ONE UNITED PROPERTIES SA

Separate financial statements for the year ended 31 December 2021

Prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations compliant with the International Financial Reporting Standards

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(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Note	31 December 2021	31 December 2020	01 January 2020
ASSETS				
Non-current assets				
Intangible assets	**8**	567,455	91,377	148,811
investments in subsidiaries and associates	**9**	90,497,644	55,545,123	24,853,446
Loans granted to subsidiaries, associates and others	**10**	338,295,046	246,315,351	201,940,386
Right of use assets	**11**	3,393,204	4,536,566	5,679,928
Deferred tax assets	**14**	59,389	64,480	6,993
Property, plant and equipment	**7**	1,293,679	1,489,634	1,424,157
Other non-current assets		962,591	908,972	185,166
Total non-current assets		**435,069,008**	**308,951,503**	**234,238,887**
Current assets				
Trade receivables	**12**	102,053,110	61,102,515	33,551,093
Other receivables	**12**	28,753,389	53,620,999	57,044,805
Prepayments		143,815	158,411	11,589
Loans granted to subsidiaries, associates and others	**10**	24,724,694	-	-
Cash and cash equivalents	**13**	121,682,382	55,816,083	28,037,763
Total current assets		**277,357,390**	**170,698,008**	**118,645,250**
TOTAL ASSETS		**712,426,398**	**479,649,511**	**352,884,137**
EQUITY AND LIABILITIES				
Equity				
Share capital	**15**	514,828,059	259,824,598	146,964,903
Share premium	**15**	4,307,781	9,192	5,658
Own shares	**15**	-	26,765,560	-
Other capital reserves	**15**	1,390,179	463,393	-
Legal Reserves	**15**	11,437,359	9,009,562	4,189,617
Retained earnings		50,071,138	90,543,697	43,679,925
Total equity		**582,034,516**	**333,084,882**	**194,840,103**
Non-current liabilities				
Loans and borrowings	**16**	27,921,952	-	95,819,727
Lease liabilities	**17**	2,464,740	3,704,514	4,848,165
Provisions		-	84,255	65,115
Other non-current liabilities		107,468	69,015	52,122
Total non-current liabilities		**30,494,160**	**3,857,784**	**100,785,129**
Current liabilities				
Loans and borrowings	**16**	-	82,980,346	-
Lease liabilities	**17**	1,299,647	1,235,049	875,472
Trade payables	**18**	1,880,800	915,955	3,122,185
Other payables	**18**	96,575,919	57,504,434	53,261,248
Deferred income		141,356	71,061	-
Total current liabilities		**99,897,722**	**142,706,845**	**57,258,905**
Total liabilities		**130,391,882**	**146,564,629**	**158,044,034**
TOTAL EQUITY AND LIABILITIES		**712,426,398**	**479,649,511**	**352,884,137**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	**Note**	**31 December 2021**	**31 December 2020**
Revenues from services rendered	**19**	44,837,975	31,975,434
Revenues from rentals, service charge and similar	**19**	630,559	565,537
Other revenues	**19**	784,769	533,597
Total operating revenues		**46,253,303**	**33,074,568**
Amortisation, depreciation and impairment of net reversals	**20**	(1,628,096)	(1,522,151)
Administrative expenses	**20**	(3,645,630)	(3,301,303)
Other operating expenses	**20**	(7,814,774)	(4,278,706)
Adjustments related to provisions	**20**	84,255	(19,140)
Total operating expenses		**(13,004,245)**	**(9,121,300)**
Result from operating activity		**33,249,058**	**23,953,268**
Net Gain on disposal of investments in subsidiaries and associates		**-**	**48,022,408**
Revenues from dividends	**21**	1,881,012	20,567,563
Revenues from interest	**21**	7,436,521	10,240,258
Other financial revenues	**21**	6,780,725	-
Total financial income		**16,098,258**	**30,807,821**
Interest expenses	**22**	(786,291)	(5,272,556)
Other financial expenses	**22**	-	(1,471,338)
Total financial expenses		**(786,291)**	**(6,743,894)**
Net financial result		**15,311,967**	**24,063,927**
Result before tax		**48,561,025**	**96,039,603**
Tax expenses	**14**	(7,846,508)	(3,339,840)
Net result of the period		**40,714,517**	**92,699,763**
Total comprehensive income for the period		**40,714,517**	**92,699,763**
Basic/diluted earnings per share attributable to equity holders		*0.063*	*98.421*

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Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Notes	Share Capital	Share premiums	Other capital reserves	Own shares	Legal Reserves	Retained earnings	Total equity
Balance as at 1 January 2021		**259,824,598**	**9,192**	**463,393**	**(26,765,560)**	**9,009,562**	**90,543,697**	**333,084,882**
Profit for the period							40,714,517	**40,714,517**
Dividends allocated from the statutory profit							(81,743,000)	**(81,743,000)**
Legal Reserves	**15**					2,427,797	(2,427,797)	**-**
Issue of ordinary shares	**15**	26,001,417	233,111,060				-	**259,112,477**
Issue of ordinary shares - premium shares conversion	**15**	228,812,471	(228,812,471)				-	**-**
Issue of ordinary shares - other reserves conversion	**15**	189,573					(189,573)	**-**
Employee share scheme	**15**			926,786				**926,786**
Sale of own shares	**15**				26,765,560		9,269,654	**36,035,214**
IPO costs	**3**						(6,096,360)	**(6,096,360)**
Balance as at 31 December 2021		**514,828,059**	**4,307,781**	**1,390,179**	**-**	**11,437,359**	**50,071,138**	**582,034,516**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

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Administrator

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Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Notes	Share Capital	Share premiums	Other capital reserves	Own shares	Legal Reserves	Retained earnings	Total equity
Balance as at 1 January 2020		**146,964,903**	**5,658**	**-**	**-**	**4,189,617**	**43,679,925**	**194,840,103**
Profit for the period							92,699,763	**92,699,763**
Dividends allocated from the statutory profit							(41,016,046)	**(41,016,046)**
Legal Reserves	**15**					4,819,945	(4,819,945)	-
Issue of ordinary shares	**15**	8,953,802	103,909,427					**112,863,229**
Issue of ordinary shares - premium shares conversion	**15**	103,905,893	(103,905,893)					-
Employee share scheme	**15**			463,393				**463,393**
Acquisition of own shares	**15**				(26,765,560)			**(26,765,560)**
Balance as at 31 December 2020		**259,824,598**	**9,192**	**463,393**	**(26,765,560)**	**9,009,562**	**90,543,697**	**333,084,882**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

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(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
Cash flows from operating activities			
Result for the year		40,714,517	92,699,763
Adjustments for:			
Depreciation and amortization		1,628,096	1,522,151
Net gains on disposal of investments in subsidiaries and associates		-	(48,022,408)
Provisions for untaken holidays		(84,255)	19,140
Share-based payments		926,786	463,393
Unrealised foreign exchange loss/(gain)		(4,996,476)	2,110,308
Interest expenses		786,291	5,272,556
Interest income		(7,436,521)	(10,240,258)
Income tax expenses		7,846,508	3,339,840
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(40,235,863)	(3,906,871)
Increase/(Decrease) in trade and other payables		28,487,136	(3,223,627)
(Increase)/Decrease in other non-current assets		(53,618)	(723,807)
Increase/(Decrease) in other non-current liabilities		38,453	16,893
Income tax paid		(5,323,487)	(5,502,996)
Net cash from operating activities		**22,297,567**	**33,824,077**
Additional loans granted		(111,012,148)	(35,442,493)
Acquisition of property, plant and equipment		(207,302)	(383,786)
Acquisition of intangible assets		(557,555)	(3,045)
Acquisition/Investment of/in subsidiaries and associates		(34,952,521)	(30,741,464)
Interest received		7,261,353	1,109,613
Proceeds from the sale of subsidiaries and associates		-	48,072,196
Net cash flows used in investing activities		**(139,468,173)**	**(17,388,979)**
Proceeds from loans and borrowings		27,921,952	-
Repayment of borrowings		(83,424,447)	(9,295,459)
Dividends paid		(54,762,517)	(61,383,614)
Proceeds from issue of share capital and share premium		259,302,050	112,863,230
Interest paid		(631,839)	(10,431,023)
Acquisition of own shares		-	(19,328,247)
Cash proceeds from sale of own shares		36,035,214	-
Principal elements of lease payments		(1,403,507)	(1,081,665)
Net cash from financing activities		**183,036,905**	**11,343,222**
Net changes in cash and cash equivalents		65,866,299	27,778,320
Cash and cash equivalents at the beginning of the year		**55,816,083**	**28,037,763**
Cash and cash equivalents at the end of the year		**121,682,382**	**55,816,083**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

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Administrator

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Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION

The separate financial statements of One United Properties SA for the year ended 31 December 2021 were authorized for issue on 26 April 2022.

One United Properties SA (the "Company"), was established in 2007 according to Law no. 31/1990, having as object of activity real estate development and sale. The Company has fiscal code RO22767862 and is registered with the Trade Registry under no. J40/21705/2007. The registered office of the Company is at Maxim Gorki street 20, Bucharest, district 1 and second office at Calea Floreasca no 159, Building One Tower, Bucharest, district 1.

The share capital of the Company is RON 514,828,059 divided into 2,574,140,294 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 29.758% each and other shareholders holding 40.484%. All shares are paid in full.

The Company shares floated on Bucharest Stock Exchange (BVB) on 12 July 2021, following an initial public offering that took place between 22 June 2021 and 02 July 2021, during which the company raised RON 259,112,477.28 for further developments and investments in both the residential and office segments. As of 20 September 2021, the Company shares are included in the BET index, which follows the evolution of the 19 most liquid companies listed on the Bucharest Stock Exchange. On 20 December 2021, the Company shares entered the FTSE Global All Cap index.

The Company is a holding having as main CAEN code according to the Romania law, 642 "Holding Activities". The revenues generated by the Company are mainly related to secondary activities such as administrative support offered to its subsidiaries and associates. These are regrouped under the CAEN code 7022 "Activities related to business and management advisory services".
The Company had the following subsidiaries and associates undertakings as at 31 December 2021, 31 December 2020 and 1 January 2020:

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2021	% ownership as at 31 December 2020	% ownership as at 1 January 2020	Registered office
One Modrogan SRL	Real estate developer in Bucharest	99.99%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Bucharest	100%	99.99%	90.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	99.99%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Bucharest	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Bucharest	95.00%	90.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Bucharest	80.00%	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Bucharest	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	62.41%	56.74%	72.13%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

One United Tower SA (former One United Tower SRL)	Real estate developer in Bucharest	70.24%	70.24%	99.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Properties Development SA	Real estate developer in Bucharest	0%	82.35%	70.00%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Bucharest	80.59%	80.58%	60.00%	Maxim Gorki street 20, Bucharest, district 1
Neo Mamaia SRL	Real estate developer in Bucharest	82.33%	82.33%	69.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Bucharest	82.33%	82.33%	69.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Herastrau Park SRL (former Neo Dorobanti SRL)	Real estate developer in Bucharest	82.00%	81.53%	69.30%	Maxim Gorki street 20, Bucharest, district 1
Neo Downtown SRL	Real estate developer in Bucharest	0%	81.53%	69.30%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Bucharest	99.98%	99.99%	99.98%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Bucharest	100%	100.00%	99.98%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Bucharest	57.25%	72.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%	72.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 3 SA (former One Verdi Park Office SA)	Real estate developer in Bucharest	80.00%	70.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Mamaia SRL	Real estate developer in Bucharest	99.98%	99.99%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 3 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 7 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One High District S.R.L.	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Lake Club S.R.L.	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
Carpathian Estate S.R.L.	Real estate developer in Bucharest	66.72% (indirect subisdiary)	-	-	Maxim Gorki street 20, Bucharest, district
Reinvent Energy SRL	Electric and sanitary Installations for real estate	20.00%	20.00%	20.00%	Str. Baba Novac, nr.8A, Bucureşti, sector 3
One Herastrau Office Properties SA	Real estate developer	30.00%	30.00%	-	Maxim Gorki street 20, Bucharest, district 1
Glass Rom Impex SRL	Construction	20.00%	20.00%	-	BUCURESTI sect. 4 str. Metalurgiei nr. 452
One Property Support Services SRL	Property management	20.00%	20.00%	20.00%	Bucuresti Sectorul 6, Spl. Independentei, Nr. 202

NOTE 2. GENERAL INFORMATION

2.a Basis of preparation

The separate financial statements ("financial statements") of the Company have been prepared in accordance with the provisions of the Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, with all subsequent modifications and clarifications.

