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Independent Auditors' Report

(free translation¹)

To the Shareholders of Imo Property Investments Bucuresti S.A.

Strada Fagaras nr. 17, Sector 1, Bucuresti
Unique Registration Code: 22271604

Opinion

1. We have audited the financial statements of Imo Property Investments Bucuresti S.A. ("the Company"), which comprise the balance sheet as at 31 December 2021, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.
2. The financial statements as at and for the year ended 31 December 2021 are identified as follows:
 - Negative net assets: Lei -442,932,261
 - Net loss for the year: Lei -42,487,326

The financial statements have been signed with a qualified electronic signature by Aikaterini Atsali, in her capacity of Administrator of the Company on July 5th, 2022, 17h:19m:06s.

3. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Order of Minister of Public Finance No. 1802/2014 for approval of accounting regulations regarding the annual separate financial statements and annual consolidated financial statements and related amendments ("OMPF no. 1802/2014").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Law no. 162/2017 ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version.

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Compliance with minimum capital requirements

5. We draw attention to Note 5A of the financial statements which describes that as at 31 December 2021 the net assets of the Company, determined as the difference between its total assets and total liabilities, decreased to less than half of the subscribed share capital. In such circumstances, in accordance with Law 31/1990 republished and related amendments a Shareholders' meeting should be organised to decide on the measures to implement as required by the legislation in force. Our opinion is not modified in respect of this matter.

Other information – Board of Directors' Report

6. The Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the Board of Directors' Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

With respect to the Board of Directors' Report we read and report whether the Board of Directors' Report is prepared, in all material respects, in accordance with OMPF no. 1802/2014, articles 489 – 492 of the accounting regulations regarding annual separate financial statements and annual consolidated financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements, in our opinion:

- a) The information given in the Board of Directors' Report for the financial year for which the financial statements are prepared is consistent, in all material respects, with the financial statements;
- b) The Board of Directors' Report has been prepared, in all material respects, in accordance with OMPF no. 1802/2014, articles 489 – 492 of the accounting regulations regarding annual separate financial statements and annual consolidated financial statements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with OMPF no. 1802/2014 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Refer to the original signed Romanian version

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For and on behalf of KPMG Audit S.R.L.:

VLAD-BALANESCU RADUCU-BOGDAN

KPMG Audit SRL

registered in the electronic public register of financial auditors and audit firms under no AF2373

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 6 July 2022

IMO PROPERTY INVESTMENTS BUCURESTI SA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2021

**drawn up according the Order of the
Minister of Public Finance of Romania
no. 1802/2014 as subsequently amended**

The notes from 1 to 10 are an integral part of the financial statements.
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IMO PROPERTY INVESTMENTS BUCURESTI SA

PROFIT AND LOSS ACCOUNT

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The notes from 1 to 10 are an integral part of the financial statements.
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IMO PROPERTY INVESTMENTS BUCURESTI SA

CASH FLOW STATEMENT

	Note	Financial year ended on <u>31 December</u> <u>2020</u> (lei)	Financial year ended on <u>31 December</u> <u>2021</u> (lei)
Cash flow from operating activities:			
Net cash flow generated from operational activities, of which	9		
Collection from Customers		40,891,001	36,968,459
Payments to Suppliers		(12,245,972)	(7,090,763)
Payments to employees and similar		(2,958,356)	(2,847,639)
VAT Collection/payment		--	
Other payments (taxes, duties)		(2,906,569)	(2,898,605)
Interest income		277,540	210,967
Expenses with banking and similar services		(6,963)	(7,965)
Other operating expenses		(389,469)	403,806
Net cash from operating activities		22,661,212	24,738,260
Cash flow from investment activities:			
Payment in cash for purchase of land and fixed assets, intangible assets and other long term assets		(12,153)	(8,493,853)
Cash receipts from the sale of land and buildings, installations and equipment, intangible assets and other long term assets		34,123,442	41,929,882
Net cash from investment activities		34,111,289	33,436,029
Cash flow from financing activities:			
Cash receipts from loans		-	-
Cash repayments of amounts borrowed		(45,146,090)	(32,085,100)
The effect of foreign currency exchange rate variations on loans and debts		(92,756)	(80,163)
Interest paid		(12,915,164)	(9,653,380)

The notes from 1 to 10 are an integral part of the financial statements.
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IMO PROPERTY INVESTMENTS BUCURESTI SA

CASH FLOW STATEMENT

Net cash from financing activities	(58,154,110)	(41,818,643)
Net increase in cash and cash equivalents	(1,381,509)	16,355,646
Cash and cash equivalents at the beginning of the financial year	11,401,602	10,020,093
Cash and cash equivalents at the end of the financial year	10,020,093	26,375,739
	10,020,093	26,375,739

Authorised and signed on behalf of the Board of Directors as of 05.07.2022 by:

DIRECTOR

KATERINA ATSALI

AIKATERINIATSALI

Signature _____

AIKATERINI ATSALI
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GENERAL MANAGER THEODORA VEIBER

Gabriela-Theodora
Veiber

Signature ____ Veiber

Digitally signed by
Gabriela-Theodora
Veiber
Date: 2022.07.05
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PREPARED BY

IRINA HATMANU

FINANCIAL MANAGER

Signature ____

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Irina
Hatmanu
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The notes from 1 to 10 are an integral part of the financial statements.
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IMO PROPERTY INVESTMENTS BUCURESTI SA

STATEMENT OF CHANGES IN EQUITY

Equity item	Balance on 1 January 2021 (lei)	Increases (lei)	Decreases/ Distributions (lei)	Balance on 31 December 2021 (lei)
Subscribed capital (note 6)	112,560	-	-	112,560
Legal reserves	935,626	-	-	935,626
Retained earnings representing undistributed profit or				
The loss not covered	(363,147,829)	37,689,241	-	(400,837,070)
Creditor balance	163,687,440	-	-	163,687,440
Debtor balance	526,835,269	37,689,241	-	564,524,510
Retained earnings from correction of accounting errors	(1,061,726)	(295,907)	(701,581)	(656,052)
Creditor balance	-	-	-	-
Debtor balance	1,061,726	295,907	701,581	656,052
Profit or loss of the financial year				
Creditor balance	-	-	-	-
Debtor balance	37,689,241	42,487,326	37,689,241	42,487,326
Profit distribution	-	-	-	-
Total equity	(400,850,609)	(80,472,474)	(38,390,822)	(442,932,261)

GENERAL MANAGER THEODORA VEIBER

KATERINA ATSALI

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Signature _____

Gabriela-Theodora Veiber

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PREPARED BY IRINA HATMANU FINANCIAL MAN Signature ____

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The notes from 1 to 10 are an integral part of the financial statements.

IMO PROPERTY INVESTMENTS BUCURESTI SA

STATEMENT OF CHANGES IN EQUITY

Equity item

Subscribed capital (note 6)	
Legal reserves	
Retained earnings representing undistributed profit or the loss not covered	
Creditor balance	
Debtor balance	
Retained earnings from correction of accounting errors	
	Creditor balance
	Debtor balance
Profit or loss of the financial year	
	Creditor balance
	Debtor balance
Profit distribution	
Total equity	

DIRECTOR

KATERINA ATSALI

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AIKATERINI ATSALI

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The notes from 1 to 10 are an integral part of the financial statements.

Balance on 1 January 2020	Increases (lei)	Decreases/ Distributions	Balance on 31 December 2020
112,560	-	-	112,560
935,626	-	-	935,626
(315,985,586)	47,162,243	-	(363,147,829)
163,687,440	-	-	163,687,440
479,673,026	47,162,243	-	526,835,269
(1,061,726)	-	-	(1,061,726)
-	-	-	-
1,061,726	-	-	1,061,726
47,162,243	37,689,241	47,162,243	37,689,241
-	-	-	-
(363,161,368)	(84,851,484)	(47,162,243)	(400,850,609)

GENERAL MANAGER

THEODORA VEIBER

Gabriela-
Theodora

Digitally signed by
Gabriela-Theodora
Veiber
Date: 2022.07.05

Signature

ÎNTOCMIT

IRINA HATMANU

MANAGER FINANCIAR

Lenuta Irina
Digitally signed by
Lenuta Irina
Hatmanu
Date: 2022.07.05

Signature

Hatmanu

IMO PROPERTY INVESTMENTS BUCURESTI SA

EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

REPORTING ENTITY

These financial statements are submitted by IMO Property Investments București SA (the "Company"), a member of the Eurobank Ergasias (the "Group" or the "Eurobank Group"). The consolidated annual financial statements are prepared according to International Accounting Standards at the level of the parent company Eurobank Ergasias, having its registered office in Athens, Greece.

The company has no subsidiaries that would require consolidation.

The accounting records on the basis of which these financial statements were prepared are made in RON ("RON").

S.C. IMO Property Investments Bucuresti SA (the "Company") is a joint-stock company established in 2007, the registered office being at the address at Str. Fagaras, no. 17, sector 1, Bucharest, Romania. The company is registered with the Trade Register under the number J40/15548/2007.

The company's main activity is 8299 - Other business support services activities n.e.c. The predominant activity is that of Sale and purchase of own real estate NACE Code 6810 as recorded in the Articles of Incorporation as secondary activity of the Company

These attached financial statements are not meant to show the financial position in accordance with the accounting regulations and principles accepted by countries and jurisdictions others than Romania. At the same time, the financial statements are not meant to show the operations result, the cash flows and a complete set of notes to the financial statements in accordance with the accounting regulations and principles accepted by countries and jurisdictions others than Romania. Therefore, the attached financial statements are not prepared for the use of people who do not know the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 with subsequent amendments.



EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

1 NON-CURRENT ASSETS

a) Intangible assets

	Start-up expenses (lei)	Concessions, patents, licenses, trademarks, rights and similar values and other intangible fixed assets (lei)	Advances (lei)	Total (lei)
Gross value				
Balance at 01 January 2021	321,438	159,180	143,785	624,403
Increases	-	168,530	24,744	193,274
Assignments, transfers and other reductions	-	-	168,529	168,529
Balance on 31 December 2021	321,438	327,710	-	649,148
Accrued depreciation				
Balance on 1 January 2021	321,438	155,065	-	476,503
Depreciation recorded during the exercise	-	14,629	-	14,629
Reductions and reversals	-	-	-	-
Balance on 31 December 2021	321,438	169,694	-	491,132
Net book value on 1 January 2021	-	4,115	143,785	147,900
Net book value on 31 December 2021	-	158,016	-	158,016



IMO PROPERTY INVESTMENTS BUCURESTI SA

EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

b) Tangible assets

	Technical installations and machinery (lei)	Other installations, equipment and furniture (lei)	Real estate investments (lei)	Real estate investments in progress (lei)	Advances (lei)	Total (lei)
Gross value						
Balance on 1 January 2021	128,945	97,567	170,789,477	828,878	1,854,769	173,699,636
Increases	-	9,037	67,990	(149,055)	-	(72,028)
Assignments, transfers and other reductions	-	-	62,385,873	241,023	-	<u>62,626,896</u>
Balance on 31 December 2021	128,945	106,604	108,471,594	438,800	1,854,769	111,000,713
Accrued depreciation						
Balance on 1 January 2021	-	-	8,418,662	-	-	8,513,996
Depreciation recorded during the exercise	2,920	22,563	2,078,067	-	-	2,103,550
Reductions or reversals	-	-	1,758,401	-	-	<u>1,758,401</u>
Balance on 31 December 2021	55,049	65,768	8,738,330	-	-	8,859,147
Provisions						
Balance on 1 January 2021	-	-	14,142,101	74,858	-	14,216,959
Increases	-	-	-	-	-	-
Reductions or reversals	-	-	6,047,074	74,858	-	<u>6,121,932</u>
Balance on 31 December 2021	-	-	8,095,027	-	-	8,095,027



IMO PROPERTY INVESTMENTS BUCURESTI SA

EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

Net book value on 1 January 2021	76,816	54,362	148,228,714	754,120	1,854,769	150,968,681
Net book value on 31 December 2021	73,896	40,836	91,638,238	438,801	1,854,769	94,146,539

Advances for tangible assets represent amounts paid for assets whose ownership has not yet been transferred.

Lands and buildings

The lands and buildings comprise the properties owned by the Company for use in the production of goods, respectively for administrative purposes.

Real estate investments

Real estate investments include a number of commercial properties that are rented to third parties. All rental contracts related to these properties provide for an initial period, and subsequent extensions are negotiated with the tenants. No contingent rents are charged. See note 8d) Net turnover for additional information.

As of 31.12.2021, respectively 31.12.2020, the Company carried out the depreciation test of the tangible assets, of real estate type, with certified ANEVAR valuers.

The evaluation aimed at adjusting the net accounting values of land and buildings as well as real estate investments to their fair value, taking into account their physical condition and market value.

Further to the valuation a decrease of the net accounting value of lands and buildings was recorded as well as of the real estate investments by 1,799,921 lei and an increase of this value by 436,243 lei. The expenses from the valuation of tangible assets and income from the valuation of tangible assets were recorded in the profit and loss account in the amount of 1,363,678 net.

At the balance sheet date, the tangible assets are valued at cost less the accrued depreciation and the adjustments for depreciation or the loss of value. At the end of the year, the management assesses whether there are indicators of depreciation and, if necessary, adjusts the value of the asset.



Assets depreciations

At the end of financial year, the value of tangible and intangible fixed assets is reconciled with the results of the inventory. For this purpose, the net book value is compared with the inventory based value which is called inventory value. The depreciation loss is represented by the difference between the book value and the inventory value and is recorded in the accounts on account of an additional depreciation in the case of depreciated assets whose depreciation is irreversible, or an adjustment for depreciation or a loss of value is carried out when the depreciation is reversible. The asset inventory is determined according to the asset utility, its state and the market price.

2 PROVISIONS

Name of provision	Balance on	Transfers		Balance on
	1 January 2021 (lei) 1	Into the account (lei) 2	From the account (lei) 3	31 December 2021 (lei) 4=1+2-3
Provisions for disputes	44,821	331,290		376,111
Other provisions	-	-	-	-
Total	44,821	331,290	-	376,111

The provisions consist of the followings:

- The provisions amounting of 44,821 is intended for disputes in the previous years and the provisions of 331,290 lei established in 2021 for the litigation with SIR IMPEX - apartment in the Vivando complex.

3 PROFIT DISTRIBUTION

As of 31 December 2021, the Company registered a loss of 42,809,787 RON (on 31 December 2020 the registered loss was of 37,689,241 RON).



4 STATEMENT OF DEBTS AND RECEIVABLES

On 31 December 2021, the following debts were due:

Debts	Balance at the end of the financial year (lei)	DUE DATE	
		1-5 years (lei)	Over 5 years (lei)
	1=2+3+4	3	4
Total, of which:	643,147,773	643,147,773	
Amounts due to credit institutions	640,895,908	640,895,908	
Advances received on account of customer orders	414,512	414,512	
Suppliers	1,662,043	1,662,043	
Amounts owed to affiliated entities	67,708	67,708	
Debts to the State Budget and to the Social Insurance Budgets	107,602	107,602	

On 31 December 2020 the debt situation was as below:

debts	Balance at the end of the financial year (lei)	DUE DATE	
		1-5 years (lei)	Over 5 years (lei)
	1=2+3+4	3	4
Total, of which:	666,090,834	666,090,834	-
Amounts due to credit institutions	662,267,664	662,267,664	
Advances received on account of customer orders	1,283,480	1,283,480	
Suppliers	2,407,163	2,407,163	
Amounts owed to affiliated entities	22,382	22,382	
Debts to the State Budget and to the Social Insurance Budgets	110,145	110,145	

On 31 December 2021, as well as on 31 December 2020 the Company had the following receivables:

Receivables	Balance at the end of the financial year 2020 (lei)	Balance at the end of the financial year 2021 (lei)
Total, of which:	2,635,944	12,128,911
Trade receivables, of which	904,222	10,117,352
Customers	487,705	10,050,189
Uncertain customers	4,784,556	4,747,144
Adjustments for receivables depreciation	(4,829,743)	(4,793,331)
Other receivables	461,704	113,350
Receivables related to State Budget	-	-
Amounts to be collected from affiliated entities	-	-
Other receivables	1,731,722	2,011,559
Interests to be collected	-	-

The row Other receivables, net is detailed in the following table:

Other receivables	1 January 2021	31. December 2021	Liquidity term		
			Under 1 year	1 - 5 years	Over 5 years
Other receivables related to state budget	1,084,478	1,083,088	1,083,088	-	-
Other receivables	644,602	663,417	663,417	-	-
Different debtors	2,642	265,054	265,054	-	-
Total Other receivables	1,731,722	2,011,559	2,011,559	-	-

5 ACCOUNTING PRINCIPLES. POLICIES AND METHODS

These financial statements are the responsibility of the management of the Company and have been prepared in accordance with the requirements of the accounting norms in Romania, namely the Accounting Law no. 82/1991, republished and the Order of the Minister of Public Finances no. 1802/2014, as subsequently amended („OMF 1802”).

These financial statements, prepared in accordance with OMF 1802 as subsequently amended, should not be used by third parties or by users of financial statements that are not familiar with OMF 1802 applicable on the Romanian territory.

The financial statements are their own and do not belong to a group.

The accounting records on the basis of which these financial statements were prepared are made in lei ("RON") at historical cost, except where the fair value was used in the case of tangible fixed assets, according to the accounting policies of the Company and according to OMF 1802, as subsequently amended.

The financial statements for the year ended on 31 December 2020 were prepared in accordance with the following accounting principles:

Principle of business continuity - The Company will normally continue its operation in the foreseeable future without entering into the impossibility of continuing its activity or without the significant reduction thereof.

Principle of the methods' stability - applying the same rules, methods, norms regarding the evaluation, registration and presentation in accounting of the patrimonial elements, ensuring the comparability in time of the accounting information.

Principle of prudence - account was taken of all adjustments for impairment of assets, as well as for all foreseeable liabilities and for potential losses that arose during the ended financial year or during a previous financial year.

The principle of the independence of the financial year - all the revenues and expenses of the financial year were taken into account, regardless of the date of collection or payment.

The principle of separate evaluation of assets and liabilities - in order to determine the total value corresponding to a position in the balance sheet, the value of each individual asset or liability item was determined separately.

Principle of intangibility of the financial year - the opening balance of the financial year corresponds to the balance sheet for the previous financial year.

The principle of non-compensation - the values of the elements representing assets were not compensated with the values of the elements representing liabilities, respectively the incomes with expenses, except for the compensations between assets and liabilities admitted by OMF 1802, as subsequently amended.

The principle of economic prevalence over the legal form - the information presented in the financial statements reflects the economic reality of events and transactions, not only their legal form.

Significance threshold principle - any item that has a significant value is presented separately in the financial statements.

The main accounting policies adopted in the preparation of these financial statements are presented below.



A Basis for the preparation of the financial statements

(1) General information

These financial statements have been prepared according to:

- (i) Accounting Law 82/1991, republished in November 2012 („Law 82”);
- (ii) The accounting regulations concerning the annual separate financial statements and the annual consolidated financial statements, approved by the Order of the Minister of Public Finance of Romania 1802/2014, as subsequently amended („OMF 1802”).

According to the size criteria described in OMF 1802, the Company falls within the category of large and medium entities.

These financial statements have been prepared in order to reflect the financial position and the results of IMO Property Investments Bucuresti SA (according to the regulations in force) and not of the Group, for the financial year ended on 31 December 2020.

These financial statements have been prepared on the basis of the historical cost convention, with the exceptions described further in the accounting policies.

