

IMPACT DEVELOPER & CONTRACTOR SA

**SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2021**

**PREPARED IN ACCORDANCE WITH
MINISTRY OF FINANCE ORDER NO 2844/2016 FOR THE APPROVAL OF ACCOUNTING REGULATIONS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

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

IMPACT

	<u>Note</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
ASSETS			
Non-current assets			
Tangible assets	8	14,162	4,244
Intangible assets		144	136
Investment property	9	568,758	456,768
Financial assets	11	56,542	58,340
Total non-current assets		639,606	519,488
Current assets			
Inventories	10	268,290	147,927
Trade and other receivables	12	123,674	140,911
Cash and cash equivalents	13	36,171	52,065
Total current assets		428,135	340,903
Total assets		1,067,741	860,391
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	401,214	272,464
Share premium		(4,475)	65,711
Revaluation reserve		3,001	3,001
Other reserves		12,389	12,389
Own shares	15	(841)	(2,675)
Retained earnings		289,279	286,193
Total equity		700,567	637,083
Non-current liabilities			
Loans and borrowings	16	88,830	148,396
Trade and other payables	17	5,514	510
Deferred tax liability	23	68,490	55,300
Total non-current liabilities		162,834	204,206

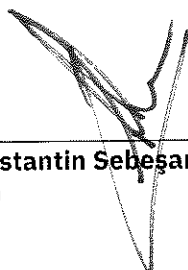
IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

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

IMPACT

	Note	31 December 2021	31 December 2020
Current liabilities			
Loans and borrowings	16	145,489	2,215
Trade and other payables	17	57,563	16,220
Provisions for risks and charges	18	1,288	667
Total current liabilities		204,340	19,102
Total liabilities		367,174	223,308
Total equities and liabilities		1,067,741	860,391

The separate financial statements have been authorized for issue by the management on 24th of March 2022 and signed on its behalf by:



Constantin Sebeșanu,
CEO



Claudiu Bistriceanu,
CFO



Iuliana Mihaela Urdă,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2021

IMPACT

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

	Note	31 December 2021	31 December 2020
Revenue from real estate inventories	19	28,392	109,926
Costs of real estate inventories on stock		(13,524)	(67,656)
Gross profit		14,868	42,270
Net rental income	19	1,025	1,297
General and administrative expenses	20	(19,283)	(19,160)
Marketing expenses		(3,966)	(3,004)
Depreciation and amortization		(727)	(704)
Other operating income/expenses	21	(3,204)	(1,882)
Gains on investment property	9	86,761	64,328
Impairment of assets		-	(1,059)
Operating profit		75,474	82,086
Financial income		8,520	11,827
Financial cost		(5,955)	(9,832)
Finance costs, net	22	2,565	1,995
Profit before tax		78,039	84,081
Income tax expense	23	(13,190)	(14,834)
Profit of the period		64,849	69,247
Total comprehensive income attributable to Company shareholders:		64,849	69,247
Total comprehensive income for the period		64,849	69,247

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 CEO


Claudiu Bistriceanu,
 CFO

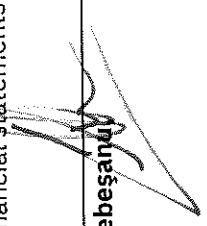

Iuliana Mihaela Urdă,
 BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(All amounts are expressed in thousand RON, unless stated otherwise)

IMPACT

Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1, 2021	272,464	65,711	3,001	12,389	(2,675)	286,193	637,083
Comprehensive income							
Profit for the year	-	-	-	-	-	64,849	64,849
Other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	64,849	64,849
Transactions with shareholders of the Company							
Own shares acquired during the year	15	-	-	-	(1,365)	-	(1,365)
Paid dividends	-	-	-	-	-	-	-
Share capital increase	14	131,250	(69,487)	-	-	(61,764)	-
Share capital reduction by cancelling shares	14	(2,500)	(699)	-	3,199	-	-
Share-based payments	-	-	-	-	-	-	-
Other changes in equity							
Set up of legal reserves	-	-	-	-	-	-	-
Transfer of reserves	-	-	-	-	-	-	-
revaluation reserves	-	-	-	-	-	-	-
Balance on December 31, 2021	401,214	(4,475)	3,001	12,389	(841)	289,278	700,567

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CEO


Iuliana Mihaela Urdă,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(All amounts are expressed in thousand RON, unless stated otherwise)

IMPACT

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	-	-	-	-	(9,610)	-	(9,610)
Paid dividends	-	-	-	-	-	(10,449)	(10,449)
Share capital reduction by cancelling shares	(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	12,389	(2,675)	286,193	637,083

The separate financial statements have been authorized for issue by the management on 24th of March 2022 and signed on its behalf by:



Constantin Sebeșanu,
CEO



Iuliana Mihaela Urdă,
BoD President

This is a free translation from the original Romanian version.

Cash Flow Statement

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Profit of the period		64,849	69,247
Profit of the period reconciliation adjustments with net cash flows:		(75,298)	(42,429)
Real estate investment valuation gains	9	(86,651)	(64,328)
Resumption of impairment loss for PPE	8	230	2,058
Depreciation of property, plant and equipment	8	498	1,429
Financial income	22	(8,520)	(6,432)
Financial cost	22	5,955	10,010
Income tax expense		13,190	14,834
Working capital adjustments		(74,679)	34,513
Decrease / (increase) trade and other receivables	12	19,375	4,362
Decrease / (increase) inventory ownership	10	(111,657)	48,209
(Decrease) / increase in trade, other debts and contractual debts	12	19,771	(26,812)
(Decrease) / increase in provisions	18	621	(240)
Income tax paid	23	(2,789)	(5,840)
Net cash flows generated from operating activities		(85,128)	46,497
Investment activities			
Loans granted to subsidiaries	27	(54,649)	(40,071)
Loan reimbursements collected from subsidiaries	27	81,776	4,577
Investments in subsidiaries	28	1,798	(2,149)
Acquisition of property, plant and equipment	8	(2,460)	(1,504)
Expenditure on real estate investments under development	9	(30,901)	(3,504)
Expenditure on developing PPE	8	(8,346)	(347)
Income from property, plant and equipment	8	152	421
Interest received	16	12,397	1,088
Net cash flows used in investing activities		(233)	(41,489)