The Company also prepares consolidated financial statements in accordance with the Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

The accompanying separate financial statements are based on the statutory accounting records of the Company, adjusted and reclassified in order to obtain a fair presentation, according to IFRS. The separate financial statements provide comparative information in respect of the previous period.

For all periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with Romanian generally accepted accounting principles. These separate financial statements for the year ended 31 December 2021 are the first the Company has prepared in accordance with IFRS. Refer to Note 5 for information on how the Company adopted IFRS.

The Company's financial statements have been prepared on a historical cost basis, except for financial assets and liabilities (where the case) at fair value through profit or loss which are measured at fair value. The separate financial statements are presented in RON, except where otherwise indicated.

The Company has prepared IFRS financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2021, notes comprising a summary of significant accounting policies and other explanatory information.
The separate financial statements have been prepared on the basis of the valuation principles allowed by IFRS.

2.b Going concern

The Company has prepared forecasts, including certain sensitivities, considering the potential impact on the business of the COVID-19 virus. 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 separate financial statements have been prepared on a going concern basis, which means that the Company will continue its activity in the foreseeable future, the current results estimated by the management of the Company and shareholders being considered solid.

Subsequent to the year-end, in February 2022, an armed conflict has started between Russia and Ukraine, that affected the economies of the two countries and resulted, among others, in massive flows of refugees from Ukraine towards neighbouring countries (including Romania), as well as in a number of sanctions imposed by the international community against Russia, Belarus and some Russian companies. The medium- and long-term impact of this conflict and of the sanctions imposed against Russia cannot be currently anticipated sufficiently accurate. Considering that the Company has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, we consider that the Company's ability to continue as a going concern over the foreseeable future shall not be significantly affected, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general. The accompanying IFRS Separate Financial Statements of the Company as of 31 December 2021 have not been adjusted as a consequence of this subsequent event.

2.c Standards, amendments and new interpretations of the standards

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

- **Amendments to IAS 16 "Property, Plant and Equipment" -** Proceeds before Intended Use adopted by the EU on 28 June 2021, effective for annual periods beginning on or after 1 January 2022. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" -** Onerous Contracts - Cost of Fulfilling a Contract adopted by the EU on 28 June 2021, effective for annual periods beginning on or after 1 January 2022. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.
- **Amendments to IFRS 3 "Business Combinations" -** effective for annual periods beginning on or after 1 January 2022. Reference to the Conceptual Framework with amendments to IFRS 3 issued by IASB on 14 May 2020. The amendments: (a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; (b) add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and (c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- **Amendments to various standards due to "Improvements to IFRSs (cycle 2018 -2020)"** issued by IASB on 14 May 2020. Amendments to various standards resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments: (a) clarify that subsidiary which applies paragraph D16(a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example (Illustrative Example 13 accompanying IFRS 16); and (d) removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at [date of publication of financial statements] (the effective dates stated below is for IFRS as issued by IASB):

- **IFRS 14 "Regulatory Deferral Accounts"** - effective for annual periods beginning on or after 1 January 2016, the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard. Issued by IASB on 30 January 2014, this standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IAS 1 "Presentation of Financial Statements" -** Classification of Liabilities as Current or Non-Current issued by IASB on 23 January 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by IASB on 15 July 2020 defer the effective date by one year to annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 1 "Presentation of Financial Statements" -** Disclosure of Accounting Policies issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" -** Definition of Accounting Estimates, effective for annual periods beginning on or after 1 January 2023. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

- **Amendments to IAS 12 "Income Taxes" -** Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective for annual periods beginning on or after 1 January 2023. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate financial statements requires management to make professional judgments, estimates and assumptions that affect the application of accounting policies, as well as the recognized value of assets, liabilities, revenue and expenses, and the accompanying disclosures. The actual results may vary from the estimated values. The estimates and assumptions are based on the historical experience and other elements, including the expectations regarding the future events considered reasonable in the existing circumstances. The underlying estimates and assumptions are periodically revised. The revision of accounting estimates is recognized starting with the period in which the estimates are revised.

For preparing the separate financial statements according to IFRS adopted by the EU, the Company makes estimates and assumptions related to future developments that might have a significant effect on the recognition of the value of the reported assets and liabilities, presentation of contingent liabilities as at the preparation date of the separate financial statements and the revenue and expenses reported for the respective period.

3.a Judgements

In the process of applying the Company accounting policies, the management made the following judgments, which have the most significant effect on the amounts recognized in the separate financial statements:

3.a.1 Revenue from contracts – management fees

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with related parties which are mainly linked to the invoicing of management fees:

Determination of performance obligations

Management fees are invoiced by the Company to other legal entities which are related parties. Management fees are related to several type of services provided such as: the use of the brand, support offered for various administrative tasks in connection with the projects under development. Management fees are invoiced according to the contractual terms and conditions and are, in general, based on a percentage of the estimated value, at invoicing date, of the projects under development.

In line with the contractual terms and conditions, for all companies, the management fees invoiced include the following:

- Services related to support in respect of the implementation of the real estate projects of the subsidiaries or associates. These services are invoiced based on a percentage of the investment value booked by the legal entity in its ledger, at the moment the invoice is issued
- Success fees related to the sale or rental of the units built by subsidiaries or associates. These success fees are invoiced based on a percentage of the accounting profit generated by the legal entity at the moment the invoice is issued
- The right of use of the One United Properties brand by its subsidiaries or associates. This fee is invoiced based on a percentage of the turnover generated by the legal entity at the moment the invoice is issued

With respect to these management fees, based on the analysis performed the series of distinct services has the same pattern of transfer to the customer.

For each performance obligation identified the Company determined at contract inception that it satisfies the performance obligation over time.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.a Judgements (continued)

3.a.1 Revenue from contracts – management fees (continued)

Determining the timing of revenue recognition

The Company has evaluated the timing of revenue recognition of management fees based on a careful analysis of the rights and obligations under the terms of the contract.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time as the Company considers that the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs.

The Company has determined that the output method is the best method for measuring progress for these contracts. Output methods include, in general, methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced, or units delivered. As described above, the Company has used several outputs when determining the amount to be invoiced, for services rendered to the legal entities. They are based on the performance completed to date based on results achieved by the legal entities such as the value of the current investment, accounting profits and turnover generated. Given the nature of services rendered, the Company considers that the output selected would faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

3.b Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.b.1 Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

3.b.2 IPO associated costs

The costs of an IPO that involves both issuing new shares and a stock market listing are accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit) in line with, IAS 32.37
- Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the statement of comprehensive income
- Costs that relate to both share issuance and listing are allocated between those functions on a rational and consistent basis in line with IAS 32.38. In the absence of a more specific basis for apportionment, an allocation of common costs based on the proportion of new shares issued to the total number of (new and existing) shares represent an acceptable approach.

The Company has performed this analysis and has booked, in Equity, incremental costs directly attributable to issuing new shares, gross of tax, of RON 7,257,571. The current income tax associated to these costs amounts to RON 1,161,211. From a tax perspective, these costs are entirely deductible the year they are incurred.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies presented below were consistently applied for all periods shown in these separate financial statements by the Company

4.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.2 Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Company.
The Company's key sources of income include:

- Revenues from services delivered
- Revenues from rentals, service charge and similar
- Other revenues

4.2.1 Revenues from services delivered

Services delivered are related to management fees reinvoiced by the Company to related parties and were valued based on IFRS 15 as described in 3.a.1 "Revenue from contracts – management fees".

4.2.2 Revenues from rentals, service charge and similar

The Company earns revenue from acting as a lessor by subletting to other subsidiaries and/or associates a part of the surfaces rented out directly from the subsidiary One North Gate SA. In line with IFRS 16, the Company has booked separate contracts:

- one related to the rental contract between the Company (lessee) and One North Gate SA (lessor) for which a right of use asset and a lease liability has been booked in the Statement of Financial Position of the Company
- for surfaces which are subletted by the Company (lessor) to other subsidiaries and/or associates (lessees) the contracts have been qualified as operating leases

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Revenue (continued)

4.2.2 Revenues from rentals, service charge and similar (continued)

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Company is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognised in the statement of profit or loss when the right to receive them arises.

The Company enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements might include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and snow removal of common areas), as well as other support services (e.g., reception services, catering and other event related services). These services are specified in the lease agreements and separately invoiced.

The Company has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Company allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

The Company arranges for third parties to provide certain of these services to its tenants. The Company concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Company records revenue on a gross basis.

4.2.3 Other revenues

Other revenues are mainly related to invoicing of costs associated to rental contracts in which the Company is a lessor. These costs invoices are considered as a services component and follow the IFRS 15 accounting principles.

4.3 Foreign currencies

The Company's separate financial statements are presented in RON, which is also the functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

4.4. Investment in subsidiaries and associates

A subsidiary is an entity over which the Company has control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4. Investment in subsidiaries and associates (continued)

Investments in subsidiaries and associates follow the principles and accounting treatment indicated in IAS 27 "Separate Financial Statements". This standard applies when an entity prepares separate financial statements that comply with International Financial Reporting Standards.

Initial recognition and measurement

Investments in subsidiaries and associates are booked at the purchase date, at their acquisition cost.

Subsequent measurement
For purposes of subsequent measurement, the Company measures investments in subsidiaries and associates at cost. The Company assess at the end of each reporting period whether there is any indication that the investment in subsidiaries and associates may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiaries and associates. An annual impairment test is performed. For the impairment test, for each investment, the Company obtains the fair value, based on external valuation reports. For subsidiaries and associates for which there is no external valuation report, the Company uses the most reliable fair value proxy, such as its share in the IFRS net assets. An impairment loss is booked in the profit and loss and corresponds to the amount by which the carrying amount exceeds its recoverable amount.

Upon loss of significant influence, the Company measures and recognizes any retained investment at its fair value through profit and loss, in line with IFRS 9 requirements.

Dividends from subsidiaries and associates

In line with IAS 27, dividends from a subsidiary or an associate are recognised in the separate financial statements of an entity when the entity's right to receive the dividend is established. The dividend is recognised in profit or loss.

4.5 Intangible assets

i) Licences

Separately acquired licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

ii) Software

Separately acquired software is measured at cost. After initial recognition, the software is carried at cost less any accumulated amortization and any accumulated impairment losses, if any.

Costs associated with maintaining software programmes are recognized as an expense as incurred.

iii) Amortisation method and period

Software is amortized on a straight-line basis for a period of maximum 3 years and licenses are amortized over their validity periods, which in general do not exceed 5 years. The amortization period and amortization method for an intangible asset with a determined useful life are reviewed at least at the end of each reporting period. Changes in expected useful lives or expected future economic benefits embodied in assets are accounted for by changes in the method or the amortization period as appropriate and are treated as changes in accounting estimates.