These attached financial statements are not meant to show the financial position in accordance with the accounting regulations and principles accepted by countries and jurisdictions others than Romania. At the same time, the financial statements are not meant to show the operation's result, the cash flows and a complete set of notes to the financial statements in accordance with the accounting regulations and principles accepted by countries and jurisdictions others than Romania. Therefore, the attached financial statements are not prepared for the use of people who do not know the accounting and legal regulations in Romania, including OMF no. 1802/2014.

The financial statements refer only to the company IMO PROPERTY INVESTMENTS BUCURESTI SA.

(2) Use of estimates

The preparation of financial statements requires that the management of the Company makes estimates and assumptions which affect the reported values of assets and liabilities, the description of assets and contingent liabilities on the date of preparation of financial statements and the expenses reported for that period. Although these estimates are made by the management of the Company on the basis of the best information available on the date of the financial statements, the results obtained can differ from these estimates.

(3) Business continuity

These financial statements have been prepared on the basis of principle of business continuity which implies that the Company will continue its activity in the predictable future.



In its activity, the Company relies on the financial support of the Group as regards both the financing and the equity. The Company's loans come from Eurobank Private Bank Luxemburg, where the Company has a credit line whose validity has been extended recently as detailed in note 8 e).

For the year ended on 31 December 2021, the Company recorded a loss of 42,809,787 RON (31 December 2020: 37,689,241 RON), mainly as a result of the financial expenses and the decline in the value of assets from the previous years due to the market conditions. The net equity on 31 December 2021 is negative, as can be seen from the table below.

	<u>31 December 2020</u>	<u>31 December 2021</u>
Share capital	112,560	112,560
Reserves	935,626	935,626
Retained earnings	364,209,554	401,493,121
Loss of the financial year	(37,689,241)	(42,487,326)
Equity	(400,850,609)	(442,932,261)

Also, the total assets minus current debts have increased from a negative value of 400,850,609 RON as of 31 December 2020 to a negative value of 443,613,343 RON as of 31 December 2021, most of the short-term debt coming from the balance of the loan from Eurobank Private Bank Luxembourg S.A. and Eurobank Bulgaria.

The Group has committed in writing to provide financial support to the Company, including by not demanding repayment of the funds provided by the Group (from all entities in the Group that have loans granted to the Company) as loans, for a period of at least 12 months from the date of approval of these financial statements. Also, the Group decided to extend the maturity of the Company's financing line until September 30, 2023 (see also note 8 e), subsequently concluding an addendum in this regard with the Company.

Both on 31 December 2020 and on 31 December 2021, the Company's net asset, determined as the difference between its total assets and its total liabilities, decreased to less than half of the value of the subscribed capital, becoming negative. In such situations, in accordance with Law 31/1990 republished with subsequent amendments, the General Meeting of shareholders must be convened to decide on the measures to be taken in accordance with the requirements of the legislation in force.

Based on the Company's analyzes and objectives in the short and medium term to capitalize on the assets held in the most advantageous way for the Company and its shareholders, the management believes that the Company has the capacity and the intention that in the near future it will not sell its assets in the balance as of 31.12.2021 in stressful conditions, respectively that it will have sufficient financial resources to honor its obligations in the normal course of activity.

(4) The currency used in the financial statements



The accounts are kept in the Romanian language and in the national currency. The items included in these financial statements are expressed in Romanian lei.

B Conversion of transactions into foreign currency

The Company's transactions in foreign currency are registered at the exchange rates communicated by the National Bank of Romania ("NBR") on the transactions' dates. At the end of each month, the monetary balances expressed in a foreign currency are converted in lei at the exchange rates communicated by the NBR on the last banking day of the month. The earnings and the losses resulted from the settlement of transactions in a foreign currency and from the conversion of monetary assets and liabilities expressed in a foreign currency are recognised in the profit and loss account, as part of the financial result. The advances do not represent monetary items and shall not be subjected to valuation depending on the currency exchange rate.

On 31 December 2020 and 2021, the main exchange rates used for the conversion in lei of balances expressed in foreign currency are:

<u>Foreign currency Abbreviation</u>		<u>Exchange rate</u>	
		<u>(lei for 1 unit of foreign currency)</u>	
		31 December 2020	31 December 2021
US Dollar	USD	3.9660	4.3707
Euro	EUR	4.8694	4.9481

C Intangible assets

(i) Start-up expenses

The start-up expenses are capitalised as tangible fixed assets. The start-up expenses are depreciated during a period of not more than 5 years.

(ii) Advances and other intangible assets

Within advances and other intangible assets, are recorded advances to providers of intangible assets, computer programs created by the entity or purchased from third parties for their own use needs, as well as other intangible assets.



The items having the nature of intangible assets shall be straight-line depreciated during a five year period (the duration of their use).

The expenses allowing the intangible assets to generate future economic benefits exceeding the initially predicted performance shall be added to their original cost. These expenses are capitalised as intangible assets if they are not integral part of tangible assets.

D Tangible assets

(1) Cost/evaluation

The tangible assets are initially evaluated at the acquisition cost.

The cost of a tangible asset includes the costs estimated initially for the dismantling and the relocation of the asset after it is rendered inoperative, as well as for its bringing back to the location, if these amounts can be clearly estimated and the Company must dismantle, relocate and bring back the asset to the location.

The expenses relating to the maintenance and the repairs of tangible assets shall be registered to the global result when they arise, and the significant improvements brought to tangible assets, which increase their value or lifetime or which increase significantly their capacity to generate certain economic benefits, are capitalised.

On the date of the balance sheet, the tangible fixed assets are valued at cost, less the cumulated depreciation and the adjustments for impairment or loss of value. At the end of the year, the management assesses if there are impairment indices and adjusts the assets value accordingly.

(2) Depreciation

The depreciation is calculated at input value, using the straight line method throughout the estimated useful life of assets, as follows:

<u>Asset</u>	<u>Years</u>
Buildings and building facilities	1 - 50
Technical installations and machineries	1 - 20
Other installations, equipment and furniture	1 - 30

The depreciation is calculated as from the month following the commissioning and until the full recovery of the input value.

The lands are not depreciated as it is deemed that it has an indefinite lifetime.

In the case of tangible fixed assets passed into conservation, the recording of the depreciation expense continues.

(3) Sale/disposal of tangible assets

The tangible assets disposed of or sold are write-off from the balance sheet together with the corresponding cumulated depreciation. Any profit or loss resulted as the difference between the revenues generated from the write-off and its non-depreciated value, including the expenses relating to such operation, is included in the profit and loss account, in „Other operating income” or „Other operating expenses”, as appropriate.

When the Company recognizes in the accounting value of a tangible fixed asset the cost of a partial replacement (replacement of a component), the book value of the part replaced and the relative depreciation is written-off.

(4) Costs of debt

The interest expenses relating to all loans are registered as expenses at the time when they are made.

(5) Assets sold and leased under a leasing contract

The transaction concerning the sale and lease of the same asset by a financial lease agreement is treated as a financing transaction and the asset is maintained in the patrimony.

(6) Real estate investments

The real estate investments are represented by land and buildings owned in order to earn rental income or to increase the capital value.

Real estate investments are subject to the valuation rules applicable to tangible assets as described above. The life span of buildings included in real estate investments is of 50 years.

The transfers to or from the category of real estate investments take place when there is a change in their use shown by:

a) the start/the end of the use by the Company (transfer between the real estate investments category and the category of tangible assets);

- b) the commencement of the improvement process for the purpose of sale (transfer from real estate investments in inventories); or
- c) the start of an operational lease (transfer from inventories to real estate investments).

E Impairment of tangible and intangible assets

At the end of financial year, the Company Management evaluates whether there are indicators for **the tangible and intangible assets** and, as the case may be, adjusts the assets value. For this purpose, the net book value is compared with the recoverable value. The negative difference between the recoverable value and the net book value of assets is recorded in the accounts on account of an additional depreciation, in the case of depreciable assets whose impairment is irreversible, or an adjustment for impairment or a value loss is performed if the impairment is reversible. The recoverable value is determined according to the asset utility, its state and the market price.

F Financial assets

Financial assets include the shares in affiliated entities, the loans granted to affiliated entities, the participation interests, the loans granted to entities to which the Company is linked on the basis of participation interests, as well as other investments owned as assets.

The financial assets are recognized in the balance sheet at acquisition cost or at contribution value. The acquisition cost also includes the trading costs. The financial assets are assessed later at the input value minus the cumulated adjustments for loss of value.

The gain or loss caused by the sale of financial assets is recognized in the profit and loss account of the year in which the transaction takes place.

G Inventories

The Companies inventories consist of land and buildings mostly purchased through real estate offerings. The immovable properties are initially recognised in the balance sheet at the acquisition costs on the date of acquiring the title, the award document, the sale-purchase agreement.

The inventories are registered at the lowest value between the cost and the net achievable value. The cost of the inventory is determined based on the acquisition cost established in accordance with the legal regulations in force. Where applicable, provisions for slow moving inventories, subject to obsolescence or wear and tear, shall be created. The net achievable value is estimated based on the sale price of which the sale costs are deducted, which are determined on the basis of valuations made by authorised evaluators or of other methods recognized by experts.



The assets purchased are registered as inventories. If these are rented, they are classified as assets.

H Trade receivables

The trade receivables are recorded at invoiced value minus the provisions for the impairment of these receivables. The provisions for trade receivables impairment are created if there are objective records that the Company will not be able to collect all the amounts by the initial deadlines.

I Cash and cash equivalent

Cash and cash equivalents are shown on the balance sheet at cost. For the cash flow statement, cash and cash equivalents include cash on hand, bank accounts. Bank deposits with a term of up to 3 months are included in cash and cash equivalents if they are held for the purpose of meeting short-term cash needs, and not for investment purposes.

Starting with the financial year 2019, the interest paid is presented in cash and cash equivalents from financing activities to better reflect the nature of this operation.