IMPACT DEVELOPER & CONTRACTOR SA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

IMPACT

	<u>Notă</u>	<u>2021</u>	<u>2020</u>
Financial activities			
Loan receipts	16	95,160	62,472
Purchase of own shares	15	(1,366)	(7,396)
Repayment of principal of loans	16	(14,504)	(26,038)
Dividends paid	14	-	(10,449)
Interest paid	16	(9,823)	(6,889)
Net cash flows generated from financing activities		69,467	11,700
Net increase in cash and cash equivalents	13	(15,894)	16,708
Cash and cash equivalents as of January 1		52,065	35,357
Cash and cash equivalents as at 31 December	13	36,171	52,065

The separate financial statements have been authorized for issue by the management on 24th of March 2022 and signed on its behalf by:


Constantin Șeșșanu,
 CEO


Claudiu Bistriceanu,
 CFO


Iuliana Mihaela Urdă.
 BoD President

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, Building A, 1st Floor, 172-176 Bucuresti-Ploiesti Road, Bucharest, District 1.

The shareholding structure on 2021 December 31st and 2020 December 31st 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:

	<u>Country of registration</u>	<u>Nature of activity</u>	<u>% of shareholding at 31 December 2021</u>	<u>% of shareholding at 31 December 2020</u>
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%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	100%	-
Greenwise Development SRL	Romania	Real estate development	100%	-
Greenfield Property Management SRL	Romania	Real estate development	100%	-

The Company is one of the first companies active in real estate development sector in Romania, being constituted in 1991 through public subscription. In 1995, the Company introduced the **residential concept** on the Romanian market. Since 1996, the Company' securities are publicly traded in Bucharest Stock Exchange (BVB).

During 2021 the business of the Company revolved around the GREENFIELD residential complex in Bucharest and Boreal Plus in Constanta, finishing of Luxuria Residence, residential comfort concept, and set up for Greenfield Copou Iasi project.

2. THE BOARD OF ADMINISTRATION

The Board of Administration represents the decision-making body for all significant aspects for the Company as whole due to the 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.

On 21st April 2021, in the General Shareholders' Meeting, the members of the Board of Directors of the Company were elected for a four-year term (28th April 2021 – 28 April 2025). Mr. Lavinu Dumitru Beze was replaced by Mr. Sorin Apostol as Administrator.

The Board of Administration consists of 5 members:

- Iuliana Mihaela Urda, chairperson of the Board of Administration
- Intrepid Gem SRL, represented by Petru Vaduva
- Ruxandra-Alina Scarlat, Administrator
- Daniel Pandele, Administrator
- Sorin Apostol, Administrator

Executive Management of the Company

On 27th April 2021, the Board of Directors appointed Mr. Constantin Sebesanu as General Manager for a four-year term, starting with 28 April 2021. On the same date, Sorin Apostol took over as executive director. From 1st of January 2022, Claudiu Bistriceanu was appointed as financial director (CFO) for a four-year mandate.

3. BASIS OF PREPARATION

These separate financial statements have been prepared in accordance with the The Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, is in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 The effects of changes in foreign exchange rates regarding functional currency, except for the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid. These exceptions do not affect the compliance of the financial statements of the Group and the Company with IFRS adopted by the EU. 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, considering 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.

3. BASIS OF PREPARATION (continued)

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

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

Regarding 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, 2 and 3); Greenfield Panoramic (the project will be finished in Q1 of 2022); Boreal Plus Constanta (Phase 1) and from the second half of the year also Greenfield Copou Iasi - first phase, in process of obtaining building permits. 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). Greenfield Plaza is scheduled to be ready in June of 2022.

As regards selling prices, the Company considers that they are at arm's length and does not believe that there will be 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.

During 2021, the Company start a partnership with Bucharest District 1 City Hall to be build a kindergarten and a public school; the land for these buildings were donated by the Company.

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

(b) Tangible assets

Lands 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 subsequent accumulated depreciation and subsequent accumulated impairment losses.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property's 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 property's 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

- | | |
|----------------------------------|------------|
| • buildings | 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 each reporting period date.

(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) and/or for which the scope has not been determined yet, 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 or for which the best use has not been determined yet 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.

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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Company's management is assessing on regular basis the best use of the land maintained in investment. Transfer from investment to inventory is done close to start construction date, after all required permitting has been finalized, a detailed concept of the project is finalized and significant steps have been done to identify construction companies and financing for the project.

(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 | specific identification |
| ✓ 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.

(g) 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.

(h) 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)

(i) 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 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.

(j) Dividends

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

(k) 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.

(l) 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.

For general purpose loans, the borrowing costs are capitalised in the value of the eligible assets using the weighted average rate as per requirements of IAS 23.

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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(m) 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.

(n) 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, considering 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.

(o) 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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 always less than one month.

(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.

(p) 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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(q) 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.

(r) 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.

(s) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings

iii) Short-term leases and leases of low-value

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(t) 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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(u) Subsequent events

Events occurring after the reporting date December 31, 2021, 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.

(v) Segment reporting

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

(w) Investment in subsidiaries and associates

A subsidiary is an entity over which the Company has control.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in subsidiaries and associates are accounted for using the historical cost model.

The Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or subsidiary. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or subsidiary and its carrying value, and then recognises the loss in the statement of profit or loss.

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.

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

The Company has obtained a report from 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, 2021. 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 publicly available and there is not a high volume of transactions in larger land plots. The sale price comparison 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 2021 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa land	- 11,422 thousand RON	+ 11,422 thousand RON
Bd. Barbu Vacarescu land	- 7,898 thousand RON	+ 7,898 thousand RON
Bd. Ghencea – Bd. Timisoara land	- 6,405 thousand RON	+ 6,405 thousand RON

(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.