Gains or losses arising from the derecognition of an intangible asset are calculated as difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss when the asset is derecognized.

4.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance costs are recognized in profit or loss when incurred.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Property, plant and equipment (continued)

Depreciation

The economic useful life is the amount of time that the asset is expected to be used by the Company. Depreciation is calculated using the straight-line method over the life of the asset.

Type	**Useful life**
Light constructions (shacks, etc.)	8 years
Office set-up	5 years
Technological equipment	4 years
Vehicles	4 years
Other fixed assets and IT equipment	2-8 years

The useful life and depreciation method are reviewed periodically and, if necessary, adjusted prospectively, so that there is a consistency with the expected economic benefits of those assets.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognized.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to accounting policies on impairment on non-financial assets in this note.

4.7 Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Company's trade and other receivables do not contain a significant financing component, they are measured at the transaction price determined under IFRS 15.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. This analysis was performed for all financial assets held by the Company and all financial assets have passed the SPPI test.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. This is the case of loans granted to subsidiaries or associates.

Subsequent measurement

For purposes of subsequent measurement, the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
Since the Company's financial assets (loans issued, trade and other receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The impairment of financial assets is done in two steps: analysis of third party expected credit loss and analysis of financial assets related to intra-group entities, namely subsidiaries and associates.

- *Impairment of third-party related financial assets*

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

The Company recognises an allowance for expected credit losses (ECLs) for all third-party receivables held by the Company. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables related to third party customers , the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Company has established a provision matrix that is based on its historical credit loss experience, specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Financial assets are written off when there is no reasonable expectation of recovery.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset related to third parties is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. For these financial assets related to third parties which are due more than 90 days, the Company performs cash collection procedures. Most part of the financial assets are represented by intra-group balances.

- *Impairment of intra-group financial assets*

Intra-group balances are mainly related to loans granted to subsidiaries and associates and trade & other receivables with companies from the group.

Exposures classified as Stage 1
In order to assess the expected credit losses (ECLs) for these balances the Company proceeds to an analysis line by line of the risk attached to each counterparty. All financial assets are systematically classified at the initial stage in “Stage 1”. In general, all amounts are settled in maximum one year after the finalization of the projects. Furthermore, historical data shows that no intra-group company has been in default.

Exposures classified as Stage 2

To identify Stage 2 exposures, the significant increase in credit risk compared to the date of initial recognition is assessed by the Company using all available past and forward-looking data (past track record in respect of payments, macroeconomic forecast scenarios, sector analyses, cash flow projections for some counterparties, etc.). The Company uses one main criteria to assess the significant changes in the credit risk: the change of the classification of the counterparty in “sensitive” which will be the case when the Company identifies significant changes in its operating sector, in macroeconomic conditions and in the expected profitability of the project of the counterparty. This is an indication of a deterioration in the credit risk. Once this criteria is met, the relevant outstanding exposure is transferred from Stage 1 to Stage 2 and related impairments or provisions are adjusted accordingly. Furthermore, the Company carries out an assessment of a significant increase in credit risk for all loans, at each reporting date.

Exposures classified as Stage 3
The Company considers a financial asset to be in default, and thus, in Stage 3, when internal or external information indicates that the counterparty is unlikely to receive the outstanding contractual amounts in full. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. In this case, the relevant outstanding exposure is transferred from Stage 1 or Stage 2 to Stage 3 and related impairments or provisions are adjusted accordingly.

For the 31 December 2021, 31 December 2020 and 1 January 2020, no ECL has been booked for intra-group financial assets, as based on the analysis performed by the Company, no material credit risk has been identified.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

The Company's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on lease for the initial recognition and measurement of finance lease liabilities, as this is not in the scope of IFRS 9.
All financial liabilities are recognized initially at fair value and, in the case of all financial liabilities except derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the separate statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.9 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 recognizes 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 recognized, 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Leases (continued)

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 accounting policies on impairment on non-financial assets in this note.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes 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 recognized 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 are 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. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

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

The Company applies the short-term lease recognition exemption to its short-term leases of 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 equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Refer to the accounting policies on rental income.

4.10 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the separate statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.11 Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer also to the accounting policies on financial assets in this note for more information.

4.12 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Taxes (continued)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.13 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Provisions (continued)

The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.14 Share-based payments

Employees (senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in administrative expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in administrative expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The administrative expenses booked in the profit and loss as an administrative expense amount to RON 463,393 at 31 December 2020 and RON 926,786 at 31 December 2021.

4.15 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Fair value measurements (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1

These financial statements, for the year ended 31 December 2021, are the first separate statements the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with Romanian generally accepted accounting principles.

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2020, the Company's date of transition to IFRS.
This note explains the principal adjustments made by the Company in restating its Romanian GAAP financial statements, including the statement of financial position as at 1 January 2020 and the financial statements as of, and for, the year ended 31 December 2020.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has not applied any exemptions. The Company assessed all contracts existing at 1 January 2020 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2020. For other restatements, the Company has used a full retrospective approach.

The estimates at 1 January 2020 and at 31 December 2020 are consistent with those made for the same dates in accordance with Romanian GAAP (after adjustments to reflect any differences in accounting policies) apart from items where application of Romanian GAAP did not require estimation.
The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2020, the date of transition to IFRS and as at 31 December 2020.

Company reconciliation of equity as at 1 January 2020 (date of transition to IFRS)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

	01 January 2020	Reclassifications	Remeasurements	01 January 2020
	Romanian GAAP			IFRS
ASSETS				
Non-current assets				
Intangible assets	148,811	0	0	148,811
Investments in subsidiaries and associates	24,853,446	0	0	24,853,446
Loans granted to subsidiaries, associates and others	201,940,386	0	0	201,940,386
Right of use assets	0	0	5,679,928	5,679,928
Deferred tax assets	0	0	6,993	6,993
Property, plant and equipment	1,424,157	0	0	1,424,157
Other non-current assets	0	185,166	0	185,166
Total non-current assets	**228,366,800**	**185,166**	**5,686,921**	**234,238,887**
Current assets				
Inventories	560	(560)	0	0
Trade receivables	32,542,058	(185,166)	1,194,201	33,551,093
Other receivables	37,785,757	19,259,048	0	57,044,805
Prepayments	11,589	0	0	11,589
Receivables representing dividends distributed during the year	19,258,488	(19,258,488)	0	0
Cash and cash equivalents	28,037,763	0	0	28,037,763
Total current assets	**117,636,215**	**(185,166)**	**1,194,201**	**118,645,250**
TOTAL ASSETS	**346,003,015**	**0**	**6,881,122**	**352,884,137**
EQUITY AND LIABILITIES				
Equity				
Share capital	146,964,903	0	0	146,964,903
Share premium	5,658	0	0	5,658
Legal reserves	4,189,617	0	0	4,189,617
Own shares	0	0	0	0
Other capital reserves	0	0	0	0
Retained earnings	-2,374,873	45,079,861	966,634	43,679,925
Profit or loss of the year	43,537,969	(43,537,969)	0	0
Net gain from sales of own shares	1,541,892	(1,541,892)	0	0
Total equity	**193,873,469**	**0**	**966,634**	**194,840,103**
Non-current liabilities				
Loans and borrowings	95,871,849	(52,122)	0	95,819,727
Lease liabilities	0	0	4,848,165	4,848,165
Provisions	65,115	0	0	65,115
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	0	52,122	0	52,122
Total non-current liabilities	**95,936,964**	**0**	**4,848,165**	**100,785,129**
Current liabilities				
Loans and borrowings	0	0	0	0
Lease liabilities	0	0	875,472	875,472
Trade payables	3,122,185	0	0	3,122,185
Other payables	53,070,396	0	190,852	53,261,248
Deferred income	0	0	0	0
Total current liabilities	**56,192,581**	**0**	**1,066,324**	**57,258,905**
Total liabilities	**152,129,545**	**0**	**5,914,489**	**158,044,034**
TOTAL EQUITY AND LIABILITIES	**346,003,014**	**0**	**6,881,123**	**352,884,137**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Company reconciliation of equity as at 31 December 2020

	31 December 2020	Reclassifications	Remeasurements	31 December 2020
	Romanian GAAP			IFRS
ASSETS				
Non-current assets				
Intangible assets	91,377	0	0	91,377
Investments in subsidiaries and associates	55,545,123	0	0	55,545,123
Loans granted to subsidiaries, associates and others	246,315,351	0	0	246,315,351
Right of use assets	0	0	4,536,566	4,536,566
Deferred tax assets	0	0	64,480	64,480
Property, plant and equipment	1,489,634	0	0	1,489,634
Other non-current assets	908,972	0	0	908,972
Total non-current assets	**304,350,457**	**0**	**4,601,046**	**308,951,503**
Current assets				
Inventories	560	(560)	0	0
Trade receivables	61,102,948	(433)	0	61,102,515
Other receivables	29,120,006	24,500,993	0	53,620,999
Prepayments	158,411	0	0	158,411
Receivables representing dividends distributed during the year	24,500,000	(24,500,000)	0	0
Cash and cash equivalents	55,816,083	0	0	55,816,083
Total current assets	**170,698,008**	**0**	**0**	**170,698,008**
TOTAL ASSETS	**475,048,465**	**0**	**4,601,046**	**479,649,511**
EQUITY AND LIABILITIES				
Equity				
Share capital	259,824,598	0	0	259,824,598
Share premium	9,192	0	0	9,192
Legal reserves	9,009,562	0	0	9,009,562
Own shares	(26,765,560)	0	0	(26,765,560)
Other capital reserves	463,393	0	0	463,393
Retained earnings	(3,661,243)	94,543,458	(338,518)	90,543,697
Profit or loss of the year	93,001,566	(93,001,566)	0	0
Net gain from sales of own shares	1,541,892	(1,541,892)	0	0
Total equity	**333,423,400**	**0**	**(338,518)**	**333,084,882**
Non-current liabilities				
Loans and borrowings	69,015	(69,015)	0	0
Lease liabilities	0	0	3,704,514	3,704,514
Provisions	84,255	0	0	84,255
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	0	69,015	0	69,015
Total non-current liabilities	**153,270**	**0**	**3,704,514**	**3,857,784**
Current liabilities				
Loans and borrowings	82,980,346	0	0	82,980,346
Lease liabilities	0	0	1,235,049	1,235,049
Trade payables	915,955	0	0	915,955
Other payables	57,504,434	0	0	57,504,434
Deferred income	71,061	0	0	71,061
Total current liabilities	**141,471,796**	**0**	**1,235,049**	**142,706,845**
Total liabilities	**141,625,066**	**0**	**4,939,563**	**146,564,629**
Total equity and liabilities	**475,048,466**	**0**	**4,601,045**	**479,649,511**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Company reconciliation of total comprehensive income for the year ended 31 December 2020