J Share capital and legal reserves

The share capital is equal to the nominal value of the shares or shares, respectively the value of the capital contribution, of the bonuses and the incorporated reserves or of other operations that lead to its modification.

The subscribed and paid-up capital is recorded separately in the accounting, based on the documents establishing the company and the supporting documents regarding the capital payments.

The common shares are classified in equity.

The expenses relating to the issuance of equity instruments are directly reflected in equity in row Losses relating to equity instruments.

The legal reserve is established in accordance with the legislation in force by allocating a maximum of 5% of the gross profit before taxation, until the reserve fund reaches 20% of the paid-up share capital. This reserve cannot be distributed to the shareholders.

K Dividends

The dividends relating to ordinary shares are recognised in equity in the period in which they are declared.

L Loans

The short and long term loans are initially registered at the amount received. The difference between the amounts received and the redemption value are recognised in the profit and loss account throughout the duration of the loan agreement.

The bank fees and commissions relating to obtaining long term loans are recognised on account of accrued expenses. The accrued expenses are to be recognised as current expenses by instalments, throughout the repayment period of those loans.

If the Company has an unconditional right to defer the settlement of loans for at least twelve months after the end of the reporting period, then the payables in question shall be classified as long term payables. The other loans will be shown as short term payables.

The short term share of long term loans is classified in "Payables: Amount payables within one year" and included together with the accrued interest at the balance sheet date in "Amounts payable to credit institutions" within current payables.

M Accounting for leasing contracts in which the Company is lessor

(1) Financial leasing contracts

The leasing contracts concerning tangible assets in which the Company assumes all risks and benefits relating to the property are classified as financial leasing contracts. Financial leasing are capitalised at the estimated updated value of the payments. Each payment is divided between the capital item and the interest in order to obtain a constant interest rate during the repayment period. The due amounts are included in short or long term payables. The interest item is shown in the profit and loss account throughout the duration of the contract. The assets owned in the framework of financial leasing contracts are capitalised and depreciated throughout their useful life.

(2) Operational leasing contracts

The leasing contracts in which a significant share of risks and benefits associated to the property are retained by the lessor are classified as operational leasing contracts. The payments made in the framework of such contract (net of any incentives granted by the lessor) are recognised in the profit and loss account on a straight line basis throughout the duration of the contract.

N Trade payables

The trade payables are registered at the value of the amounts which are to be paid for the goods or services received.

O Provisions

The provisions for decommissioning, restructuring, litigation, as well as other provisions for risks and expenses are recognised at the time when the Company has a legal or implicit obligation generated by a previous event, in the case it is likely that an outflow of resources is needed for the purpose of extinguishing the obligation and where a credible estimation of the value of the obligation can be made. The restructuring provisions include the direct costs generated by the restructuring, namely those necessarily generated by the restructuring process and not related to the continuous performance of the entity's activity.

The provisions for future operational losses are not recognised.

In the case of contracts for pecuniary interest (contracts in which the unavoidable costs relating to the performance of contractual obligations exceed the expected economic benefits), the current contractual obligation provided for in the contract is recognised and evaluated as a provision. Before creating a separate provision for a contract with a pecuniary interest, any loss from the impairment of assets allocated to the contract in question is recognised.

P Employees' benefits

Pensions and other retirement benefits

In the normal course of the activity, the Company makes payments to health, pension and unemployment state funds, on behalf of its employees, at statutory rates. All Company's employees are members of the retirement plan of the Romanian state. These costs are recognised in the profit and loss account together with the recognition of salaries.

The Company does not operate any retirement or post-retirement benefit plan and, therefore, it has no other retirement related obligations.

Q Deferred revenues

The assets received from customers in the form of tangible assets or cash, intended for the purchase or the construction of tangible assets are recorded as deferred revenue.

R Taxation

Current corporate tax

The Company records the current corporate tax based on the taxable profit from tax returns, according to the relevant tax legislation.

S Revenue recognition

The revenues refer to the goods sold and the services provided.

The revenues from the sales of goods are recognised at the time when the Company has transferred the main risks and benefits relating to the ownership of goods to the purchaser.

The revenues relating to the services provided are recognised on the basis of the completion stage as a percentage from the total revenues generated by the contract for the provision of services, the percentage being determined according to the ratio between the total services to be provided and the services provided until the date of preparation of the balance sheet.

The revenues from royalties are recognised on the basis of accrual accounting principles, according to the economic substance of relating contracts.

The interest revenues are recognised regularly, proportionally, as the revenue in question is generated, on the basis of accrual accounting.

The trade discounts subsequent to the invoicing are registered in the profit and loss account.

In these financial statements, the revenues and the expenses are shown at gross value. In the balance sheet, the payables and the receivables from the same partners are shown at the net value at the time when there is a right to set-off.

For the purpose of presentation in the profit and loss account, the gains or losses obtained following the assignment or disposal of a tangible fixed asset must be determined as the difference between the income generated by the deregistration and its undepreciated value, including the expenses caused by it and must be presented as a net value, under income or expenses, as the case may be, in the profit and loss account, under the element "Other operating income", respectively "Other operating expenses", as the case may be.

The revenues showed in the profit and loss account on the line 2 („Sold production”) income from rental contracts and re-invoicing of maintenance costs for rented properties. The income shown on line 3 ("Revenue from the sale of goods") refers to sales of goods, and line 13 ("Other operating income") refers to the sale of fixed assets.

T Turnover

The turnover represents the amounts invoiced and to be invoiced, net of VAT and trade rebates, for goods delivered and services provided to third parties.

U Operating expenses

The financial expenses are recognised in the period to which they refer to.



V Financial expenses

The financial expenses are recognised in the period to which they refer to.

6 PARTICIPATIONS AND FINANCING SOURCES

a) Participation certificates, securities, convertible bonds

The Company did not issue participation certificates, bonds or other securities, except for its own common stock.

b) Share capital

The value of the subscribed capital on 31 December 2021 mounted to 112,560 RON (at the end of the previous year, the share capital also amounted to RON 112, 560), representing 84,000 shares. On 31 December 2019, all shares are ordinary, have been subscribed and are fully paid. All shares hold the same voting right and have a nominal value of 1.34 RON/share (31 December 2020: 1.34 RON/share). During the year 2017 CEH Balkan Holdings Limited sold the owed share to ERB New Europe Holding B.V.

As of 31 December 2021, the shareholding structure is the following (same as on 31 December 2020):

Shareholder	Number of shares (thousand)	Amount (lei)	Percentage (%)
NEU Property Holdings Limited	83,999	112,559	99,9988
ERB New Europe Holding B.V.	1	1	0,0012
Total	84,000	112,560	100,00

c) Shares issued during the financial year

No shares have been issued during the financial year 2021, respectively 2020.



7 INFORMATION CONCERNING THE EMPLOYEES AND THE MEMBERS OF ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES AND OTHER KEY PERSONS

a) Compensations granted to the members of administration, management and supervision bodies and to other key persons

	Financial year ended on 31 December 2020	Financial year ended on 31 December 2021
Administrative staff	1,919,038	1,664,609
Managers	<u>1,012,088</u>	1,154,971
	<u>2,931,126</u>	2,819,580

The Company did not have to pay wages at the end of the period.

b) Commitments concerning the pensions granted to the former member of administration, management and supervision bodies

The Company does not grant pensions to the former members of administration, management and supervision bodies.

c) Advances and loans granted to the members of administration, management and supervision bodies and to the other key persons

The Company did not have advances and loans granted to managers and directors in the opening balance as of 31 December 2021 and 31 December 2020.

d) Employees

During the year, the average number of employees was the following:

	Previous	Current
	Financial year	
Total average number of employees	19	19

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The expenses with salaries and related taxes recorded during the years 2020 and 2021 are the following:

	2020	2021
Expenses with salaries	2,819,580	2,744,963
Expenditure on vouchers granted to employees	37,187	35,425
Social insurance expenses	63,627	59,733
Total	2,920,394	2,840,121

8 OTHER INFORMATION**a) Information concerning the Company**

IMO PROPERTY INVESTMENTS BUCURESTI SA, joint-stock company, established in Romania, with the registered office in Bucharest, Str. Fagaras, no. 17, Sector 1.

b) MAIN ACTIVITY: The main object of activity registered in the Articles of Incorporation of the Company is represented by: 8299 - Other business support services activities n.e.c. The predominant activity, representing a main share of the turnover, is that of Sale and purchase of own real estate NACE Code 6810 as entered in the Articles of Incorporation as secondary activity of the Company (80.67% according to note 8,d) Turnover).

c) Revenues and expenses from the basic activity

	2020	2021
Rental revenues		
	1,353,992	559,572
Revenues from various activities*		
	182,017	226,255
Revenues from sales of goods		
	40,891,001	36,182,632
Total turnover	42,427,010	36,968,459
Expenses from the sale of goods		
	(69,521,346)	(59,688,995)
Other operating revenues		
	1,053,089	306,323
Other operating expenses		
	13,350,779	13,853,678
Revenues from the sale of real estate investments	17,806,519	52,033,969
Expenses from the sale of real estate investments	(21,866,339)	(60,718,856)



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* re-invoicing of maintenance costs relating to rented immovable properties;

The revenue from the sale of goods comes from the sale of assets owned by the Company as stocks - i.e. those buildings and land purchased for sale and which have never been rented.

The difference in income between 2021 and 2020 is due to the fact that the IMO Property portfolio is not a homogeneous portfolio, and sales of assets classified as real estate investments or commodities cannot have the same impact.

Other revenue and operating expenses reflect the result from the sale of real estate investments. According to the accounting policy, applied starting with 31 December 2019, for the purpose of presentation in the profit and loss account, the gains or losses obtained following the scrapping or disposal of a tangible fixed asset must be determined as the difference between the income generated by the deregistration and its undepreciated value, including the expenses caused by it and must be presented as a net value, to revenue or expenses, as the case may be, in the profit and loss account, at the item "Other operating revenues", respectively "Other operating expenses", as the case may be.