If had different judgements been applied in determining a change in use, then the financial statements may have been significantly different because 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

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

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 Contingencies.

(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.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The amendments had no impact on the financial statements of the Company.

- IFRS 4: Insurance Contracts (Amendments)

The amendments to IFRS 4 change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The amendments had no impact on the financial statements of the Company.

- IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

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

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendments had no impact on the financial statements of the Company.

B) Standards issued but not yet effective and not early adopted

- **IFRS 17: Insurance Contracts**

The standard is effective for annual periods beginning on or after 1 January 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. In its March 2020 meeting the Board decided to defer the effective date to 2023. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The Company has assessed that the amendments had no impact on the financial statements.

- **IFRS 17: Insurance Contracts (Amendments)**

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The Company has assessed that the amendments had no impact on the financial statements.

- **IFRS 17: Insurance contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments)**

The amendment is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted respectively with IFRS 17. For entities that first apply IFRS 17 and IFRS 9 at the same time, the amendment adds a transition option for a “classification overlay”, relating to comparative information of financial assets. An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. Also, in applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. These amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

- **Amendment in 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 address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a

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

transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date 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 existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

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

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update 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)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

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

- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The Company has assessed that the amendments had no impact on the financial statements.

- IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)
The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The Company has assessed that the amendments had no impact on the financial statements.

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)
The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)
The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)
The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability

(or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no 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, 2021	17,295	3,051	1,214	286	21,846
Additions	1,206	697	57	8,569	10,529
Transfers	495	-	-	(495)	-
Disposals	(150)	(228)	2	-	(380)
Change in fair value due to revaluation	-	-	-	-	-
Balance at 31 December 2021	18,846	3,520	1,269	8,360	31,995

Accumulated depreciation and impairment losses

Balance at January 1, 2021	13,938	2,597	1,067	-	17,602
Charge for the period	372	202	68	-	642
(Reversal of)/Impairment loss	(181)	-	-	-	(181)
Accumulated depreciation of disposals	-	(228)	(2)	-	(230)
Balance at 31 December 2021	14,129	2,571	1,133	-	17,833
Carrying amounts					
At 1 January 2021	3,357	452	148	286	4,244
At 31 December 2021	4,718	949	136	8,360	14,162

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, 2020	16,129	2,989	1,154	278	20,550
Additions	1,269	88	65	348	1,770
Transfers	-	-	-	-	-
Disposals	(50)	(26)	(5)	(340)	(421)
Change in fair value due to revaluation	(53)	-	-	-	(53)
Balance at 31 December 2020	17,295	3,051	1,214	286	21,846
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	-	1,354
(Reversal of)/Impairment loss	2,058	-	-	-	2,058
Accumulated depreciation of disposals	(25)	(25)	(1)	-	(51)
Balance at 31 December 2020	13,938	2,597	1,067	-	17,602
Carrying amounts					
At 1 January 2020	5,305	582	144	278	6,309
At 31 December 2020	3,357	454	147	286	4,244

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings:

During 2021, assets (land and buildings) worth 1,201 thousand RON were purchased, represented by a plot of land in Peștera Commune, Constanța County, on which a billboard was built.

In 2021, the billboard located in Peștera Commune, Constanța County was received. Its value was 452 thousand RON. The building was transferred from the category of assets under construction in October when the acceptance report was signed.

In 2021, the Company sold to the Class Owners Association of Voluntari town, Ilfov county, several plots of land with a total area of 13,587 sq m, representing roads and other common areas. The sale value was 25 thousand RON.

The depreciation registered during the year for the owned constructions is of 372 thousand RON, the depreciation method used was the linear method.

The company records adjustments for the impairment of assets held (electricity, sewerage, roads) because estimates have shown that their recoverable amount is less than their carrying amount (cost - depreciation). Machinery, equipment and means of transport:

In 2021, the purchases of cars, equipment and means of transport were worth 697 thousand RON, of which 530 thousand RON is the external electrical network of the SM40D block and the rest are office equipment (laptops, telephones, servers, etc.). The capital outflows represent 6 (six) fully depreciated cars that were sold.

Furniture and installations:

In 2021, furniture and installations worth 57 thousand RON were purchased. Depreciation of 58 thousand RON was calculated using the straight-line method.

Assets under construction:

The value of fixed assets under construction increased in 2021 by 8,547 thousand RON representing the investment in the building for the Company's offices. This building will be completed in 2022.

In the value of tangible assets under construction were capitalized financial costs amounting to 16 thousand RON.

The value of the land and buildings was compared with the valuations made by an independent appraiser - Colliers Valuation and Advisory SRL - and it turned out that there were no significant changes in values that would require value adjustments or the increase of revaluation increases.

9. INVESTMENT PROPERTY

Reconciliation of carrying amount of property investments

	2021	2020
Balance on January 1	456,768	383,285
Additions through subsequent expenditures	28.901	3.504
Transfers from inventories	-	5.981
Transfers to inventories	(2.899)	(330)
Adjustments	2.548	
Disposals	(5.321)	-
Changes in fair value during the year	86.761	64.328
Balance on December 31	568,758	456,768

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties or for which the use has not been determined yet

Main real estate investments in land

Asset	31 December 2021		31 December 2020	
	sqm	thousand RON	sqm	thousand RON
Greenfield Baneasa land (Bucharest)	200,719	228,431	210,209	207,789
Barbu Vacarescu land (Bucharest)	25,424	157,961	26,322	137,399
Blvd. Ghencea – Timisoara land (Bucharest)	258,895	128,106	258,925	105,908
Total	485,038	514,498	495,456	451,096

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

In the value of fixed assets under development, interest and exchange rate differences related to general loans amounting to 1,261 thousand RON were capitalized.

Valuation processes

The Company's investment properties were valued at December 31, 2021 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.

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, 2021. 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 level 2 to level 3 during the year.

