with CCC, whereby CCC and the Company would develop a residential project and the CCC would contribute the land ("Lomb Project)". The Company and the Project Company request reimbursement of amounts arising from investments in respect of the Lomb project to which CCC has not contributed with the land, thus the Company being unable to finalize the project and being unable to obtain any revenues from it.

26. CONTINGENCIES (continued)

The case number 79/1285/2012 has been registered to the Cluj Commercial Court, in which the Company has requested the dissolution of the framework-contract no. 55423/04.07.2007 concluded between CCC and the Company. In addition, the Company requested the court to compel the CCC to pay compensation in amount of 4,630,914.13 thousand RON plus related interest, computed from the date of the damage up to the date of collection of the amounts.

In 2020, on December 23, 2020, the Cluj Tribunal ruled the following decision in File 79/1285/2012: rejects, as ungrounded, the said application filed by the Company. The Company filed appeal, which will be settled by the Cluj Court of Appeal. At this time, the Company cannot estimate the duration of the trial until it obtains a final decision.

Case 1032/1259/2012 has been registered to the Arges Commercial Court, in which the Project Company has requested to CLC payment of compensation provisionally estimated to RON 17,053,000 plus related interest, computed from the date of the damage up to the date of the registration of the claim, provisionally estimated at RON 500,000. In this file, until the date of this report, no court decision was issued, the parties are administering evidence, including technical and accounting expertise, which were succeeded by objections and various requests for completion by the litigating parties. Based on the first expertise prepared, both the Company and its subsidiary have recognized impairment losses to the respective inventories down to the values determined by the expertise already performed, without recognizing any contingent liabilities.

b) Barbu Vacarescu

In 2014, the Company acquired 1/3 of the title of ownership on 5 plots of land with a total area of 78,970 sqm, located in Barbu Vacarescu, Bucharest. The other 2/3 of the title on the lots were acquired by Cefin Real Estate Development BV ("Cefin").

Impact has filed a lawsuit against Cefin Real Estate Development BV ("Cefin") for the separation and identification of Land Impact in Barbu Vacarescu (2.6 ha) in the Land Book. Impact and Cefin own a land of c. 10.5 ha, of which 2,6 ha of Impact and the rest of Cefin owned.

In 2017, Impact decided to file a legal action regarding the separation and identification the land of Impact in Barbu Vacarescu (approximately 2.6 ha) in the Land Book and to individualize an exclusive property right of this land area. The legal action is the subject of file no. 5642/300/2017, registered with Sector 2 District Court, Bucharest. The lawsuit is in the merits phase, and the evidence to be administered is very complex.

Up to this date, topographic and geotechnical expertise has been carried out.

By means of the topographic expertise, the main aim was to make proposals for creating plots of land, shares of co-ownership and urban servitudes and the existing boundaries. As cadastral overlaps were identified between the plots that were the object of the topographic expertise, the land books were updated.

At the date of this report, the evidence by evaluation expertise is ongoing. When ruling, the court of law will have to proceed with the sharing of the plots taking into account the ownership shares held by each party, but also aspects related to the location, identification and evaluation of the plots.

The next hearing is **April 16, 2021**. No significant changes in the carrying value of assets are expected to result from the outcome of this case. Refer to Note 9 for details of the investment.

(All amounts are expressed in thousand RON, unless stated otherwise)

26. CONTINGENCIES (continued)

c) Ghencea

In 2018, the Company filed a legal action against the Romanian State and Bucharest City Hall in order to reconfirm its ownership rights over the land located in the Municipality of Bucharest Prelungirea Ghencea no. 402-412, sector 6 ("the Land"), as identified in cadastral documentation no. 6515/2/6/1, which formed the basis of the registration in Land Book no. 59472, opened with the Cadastre and Real Estate Publicity office in Sector 6.

The Company considered that it is necessary to file such an action in order to consolidate its title over the Land in the context in which the title of the original owner, respectively Title no. 68,401 issued by the Ilfov County Commission for the Establishment of the Property Right over Lands on February 5, 2004 in favor of the Pasteur S.A. Institute, was annulled by the Bucharest Sector 6 District Court.

The legal action is the subject of File no. 5737/3/2018 registered with the Bucharest Tribunal.

On November 22, 2019, the Bucharest Tribunal ruled and admitted the action brought by the Company against the Romanian State through the Ministry of Public Finance and the Municipality of Bucharest. Thus, by Ruling no. 2651, the Bucharest Court found that the Company has ownership of the Land. The ruling of the Bucharest Tribunal can be appealed with appeal.

In 2020, the Romanian State and the Bucharest City Hall filed an appeal against Ruling no. 2651 of 22.11.2019 of the Bucharest Tribunal. The appeal was settled by the Bucharest Court of Appeal, which by Decision no. 1246 of 06.10.2020, rejected the appeals as ungrounded. Consequently, Ruling no. 2651 of 22.11.2019 of the Bucharest Tribunal remained grounded and legal.

Decision no. 1246 of October 6, 2020 of the Bucharest Court of Appeal can be challenged by second appeal.

No significant changes in the carrying value of assets are expected to result from the outcome of this case.