Other operating expenses also include expenses with services performed by third parties (cleaning, agent commissions, security, etc.), expenses with taxes on buildings etc.

d) Financing

During the year 2021 the Company contracted a loan amounting of 60,000,000 Euro from Eurobank Bulgaria intended to partial coverage of the loan from Eurobank Private Bank Luxembourg. This loan was guaranteed by Eurobank SA (Greece)

Thus, at the end of 2021 the Company had the following loans:

Amounts owed to credit institutions	Balance at the end of the financial year 2021	
	EUR	RON
Eurobank Private Bank Luxembourg	69,500,000	343,892,950
Eurobank Bulgaria	60,000,000	296,886,000
Total	129,500,000	640,778,950



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The validity of credit lines, both those opened at Eurobank Private Bank Luxembourg S.A. as well as the one from Eurobank Bulgaria was extended until 30 September, 2023.

e) Bank accounts

On 31 December, 2021, the company held accounts at ING Bank and at the Treasury of the Municipality of Bucharest.

	4,8694		4.9481	
	2020		2021	
	RON	EUR (RON equivalent)	RON	EUR (RON equivalent)
Current accounts at Banks	9,837,511	114,469	25,666,843	641,039
Treasury	65,231		68,227	-
TOTAL	9,902,742	114,469	25,735,070	641,039

f) Extraordinary revenue and expenses

The Company has not registered extraordinary revenues and expenses.

g) Fees paid to auditors

The company undertook to pay the auditors the fees related to the 2021 audit an amount of 28,175 euros. The amount for 2020 was similar.

h) Probable debts and commitments granted

The Company has the following commitments:

Commitments received

	<u>31 December 2020</u> (lei)	<u>31 December 2021</u> (lei)
Guarantees granted to third parties	59,130	61,348
	(358,130)	(9,775)
Other guarantees received	(358,130)	(9,775)



IMO PROPERTY INVESTMENTS BUCURESTI SA

EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

i) Information concerning the entity's relationships with subsidiaries, associated entities or with other entities holding participation titles

The affiliated parties include the following companies:

- (a) EUROBANK ERGASIAS SA
- (b) EUROBANK PRIVATE BANK LUXEMBOURG SA
- (c) EUROBANK BULGARIA AD
- (d) ERB IT SHARE SERVICES SA
- (e) IMO-II INVESTMENTS PROPERTY S.A.
- (f) BE BUSINESS EXCHANGES

(1) Sales of goods and services

**Financial year
ended on
31 December 2020
(lei)**

10,494

**Financial year
ended on
31 December 2021
(lei)**

10,540

(2) Purchase of good and services

**Financial year
ended on
31 December 2020
(lei)**

**Financial year
ended on
31 December 2021
(lei)**

*Purchase of services
d) associated entities*

61,858

61,611

Interest and similar expenses

d) associated entities

11,665,301

9,350,838



IMO PROPERTY INVESTMENTS BUCURESTI SA

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(3) Balances resulted from the sale/purchase of goods/services

	<u>31 December 2020</u>	<u>31 December 2021</u>
	(lei)	(lei)
Receivables		
<i>d) associated entities</i>	9,630	
Total	<u>9,630</u>	

	<u>31 December 2020</u>	<u>31 December 2021</u>
	(lei)	(lei)
<i>Liabilities</i>		
<i>d) associated entities</i>	22,382	67,708
Total	<u>22,382</u>	<u>67,708</u>

Loans from related parties

	<u>31 December 2020</u>	<u>31 December 2021</u>
	(lei)	(lei)
Long term loans (principal and related interest)		
<i>d) associated entities</i>	662,267,664	640,895,907

j) Inventories



IMO PROPERTY INVESTMENTS BUCURESTI SA

EXPLANATORY NOTES TO ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2021

	Financial year	
	31 December 2020	31 December 2021
CURRENT ASSETS		
Consumables	-	-
Stocks being supplied	4,717,956	2,185,796
Finished products and goods	138,093,614	87,281,022
Depreciation	(41,398,973)	(22,101,865)
Advanced for purchasing inventories	44,100	44,100
	101,456,697	67,409,053



9 NET CASH FLOW GENERATED FROM OPERATIONAL ACTIVITIES

Operational activities:

	<u>31 December</u> <u>2020</u> <u>(lei)</u>	<u>31 December</u> <u>2021</u> <u>(lei)</u>
Collection from Customers	40,891,001	36,968,459
Payments to suppliers	(12,245,972)	(7,090,763)
Payment to employees and assimilated	(2,958,356)	(2,847,639)
VAT receipts/payments	-	
Other payments (taxes, duties)	(2,906,569)	(2,898,605)
Receipts from interest	277,540	210,967
Expenses relating to banking services and assimilated	(6,963)	(7,965)
Other operating expenses	(389,469)	403,806
Cash flow from operating activities	22,661,212	24,738,260

10 CONTINGENCIES

(a) Court proceedings

The Company is subject to some court proceedings. The Company's management considers that these proceedings will not have a significant adverse effect on the Company's economic results and financial position.

(b) Taxation

The Romanian taxation system has undergone multiple change in the last years and is subject to a continuous updating and modernisation process. Consequently, there are different interpretations of the tax legislation. In certain cases, the tax authorities may treat differently certain aspects and calculate additional taxes and duties and related interest and late payment penalties (currently amounting to a total of 0.03% per day of delay, where the penalty level is 0.01% and the interest level is 0.02% for each day of delay). In Romania, the financial year remains open for tax review for five years. The Company's management considers that the tax obligations included in these financial statements are appropriate.



	Financial year ended on	
	31 December 2020	31 December 2021
	(RON)	(RON)
Net profit/loss	(37,689,241)	(42,487,326)
Deductions	184,334	82,861
Non-taxable revenue	40,429,916	29,758,175
Non-deductible expenses	33,184,716	26,609,808
Taxable Profit/Tax Loss	(45,118,775)	(45,718,554)
Tax loss carry forward	(255,538,198)	(274,273,188)
Taxable profit after carryover	(300,656,973)	(319,991,741)
Calculated profit tax (minimum)	0	0
Profit tax payable until the end	0	0

(c) Transfer pricing

The Romanian tax legislation include the "market value" principle, according to which the transactions between affiliated parties must take place at market value. The taxpayers carrying out transactions with affiliated parties must prepare and make available to Romanian tax authorities, upon written request of the latter, the transfer pricing file. Failure to submit the transfer pricing file and the submission of an incomplete file can lead to the imposition of penalties for nonconformity; in addition to the content of the transfer pricing file, the tax authorities may construe the transactions and the circumstances differently from the management and, consequently, may impose additional tax obligations arising from the adjustment of transfer prices. The Company's management has taken steps to prepare the transfer pricing file which is currently prepared by an external provider. The Company's management considers that it shall not incur losses in the case of a tax control covering the transfer prices. However, the impact of different interpretations of tax authorities may not be reliably estimated. This may be significant for the Company's financial position and/or the operations.

(d) Events subsequent to the balance sheet date

The validity of the credit line opened at Eurobank Private Bank Luxembourg S.A., amounting of 170,000,000 Euro, has been extended until 30 September 2023.

During the year 2021 the Company contracted a loan amounting of 60,000,000 Euro from Eurobank Bulgaria with an interest of 0.4% per year intended to partial coverage of the loan from Luxembourg. In order to guarantee this new loan a letter of guarantee has been issued by Eurobank SA for the amount of 60,000,000 euro with a service charge of 1% per year. The validity of the credit line initially was until August 2022 and it was extended until 30 September 2023. The loan granted by Eurobank Bulgaria was closed on 30.06.2022 with funds from the loan granted by Eurobank Private Bank Luxembourg.

On 21 February, 2022, the Russian Federation officially recognized two separatist regions in eastern Ukraine and authorized the use of military force in these territories. On 24 February, 2022, Russian troops invaded Ukraine and initiated military operations in several locations. These ongoing operations have resulted in casualties, significant population displacement, damage to infrastructure and disruption of economic activity in Ukraine. In response, several jurisdictions, including the EU, the UK, Switzerland, the US, Canada, Japan and Australia have announced initial phases of economic sanctions on Russia (and, in some cases, Belarus).

The wider global economic impact of the conflict could include: significant disruptions to entities operating in Ukraine, Russia and Belarus, liquidity challenges, significant increases in commodity prices, including crude oil and natural gas; of metals, including nickel, iron ore, aluminum and palladium; of mineral products, such as potassium, and agricultural crops, especially wheat (Russia and Ukraine together producing about 30% of the global wheat supply); increasing global economic uncertainty and the suspension of trading in Russian securities, rising borrowing costs and risk premiums, rising inflation and rising interest rates; and disruptions to economic activity caused by cyber attacks against Russia, as well as jurisdictions that have imposed sanctions or provide assistance to Ukraine or Russia/Belarus.

Based on the analysis of the information available at the date of these financial statements, the Company's management considers that for now there is no impact on the current activity.

DIRECTOR
KATERINA ATSALI

AIKATERINIATSALI
AIKATERINIATSALI
AIKATERINIATSALI
Jul 5 2022 5:21 PM

Signature _____

GENERAL MANAGER
THEODORA VEIBER

Gabriela-
Theodora
Veiber
Digitally signed by
Gabriela-
Theodora Veiber
Date: 2022.07.05

Signature _____

PREPARED BY

IRINA HATMANU

FINANCIAL MANAGER

Signature _____
Lenuta Irina Hatmanu
Digitally signed by
Lenuta Irina
Hatmanu
Date: 2022.07.05

I, the undersigned Tote Simona Mariana, certified translator authorized by the Romanian Ministry of Justice under no. 18195/2006, have hereunto set my hand and affixed my seal to certify this document as a true and valid translation into English of the document in Romanian.