9. INVESTMENT PROPERTY (continued)

Valuation techniques

The following table presents the valuation techniques used in the determination of the fair value of buildings and lands:

Asset	Main parameters at 31 December 2021	Main parameters at 31 December 2020
Greenfield Baneasa land	- Price offer per square meter for land used as comparable: from 250 EUR / sqm to 450 EUR / sqm - Observable offer price adjustments to reflect transaction prices, location and condition: from -47% discount to + 18% premium	- 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
Barbu Vacarescu land	- Price offer per square meter for land used as comparable: from 814 EUR/sqm to 2.348 EUR/sqm - Observable offer price adjustments to reflect transaction prices, location and condition: discount from -40% to -55%	- 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
Bldv Ghencea-Timisoara land	- Price offer per square meter for land used as comparable: from 90 EUR/sqm to 150 EUR/sqm - Observable offer price adjustments to reflect transaction prices, location and condition: discount from -25%	- 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%

The carrying value as at 31 December 2021 of the land plots pledged is of RON 156,709 thousand (31 December 2020: RON 153,133 thousand).

10. INVENTORIES

	31 December 2021	31 December 2020
Finished goods and goods for resale	28,208	14,587
<i>Residential developments:</i>		
- Land	92,742	97,042
- Development and construction costs	142,631	36,298
	268,291	147,927

Inventories are represented by:

	31 December 2021	31 December 2020
Residential project Greenfield	193,011	110,650
Land and development expenses Constanta	60,834	31,591
Other inventories	14,446	5,686
	268,291	147,927

Lands with a carrying amount of RON 92,742 thousand as at 31 December 2021 (2020: RON 97,042 thousand) consist of lands held by the Company for development of new residential properties and infrastructure, mainly in Bucharest, as well as lands which the Company intends to realize value through direct sale.

Completed residential properties with a carrying value of RON 27,281 thousand as at December 31, 2021 (2020: RON 14,587 thousand) refer entirely to apartments held for sale by the Company.

The carrying value as at December 31, 2021 of the finished goods inventories pledged is of RON 12,404 thousand.

The Boreal Plus project in Constanta is financed by CEC Bank; therefore the loan interest was capitalized in the construction value of the stock. The value of the capitalized interest in 2021 is 167 thousand RON.

Part of the Greenfield project (construction of blocks Z1, Z2 and D6) is financed by First Bank. The interest capitalized during 2021 in the value of the projects is 352 thousand RON.

As per IAS 23 – Borrowing costs, the borrowing costs of general loans were capitalised in the value of eligible assets using the weighted average interest rate. The value of the borrowing cost capitalised is 5,636 thousand RON.

Further details on the Company's loans are set out in Note 16.

11. FINANCIAL ASSETS

	31 December 2021	31 December 2020
Interests in subsidiaries and associates	64,565	66,473
Impairment of interest in subsidiaries and associates	(8,023)	(8,133)
	56,542	58,340

The Company holds interests in the following subsidiaries:

31 December 2021				
	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%	49	-	49
Impact Finance	99%	1	-	1
Greenfield Copou Residence	99%	49	-	49
Greenfield Copou Residence Phase II	99%	49	-	49
Greenwise Development	99%	49	-	49
Greenfield Property Management	99%	49	-	49
Total subsidiaries		64,565	(8,023)	56,542

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 subsidiaries		64,324	(8,133)	56,192
Star Residence	22%	2,149	-	2,149
Total associates		2,149	-	2,149
Total subsidiaries and associates		66,473	(8,133)	58,340

11. FINANCIAL ASSETS (continued)

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. (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 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.
- 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. Its object is to develop the Greenfield Copou project in Iasi.
- g) Greenfield Copou Residence Phase II SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
- h) Greenfield Property Management SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
- i) Greenwise Property SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
- j) 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, and on October 2021, all the shares of Star Residence SA were sold, therefore, the Company did not have any shares at Star Residence SA (see Note 27).

12. TRADE AND OTHER RECEIVABLES

This is a free translation from the original Romanian version.

	<u>Short term</u>		<u>Long term</u>	
	<u>31-Dec-21</u>	<u>31-Dec-20</u>	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Trade receivables	6,063	3,970	-	-
Receivables from affiliates	92,012	125,937	-	-
Sundry debtors	3,238	517	-	-
Receivables from State	7,008	1,044	-	-
Advance payments to suppliers (for services)	10,817	4,847	-	-
Other receivables	4,535	4,596	-	-
	123,674	140,911	-	-

An allowance has been made for estimated irrecoverable amounts from trade receivables of 1,790 thousand RON (2020: 2,384 thousand RON).

Reconciliation of the provision for uncollected receivables:

Balance on 01.01.2021	2,384
Provision reversal (receivables)	(1,371)
Establish new provision	776
Sold on 31.12.2021	1,790

As of December 31, 2021, the Company did not have any trade receivables and/or other pledged receivables.

13. CASH AND CASH EQUIVALENTS

	<u>31 December 2021</u>	<u>31 December 2020</u>
Current accounts	36,162	52,047
Petty Cash	9	8
Cash advances	-	9
	36,171	52,065

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 553 thousand RON is restricted cash.

14. SHARE CAPITAL

	<u>31 December 2021</u>	<u>31 December 2020</u>
Share capital paid in	393,750	265,000
Adjustments of the share capital (hyperinflation)	7,464	7,464
	401,214	272,464

14. SHARE CAPITAL (continued)

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

	31 December 2021	31 December 2020
	%	%
Gheorghe Iaciu	59,97%	59,41%
Andrici Adrian	15,98%	15,98%
SWISS CAPITAL	12,45%	12,53%
Other shareholders	11,60%	12,08%
	100%	100%

All shares are ordinary and have equal ranking related to the Company's residual assets. The nominal value of one share is 0,25 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.