27. RELATED PARTIES

Subsidiaries

The Company's subsidiaries and the nature of their activity are as follows:

	Registration country	Scope of activity
Clearline Development and Management SRL	Romania	Real estate development
Actual Invest House SRL	Romania	Property management
Bergamot Developments SRL	Romania	Real estate development
Bergamot Developments Phase II SRL	Romania	Real estate development
Impact Finance Developments SRL	Romania	Ancillary activities to financial intermediations
Greenfield Copou Residence SRL	Romania	Real estate development

(All amounts are expressed in thousand RON, unless stated otherwise)

27. RELATED PARTIES (continued)

Company subsidiaries (continued)

Transactions and balances with related parties during and for the year ended December 31, 2020, December 31, 2019 respectively.

	Transactions for the year ended 31 December		Balance at 31 December	
Sales of goods and services	**2020**	**2019**	**2020**	**2019**
Subsidiaries				
Actual Invest House	50	1,602	10	7
Clearline Development and Management	6	12	121	61
Bergamot Developments	1,172	1,429	1,740	708
Bergamot Developments Phase II	6	6	-	0
Impact Finance Developments	31	52	2	8
GreenField Copou Residence	6	-	316	1
	1,271	**3,102**	**2,189**	**786**

	Value of the transaction in the past year 31 December		Balance at 31 December	
Acquisition of goods and services	**2020**	**2019**	**2020**	**2019**
Subsidiaries				
Actual Invest House	1,159	1,283	124	327
Impact Finance	6	18	1	3
	1,165	**1,301**	**125**	**330**

	Balance on 31 December	
Granted loans	**2020**	**2019**
Subsidiaries		
Clearline Development and Management	80	65
Bergamot Developments	56,526	56,758
Bergamot Developments Phase II	34,642	17,392
Impact Finance	-	85
GreenField Copou Residence	18,546	-
	109,794	**74,300**

(All amounts are expressed in thousand RON, unless stated otherwise)

27. RELATED PARTIES (continued)

	Balance on 31 December	
Interest rate	**2020**	**2019**
Subsidiaries		
Clearline Development and Management	7	3
Bergamot Developments	7,847	5,212
Bergamot Developments Phase II	3,707	1,690
GreenField Copou Residence	421	-
	11,983	**6,905**

Transactions with associates

At December 31, 2020, the Group has to collect from Star Residence the amount of 1,827 representing the VAT related to the goods contributed to the share capital. In addition, the Group collected rent in amount of 2 during the year.

Transactions with key management personnel

Remuneration of key management personnel comprises salaries and related contributions (social and medical contributions, unemployment contributions and other similar contributions). The Company's management is employed on a contractual basis. The remuneration of the directors and board of directors, who are the key management personnel of the Company, for the year ended 31 December 2020 is 1,575 thousand RON (31 December 2019: 2,145).

Starting December 2019, the company has implemented a share-based incentives scheme for the management and other employees over a period of 1 year.

In December 2019, the Company announced that it would implement a share-based payment scheme for employees and members of the Board of Directors, over a period of 1 year. At the date of the announcement, the terms and conditions of the plan were only partly communicated to the persons interested.

In December 2020, the Group granted a number of 1,205 thousand shares to the employees and members of the Board of Directors (of which 745 thousand shares to the members of the Board of Directors and Company's management) evaluated and registered to profit and loss on the granting date in amount of 2,214 (1.88 RON / share).

Starting September 2020, the Group implemented an action-based incentive scheme for management and other employees, including a total of 0.5 million shares that will be granted after a period of 1 year based on pre-established KPIs for the objectives of 2021.

Transactions with shareholders

In the financial year ended December 31, 2020, the Company declared and paid dividends to its shareholders in amount of 10,448 (2019: 9,195).

(All amounts are expressed in thousand RON, unless stated otherwise)

28. ASSOCIATES

On October 7, 2020, Impact Developer & Contractor established a subsidiary, Star Residence SRL, whose main object of activity is real estate development. The share capital of the subsidiary was constituted by the in-kind contribution of investment properties in the patrimony of the Company. The investment properties contributed consisted of 14 apartments and 26 parking spaces with an accounting value of 4,791. In order to constitute the share capital of the newly established company, the valuation company Colliers established the fair value of the contribution at the value of 9,610, resulting in a gain of 4,819 from the increase of the fair value.

	Country of origin	Object of activity
Star Residence Invest SA.	Romania	Lease of real estate

The transactions and balances in relation to associates for the years ended 31 December 2020 and 31 December 2019.

	Transactions for the year ended 31 December		Balance at 31 December	
Sale of goods and services	**2020**	**2019**	**2020**	**2019**
Associates				
Star Residence Invest	2	-	1,926	-
	2	**-**	**1,926**	**-**

On December 23, 2020, the Group sold 77.62% of the shares held in Star Residence to a third party for a price of 8,123.

The result of the period for Star Residence for 2020 is presented below:

	2020
Income	204
Expenses	(61)
Result of the period	**143**

29. EARNINGS PER SHARE

	2020	2019
Profit for the period	69,247	154,139
Number of ordinary shares at the beginning and at the end of the period	265,000	274,444
Basic earnings per share (RON/share)	0.26	0.56

30. SUBSEQUENT EVENTS

Company's management does not consider that any significant events occurring subsequent to 31 December 2020 up to the date of the approval of these financial statements would require adjustments.

The Company presents the following subsequent events from December 31, 2020 to the date of approval of these financial statements:

- The signing of two loan agreements with First Bank to finance the investment (EUR 5.92 million) and VAT (RON 4.5 million) related to the Panoramic Complex in Greenfield Baneasa

The separate financial statements have been authorized for issue by the management on March 17, 2021 and signed on its behalf by:

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda,**
CEO	CFO	BoD President