TRANSLATOR,



IMO PROPERTY INVESTMENTS BUCURESTI SA
DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED ON
31 DECEMBER 2021



SC IMO PROPERTY INVESTMENTS BUCURESTI SA
Registered office: Str. Fagaras, no 17, Sector 1, Bucharest
Sole Registration Code: 22271604
Series no. with Trade Register: J40/15548/16.08.2007

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31.12.2021

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A. Macroeconomic development in Romania

The domestic macroeconomic context remains difficult in 2021 as well. The extension of the medical crisis and the energy crisis keep the risk of macroeconomic balance strains at a severe level. Given the limited fiscal space, the improvement of the economic growth model and, implicitly, the reduction of structural vulnerabilities can be achieved by increasing the efficiency of the absorption of European funds and implementing the reforms established in the NPRR. Accelerating investments to support the energy transition can reduce dependence on fossil fuels in the future and thus reduce the risks generated by shocks to their prices, such as the current one.

Taking into account the slow progress of economic reforms in recent years, the political instability and the reduced institutional capacity generate the risk of delays in the implementation of these programs, with potentially significant negative effects on the economy and financial system. Maintaining favourable financial conditions, improving economic growth prospects and the continuation of government programs to support financing of the real sector contributed to the increase in total private sector indebtedness, the level recorded being the highest in the last two decades. The high dependence of the private sector on external financing is an important concern from the perspective of risks to the stability of the financial system. Recent crises have shown that this type of financing is much more volatile and characterized by a higher degree of refinancing risk. The current account resumed in the first part of 2021 the pronounced trend of deterioration observed before the outbreak of the pandemic, the trajectory being similar to that recorded before the crisis of 2007–2008. The significant deterioration of the current account deficit, in the conditions of maintaining a high level of uncertainty regarding the duration of the medical crisis, is likely to amplify the macroeconomic vulnerabilities and to reduce the room to work necessary for economic policies.

In the euro zone, the success of national vaccination campaigns has helped to accelerate the economic recovery. Eurozone economic growth has achieved 2.1 percent in the second quarter of 2021, exceeding the expectations, and 2.2 percent in the third quarter. The lifting of restrictions has particularly helped economic sectors in the service area, but industrial production, despite a strong initial advance, is still below its maximum growth potential due to bottlenecks in the supply of raw materials and equipment. The level of economic activity is forecast to surpass pre-pandemic levels by the end of this year - three quarters earlier than estimated last December - and should return to the pre-crisis projection in 2023. Thus, from the perspective of the ECB analyses, the real GDP of the euro zone is estimated to increase by 5 percent in 2021, 4.3 percent in 2022 and 2.4 percent in 2023. An improvement in the external balance is also forecast, due to a positively revised external demand and a more pronounced procyclicality of international trade. A major risk regarding the future evolution of the economy is related to how to solve the current medical crisis, both from the perspective of the delay in the recovery of global trade, as well as of the changes in consumption behaviours.

During the first half of the year 2021, the GDP of Romania is estimated to be estimated to return to the pre-pandemic level on the back of increased domestic demand, with all its components registering increases, while net exports continued the negative contribution. Annual real growth rate



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of GDP found out in the second quarter (13.9 percent) is the result of the continuation of the economic recovery process against the background of the improvement of the medical situation, but also of a substantial base effect associated with the strong contraction in the second quarter of 2020 after the emergence of the COVID-19 pandemic. The evolution are consistent with those of regional level.

The main risks regarding economic growth are represented by the course of the vaccination campaign (the vaccination rate in Romania is currently among the lowest in the EU), the way to continue the economic reforms (including in terms of improving the absorption capacity of European funds), as well as the accentuation of the tension in macroeconomic balances against the background of the energy crisis.

Investments continued their upward trend in the first semester of this year as well (10.6 percent compared to the first semester of 2020), as a result of the acceleration of works in new constructions (15.2 percent), while investments in machinery (including means of transport) registered a much more moderate increase (7.3 percent). Investments could be boosted by better management of European funds and faster resolution to the political crisis.

However, Romania is still deficient in absorbing European funds. The degree of absorption of the European structural and investment funds allocated through the operational programs related to the 2014-2020 Multiannual Financial Framework is only half. Romania is below the European average (61 percent) and of the countries in the region in terms of the degree of absorption of European funds (66.3 percent average of Bulgaria, the Czech Republic, Hungary and Poland). Moreover, Romania has also started attracting funds for the current financial year (running between 2021-2027), the structural and investment funds allocated through these programs being even higher than the previous ones (38.3 billion euros, compared to 34.7 billion euros). Also, as substantiated in the document of the National Committee for Macro prudential Supervision to support green financing, the delayed start, even for two years, of environmental projects (in 2024 compared to 2022) will reduce by more than 33 percent the total favourable effect on the Romanian economy in the medium term.

Romania also has to implement the necessary measures to use the funds made available through the Recovery and Resilience Mechanism, with the European Commission approving favourably in September 2021 and, subsequently, the Council of the European Union in October 2021, the National Recovery and Resilience Plan (PNRR) in the amount of 29.2 billion euros. The investments intended to be made through these programs are likely to support a sustainable growth model in the medium and long term. Of the funds for reforms and investments included in the PNRR, 41 percent are allocated to the adjustments necessary for the transition to an environment-friendly economy and the reduction of the effects of climate change, while 21 percent are for digitalization. Making green investments by attracting European funds is estimated to have an average cumulative positive impact over the next six years, between 1.9 and 2.3 percentage points on economic growth, and the impact of attracting all European resources would be 5.7 percentage points. Given the slow progress of economic reforms in recent years, political instability and reduced institutional capacity fuel the risk of delays in the implementation of these programs with important negative effects on the economy and the financial system.

The exchange rate published by NBR (National Bank of Romania) for the last working day of December 2021 was the following:

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Currency	31 December 2020	31 December 2021
Dollar (USD)	1 RON: 3.9660	1 RON: 4.37071
Euro (EUR)	1 RON: 4.8694	RON: 4.9481

A.1. Statement of principle

We, the undersigned Michail Stamou and Gabriela-Theodora Veiber, as Members of the Board of Directors of the Company IMO PROPERTY INVESTMENTS BUCURESTI SA, have prepared this Report, taking into account the fact that under the mandate of the shareholders we participated in the management of the Company within the limits of the powers conferred by the legislation in force.

A.2. Legal framework for performing the activity

IMO PROPERTY INVESTMENTS BUCURESTI SA, the former management company of a privately managed pension fund (pillar 2), was founded in 2007, based on CSSPP decision no. 72/2007 and registration at the Trade Registry under no. J40/15548/2007, it no longer functions as a pension fund, having a new object of activity, starting from 10.09.2009, respectively „Other support services for businesses" according to 8299 NACE code.

B. Review of 2021 results

The accounts were organised and kept in compliance with the laws in force, the accounting rules and principles. The 2016 balance sheet has been prepared on the basis of the Trial Balance of synthetic accounts and of the methodological norms on the preparation of the balance sheet and of the annexes thereof.

The financial statements were drawn up according to:

- Order of the Minister of Public Finance no. 1802/2014 with the subsequent amendments;
- Accounting Law no. 82/1991.

The financial results were reviewed on the basis of figures from the audited statutory financial statements which shall be submitted to the local authorities - the Ministry of Public Finance and the Trade Register.



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B.1. The asset structure on 31 December 2021 is presented below:

INDICATOR (lei)	December		December	
	2020	Share	2021	Share
Cash, in central banks	10,020,093	3.78%	26,375,739	13.15%
Other receivables	1,731,722	0.65%	2,011,559	1.00%
Receivables from customers	904,222	0.34%	10,117,352	5.04%
Intangible fixed assets	147,900	0.06%	158,016	0.08%
Tangible fixed assets	150,968,681	56.91%	94,046,539	46.88%
Financial fixed assets	-	0.00%	-	0.00%
Inventories	101,456,697	38.24%	67,409,053	33.61%
Deferred expenses	55,731	0.02%	473,365	0.24%
Total assets	265,285,046	100.00%	200,591,623	100.00%

On 31 December 2021, the total assets of the Company amounted to 200,591,623 lei, about 24,39% less than the value recorded on 31 December 2020 (265,285,046 lei).

The following table shows the variation of the main assets from one year to another. The comparison was undertaken in nominal terms for the periods ended on 31 December 2020 and 2021.

These variations must be correlated with the depreciation of the Romanian leu against the Euro, and with the variation of inflation index.

INDICATOR (lei)	December	December	Variation	
	2020	2021	Absolute	%
Cash in central banks	10,020,093	26,375,739	16,355,646	163.23%
Receivables from the state budget	1,731,722	2,011,559	279,837	16.16%
Receivables from customers	904,222	10,117,352	9,213,130	1018.90%
Intangible fixed assets	147,900	158,016	10,116	6.84%
Tangible fixed assets	150,968,681	94,046,539	(56,922,142)	-37.70%
Inventories	101,456,697	67,409,053	(34,047,644)	-33.56%
Other receivables	55,731	473,365	417,634	749.37%
Total assets	265,285,046	200,591,623	(64,693,423)	-24.39%

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B.2. Balance sheet - Debts and equity

On 31 December 2021, the Company's debts and equity amounted to 200,591,623 lei, about 24,39 % less as compared to the end of 2020 (265,285,046 lei).

INDICATOR (lei)	December		December	
	2020	Share	2021	Share
Liabilities due within one year	666,090,834	251.08%	643,147,773	320.63%
Debts to be paid in a period longer than one year		0.00%		0.00%
Provisions	44,821	0.02%	376,111	0.19%
Deferred revenue	-	0.00%	-	0.00%
Subscribed paid share capital	112,560	0.04%	112,560	0.06%
Reserves	935,626	0.35%	935,626	0.47%
Retained earnings	(364,209,554)	-137.29%	(401,493,121)	-200.15%
Result of the financial year	(37,689,241)	-14.21%	(42,487,326)	-21.18%
Total liabilities	265,285,046	100.00%	200,591,623	100.00%

The following table shows the variation of the main debts and equity, in nominal terms:

INDICATOR (lei)	December 2020	December 2021	Variation	
			Absolute	%
Liabilities due within one year	666,090,834	643,147,773	(22,943,061)	-3.44%
Debts to be paid in a period longer than one year				100.00%
Provisions	44,821	376,111	331,290	739.14%
Deferred revenue				100.00%
Subscribed paid share capital	112,560	112,560		0.00%
Reserves	935,626	935,626		0.00%
Retained earnings	(364,209,554)	(401,493,121)	(37,283,567)	10.24%
Result of the financial year	(37,689,241)	(42,487,326)	(4,798,085)	12.73%
Total liabilities	265,285,046	200,591,623	(64,693,423)	24.39%

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B.3. Profit and loss account.