	31 December 2020	Reclassifications	Remeasurements	31 December 2020
	Romanian GAAP			IFRS
Turnover	33,074,410	(33,074,410)	0	0
Other operating revenue	158	(158)	0	0
Revenues from services rendered	0	31,975,434	0	31,975,434
Revenues from rentals, service charge and similar	0	565,537	0	565,537
Other revenues	0	533,597	0	533,597
Total operating revenues	**33,074,568**	**0**	**0**	**33,074,568**
Raw materials and consumables expenses	(6,609)	6,609	0	0
Other material expenses	(133,621)	133,621	0	0
Other external expenses	(82,514)	82,514	0	0
Wages and indemnities	(3,228,983)	3,228,983	0	0
Social security expenses	(72,320)	72,320	0	0
Amortisation, depreciation and impairment of net reversals	(378,789)	0	(1,143,362)	(1,522,151)
Administrative expenses	-	(3,301,303)	0	(3,301,303)
External services expenses	(4,721,876)	4,721,876	0	0
Taxes, fees and expenses representing transfers and contributions due	(51,285)	51,285	0	0
Other expenses	(364,466)	364,466	0	0
Other operating expenses	-	(5,360,371)	1,081,665	(4,278,706)
Adjustments related to provisions	(19,140)	0	0	(19,140)
Total operating expenses	**(9,059,603)**	**0**	**(61,697)**	**(9,121,300)**
Result from operating activity	**24,014,965**	**0**	**(61,697)**	**23,953,268**
Net Gain on disposal of investments in subsidiaries and associates	**0**	**48,022,408**	**0**	**48,022,408**
Revenues from dividends	20,567,563	0	0	20,567,563
Revenues from interest	10,240,258	-	0	10,240,258
Other financial revenues	49,219,487	(49,219,487)	0	-
Total financial income	**80,027,308**	**(49,219,487)**	**0**	**30,807,821**
Interest expenses	(5,079,334)	0	(193,222)	(5,272,556)
Other financial expenses	(2,564,047)	1,197,079	(104,370)	(1,471,338)
Total financial expenses	**(7,643,381)**	**1,197,079**	**(297,592)**	**(6,743,894)**
Net financial result	**72,383,927**	**(48,022,408)**	**(297,592)**	**24,063,927**
Result before tax	**96,398,892**	**0**	**(359,289)**	**96,039,603**
Tax on profit	(3,397,326)	0	57,486	(3,339,840)
Net result of the period	**93,001,566**	**0**	**(301,803)**	**92,699,763**
Total comprehensive income for the period	**93,001,566**	**0**	**(301,803)**	**92,699,763**

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Notes to the reconciliation of equity as at 1 January 2020 and 31 December 2020 and total comprehensive income for the year ended 31 December 2020

5.1 Analysis of reclassifications from Romanian GAAP to IFRS financial statements

To prepare separate IFRS financial statements the Company has performed several reclassifications compared to the published and audited statutory financial statements as of 31 December 2019 (opening 1st January 2020) and 31 December 2020 prepared in accordance with Romanian GAAP. These were done to be compliant with IFRS. Please note that according to Romanian GAAP, there is an imposed template of financial statements for companies not applying IFRS. The main reclassifications are:

Statement of Financial Position:
- Guarantees given by the Company for rental contracts were reclassified, at 1st January 2020, from “Trade Receivables” to “Other non-current assets”
- Inventories presented according to Romanian GAAP under the caption “Inventories”, as they represent advance payments and are considered immaterial, have been reclassified to “Other receivables”
- “Receivables representing dividends distributed during the year” which is a mandatory caption under the Romanian GAAP have been reclassified to “Other receivables”
- Concerning “Equity” items, “Profit or loss of the year” and “Net gain from sales of own shares” presented individually in Romanian GAAP have been reclassified to “Retained Earnings”
- Guarantees received by the Company were reclassified from “Financial liabilities - loans and borrowings” to “Other non-current liabilities”

Statement of profit or loss and other comprehensive income
- The turnover breakdown has been analyzed from an IFRS perspective and components have been presented in consequence. The same breakdown as the one presented in IFRS has also been disclosed in the notes to Romanian GAAP financial statements for the periods analyzed
- The Company has performed an analysis of the allocation of expenses presented according to Romanian GAAP in the IFRS financial statements. There are two main types of expenses presented in IFRS: “Administrative expenses” and “Other operating expenses”. Several reclassifications were performed for IFRS presentation purposes
- In line with IAS 1, gains and losses from FX have been netted and presented in the line “Other financial revenues” or “Other financial expenses” depending on the net position
- In line with IAS 1, gains and losses related to the disposal of investments in subsidiaries and associates were presented on a separate line given the materiality.

5.2 Analysis of remeasurements from Romanian GAAP to IFRS financial statements

To prepare separate IFRS financial statements the Company has also performed several remeasurements compared to the published and audited financial statements as of 31 December 2019 (opening 1st January 2020) and 31 December 2020 prepared according to Romanian GAAP. The main remeasurements are:

IFRS 16 – the Company as a lessee

Under Romanian GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense (rental expense in our case) in the statement of profit or loss over the lease term.

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

At the date of transition to IFRS, the Company applied the measured lease liabilities at the present value of the lease payments since inception, discounted using the lessee’s incremental borrowing rate at the date of transition to IFRS.

Right-of-use assets were measured at the amount equal to the lease liabilities. As a result, the Company recognised an increase, at inception, of RON 5,716,810 of lease liabilities and right-of-use assets.

In respect of the impact booked in the profit & loss we note the following:
- The cancellation of the “Rental expense” booked according to Romanian GAAP amounting to nil at 31 December 2019 and RON 1,081,665 at 31 December 2020

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

5.2 Analysis of remeasurements from Romanian GAAP to IFRS financial statements (continued)

- Recording of the depreciation of the right of use booked according to IFRS amounting to RON 36,883 at 31 December 2019 and RON 1,143,362 at 31 December 2020
- Recording of the interest expense related to the amortization of the lease liability booked according to IFRS amounting to nil at 31 December 2019 and RON 193,222 at 31 December 2020
- Recording, in the IFRS profit and loss account, of the remeasurement at closing FX rate, of the lease liability. Impacts amount to RON 6,826 at 31 December 2019 and RON 104,370 at 31 December 2020

IAS 8 – correction of errors

In the financial statements, as of 31 December 2020, presented under Romanian GAAP, the Company has booked a correction of error related to adjustments done on revenues invoiced to related parties for 2017, 2018 and 2019. This correction of error was booked, in IFRS, in the opening Statement of Financial Position, meaning 1st January 2020. The amounts are not deemed material.

There is no accounting difference between IAS 8 and Romanian GAAP in respect of the corrections of error as impacts are booked in Retained earnings in both cases.

IAS 12 – Deferred taxes

We have proceeded, for all assets and liabilities for which we have identified a taxable temporary difference to the computation of the impact related to deferred taxes, based on the Romanian tax rate of 16%. This resulted in a net DTA booked of RON 6,993 at 1 January 2020 and RON 64,480 at 31 December 2020.

The Company estimated that future taxable profits should be sufficient to absorb this DTA.

NOTE 6. RISK MANAGEMENT

6.1. General objectives, policies and processes

The Company's activities may give rise to various risks. Management is aware of and monitors the effects of those risks and events that may have adverse effects on the entity's operations. The main risks to which the Company is exposed may be classified as follows:

Financial risks:

- Credit risk
- Liquidity risk
- Market risk, which includes interest rate risk, foreign exchange risk and price risk

Other risks:

- Operating risk
- Strategic risk

6.2. Financial risks

This note provides information on the Company's exposure to the risks mentioned above, the Company's objectives, policies and processes to manage the risks and the methods used to measure them. More quantitative information on these risks is presented in these separate financial statements. There were no material changes in the entity's exposure to the risks of a financial instrument, objectives, policies, and processes to manage those risks, or the methods used to measure them in prior periods, unless otherwise specified in this note.

The Entity is primarily exposed to risks arising from the use of financial instruments. A summary of the financial instruments held by the entity, depending on the classification category, is presented below:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

Description	Long term financial assets 31 December 2021	31 December 2020	01 January 2020
Investments in subsidiaries and associates	90,497,644	55,545,123	24,853,446
Loans granted to subsidiaries, associates and others	338,295,046	246,315,351	201,940,386
Total	**428,792,690**	**301,860,474**	**226,793,832**

Description	Trade receivables, short-term deposits and loans and cash and cash equivalents 31 December 2021	31 December 2020	01 January 2020
Trade receivables	102,053,110	61,102,515	33,551,093
Other receivables	28,753,389	53,620,999	57,044,805
Loans granted to subsidiaries, associates and others	24,724,694	-	-
Cash and cash equivalents	121,682,382	55,816,083	28,037,763
Total	**277,213,575**	**170,539,597**	**118,633,661**

Description	Financial liabilities at amortised cost 31 December 2021	31 December 2020	01 January 2020
Trade and other payables	98,456,719	58,420,389	56,383,433
Short and long-term loans and borrowings	27,921,952	82,980,346	95,819,727
Lease liabilities	3,764,387	4,939,563	5,723,637
Total	**130,143,058**	**146,340,298**	**157,926,797**

Management has the overall responsibility for determining risk management objectives, policies and processes while retaining ultimate responsibility in this respect.

The overall objective of management is to set policies that aim at mitigating risks as much as possible without unjustifiably affecting the Entity's competitiveness and flexibility. Further details on these policies are provided below:

6.2.1. Credit risk

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk for existing receivables.

Credit risk is the risk that the Company will incur a financial loss as a result of non-fulfilment of the contractual obligations by a client or counterparty to a financial instrument, and this risk arises mainly from the Company's trade receivables, cash and cash equivalents, and short-term deposits.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its policies.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.1. Credit risk (continued)

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021, 31 December 2021 and 1 January 2020, respectively, is the carrying amounts of each class of financial instruments.

In the course of its business, the Company is subject to credit risk, particularly due to trade receivables and bank deposits. The Company management constantly and closely monitors exposure to credit risk.

The intra-group customers' outstanding balances were also analysed individually for creditworthiness and after the assessment performed, management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low and therefore immaterial.

As required by IFRS 9, the Company used the simplified approach in calculating ECL for trade receivables related to third parties and that did not contain a significant financing component. The Company performed the allowance trade receivable analysis taking in consideration historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Also, the outstanding balances from customers at 31 December were analysed for collections in the subsequent period until the issue of these financial statements and minimal risk of non-collection was identified. There is no significant concentration of risk.

The ECLs relating to cash and short-term deposits of the Company rounds to zero. Company policy is that surplus cash is placed on deposit with the Company's main relationship banks and with other banks. The arrangements in place result in a favourable mix between flexibility and interest earnings. The Company's exposure to credit risk associated cash and cash equivalents is limited using five different financial institutions of good standing for investment and cash handling purposes. For instance, 60% of the cash (RON 74,2m) is held in a bank with A+ (based on S&P) rating.

6.2.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to liquidity management is to ensure, as far as possible, that it will have sufficient liquidity to meet its outstanding obligations under both normal and crisis conditions, without incurring major losses or risking affecting the Company's reputation. The Company prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held on deposit to evaluate the nature, and extent of any future funding requirements.

Currently the Company's liquidity enables it to meet the committed and due payments. During 2021, the focus of the business was on operations, liquidity and capital allocation. The Company has access to a sufficient variety of sources of funding which enable it to meet its financial obligations when they become due. The table below shows the remaining contractual maturities for financial liabilities:

As at 31 December 2021	**Less than 1 year**	**1 to 5 years**
Trade and other payables	98,456,719	-
Short and long-term loans and borrowings	-	27,921,952
Lease liabilities	1,299,647	2,464,740
Total	**99,756,366**	**30,386,692**

As at 31 December 2020	**Less than 1 year**	**1 to 5 years**
Trade and other payables	58,420,389	-
Short and long-term loans and borrowings	82,980,346	-
Lease liabilities	1,235,049	3,704,514
Total	**142,635,784**	**3,705,514**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.2. Liquidity risk (continued)

As at 01 January 2020	Less than 1 year	1 to 5 years
Trade and other payables	56,383,433	-
Short and long-term loans and borrowings	233,727	95,586,000
Lease liabilities	875,472	4,848,165
Total	**57,492,632**	**100,434,165**

The following table details the due date for the Company's financial assets The table below was based on the remaining maturities of the financial assets, including the interest earned on these assets, except for those in which the Company anticipates that the cash flow will take place in a different period.