The General Meeting of Shareholders convened on 19.04.2021 and 21.04.2021 decided changes in the share capital as follows:

- Reduction of the share capital from RON 265,000,000 to RON 262,500,000 by reducing the number of shares from 265,000,000 shares to 262,500,000 shares as a result of the cancellation of a number of 2,500,000 treasury shares, acquired by the Company;
- The increase of the share capital by RON 131,250,000 by incorporating the capital premiums in the amount of RON 69,487,043 and the result carried forward from 2020 in the amount of RON 61,762,957. The capital increase was achieved by issuing a number of 131,250,000 new shares granted free of charge to shareholders as of June 25, 2021 (1 free share for 2 shares held);
- The division of the shares resulting from the above operations (393,750,000 shares) and the nominal value of the shares in a 1: 4 division ratio.

The process of changing the share capital, as decided at the GMS of 21.04.2021, was started in June 2021 and was completed at the beginning of July 2021. On July 5, 2021, the share capital of Impact Developer & Contractor it consisted of a number of 1,575,000,000 shares with a nominal value of RON 0,25 / share.

On 20.08.21, the Extraordinary General Meeting of the Company's shareholders approved the delegation and authorization of the Board of Directors to decide and implement the increase of the Company's share capital, by cash contribution, by one or more issues of new ordinary shares, the value of which nominal value should not exceed 193,750,000 lei. The Board of Directors was also authorized, for each of the increases made up to the level of the authorized share capital, to decide to restrict or lift the preference right of the existing shareholders to subscribe for the new shares. Subsequently, on 20.09.21, the Board of Directors of the Company decided to offer the newly issued shares for subscription within a private placement.

On 01.02.2022 it was recorded the increase of share capital, by issuing of new ordinary shares on private placement. Therefore, it was issued 84,231,295 new shares and increased the share capital in amount of RON 21,057,823.75.

14. SHARE CAPITAL (continued)

Dividends

During the financial year ended on December 31, 2021, the Company has not declared dividends.

15. OWN SHARES

At the AGM dated 28.04.2020, the buy back of a maximum number of 10,000,000 (ten million) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 0,63 % of the subscribed and paid in share capital on the date of the resolution.

At the AGM dated 21.04.2021, the buy back of a maximum number of 30,000,000 (thirty million) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 1,90 % of the subscribed and 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 2021 the Company has in balance 1,370,920 thousand own shares, with an accounting value of RON 841 thousand (2020: RON 2,675 thousand). During 2021, the Company granted 2,572 thousand 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 2021	31 December 2020
Non-current liabilities		
Secured bank loans	56,264	-
Debenture loans	32,566	148,396
	88,830	148,396
Current liabilities		
Current portion of secured bank loans	23,933	-
Bonds issued	121,556	-
Short-term borrowings	-	2,215
	145,489	2,215

16. LOANS AND BORROWINGS (continued)

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 2021*	Balance at 31 December 2020*
Credit Value Investments Bonds listed on Bucharest Stock Exchange S.A	EUR	11.01.2022	12,000	61,535	59,896
Private placement bonds	EUR	19.12.2022	12,525	59,975	58,225
	EUR	24.12.2026	6,581	32,612	32,093
Total bonds				154,122	150,214
Libra Internet Bank	RON	17.06.2021	19,700	-	397
First Bank	EUR	05.08.2023	5,921	24,375	-
First Bank	RON	05.08.2023	4,500	1,731	-
CEC Bank	EUR	27.11.2023	9,880	17,958	-
CEC Bank	RON	27.01.2023	3,500	1,633	-
Garanti BBVA	EUR	15.06.2024	4,250	21,030	-
Libra Internet Bank	EUR	05.10.2024	4,000	13,470	-
Total bank loans				80,197	397
Total				234,319	150,611

* Including the balance of interest paid, where applicable.

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. On 1 February 2021, the Company 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 were repaid on January 11, 2022.

Also in 2017, the 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 bonds issued by the Company, unsecured with 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 6,581

16. LOANS AND BORROWINGS (continued)

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 starting with 25th of March 2021.

In February 2021, the Company contracted two loans denominated in EUR and RON from First Bank S.A., in order to develop the Panoramic project in the Greenfield Baneasa Residence residential complex in Bucharest. The first credit facility is worth EUR 5,921 thousand and represents an investment loan with a maturity of 30 months from the granting. The second facility in the amount of RON 4,500 thousand represents VAT financing with a maturity of 30 months from the moment of granting.

In May 2021, the Company contracted two loans denominated in EUR and RON from CEC Bank SA., in order to develop the Boreal Plus project in Constanta. The first credit facility is worth EUR 9,880 thousand and represents an investment loan with a maturity of 30 months from the granting. The second facility in the amount of RON 3,500 thousand represents VAT financing with maturity at 20 months from the moment of granting.

In November 2021, the Company contracted a loan denominated in EUR from Garanti Bank, in order to finance all the projects (working capital). The granted credit facility is worth EUR 4,250 thousand, with a maturity of 30 months from the granting.

All financial indicators provided in loan agreements were fulfilled at 31 December 2021.

17. TRADE AND OTHER PAYABLES

	31 December 2021	31 December 2020
Non-current liabilities		
Guarantees	5,514	510
	5,514	510
Current liabilities		
Trade payables	21,373	3,373
Customer deposits	28,149	6,086
Divides payable	187	200
Payable to subsidiaries/associates	(145)	67
Other payables	7,998	6,495
	57,563	16,221

Information related to the Company's exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 24.

During the current reporting period, there were no recognized revenues related to compliance obligations observed in a previous year.

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2021	271	396	667
Provisions established during the period	-	890	890
Provisions written back during the period	-	(269)	(269)
Balance on December 31, 2021	271	1,017	1,288

The provisions amounting to 1,288 thousand RON are represented by:

- 271 thousand RON provision set up for a litigation in connection with one of the houses sold in the Boreal district of Constanța
- 122 thousand RON for unperformed holidays
- 895 thousand RON for the volume of water discharged into the Otopeni city pipeline, which will be invoiced when the volume measurements will be validated.