The structure of the annual profit and loss account is the following:

Profit and loss account	2020	2021
Operating revenue	61,286,618	89,308,751
Operating expenses	74,495,305	114,460,153
Operating result	(13,208,687)	(25,151,402)
Financial revenue	2,795,139	2,332,883
Financial expenses	27,275,693	19,668,807
Financial result	(24,480,554)	(17,335,924)
Total revenue	64,081,757	91,641,634
Total expenses	101,770,998	134,128,960
Profit tax	0	0
Net Profit	(37,689,241)	(42,487,326)

On 31 December 2021, the Company has registered an accounting loss amounting of 42,487,326 lei.

C. Business continuity

In its activity, the Company relies on the financial support of the Group as regards both the financing and the equity. The Company's loans come from Eurobank Private Bank Luxemburg, where the Company has a credit line whose validity has been extended recently as detailed in note 8 e).

For the year ended on 31 December 2021, the Company recorded a loss of 42,809,787 RON (31 December 2020: 37,689,241 RON), mainly as a result of the financial expenses and the decline in the value of assets from the previous years due to the market conditions. The net equity on 31 December 2021 is negative, as can be seen from the table below.

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	31 December 2020	31 December 2021
Share capital	112,560	112,560
Reserves	935,626	935,626
Retained earnings	364,209,554	401,493,121
Loss of the financial year	(37,689,241)	(42,487,326)
Equity	(400,850,609)	(442,932,261)

Also, the total assets minus current debts have increased from a negative value of 400,850,609 RON as of 31 December 2020 to a negative value of 443,613,343 RON as of 31 December 2021, most of the short-term debt coming from the balance of the loan from Eurobank Private Bank Luxembourg S.A. and Eurobank Bulgaria.

The Group has committed in writing to provide financial support to the Company, including by not demanding repayment of the funds provided by the Group (from all entities in the Group that have loans granted to the Company) as loans, for a period of at least 12 months from the date of approval of these financial statements. Also, the Group decided to extend the maturity of the Company's financing line until 30 September, 2023 (see also note 8 e), subsequently concluding an addendum in this regard with the Company.

Both on 31 December 2020 and on 31 December 2021, the Company's net asset, determined as the difference between its total assets and its total liabilities, decreased to less than half of the value of the subscribed capital, becoming negative. In such situations, in accordance with Law 31/1990 republished with subsequent amendments, the General Meeting of shareholders must be convened to decide on the measures to be taken in accordance with the requirements of the legislation in force.

Based on the Company's analyses and objectives in the short and medium term to capitalize on the assets held in the most advantageous way for the Company and its shareholders, the management believes that the Company has the capacity and the intention that in the near future it will not sell its assets in the balance as of 31.12.2021 in stressful conditions, respectively that it will have sufficient financial resources to honour its obligations in the normal course of activity.

D. Risk assessment

Market risk

The exchange rate risk is manageable, considering the fact that the Company has both trade debts and receivables in foreign currency;

The interest rate risk is the risk that the amount of interest expense will vary due to market fluctuations in interest rates. The Company considers this risk to be manageable;



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The price risk is the risk that the value of a financial instrument will fluctuate as a result of changing market prices. This risk does not exist at the date of the report.

Credit risk

The financial assets, which have the potential to subject the Company to credit risk, are mainly trade receivables.

Interest rate risk on cash flows

The interest rate risk on cash flow is the risk that cash flows will fluctuate due to the changes in the market interest rates. The Company considers this risk to be manageable.

Risk related to taxation

The Romanian fiscal legislation provides detailed and complex rules and has undergone various changes in recent years. The interpretation of the text procedures and the implementation of the tax legislation could vary, and there is a risk that certain transactions could be interpreted differently by the tax authorities, compared to the Company's treatment.

The Romanian government has agencies that are authorized to carry out fiscal controls on companies operating in Romania. These verifications are similar in nature to tax verifications carried out by tax authorities in many countries, but may extend not only to tax matters, but also to other legal and regulatory aspects that the agencies might be interested in. It is likely that the Company will continue to be subject to regular controls regarding the new laws and regulations issued.

As regards the transfer prices, the Romanian fiscal legislation the "market value" principle, according to which the transactions between affiliated parties must take place at market value. The local taxpayers carrying out transactions with affiliated parties must prepare and make available to Romanian tax authorities, upon written request of the latter, the transfer pricing file.

Failure to submit the transfer pricing file and the submission of an incomplete file can lead to the imposition of penalties for nonconformity; in addition to the content of the transfer pricing file, the tax authorities may construe the transactions and the circumstances differently from the management and, consequently, may impose additional tax obligations arising from the adjustment of transfer prices.

The Company's management has taken steps to prepare the transfer pricing file which is currently prepared by an external provider. The Company's management considers that it shall not incur losses in the case of a tax control covering the transfer prices. However, the impact of different interpretations of tax authorities may not be reliably estimated. This may be significant for the Company's financial position and/or the operations.

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Risk related to economic environment

The Romanian economy continues to present specific characteristics of an emerging economy and there is a significant degree of uncertainty regarding the development of the political, economic and social environment in the future. The management of the Company is not able to predict the nature of the changes that will take place in the economic environment in Romania and what will be their effect on the financial situation and the operational and treasury results of the Company.

Risk of liquidity

Liquidity risk (funding risk) is the risk that an entity will encounter difficulties in procurement of the funds necessary to fulfil commitments related to financial instruments. It can result from the inability to quickly sell a financial asset at a value close to its fair value. The control of this risk is achieved by forecasting the short- and medium-term liquidity needs, monitoring the level of the liquidity coefficient, calculated according to the regulations in force, on a monthly basis.

The company considers that the liquidity risk is low.

These financial statements have been prepared on the basis of principle of business continuity which implies that the Company will continue its activity in the predictable future. The management believes that the Company will be able to continue its activity in the foreseeable future, based on the analyzes carried out regarding the improvement of the Company's financial performance and the support of the sole associate which was expressed in a letter addressed to the management and therefore the application of the principle of continuity of activity in the preparation of the financial statements is justified."

E. Shareholding structure

The financial statements are submitted by IMO PROPERTY INVESTMENTS BUCURESTI SA, a member of the Eurobank Ergasias "Group"
During the year 2017 CEH BALKAN HOLDINGS LTD sold the share it owned to ERB NEW Europe Holding B.V.

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On 31 December 2021 and 31 December 2020, the shareholding structure was the following:

	Number of shares (thousand s)	Amount (lei)		Percentage (%)
		2020	2021	
NEU PROPERTY HOLDINGS LTD	83.999	112.558,66	112.558,66	99,99881%
ERB NEW EUROPE HOLDING B.V.	1	1,34	1,34	0,00119%
Total	84,000	112.560,00	112.560,00	100.0000%

F. Board of Directors' structure

On 31 December 2021, similar to December 2020, the Board of Directors of IMO PROPERTY INVESTMENTS BUCURESTI S.A. had the following structure:

Mr. Michail Stamou	- President of the Board of Directors
Mrs. Aikaterini Atsali	- Member
Mrs. Theodora Veiber	- Member

G. Other information

Eurobank Group's position

The macroeconomic environment

2021 was a year of strong recovery as the Greek economy recovered most of the losses caused by the pandemic. The significant progress in vaccination programs enabled the gradual easing of lockdown measures and the reopening of the economy leading to stronger consumption and a recovery in the tourism sector, providing a substantial boost to real GDP growth. Based on provisional data from the Hellenic Statistics Authority (ELSTAT), the real GDP of the Greek state increased by 8.3% in 2021 (down by 9% in 2020), the seasonally adjusted unemployment rate decreased to 12.8% in December 2021 (December 2020: 16.3%), while inflation, as measured by the 12-month harmonized average index of consumer prices (HICP), closed at 0.6% in 2021, down from -1.3% in 2020. According to ELSTAT, HIPC increased by 6.3% in February 2022 from -1.9% in February 2021, mainly reflecting the



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current increase in energy and fuel costs. The European Commission (EC), in its Winter Economic Forecast (February 2022), estimates the real GDP growth rate in Greece at 4.9% and 3.5% in 2022 and 2023 respectively.