As at 31 December 2021	Less than 1 year	1 to 5 years
Cash and cash equivalents	121,682,382	-
Trade and other receivables	130,806,499	-
Loans granted to subsidiaries, associates and others (*)	24,724,694	338,295,046
Total	**277,213,575**	**338,295,046**

As at 31 December 2020	Less than 1 year	1 to 5 years
Cash and cash equivalents	55,816,083	-
Trade and other receivables	114,723,514	-
Loans granted to subsidiaries, associates and others (*)	-	246,315,351
Total	**170,539,597**	**246,315,351**

As at 01 January 2020	Less than 1 year	1 to 5 years
Cash and cash equivalents	28,037,763	-
Trade and other receivables	90,595,898	-
Loans granted to subsidiaries, associates and others (*)	-	201,940,386
Total	**118,633,661**	**201,940,386**

(*) Please note that loans granted to subsidiaries and associates have an undetermined reimbursement date. The classification above was made on Managements best estimate scenario.

6.2.3. Market risk

Market risk is the possibility of recording losses or not realizing the estimated profits that result, directly or indirectly, from market price fluctuations, the interest rate or exchange rate related to the Company's assets and liabilities. Consequently, the main sub-categories of market risk are the following:

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

(i) ***Interest rate risk:*** the risk that the fair value of future cash flows or future cash flows for financial instruments will fluctuate in line with interest rate variations;

(ii) ***Foreign currency risk:*** the risk that the fair value of future cash flows or future cash flows associated with financial instruments will fluctuate in line with exchange rate fluctuations;

The financial instruments held by the Company that are affected by market risk are principally loans and borrowings

(i) Interest rate risk

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited by the fact that almost the entire exposures are bearing a fixed interest rate.

Bonds issued

The annual fixed rate of interest of debenture loans is 7.35% and is adjustable to 5.25% in function of the Company's performance, according to the bond contract. The interest rate was revised in 2019 to 5.25% p.a. (and was applied also in 2020) as the financial covenants agreed in the contract for interest rate reduction were met.
The exposure on the bond was the following:

- 1st January 2020: RON 95,819,727 remaining principal and interest to be reimbursed
- 31 December 2020: RON 82,980,346remaining principal and interest to be reimbursed

The bond was fully repaid during 2021.

Financial liabilities – loans received

The Company has only one loan amounting to RON 27,921,952 classified as a non-current liability.

Financial assets – loans granted

The Company has granted several loans to subsidiaries, associates and others. The loans are bearing a fixed interest rate of:
- 2019: 5,25%
- 2020: 5,25%
- 2021: 3,25%

Bank deposits held by the Company are short-term deposits, which makes them sensitive to changes in interest rates on the market. The Company's estimates that the interest rate risk is limited given the fact that almost the entire portfolio of financial assets and liabilities bearing interest are remunerated based on a fixed interest rate. Consequently, no sensitivity analysis has been performed.

(ii) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows for financial instruments will fluctuate due to exchange rate fluctuations.

The Company is exposed to foreign exchange risk on loans that are denominated in a currency other than the functional currency of the Company. The currency used on the domestic market is the Romanian leu (RON). The currency that exposes the Company to this risk is mainly EUR.

The Company's exposure to the risk of changes in foreign exchange rates relates also to its operating activities (when revenue or expense is denominated in a foreign currency).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

The carrying amounts of monetary assets and liabilities denominated in foreign currency at the reporting date are as follows:

31 December 2021	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	23,336,374	93	115,471,120
Loans granted to subsidiaries, associates and others	72,328,339	-	357,887,854
Monetary liabilities			
Loans and borrowings	(5,642,964)	-	(27,921,952)
Trade and other payables	(33,242)	-	(164,484)
Lease liabilities	(760,774)	-	(3,764,387)
Net excess/(exposure)	**89,227,733**	**93**	**441,508,151**

31 December 2020	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	7,817,530	-	38,066,680
Loans granted to subsidiaries, associates and others	2,052,048	-	9,992,241
Monetary liabilities			
Loans and borrowings	(17,041,185)	-	(82,980,346)
Trade and other payables	-	-	-
Lease liabilities	(1,014,409)	-	(4,939,563)
Net excess/(exposure)	**(8,186,016)**	**-**	**(39,860,988)**

1st January 2020	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	4,862,340	-	23,238,580
Loans granted to subsidiaries, associates and others	2,804,775	-	13,404,860
Monetary liabilities			
Loans and borrowings	(20,048,904)	-	(95,819,727)
Trade and other payables	(1,219)	-	(5,828)
Lease liabilities	(1,197,589)	-	(5,723,637)
Net excess/(exposure)	**(13,580,597)**	**-**	**(64,905,752)**

Sensitivity analysis for foreign exchange risk

- 1st January 2020: A 5% appreciation of the RON against the EUR on 1st January 2020 would increase the Company's profit by RON 3,245,288, while a 5% depreciation of the RON against the EUR as of 31 December 2019 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.
- 31 December 2020: A 5% appreciation of the RON against the EUR on 1st January 2020 would increase the Company's profit by RON 1,993,049, while a 5% depreciation of the RON against the EUR as of 31 December 2020 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

- 31 December 2021: A 5% appreciation of the RON against the EUR on 1st January 2020 would decrease the Company's profit by RON 22,075,387, while a 5% depreciation of the RON against the EUR as of 31 December 2021 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.

Sensitivity analysis includes only monetary elements denominated in foreign currency and adjusts their translation at the end of the period for a 5% change in foreign exchange rates. This analysis assumes that all other variables, especially interest rates, remain constant.

6.3. Other risks

Management cannot anticipate all the developments that could have an impact on the financial market liquidity, depreciation of financial assets and increased volatility on foreign exchange markets and the effect, if any, which it could have on the separate financial statements.

The management of the Company believes that it has taken all the necessary measures to support the sustainability and growth of the company's business in the current circumstances through:

- preparing a liquidity crisis strategy and laying down specific measures together with shareholders' support to address potential liquidity crises;
- constant monitoring of its liquidity position;
- short-term forecasting of its liquidity position.

(i) Operating risk

The process of risk assessment over the last few years on the international financial markets has affected the performance of these markets, including the Romanian financial and banking market, and raises an increased uncertainty about the future economic development. Determining the compliance with the lending agreement and other contractual obligations, as well as assessing significant uncertainties, including uncertainties associated with the Company's ability to continue its activity for a reasonable amount of time, have their own challenges.

The Company's debtors could also be affected by the low liquidity level, which could also have an impact on their ability to pay their overdue loans.

(ii) Strategic risk

Strategic risk is the risk that one or more assumptions on which the Company's business strategy is based are no longer valid due to internal and / or external changes. Strategic risk is difficult to quantify because it refers to:

- the strategic decisions of the Company's management;
- uncertainties related to the external environment;
- the management's response level and time to changes in the internal and/or external environment;
- the quality of the IT systems etc.

(iii) Ownership title risk

In Romania, title to private property is guaranteed by the Constitution. However, under the Roman Civil Code, if the ownership title to an immovable property is cancelled, all subsequent acts of transfer of ownership may, under certain circumstances, also be cancelled.

Therefore, in theory, almost any ownership title in Romania could be exposed to a third-party risk through a litigation or claims for property restitution (either before or after the transfer of the ownership title). For the Company's management, the Company's title risk is low in the light of past history.

NOTE 6. RISK MANAGEMENT (continued)

6.3. Other risks (continued)

(iv) Legislative risk

The Company's economic environment is also influenced by the legislative environment.

In addition, obtaining building permits and other documents required to start residential projects can be affected by political instability as well as possible changes in the administrative organizational structure at the level of local governments where the Company intends to develop its projects.

(v) Taxation risk

The Romanian tax system is subject to many constant interpretations and changes. In Romania, the prescription for tax audits is 5 years. However due to state of emergency from 2020, the prescription period for financial years 2015-2019 was prolonged with 9 months and for the financial years staring 2016 the prescription period of 5 years starts at July 1 of the next financial year.

The legislation and fiscal framework in Romania and their implementation are subject to frequent changes. Tax audits, by their nature, are similar to tax audits carried out by designated tax authorities in many countries, but may extend not only to tax issues, but also to other legislative or regulatory aspects in which the agency in question might be interested.

Moreover, tax returns are subject to verification and correction by the tax authorities for a period of five years after their registration (and following the general rules described above), and therefore the Company's tax returns from 2015 to 2021 are still subject to such verifications.

In accordance with the relevant tax laws, the tax assessment of a transaction conducted between affiliates is based on the concept of the market price pertaining to the respective transaction. Based on this concept, transfer pricing needs to be adjusted such as to reflect the market rates set between non-affiliates acting independently in an arm's length transaction.

It is likely that the tax authorities should conduct verifications of the transfer pricing to determine whether the respective prices are arm's length, and the taxable base of the Romanian taxpayer is not distorted.

In case of an audit, tax authorities may request a transfer pricing file also for taxpayers not classified as large taxpayers, but which carry out transactions with affiliates, in order to determine whether the arm's length principle has been complied with.

6.4. Capital management

The objectives of the Company's management regarding capital management are to protect the Company's ability to continue its activity in order to share profit to shareholders, provide benefits to other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

Debt is defined as long- and short-term borrowings and lease liabilities. The net debt is computed as debt less cash and cash equivalents. Equity includes all capital and reserves of the Company that are managed as capital.

In order to maintain or adjust the capital structure, the Company's management can adjust the shareholders' share of profitability or may issue new shares to reduce debts.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Equipment measurement apparatus and vehicles	Furniture and other non-current assets	Tangible under development	Total
Cost					
At 1 January 2019	**36,753**	**346,874**	**23,702**	**9,997**	**417,326**
Additions	949,273	115,858	341,596	6,303	1,413,030
Disposals	0	284,331	0	9,997	294,328
As at 31 December 2019	**986,026**	**178,401**	**365,298**	**6,303**	**1,536,028**
Additions	211,523	67,458	64,389	40,416	383,786
Disposals	0	0	0	0	0
As at 31 December 2020	**1,197,549**	**245,859**	**429,687**	**46,719**	**1,919,814**
Additions	0	129,962	125,067	0	255,029
Disposals	**0**	2,815	3,376	46,719	52,910
As at 31 December 2021	**1,197,549**	**373,006**	**551,378**	**0**	**2,121,933**
Depreciation and impairment					
At 1 January 2019	**13,783**	**309,936**	**11,656**	**0**	**335,375**
Additions	4,594	47,015	5,796	0	57,405
Disposals	0	280,909	0	0	280,909
As at 31 December 2019	**18,377**	**76,042**	**17,452**	**0**	**111,871**
Depreciation charge for the year	206,891	63,962	47,456	0	318,309
Disposals	0	0	0	0	0
As at 31 December 2020	**225,268**	**140,004**	**64,908**	**0**	**430,180**
Depreciation charge for the year	244,219	79,058	79,980	0	403,257
Disposals	0	2,463	2,720	0	5,183
As at 31 December 2021	**469,487**	**216,599**	**142,168**	**0**	**828,254**
Net book value					0
As at 31 December 2019	**967,649**	**102,359**	**347,846**	**6,303**	**1,424,157**
As at 31 December 2020	**972,281**	**105,855**	**364,779**	**46,719**	**1,489,634**
As at 31 December 2021	**728,062**	**156,407**	**409,210**	**0**	**1,293,679**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INTANGIBLE ASSETS