19. REVENUES

Revenues of the Company:

	2021	2020
Revenue from sale of residential properties and land	27,844	108,084
Other revenues	548	1,842
	28,392	109,926
Net rental income		
	2021	2020
Revenue from rentals	503	442
Revenue from re-charging utilities	3,218	4,219
Operating expenses directly related to properties rented	(2,696)	(3,364)
	1,025	1,297

At the date of issuing these financial statements, the Company recorded sales for 42 apartments in Greenfield Băneasa, a villa in the Boreal district of Constanța. Bergamot Development, one of the Company's subsidiaries, also sold 140 apartments in Luxuria Domenii Residence. A total of 225 apartments are pre-sold in the Greenfield Băneasa, Luxuria Domenii Residence and Boreal Plus districts. On 31.12.2021, 335 pre-sales were signed for the Greenfield Băneasa project and 62 pre-sales for the Boreal Plus project.

20. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Consumables	389	373
Services provided by third parties	7,873	7,353
Staff costs	11,021	11,434
	19,283	19,160

21. OTHER OPERATING EXPENSES/INCOME

	<u>2021</u>	<u>2020</u>
Other operating income	(1,215)	(1,731)
Rent expenses	490	439
(Profit) / Loss on disposal of property, plant and equipment	(100)	(40)
Fines and penalties (income)/expenses	(196)	(39)
Other operating expenses	4,225	2,337
	<u>3,204</u>	<u>966</u>

22. FINANCE COST/INCOME

	<u>2021</u>	<u>2020</u>
Interest expense	4,251	7,647
Interest income	(6,738)	(6,432)
Foreign exchange result	1,704	2,185
Gains on disposal of subsidiaries/associates	(1,729)	(4,725)
Net result from the sale of financial investments	(54)	(671)
	<u>2,565</u>	<u>(1,995)</u>

23. INCOME TAX

(i) Taxes recognized in the profit and loss account

	<u>2021</u>	<u>2020</u>
Expense from-with the deferred profit, net	13,190	9,249
Current income tax	-	5,582
Other tax expenses	<u>13,190</u>	<u>14,834</u>

(ii) Reconciliation of effective tax rate

		<u>2021</u>		<u>2020</u>
Profit before taxation		<u>64,849</u>		<u>84,081</u>
Tax using the Company's domestic tax rate	-16%	(12,486)	-16%	(13,453)
Non-deductible expenses and adjustments	4%	2,821	7%	6,230
Tax-exempt income	-5%	(3,525)	-9%	(7,611)
Recognition of tax effect of previous year tax losses	-	-	-	-
	<u>-17%</u>	<u>(13,190)</u>	<u>-18%</u>	<u>(14,834)</u>

23. INCOME TAX (continued)

(iii) Cumulative temporary differences generating deferred tax

	31 December 2021		31 December 2020	
	Cumulative temporary differences	Deferred tax liabilities / (assets)	Cumulative temporary differences	Deferred tax liabilities / (assets)
Property, plant and equipment	(1,394)	(223)	(2,417)	(387)
Investment property	448,939	71,830	365,207	58,433
Inventories	(14,644)	(2,343)	(8,054)	(1,289)
Trade and other receivables	(4,838)	(774)	(5,005)	(801)
	428,063	68,490	349,731	55,956
Fiscal losses which generated deferred tax	-	-	(4,101)	(656)
	428,063	68,490	345,630	55,300

Fiscal (assets) / liabilities, net

Fiscal (assets) / liabilities, net

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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 2021	31 December 2020
Trade and other receivables	11	119,2074	140,911
Cash and cash equivalents	13	36,171	52,065
		155,378	192,976

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:

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

(a) Credit Risk (continued)

	31 December 2021	31 December 2020
Romania	119,207	140,911
	119,207	140,911

The receivables' ageing at reporting date was:

	31 December 2021		31 December 2020	
	Gross	Impairment	Net	
Not yet due	44,297	-	44,297	133,608
Past due 1-30 days	44,331	-	44,331	210
Past due 31-90 days	13,933	-	13,933	2,803
Past due 91-120 days	10,133	-	10,133	3,832
Past due 121-365 days	6,267	(371)	5,896	128
Past due more than 1 year	3,166	(2,549)	617	330
	122,127	(2,920)	119,207	143,295
				(2,384)
				140,911

Impairment losses at 31 December 2021 are related to a number of clients 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 behaviour and following an analysis of the credit rating of those customers.

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Cash and cash equivalents

At 31 December 2021, the Company held cash and cash equivalents in amount of RON 37,901 thousand (31 December 2020: RON 52,065 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.

(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 2021						
Loans and borrowings	234,319	234,319	145,488	56,264	32,566	-
Trade and other payables	63,077	63,067	-	63,067	-	-
	297,396	297,386	145,488	119,331	32,566	-
Future estimated interest	19,620	19,620	8,852	4,077	6,692	-
Total	317,006	317,006	154,340	123,408	39,258	-

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

	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

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:

31 December 2021

Monetary assets

Cash and cash equivalents	3,826
	3,826

Monetary liabilities

Loans and borrowings	230,955
	230,955

Net exposure	227,130
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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
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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.

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(c) Market risk (continued)

The main exchange rates used during the year were:

	<u>31 December 2021</u>	<u>Average for 2021</u>	<u>31 December 2020</u>	<u>Average for 2020</u>
EUR	4.9481	4.9204	4.8694	4.8371

Sensitivity analysis

A strengthening / (weakening) of RON by 10% against the following foreign currencies as at 31 December 2021 and 31 December 2020 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.