Description	Development costs	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 01 January 2019	**-**	**156,781**	**9,698**	**166,479**
Additions	-	-	39,361	39,361
Disposals	-	-	-	-
As at 31 December 2019	**-**	**156,781**	**49,059**	**205,840**
Additions	-	3,046	-	3,046
Disposals	-	-	-	-
As at 31 December 2020	**-**	**159,827**	**49,059**	**208,886**
Additions	355,010	110,132	164,712	629,854
Disposals	-	-	72,299	72,299
As at 31 December 2021	**355,010**	**269,959**	**141,472**	**766,441**
Amortization and impairment				
As at 01 January 2019	**-**	**2,683**	**4,356**	**7,039**
Amortization	-	38,598	11,392	49,990
Disposals	-	-	-	-
As at 31 December 2019	**-**	**41,281**	**15,748**	**57,029**
Amortization	-	38,649	21,831	60,480
Disposals	-	-	-	-
As at 31 December 2020	**-**	**79,930**	**37,579**	**117,509**
Amortization	-	45,389	36,088	81,477
Disposals	-	-	-	-
As at 31 December 2021	**-**	**125,319**	**73,667**	**198,986**
Net value				
As at 31 December 2019	**-**	**115,500**	**33,311**	**148,811**
As at 31 December 2020	**-**	**79,897**	**11,480**	**91,376**
As at 31 December 2021	**355,010**	**144,640**	**67,805**	**567,455**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiary / Associate	Ownership right 01.jan.20	Ownership right 31.dec.20	Ownership right 31.dec.21	Investment value 01.jan.20	Investment value 31.dec.20	Investment value 31.dec.21
One Charles de Gaulle Residence SRL	99.99%	99.99%	99.99%	3,189,302	3,189,302	3,189,302
One Modrogan SRL	99.99%	99.99%	99.99%	89,990	89,990	89,990
One Mircea Eliade Properties SRL	99.98%	99.98%	100.00%	44,990	44,990	45,000
One Floreasca Towers SRL	99.98%	99.98%	99.98%	44,990	44,990	44,990
One Long Term Investments SRL	99.98%	100.00%	100.00%	44,990	45,000	45,000
One Lake District SRL	98.00%	98.00%	98.00%	44,100	44,100	44,100
One Herastrau Plaza SRL	98.00%	98.00%	98.00%	44,100	44,100	44,100
One Herastrau Towers SRL	98.00%	98.00%	100.00%	44,100	44,100	45,900
One Long Term Value SRL	98.00%	98.00%	98.00%	980	980	980
One United Tower SA	99.99%	70.24%	70.24%	2,876,402	3,176,548	3,176,548
One Peninsula SRL	90.00%	99.99%	100.00%	18,029,778	25,240,816	25,240,826
One Verdi Park SRL	90.00%	90.00%	95.00%	81,000	2,781,000	7,729,600
One Cotroceni Park SRL	80.00%	80.00%	80.00%	36,010	36,010	36,010
X Architecture Engineering Consult SRL	80.00%	80.00%	80.00%	160	160	160
One North Gate SA	72.13%	56.74%	62.41%	218,994	16,046,576	21,607,152
Neo Properties Development SA	70.00%	82.35%	0.00%	63,000	1,778,521	-
Skia Real Estate SRL	51.00%	51.00%	51.00%	510	510	510
Neo Floreasca Lake SRL(control prin detinere indirecta)	-	10.00%	80.59%	-	2,672,450	3,199,348
One Cotroceni Park Office SA	-	72.00%	57.25%	-	64,800	17,657,519
One Cotroceni Park Office Faza 2 SA	-	72.00%	57.25%	-	64,800	6,394,657
One Mamaia SRL	-	99.98%	99.98%	-	44,990	44,990
One Cotroceni Park Office Faza 3 SA	-	70.00%	80.00%	-	63,000	72,000
Reinvent Energy SRL	20%	20.00%	20.00%	50	50	240,000
Glass Rom Impex SRL	-	20.00%	20.00%	-	300	300
One Herastrau Office Properties SA	-	30.00%	30.00%	-	27,000	27,000
One Property Support Services SRL	20.00%	20.00%	20.00%	-	40	40
Neo Herastrau Park SRL	-	-	82.00%	-	-	671,784
Neo Timpuri Noi SRL	-	-	82.33%	-	-	305,928
Neo Mamaia SRL	-	-	82.33%	-	-	273,910
One Proiect 4 SRL	-	-	100.00%	-	-	45,000
One Proiect 3 SRL	-	-	100.00%	-	-	45,000
One Proiect 5 SRL	-	-	100.00%	-	-	45,000
One Proiect 7 SRL	-	-	100.00%	-	-	45,000
One High District S.R.L.	-	-	100.00%	-	-	45,000
One Lake Club S.R.L	-	-	100.00%	-	-	45,000
Financial assets – investments in subsidiaries and associates				**24,853,446**	**55,545,123**	**90,497,644**

There were four new subsidiaries established during 2020: One Cotroceni Park Office SA, One Cotroceni Park Office Faza 2 SA, One Cotroceni Park Office Faza 3 SA and One Mamaia SRL. During 2019, there were two new subsidiaries established: One Long Term Investments SRL (former One Herastrau Real Estate SRL) and One Floreasca Towers SRL (former One Herastrau IV SRL).

On 26 January 2021, the general meeting of shareholders has approved the sale of shares held in share capital of a subsidiary with no activity, Neo Downtown SRL with a nominal value of RON/shares 10, therefore the entity exits the Group.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

In 2021, new subsidiaries were established: One Proiect 1 SRL (One High District), One Proiect 3 SRL, One Proiect 4 SRL, One Proiect 5 SRL, One Proiect 6 SRL (One Lake Club) and One Proiect 7 SRL which are 100% owned by the Company.

During 2021, the Company changed its ownership in the share capital of the subsidiary One Herastrau Towers SRL from 98% at 31 December 2020 to 100%, as well as ownership in the share capital of the subsidiaries One Mircea Eliade Properties from 99.98% to 100%.

The Company have increased its ownership in the share capital of the subsidiary One North Gate SA from 56.74% as at 31 December 2020 to 62.41% as at 31 December 2021. The total consideration price for the shares acquired is RON 5,560,575.

During December 2021, the subsidiary Neo Properties Development have been liquidated, therefore all the shares indirectly owned in Neo subsidiaries are now directly owned.

NOTE 10. LOANS GRANTED TO SUBSIDIARIES,ASSOCIATES AND OTHERS

As at 31 December 2021	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries, associates and others	24,724,694	338,295,046	363,019,740

As at 31 December 2020	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries,associates and others	-	246,315,351	246,315,351

As at 1st January 2020	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries,associates and others	-	201,940,386	201,940,386

We have presented below a decomposition of the loans granted at a project level:

Description	31 December 2021	31 December 2020	01 January 2020
Loans granted for acquiring new subsidiaries or associates	106,373,824	20,058,169	10,296,556
Loans granted to subsidiaries for development of office buildings	135,045,054	100,998,442	97,899,182
Loans granted to subsidiaries for development of residential projects	82,472,332	99,291,303	75,036,622
Loans granted to subsidiaries for further development of real estate projects	35,086,759	20,499,829	13,469,751
Loans granted to subsidiary which deliver architecture services for group and non-group projects	3,421,175	3,937,389	2,213,033
Other loans	620,596	1,530,219	3,025,242
Total	**363,019,740**	**246,315,351**	**201,940,386**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 10. LOANS GRANTED TO SUBSIDIARIES, ASSOCIATES AND OTHERS (continued)

We have performed an analysis of each individual project in order to assess if an impairment would be needed. Based on our analysis, all projects are profitable, and we have not identified any material default risk. The Company collects the amounts subsequent to the date of completion of the development of the real estate project and based on past history for the finalized projects and fair value assessment performed for investment properties at the group level as at 31 December 2021, 31 December 2020 and 1 January 2020, no indicators of impairment were identified.

NOTE 11. RIGHT OF USE ASSETS

The Company has entered into one operating lease agreement related to the rental of office surfaces with One North Gate SA (lessor). The contract has entered into force on 20 December 2019 and is signed for 60 months. Rental costs are invoiced on a monthly basis. The table bellow presents the evolution of the right of use for the periods 1 January 2020 – 31 December 2021.

Refer to Notes 17 and Note 20 for further information.

Description	**Right of use**
Cost at 01 January 2019	**0**
Additions	**5,716,810**
Disposals	**0**
Cost at 1 January 2020	**5,716,810**
Additions	0
Disposals	0
Cost at 31 December 2020	**5,716,810**
Additions	**0**
Disposals	**0**
Cost at 31 December 2021	**5,716,810**
Amortisation at 01 January 2019	**0**
Additions	36,882
Disposals	0
Amortisation at 1 January 2020	**36,882**
Additions	1,143,362
Disposals	-
Amortisation at 31 December 2020	**1,180,244**
Additions	1,143,362
Disposals	0
Amortisation at 31 December 2021	**2,323,606**
NET VALUE	
At 1 January 2020	**5,679,928**
At 31 December 2020	**4,536,566**
At 31 December 2021	**3,393,204**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 12. TRADE AND OTHER RECEIVABLES

As at 31 December 2021, 31 December 2020 and 1 January 2020 trade and other receivables are detailed as follows:

Description	**31 December 2021**	**31 December 2020**	**01 January 2020**
Trade receivables – customers	396,153	52,921	14,083
Trade receivables – subsidiaries and related parties	101,656,957	61,049,594	33,537,010
Total trade receivables	**102,053,110**	**61,102,515**	**33,551,093**
VAT receivable	19,353,518	27,788,835	37,463,115
Amounts to be collected from related parties / affiliates	2,949,570	1,206,935	270,384
Other receivables	112,653	104,117	3,141
Receivables representing dividends	-	24,500,000	19,258,488
Various debtors	5,673,276	4,289	11,747
Other tax receivables	664,372	16,823	37,930
Total other receivables	**28,753,389**	**53,620,999**	**57,044,805**
Total	**130,806,499**	**114,723,514**	**90,595,898**

Description	**31 December 2021**	**31 December 2020**	**01 January 2020**
Trade receivable - from management fee provided to subsidiaries	101,239,216	60,804,446	33,504,274
Trade receivable - subsidiaries	264,250	213,027	-
Trade receivable - other related parties	153,491	32,121	32,736
Trade receivable - other third party customers	396,153	52,921	14,083
Total	**102,053,110**	**61,102,515**	**33,551,093**
% of Trade receivable - from management fee provided to subsidiaries in total trade receivables	**99%**	**100%**	**100%**

Most of the balance of trade receivables are related to management fees invoiced to subsidiaries. The balances related to management fees are collected in general subsequent to the completion of the real estate project for which these services are rendered. The normal operating cycle of the subsidiaries is three years, but may be longer depending on the size of the project. As a result, current assets include items whose realization is intended and / or anticipated to occur during the normal operating cycle of the development of real estate projects by the Group.

We have performed an analysis of each individual counterparty and project attached in order to assess if an impairment would be needed. Based on our analysis, all projects are profitable, and we have not identified any default risk related to the counterparties.

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2021	31 December 2020	01 January 2020
Cash and cash equivalents denominated in EUR	115,471,120	38,066,680	23,238,575
Cash and cash equivalents denominated in RON	6,205,367	17,747,945	4,793,845
Petty Cash - RON	5,895	1,458	5,343
Total	**121,682,382**	**55,816,083**	**28,037,763**

The ECLs relating to cash and short-term deposits of the Company is determined as not material. The cash and cash equivalent amounts are deposited in banks from Romania that belong to banking Groups at European level or state-owned banks and in the recognizable past in Romania there were no cases of bank defaults.

The Company's exposure to credit risk associated cash and cash equivalents is limited using financial institutions of good standing for investment and cash handling purposes.

NOTE 14. PROFIT TAX

The Company's current profit tax for the years 2021, 2020 and 2019 is determined at a statutory rate of 16% based on the statutory profit adjusted by non-deductible expenses and non-taxable revenues. The deferred profit tax as at 31 December 2021, 31 December 2020 and 1 January 2020 is determined based on the 16% tax rate, which is expected to be effective when temporary differences are reversed.

The current and deferred tax assets and liabilities are detailed as follows:

Description	31 December 2021	31 December 2020	01 January 2020
Deferred tax assets related to leasing liabilities	602,302	790,330	915,782
Deferred tax liabilities related to Right of Use – leases	(542,913)	(725,850)	(908,787)
Total assets /(liabilities)	**59,389**	**64,480**	**6,993**

The breakdown of tax expenses is detailed below:

Description	31 December 2021	31 December 2020
Current income tax expense	(7,841,418)	(3,397,326)
Deferred tax impact	(5,090)	57,486
Total assets /(liabilities)	**(7,846,508)**	**(3,339,840)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. PROFIT TAX (continued)

(i) Reconciliation of effective tax rate

	2021
Gross result	**48,561,025**
16% rate	**7,769,764**
Effect of taxable elements similar to revenues	1,483,144
Effect of taxable elements similar to expenses	(142,851)
Legal reserve	(388,447)
Other tax effects	380,215
Profit tax decrease due to sponsorship expenses	(349,470)
Profit tax decrease due to bonification OUG 33/200	(910,937)
Total profit tax expenses	**7,841,418**

The main elements presented in the ETR reconciliation correspond to:

- Effect of taxable elements similar to revenues are related to the gains booked in equity related to the sale of treasury shares
- Other tax effects are related to non-deductible expenses and non-taxable income according to the Romanian tax code

NOTE 15. EQUITY

Management monitors capital, which includes all components of equity (i.e., share capital, retained earnings and reserves). The primary objective of the parent company is to protect its capital and ability to continue its business so that it can continue to provide benefits to its shareholders and other stakeholders.

(i) Share capital

As at 31 December 2021 the Company's share capital is RON 514,828,059 (31 December 2020: RON 259,824,598, 31 December 2019: RON 146,964,903) divided into 2,574,140,294 shares (31 December 2020: 997,752 shares 31 December 2019: 940,455 shares) at a nominal value of RON 0.2 each (31 December 2020: 269.41, 31 December 2019: RON 156.27 each). All issued shares are fully paid.

Structure of share capital

	31 December 2021			31 December 2020			01 January 2020		
Name of shareholder	Number of shares	Nominal value [RON]	Holding [%]	Number of shares	Nominal value [RON]	Holding [%]	Number of shares	Nominal value [RON]	Holding [%]
Victor Capitanu	766,012,422	153,202,534	29.7580%	376,182	97,961,555	37.7030%	395,297	61,773,062	42.0326%
Andrei Diaconescu	766,012,422	153,202,534	29.7580%	376,182	97,961,555	37.7030%	395,297	61,773,062	42.0326%
Others	1,042,115,450	208,422,991	40.4840%	245,388	63,901,488	24.5940%	149,861	23,418,779	15.9348%
Total	**2,574,140,294**	**514,828,059**	**100.00%**	**997,752**	**259,824,598**	**100.00%**	**940,455**	**146,964,903**	**100.00%**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. EQUITY (continued)

(ii) Legal reserve

The legal reserve amounts to RON 4,189,617 at 1 January 2020, RON 9,009,562 as at 31 December 2020 and RON 11,437,359 at 31 December 2021.

The legal reserve is established in accordance with the Company Law, according to which 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

The management of the Company does not expect to use the legal reserve in a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized can be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent replenishment are deductible when calculating taxable profit).

The accounting profit remaining after the distribution of the legal reserve is transferred to retained earnings at the beginning of the financial year following the year for which the annual financial statements are prepared, from where it will be distributed.

(iii) Own shares

During Q4 2020, the Company has repurchased a number of 18,243 own shares in amount of RON 26,765,560. The parties have agreed, along with the transfer of shares, to transfer any right over or in relation thereto, including, but not limited to the dividends of the Company related to the shares for the financial year 2020. All own shares were sold during 2021.

(iv) Other reserves – share based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees, as part of their remuneration.

A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the "split" of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the "split" of shares has been confirmed to apply to any share options granted prior to the "split" operation. Therefore, it was approved the amendment of the contract in order to reflect the "split", as well as to extend the term for exercising the share options granted to the beneficiary.

The Company has estimated the reserve by taking into account the fair value of the instrument and the vesting period.

NOTE 16. LOANS AND BORROWINGS

Description	31 December 2021	31 December 2020	01 January 2020
Bonds	-	(82,980,346)	(95,819,727)
Other loans received from subsidiaries	(27,921,952)	-	-
Total assets /(liabilities)	**(27,921,952)**	**(82,980,346)**	**(95,819,727)**

Detailed information about the balances and transactions with related parties are presented in Note 23.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LOANS AND BORROWINGS (continued)

On October 2017, the Company issued a number of 20 bonds in the nominal value of EUR 1,000,000 each, collecting their equivalent value, respectively EUR 20,000,000 on November 2017. The loan maturity is 48 months from the date of issue. For this bond loan, the Company has set up a mortgage on the shares held in the following subsidiaries companies: One Herastrau Towers SRL, One Herastrau Plaza SRL and One Verdi Park SRL. The Company has reimbursed in advance a number of 3 bonds during Q4 2020 and the remaining number of 17 bonds during Q1 2021 for EUR 1,000,000 each and therefore all pledges were removed.

The other long-term loans amounting to RON 27,921,951 at 31 December 2021 are related to a loan in EUR received from One Cotroceni Park SRL.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 25.

NOTE 17. LEASE LIABILITIES

The Company lease the administrative office space from the subsidiary One North Gate starting with December 2019.

Refer to Notes 11 and 20 for further information.

	2021	2020	2019
As at 1 January	4,939,563	5,723,637	0
Additions	0	0	5,716,810
Accretion of interest	154,452	193,222	0
Payments	(1,403,507)	(1,081,665)	0
Translation difference	73,879	104,369	6,827
As at 31 December	**3,764,387**	**4,939,563**	**5,723,637**
Long term	**2,464,740**	**3,704,514**	**4,848,165**
Short term	**1,299,647**	**1,235,049**	**875,472**

	2021	2020	2019
Depreciation expense of right-of-use assets	1,143,362	1,143,362	36,883
Interest expense on lease liabilities	154,452	193,222	-
Currency translation gain / (loss)	69,990	104,370	6,826
Rent expenses	1,403,507	1,081,665	-
Other expenses - indexation difference	3,888	-	-
Total amount recognised in profit or loss	**2,775,199**	**2,522,619**	**43,709**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 25.

NOTE 18. TRADE AND OTHER PAYABLES

Description	**31 December 2021**	**31 December 2020**	**1st January 2020**
Trade payables - affiliated entities and other related parties	910,305	456,503	1,843,762
Trade payables - Other	970,495	459,452	1,278,423
Total Trade payables	**1,880,800**	**915,955**	**3,122,185**
Other taxes and duties	370,504	6,417,136	5,350,052
Settlements between affiliated entities	88,933,711	41,957,563	27,763,391
Capital recharges with shareholders	-	634,136	15,760,188
Dividends	679,899	16,701	15,284
Other creditors	6,591,805	8,478,898	4,372,333
Total Other payables	**96,575,919**	**57,504,434**	**53,261,248**
Total Trade and other payables	**98,456,719**	**58,420,389**	**56,383,433**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. OPERATING REVENUES

Description	**2021**	**2020**
Revenues from services rendered	44,837,975	31,975,434
Revenues from rentals, service charge and similar	630,559	565,537
Other Revenues	784,769	533,598
Total operating revenues	**46,253,303**	**33,074,569**

Description	**2021**	**2020**
One Herastrau Towers SRL	1,934,399	5,737,022
One Mircea Eliade Properties SRL	6,317,834	11,598,236
One United Tower SRL	871,240	3,217,603
Neo Mamaia SRL	675,184	5,242,310
One Verdi Park SRL	10,031,492	6,180,263
Neo Timpuri Noi SRL	5,787,528	-
One Peninsula SRL	18,972,884	-
Third party customers	247,414	-
Total revenues from services rendered	**44,837,975**	**31,975,434**

The “Revenues from services rendered” and “Revenues from rentals, service charge and similar” are mainly in connection with management fees and rent (in connection with the utilized surfaces) invoiced to related parties. Detailed information about the balances and transactions with related parties are presented in Note 23.

NOTE 20. OPERATING EXPENSES

Description	**2021**	**2020**
Expenditures on raw materials and consumables	-	6,609
Other material expenses	36,400	133,621
Other external expenses	137,115	82,514
Other operating expenses	6,565,289	3,640,211
Tax expenses	-	51,285
Staff expenses	3,645,630	3,301,303
Other expenses	1,075,970	364,466
Depreciation expenses	1,628,096	1,522,151
Provision adjustments	(84,255)	19,140
Adjustments related to inventories	-	-
Total operating expenses	**13,004,245**	**9,121,300**

Description	**2021**	**2020**
Expenses with maintenance and repair	3,882	22,158
Expenses with royalties and rents	358,651	182,966
Insurance premiums expenses	46,951	2,377
Training expenses	253,958	700
Expenses with collaborators	449,449	281,892
Expenses regarding commissions and fees	761,929	545,307
Protocol, advertising and marketing expenses	1,621,866	453,093
Transport expenses	2,302	2,542
Travel expenses	-	-
Postal and telecommunications expenses	57,855	66,093
Banking and similar fees expenses	21,224	10,916
Other expenses with services performed by third parties	2,987,222	2,072,167
Total Other operating expenses	**6,565,289**	**3,640,211**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. OPERATING EXPENSES (continued)

Description	2021	2020
Audit, limited review and valuation expenses	559,103	495,705
Other professional services, consultancy and accounting	1,666,292	731,192
Administration services	103,795	35,789
Other expenses (service fees, etc.)	234,543	429,645
Other services (IT, security, maintenance, recruitment etc.)	423,489	379,836
Total Other expenses with services performed by third parties	**2,987,222**	**2,072,167**

The fees charged by Deloitte Audit for services provided in 2021 to the company and subsidiaries within the group comprise audit fees amounting 164.3 thousand EUR (out of which statutory audit in amount of 68 thousand EUR, other audit fees in amount of 38.3 thousand EUR and other non-audit services in amount of 58 thousand EUR).