		<u>31 December 2021</u>		
		<u>Carrying value</u>	<u>Weakening</u>	<u>Strengthening</u>
Monetary assets and liabilities				
EUR		(227,130)	22,713	(22,713)
		<u>31 December 2020</u>		
		<u>Carrying value</u>	<u>Weakening</u>	<u>Strengthening</u>
Monetary assets and liabilities				
EUR		(102,191)	10,219	(10,219)

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Sensitivity analysis (continued)

Interest rate risk

	31 December 2021			31 December 2020				
	Carrying value	Variable interest	Fixed interest	Non-interest bearing	Carrying value	Variable interest	Fixed interest	Non-interest bearing
Monetary assets								
Trade receivables and other	123,674	-	123,674	-	140,911	-	140,911	-
Cash and cash equivalents	36,170	-	36,170	-	52,065	-	52,065	-
	159,844	-	159,844	-	192,976	-	192,976	-
Monetary liabilities								
Loans and borrowings	234,319	230,955	3,364	-	150,611	397	150,214	-
Trade and other payables	63,077	-	-	63,077	16,730	-	-	16,730
	297,396	230,955	3,364	63,077	167,341	397	150,214	16,730

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (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 2021	31 December 2020
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(3,364)	(150,214)
	(3,364)	(150,214)
Variable rate instruments		
Financial liabilities	(230,955)	(15,029)
	(230,955)	(15,029)

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 2021, 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.

Considering 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 subsidiaries (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 an investment contract with CCC, whereby CCC and the Company would develop a residential project and the CCC would contribute the land

26. CONTINGENCIES (continued)

("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.

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.

The next court hearing is scheduled for 29 March 2022, date by which the accounting expertise report must be submitted.

Case 1032/1259/2012 has been registered to the Arges Commercial Court, in which the Project Company has requested to CCC 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.

The litigation initiated by Clearline, by which it requested the recovery of the amount of approx. RON 17 million is registered with Arges Tribunal, in the first procedural phase, in the stage of administration of evidence.

The next term in this case is 20 January 2022. Clearline has filed a claim for an increase of the amount of the subject of the lawsuit to the amount of RON 24,532,741.65 (VAT included) as damage caused to Clearline (Lomb) by defendant resulting from the execution of the "Dealul Lomb District" project, to which is added the penalizing legal interest calculated until 01.04.2021 in a total amount of RON 13,862,967.16. The increased amount resulted from the administration of the sample with accounting expertise. Based on analysis of information from external and internal legal counsel Management expects that the Company would ultimately win the case and the value of the investment in Clearline subsidiary is assessed as recoverable.

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.

26. CONTINGENCIES (continued)

In 2017, the IMPACT D&C initiated a lawsuit against Cefin Real Estate Development BV S.R.L. ("Cefin") requesting the cessation of the joint ownership having as object the land with an area of 78,119 sqm in Bucharest, Blvd. Barbu Văcărescu.

On 30 September 2021, the District 2 Court of Bucharest pronounced Decision no. 9923, by which it ordered the following:

- a) Assignment to IMPACT D&C of a land area of 25,424 sqm - the lot from the North;
- b) Assignment to Cefin of a land area of 50,848 sqm - the central lot and the South lot;
- c) Obligation of IMPACT D&C to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision;
- d) Obligation of Cefin to pay to IMPACT D&C the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and attorney's fees).

Cefin appealed against the Sentence no. 9923 pronounced on 30.09.2021 by the District 2 Court. Cefin criticizes the solution of the first instance, as he would have ordered the exit from the indivision, without first ordering the approval of the expertise report in the topography specialty by the competent cadaster and real estate advertising office and does not request the change of the Sentence. The next term for this file is scheduled on 07 April 2022.

Please refer Note 9 for additional information about the project.

c) Bd. Ghencea - Bd. Timisoara

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.

During 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.

26. CONTINGENCIES (continued)

Decision No. 2651 dated 22.11.2019 issued by Bucharest Court of Appeal was communicated to IMPACT D&C on 04.10.2021. The Romanian state appealed. The appeal will be resolved by the High Court of Cassation and Justice.

No significant changes in the carrying value of assets are expected to result from the outcome of this case. Please refer Note 9 for additional information about the project.

d) "Greenfield Neighbourhood Residents Association"

In the file No. 5856/3/2021 registered with the Bucharest Tribunal, Administrative and Fiscal Litigation Section, IMPACT D&C was subpoenaed as Defendant.

The file was initiated by the Asociația Locuitorilor Cartier Greenfield and has as its object the suspension and annulment of the administrative act HCGMB 705 / 18.12.2019 approving the Alea Teisani Zonal Urban Plan - Black Forest Road no. 56-64, suspension and annulment of Building Permits no. 434/35 / P / 2020 and no. 435/36 / P / 2020, annulment of preliminary approvals, cancellation of works. The application for legal action was initially filed against the Municipality of Bucharest, CGMB, the Mayor of Sector 1 Bucharest, the Bucharest Environmental Protection Agency and IMPACT D&C.

The dispute is now closed.

27. TRANSACTIONS WITH RELATED PARTIES

a) Subsidiaries

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

	<u>Registration country</u>	<u>Scope of activity</u>
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
Greenfield Copou Residence Phase II SRL	Romania	Real estate development
Greenwise Development SRL	Romania	Real estate development
Greenfield Property Management SRL	Romania	Real estate development

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions and balances with related parties during and for the year ended December 31, 2021, December 31, 2020 respectively.

	Transactions for the year ended 31 December		Balance at 31 December	
	2021	2020	2021	2020
Sales of goods and services				
Subsidiaries/associates				
Actual Invest House	44	50	43	10
Clearline Development and Management	6	6	73	121
Bergamot Developments	486	1,172	329	1,740
Bergamot Developments Phase II	308	6	361	-
Impact Finance Developments	16	31	2	2
GreenField Copou Residence	6	6	336	316
Greenfield Copou Residence Phase II	6	-	7	-
Greenfield Property Management	4	-	5	-
Greenwise Development	6	-	7	-
	882	1,273	1,163	2,189

	Value of the transaction in the past year 31 December		Balance at 31 December	
	2021	2020	2021	2020
Acquisition of goods and services				
Subsidiaries/associates				
Actual Invest House	1,043	1,159	145	124
Clearline Development and Management	1	6	1	1
	1,044	1,165	146	125