NOTE 21. NET GAIN ON DISPOSAL OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Description	2021	2020
Revenues from disposal of investments in subsidiaries and associates	-	48,072,196
Expenses from disposal of investments in subsidiaries and associates	-	(49,788)
Net Gain on disposal of investments in subsidiaries and associates	**-**	**48,022,408**

NOTE 22. FINANCIAL INCOME

Description	2021	2020
Revenues from dividends	1,881,012	20,567,563
Revenues from interest	7,436,521	10,240,258
Other financial revenues	6,780,726	-
Total financial revenues	**16,098,259**	**30,807,821**

Description	2021	2020
FX net gain	6,540,776	-
Other financial revenues	239,950	-
Total other financial revenues	**6,780,726**	**-**

NOTE 23. FINANCIAL EXPENSES

Description	2021	2020
Interest expenses	786,291	5,272,556
Other financial expenses – FX net loss	-	1,471,338
Total financial expenses	**786,291**	**6,743,894**

NOTE 24. RELATED PARTIES

The Entity's affiliates and other related parties with which have incurred transactions at 31 December 2021, 31 December 2020 and 1 January 2020 are:

Name of the subsidiary and other related party	Country	Relationship nature
One Modrogan SRL	Romania	Subsidiary - Affiliate
One Peninsula SRL (former One Herastrau Park Residence SA)	Romania	Subsidiary - Affiliate
One Charles de Gaulle Residence SRL	Romania	Subsidiary - Affiliate
One Herastrau Plaza SRL	Romania	Subsidiary - Affiliate
One Verdi Park SRL	Romania	Subsidiary - Affiliate
X Architecture & Engineering Consult SRL	Romania	Subsidiary - Affiliate
One Mircea Eliade Properties SRL	Romania	Subsidiary - Affiliate
One Long Term Value SRL	Romania	Subsidiary - Affiliate
One Herastrau Towers SRL	Romania	Subsidiary - Affiliate
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Romania	Subsidiary - Affiliate
Skia Real Estate SRL	Romania	Subsidiary - Affiliate
One Lake District SRL (former One District Properties SRL)	Romania	Subsidiary - Affiliate
One North Gate SA	Romania	Subsidiary - Affiliate
One United Tower SA (former One United Tower SRL)	Romania	Subsidiary - Affiliate
Neo Properties Development SA	Romania	Subsidiaries, but dissolved at 31 December 2021
Neo Floreasca Lake SRL	Romania	Subsidiary - Affiliate
Neo Mamaia SRL	Romania	Subsidiary - Affiliate
Neo Timpuri Noi SRL	Romania	Subsidiary - Affiliate
Neo Herastrau Park SRL (former Neo Dorobanti SRL)	Romania	Subsidiary - Affiliate
Neo Downtown SRL	Romania	Other related party
One Floreasca Towers SRL (former One Herastrau IV SRL)	Romania	Subsidiary - Affiliate
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Romania	Subsidiary - Affiliate
One Cotroceni Park Office SA	Romania	Subsidiary - Affiliate
One Cotroceni Park Office Faza 2 SA	Romania	Subsidiary - Affiliate
One Cotroceni Park Office Faza 3 SA (former One Verdi Park Office SA)	Romania	Subsidiary - Affiliate
One Mamaia SRL	Romania	Subsidiary - Affiliate
Reinvent Energy SRL	Romania	Associate
One Proiect 4 SRL	Romania	Subsidiary - Affiliate
One Proiect 3 SRL	Romania	Subsidiary - Affiliate
One Proiect 5 SRL	Romania	Subsidiary - Affiliate
One Proiect 7 SRL	Romania	Subsidiary - Affiliate
One High District S.R.L.	Romania	Subsidiary - Affiliate
One Lake Club S.R.L.	Romania	Subsidiary - Affiliate
Carpathian Estate S.R.L.	Romania	Indirect Subsidiary
One Herastrau Office Properties SA	Romania	Associate
Glass Rom Impex SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office SA	Romania	Other related party
Andrei Liviu Diaconescu	Romania	Shareholder and key management personnel
Victor Capitanu	Romania	Shareholder and key management personnel
Vinci Invest SRL	Romania	Other related party
Liviu Investments SRL	Romania	Other related party
Lemon Interior Design SRL	Romania	Other related party
Lemon Office Design SRL	Romania	Other related party
Smart Capital Investments SA	Romania	Other related party
Ploiesti Logistics SRL	Romania	Other related party
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
DR Consulting & Other Services SRL	Romania	Other related party
Samoila Valentin-Cosmin PFA	Romania	Other related party
One Energy Division SRL	Romania	Other related party

(Amounts are expressed in RON, unless otherwise mentioned)

One Holding Investments SRL	Romania	Other related party
One Holding Ver SRL	Romania	Other related party
One Holding OA SRL	Romania	Other related party
ACC Investments SRL	Romania	Other related party
CTT & ONE AG	Switzerland	Other related party
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Switzerland	Other related party
Dragos-Horia Manda	Romania	Key management personnel, Minority shareholder
Claudio Cisullo	Romania	Key management personnel, Minority shareholder
Gabriel-Ionut Dumitrescu	Romania	Key management personnel
Adriana-Anca Anton	Romania	Key management personnel
Raluca-Elena Dragan	Romania	Key management personnel
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, Minority shareholder

In its normal course of business, the entity carries out transactions with the key management personnel (executive management and directors). The volume of such transactions is presented in the table below:

Key management personnel compensation	**2021**	**2020**	**2019**
Employee benefits	552,179	453,393	0

The following tables provides the total amount of transactions that have been entered into with affiliates and other related parties during 2021 and 2020 and as well as balances with related parties as at 31 December 2021, 31 December 2020 and 01 January 2020:

		Statement of financial position		
Nature of balances	**Affiliates and other related party categories**	**31 December 2021**	**31 December 2020**	**01 January 2020**
Receivables and other receivables related to goods and services sold	Key management personnel	-	6,096	7,333
	Affiliates - Subsidiaries	103,567,267	61,826,577	33,940,477
	Other related parties and associates	153,491	32,121	32,736

		Statement of financial position		
Nature of balances	**Affiliates and other related party categories**	**31 December 2021**	**31 December 2020**	**01 January 2020**
Payables related to goods and services paid	Key management personnel	-	-	-
	Affiliates - Subsidiaries	97,345,816	47,353,629	36,334,057
	Other related parties and associates	22,767	1,027	1,815

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 24. RELATED PARTIES (continued)

		Income statement (Income/(expense))	
Nature of transactions	**Affiliates and other related party categories**	**2021**	**2020**
Interest income and other financial income	Key management personnel	-	-
	Affiliates - Subsidiaries	6,492,147	10,002,195
	Other related parties and associates	238,068	54,033
Dividends income	Key management personnel	-	-
	Affiliates - Subsidiaries	1,881,012	20,567,563
	Other related parties and associates	0	0
Rent and royalties income	Key management personnel	0	0
	Affiliates - Subsidiaries	376,685	521,056
	Other related parties and associates	3,984	2,518
Management and administration income	Key management personnel	0	0
	Affiliates - Subsidiaries	44,590,545	31,975,434
	Other related parties and associates	0	0
Rent and utilities expenses	Key management personnel	0	0
	Affiliates - Subsidiaries	1,290,609	1,345,741
	Other related parties and associates	0	1,031
Management and administration expenses	Key management personnel	449,449	281,892
	Affiliates - Subsidiaries	0	0
	Other related parties and associates	103,795	35,792

Loans granted to affiliates and other related parties		**Interest balance**	**Amounts granted to affiliates and other related parties**
	2021	13,895,502	270,358,882
	2020	23,452,157	213,137,118
Loans granted to affiliates- subsidiaries	2019	13,860,086	185,178,154
	2021	487,038	10,966,323
	2020	454,551	9,046,809
Loans granted to other related parties and associates	2019	287,497	2,389,934
	2021	-	-
	2020	-	-
Key management personnel of the Group:	2019	-	-
Total loans granted to affiliates and other related parties	**2021**	**13,895,502**	**270,358,882**
	2020	**23,906,708**	**222,183,927**
	2019	**13,866,945**	**185,178,438**

Loans received from affiliates and other related parties		**Interest balance**	**Amounts due to affiliates**
Loans received from affiliates- subsidiaries	2021	0	27,921,952

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1-Jan-19	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-19
Bonds	93,597,315	-	4,801,163	(4,896,300)	2,317,549	-	95,819,727
Lease liabilities	-	5,716,810	-	-	6,827	-	5,723,637
Total liabilities from financing activities	**93,597,315**	**5,716,810**	**4,801,163**	**(4,896,300)**	**2,324,376**	**-**	**101,543,364**

	1-Jan-20	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-20
Bonds	95,819,727	-	5,079,334	(19,726,481)	1,807,766	-	82,980,346
Lease liabilities	5,723,637	-	193,222	(1,081,665)	104,369	-	4,939,563
Total liabilities from financing activities	**101,543,364**	**-**	**5,272,556**	**(20,808,146)**	**1,912,135**	**-**	**87,919,909**

	1-Jan-21	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-21
Bonds	82,980,346	-	-	(82,980,346)	-	-	-
Lease liabilities	4,939,563	-	154,452	(1,403,507)	73,879	-	3,764,387
Total liabilities from financing activities	**87,199,909**	**-**	**154,452**	**(84,383,853)**	**73,879**	**-**	**3,764,387**

NOTE 26. CONTINGENCIES

Starting with October 2019, the Romanian tax authorities carried out a control for the VAT refund that covers the amounts requested for refund until 31 May 2019 inclusive. This control was completed in April 2020 and the Company is in process of collecting the amounts approved for reimbursement. The amounts declined are insignificant, representing approximately 1% from the total amount requested for refund, however the Company intends to challenge them in front of the authorities.

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related.

On 30 September 2021, the subsidiary One Peninsula SRL have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million).

On 15 February 2022, the subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of EUR 9,000,000 and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains a corporate guarantee issued by the holding Company.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. CONTINGENCIES (continued)

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly bases by the remuneration committee.
In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting.
During the year 2021 and as of year-end 2021, the Group and the beneficiaries have confirmed that not all terms and conditions have been established for the stock option plan described above, so currently the grant date have not yet occurred.

As of 31 December 2021, the structure of the Company share capital was changed compared with the inception date for the stock option plan, therefore the algorithm is not directly applicable and will be modified according to the new Company structure. The approval of the modification have been submitted to the the GSM from 26 April 2022.

NOTE 27. FAIR VALUE HIERARCHY

The Company holds financial instruments that are not measured at fair value in the separate statement of financial position. For financial instruments such as cash and cash equivalents, trade and other receivables, the management of the Company has estimated that their carrying amount is an approximation of their fair value. The fair value of these types of instruments was determined as level 3 in the fair value hierarchy.
Financial liabilities that are not measured at fair value are loans with a contractual maturity of less than one year, debts to employees, trade payables and other debts and qualify for level 3 in the fair value hierarchy.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount			Fair value		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Financial assets for which fair values are disclosed:						
Loans granted to subsidiaries, associates and others	363,019,740	246,315,351	201,940,386	326,960,848	237,926,047	192,969,957

	Carrying amount		Fair value	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	82,980,346	95,819,727	82,620,512	92,429,942

As at 31 December 2021, the Company has no bank loan liabilities.

Quantitative disclosures of the Company's financial instruments in the fair value measurement hierarchy for the 3 periods are:

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	82,620,512	-	82,620,512

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. FAIR VALUE HIERARCHY (continued)

1 January 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	92,429,942	-	92,429,942

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	326,960,848	-	326,960,848

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	237,926,047	-	237,926,047

1 January 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	192,969,957	-	192,969,957

There were no transfers between Level 1 and 2 during 2021 or 2020.

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables. As at 31 December 2021, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

- Fair values of the Company's interest-bearing borrowings and loans are determined by using the DCF method, using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2020.

NOTE 28. EVENTS AFTER THE REPORTING PERIOD

On 8 February 2022, the Company directly acquired 100% of the shares of BO Retail Invest SRL a subsidiary which has previously acquired a controlling stake of 54.4351% in Bucur Obor, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. The transaction was subject to Competition Council clearance, which the Company received on 4 February 2022

In February 2022 the Company has acquired from a minority shareholder, Mr. Octavian Avramoiu, following participations in subsidiaries 14.41% in Neo Floreasca Lake, 12.67% in Neo Timpuri Noi, 12.67% in Neo Mamaia and 13.00% in Neo Herastrau Park.