	Balance on 31 December	
	2021	2020
Granted loans		
Subsidiaries/associates		
Clearline Development and Management	85	80
Bergamot Developments	-	56,526
Bergamot Developments Phase II	39,347	34,642
Impact Finance	-	-
GreenField Copou Residence	43,240	18,546
	82,672	109,794

27. TRANSACTIONS WITH RELATED PARTIES (continued)

	Balance on 31 December	
	2021	2020
Interest rate receivables		
Subsidiaries		
Clearline Development and Management	13	7
Bergamot Developments	140	7.847
Bergamot Developments Phase II	5.406	3.707
GreenField Copou Residence	2.489	421
	8.048	11.982

	Value of the transaction in the past year 31 December	
	2021	2020
Interest rate revenue		
Subsidiaries		
Clearline Development and Management	5	7
Bergamot Developments	2,256	7,847
Bergamot Developments Phase II	2,402	3,707
GreenField Copou Residence	2,070	421
	6,733	11,982

b) 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 2021 is detailed in the remuneration report which is presented together with these financial statements.

During 2021, the Company granted 2,572 thousand shares to employees and BoA members. evaluated and recorded in Profit & Loss at release date.

28. SALE OF A SUBSIDIARY

On October 7th, 2020, the Company 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 thousand RON, resulting in a gain of 4,819 thousand RON from the increase of the fair value.

28.SALE OF A SUBSIDIARY (continued)

On December 23, 2020, the Company sold 77.62% of the shares held in Star Residence SA to a third party in the amount of 8,123 thousand RON.

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

	2020
Revenues	204
Expenses	(61)
Result of the period	143

The profit obtained from sales of the associate in amount of KRON 143 is attributable to the shareholders of the Company.

The effect of the sale of subsidiary Star Residence on the Company's financial position is presented below:

Investment property	5,244
Intangible assets	81
Trade and other receivables	1,792
Cash and cash equivalents	(273)
Borrowings	1,818
Trade and other payables	110
Net assets	5,462
Cash consideration	8,123

Gains on sale of subsidiary

Cash consideration	8,123
Investments accounted for under the equity method	2,158
Net asset written off	(5,462)
Gains on sale of subsidiary	4,819

Investments accounted for under the equity method	8,123
Net asset written off	(273)
Net cash flows from sale of subsidiary	7,850

In October 2021 the Company sold all the shares owned in Star Residence SA. As at December 31st, 2021, the Company has no other interests in Star Residence SA.

	<u>Country of origin</u>	<u>Object of activity</u>
Star Residence Invest SA.	Romania	Lease of real estate

29. SHARES BASED PAYMENTS

In 2021, the Company granted a number of 2,572 thousand shares to the employees and members of the Board of Directors, valued and recorded in the profit and loss account at the grant date. The average cost borne by the parent company with the acquisition of these shares was 1,675 thousand lei (1.39 lei / share).

In August 2021, the Board of Directors decided to implement the Stock Option Plan for 2021-2022, in order to reward, maintain and motivate the employees and members of the Company's management, respectively the members of the Board of Directors and the Company's directors.

The total number of shares that may be granted to Eligible Persons under this Plan is a maximum of 3,060,000 registered shares ("Reserved Shares").

30. SUBSEQUENT EVENTS

The management of the Company presents the following events after December 31, 2021, until the date of approval of these consolidated financial statements, which do not require their adjustment:

a) Payment of CVI bonds - In January 2022, the Company paid the loan of bonds granted by Credit Value Investment, amounting to EUR 12,000 thousand, with an interest rate of 6%.

b) Capital increase through private placement. Following the increase of the share capital through private placement, completed on 21.01.2022, the Board of Directors, meeting on 25.01.2022, announced the following: 84,231,295 new shares were subscribed, in the total amount of 58,961,906, 50 lei. Therefore, the share capital of the Company increased from 393,750,000 lei to 414,807,823.75 lei, the new total number of shares being 1,659,231,295.

c) Litigation with the Greenfield Association - the court ruling in case no. 5856/3/2021, pending before the Bucharest Tribunal, Section II Administrative and Fiscal Litigation, in which the Company has the quality of Defendant, the plaintiff being the ASSOCIATION OF GREENFIELD NEIGHBORHOOD RESIDENTS. The object of the file was the suspension and annulment of the administrative act HCGMB 705 / 08.12.2019 approving the Zonal Urban Plan Aleea Teişani-Drumul Pădurea Neagră no. 56-64, suspension and cancellation of Building Permits no. 434/35 / P / 2020 and no. 435/36 / P / 2020, cancellation of preliminary approvals, cancellation of works.

The Bucharest Tribunal pronounced Decision no. 568 of February 4, 2022: Pursuant to art. 408 of the Code of Civil Procedure, rejects the request as a result of the applicant's waiver of the claimed right itself. The decision was subject to appeal within 15 days of the communication.

d) In the context of the conflict between Russia and Ukraine, started on February 24, 2022, the EU, USA, UK and other countries imposed various sanctions against Russia, including financing restrictions on certain Russian banks and state-owned companies as well as personal sanctions against a number of individuals. Considering the geopolitical tensions, since February 2022, there has been an increase in financial markets volatility and exchange rate depreciation pressure.

It is expected that these events may affect the activities in various sectors of the economy, could result in further increases in European energy prices and increased risk of supply chain disturbances.

The Company does not have direct exposures to related parties and/or key customers or suppliers from those countries.

The Company regards these events as non-adjusting events after the reporting period, the quantitative effect of which cannot be estimated at the moment with a sufficient degree of confidence. The Company's management is continuously analyzing the developments of this event and any possible impact of changing

30. SUBSEQUENT EVENTS (continued)

micro- and macroeconomic conditions on the Company's financial position and results of operations.

The separate financial statements have been authorized for issue by the management on 24th March 2022 and signed on its behalf by:



Constantin Sebestianu,
CEO



Claudiu Bistriceanu,
CFO



Iuliana Mihaela Urda,
BoD President