Fiscally, according to the 2022 state budget, the primary balance of the public administration in terms of the European System of Accounts (SEC2010) in 2021 and 2022 is expected to record deficits of 7.0% and 1.4% of GDP, respectively, following the implementation of public support measures, which amounted to 16.9 billion EUR in 2021 and 3.3 billion EUR in 2022, aiming to address the economic and social effects of the Covid-19 pandemic. Gross public debt is estimated at 197.1% and 189.6% of GDP in 2021 and 2022, respectively (2020: primary deficit at 7.1% and public debt at 206.3%). These forecasts take into account public support measures aimed at mitigating the impact of rising energy and fuel costs in 2021 (0.9 billion EUR), but not the additional and more comprehensive measures announced in 2022 (an additional 2.8 billion EUR on 17 March 2022). However, as a large part of these measures will be covered by funds specifically allocated for this purpose, as well as additional government revenues, their fiscal impact will be significantly lower than the amount above. Deviation from the Consolidated Surveillance (ES) of primary surplus target of 3.5% of GDP in 2021 and 2022 is not considered a breach of Greece's ES commitments, because in March 2020 the EC activated the general bailout clause, allowing the non-permanent clause - deviations from Member States' agreed fiscal paths due to the extraordinary health and economic distress caused by the pandemic. According to the EC press release of 2 June 2021, the clause will remain in force in 2022 and is expected to be deactivated in 2023. These forecasts may change as a result of the actual size of the public sector support measures, the inflationary impact, the pressure on economic growth and the repercussions of rising energy prices on public finances

In response to the Covid-19 pandemic, on 21 July 2020 the European Council agreed on a recovery package under the EU Next Generation to support the recovery and resilience of Member States' economies. In this context, on 13 July 2021, the Economic and Financial Affairs Council (ECOFIN) approved the Greece's National Recovery and Resilience Plan (NRRP), entitled "Greece 2.0". Greece will receive more than 30.5 billion EUR in European Union (EU) funds (17.8 billion EUR in grants and 12.7 billion EUR in loans) by 2026. A pre-financing amount of 4 billion EUR was disbursed in August 2021, while on 28 February 2022 the EC provisionally approved Greece's payment request for the first tranche of 3.6 billion EUR. Greece has also been allocated around 40 billion EUR under the EU's 2021-2027 Multiannual Financial Framework (MFF). Additionally, on 24 March 2020, the European Central Bank (ECB) has set up a Temporary Pandemic Emergency Purchase Program (PEPP) with a financial package of 1.850 billion EUR from December 2020, of which approximately 37 billion EUR is available for the purchase of Greek Government Bonds (GGB). On 16 December 2021, the ECB announced that it will end net bond purchases under the PEPP at the end of March 2022 as scheduled. However, the reinvestment of principal from maturing securities will continue at least until the end of 2024, explicitly allowing the purchase of Greek Government Bonds (GGBs) in addition to redemption deferrals.

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In 2021, the Greek state issued six bonds with different maturities (5 years, 10 years and 30 years) raising a total of 14 billion EUR from international financial markets. More recently, on 19 January 2022, the Public Debt Management Agency (PDMA) issued a 10-year bond worth 3 billion EUR with a yield of 1.836%.

Regarding the expectations for the next 12 months, the major macroeconomic risks and uncertainties in Greece are as follows:

- (a) geopolitical conditions in the immediate or wider region, in particular the ongoing Russian invasion of Ukraine and its ramifications on the regional and global plan for stability and security in the European and Greek economy and, in particular, the energy sector;
- (b) the extension and/or exacerbation of ongoing inflationary pressure, particularly in the energy and supply chain sectors and its impact on economic growth, of employment, public finances, household budgets and firms' production costs,
- (c) further increases in interest rates worldwide, and in particular in the euro zone, which may put upward pressure on sovereign and private borrowing costs;
- (d) the actual size and duration of current and potential new fiscal measures aimed at mitigating the impact of rising energy and food prices and the impact thereof on the long term sustainability of the country public debt,
- (e) the impact of the withdrawal of temporary support measures on growth, employment and the continued servicing of household and corporate debt,
- (f) the prospect of so-called "twin deficits" (i.e. fiscal and current account deficits) becoming more structural, although at present they appear to be more of a repercussion of the pandemic,
- (g) the absorption capacity of NGEU and CFM funds and the attraction of new investments in the country,
- (h) implementing the reform and privatization agenda to meet the ES and EC objectives and milestones of the Recovery and Resilience Facility (RRF),
- (i) the evolution of the health crisis and the likelihood of the emergence of new variants of Covid-19 that could have a negative impact on the economic recovery and the attraction of new movement restrictions and fiscal support measures and
- (j) the exacerbation of natural disasters due to climate change and their effect on GDP, employment and the fiscal balance.

The materialization of the above risks, including those related to rising energy prices and inflation, would potentially have negative effects on the Greek government's fiscal planning, as it could slow the pace of growth expected on Greek banks' liquidity, solvency and profitability, as well as on the achievement of its NPE reduction plans. The Russian invasion of Ukraine creates uncertainty in the global economy and international trade, with far-reaching and long-term consequences. As the events are still unfolding, any assessment of their impact is premature. However, risks arising from geopolitical unrest could be mitigated by coordinated measures at European level, according to pandemic precedent. In this context, the Group has an insignificant exposure in Russian assets and continuously monitors developments on the macroeconomic and geopolitical front and has increased its level of promptness, so as to adapt to decisions, initiatives and policies to protect the capital and the liquidity situation as well as meeting, to the greatest extent possible, its strategic and business objectives for the coming quarters, focusing primarily on

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its customers support in order to overcome the difficult situation, protecting the asset and capital base and maintaining pre-provision profitability.

On 31 December 2021, following the finalization of „Mexico” project (sale of 95% "Mexico" securitizations) and the subsequent derecognition of the 3.1 billion EUR secured loan portfolio (mainly consisting of NPE), the Group significantly reduced its stock of NPEs by 2.9 billion EUR to 2.8 billion EUR (31 December 2020: 5.7 billion EUR), bringing the NPE ratio to 6.8% (31 December 2020: 14%), while the NPE coverage ratio was 69.2% (31 December 2020: 61.8) The total capital adequacy ratio (CAD total) and common equity tier 1 (CET1) of the Group were 16.1% (31 December 2020: 16.3%) and 13.7% (31 December 2020) respectively: 13.9%) on 31 December 2021. Additionally, the Group successfully finalized the MSU 2021 stress test (ST), which was coordinated and carried out by the ECB.

Regarding the liquidity, on 31 December 2021, the Group's deposits increased by 5.9 billion EUR, up to 53.2 billion EUR (31 December 2020: 47.3 billion EUR), which led the Group's loans (net) to deposits (L/D) ratio to 73.2% (31 December 2020: 79.1%), while funding from the European Central Bank's long-term refinancing operations - the TLTRO III program reached 11.7 billion EUR (31 December 2020: 8 billion EUR). During the year, in the context of its medium term strategy to fulfill the MREL objective, the Bank proceeded with two issues of senior preferred debt with a nominal value of 500 million EUR each in April and September respectively. The increase in the Group's high-quality liquid assets took its respective liquidity coverage ratio (LCR) to 152% (31 December 2020: 124%). In 2021 ILAAP context (Internal Liquidity Adequacy Assessment Process), the results of the liquidity crisis tests indicate that the Bank has an adequate liquidity buffer to cover the potential exits that could occur in all scenarios both in the short term (horizon of 1 month) and in the medium term (horizon of 1 year).

Transactions to affiliated parties

Bank's shareholding structure

Following the completion of the division through the dissolution of the banking sector of Eurobank Ergasias S.A. (Dissolved entity) in March 2020, "Eurobank Ergasias Services and Holdings S.A." (Eurobank Holdings) is the parent company of Eurobank S.A.

As regards the Key Management Personnel (KMP) of the Dissolved Entity, they remained as KMP of Eurobank S.A. Additionally, the Board of Directors of Eurobank Holdings is the same with the Board of Directors of Eurobank S.A. and part of KMP of Eurobank S.A. provides services to Eurobank Holdings in accordance with the terms of the relevant agreement between the two entities.

On 31 December 2021, the percentage of Eurobank Holdings ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) is 1.40%.

HFSF is considered as having a significant influence over Eurobank S.A. according to the provisions of the Law 3864/2010, in force, and the Tripartite Relations Framework Agreement (TRFA) between Eurobank S.A., Eurobank Holdings and HFSF signed as of 23 March 2020 and amended as of 3 February 2022.



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Fairfax Group is considered to have significant influence over Eurobank Holdings and, consequently, Eurobank S.A., and the percentage of voting rights of Eurobank Holdings held by Fairfax Group increased in 2021 from 31.27% to 33%.

Company's position – Implementation of continuity principle

In its activity, the Company relies on the financial support of the Group as regards both the financing and the equity. The Company's loans come from Eurobank Private Bank Luxembourg, where the Company has a credit line whose validity has been extended recently as detailed in note 8 e).

During the year 2021 the Company did not have:

- Activities in the research and development sector;
- Own purchases of shares;
- Subsidiaries;
- Financial instruments, significant for the evaluation of the Company's assets, liabilities, financial position and profit.

H. Events subsequent to the balance sheet

The validity of the credit line opened at Eurobank Private Bank Luxembourg S.A., amounting of 170,000,000 Euro, has been extended until 30 September 2023.

During the year 2021 the Company contracted a loan amounting of 60,000,000 Euro from Eurobank Bulgaria with an interest of 0.4% per year intended to partial coverage of the loan from Luxembourg. In order to guarantee this new loan a letter of guarantee has been issued by Eurobank SA for the amount of 60,000,000 euro with a service charge of 1% per year. The validity of the credit line initially was until August 2022 and it was extended until 30 September 2023. The loan granted by Eurobank Bulgaria was closed on 30.06.2022 with funds from the loan granted by Eurobank Private Bank Luxembourg.

On 21 February, 2022, the Russian Federation officially recognized two separatist regions in eastern Ukraine and authorized the use of military force in these territories. On 24 February, 2022, Russian troops invaded Ukraine and initiated military operations in several locations. These ongoing operations have resulted in casualties, significant population displacement, damage to infrastructure and disruption of economic activity in Ukraine. In response, several jurisdictions, including the EU, the UK, Switzerland, the US, Canada, Japan and Australia have announced initial phases of economic sanctions on Russia (and, in some cases, Belarus).

The wider global economic impact of the conflict could include: significant disruptions to entities operating in Ukraine, Russia and Belarus, liquidity challenges, significant increases in commodity prices, including crude oil and natural gas; of metals,

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including nickel, iron ore, aluminum and palladium; of mineral products, such as potassium, and agricultural crops, especially wheat (Russia and Ukraine together producing about 30% of the global wheat supply); increasing global economic uncertainty and the suspension of trading in Russian securities, rising borrowing costs and risk premiums, rising inflation and rising interest rates; and disruptions to economic activity caused by cyber-attacks against Russia, as well as jurisdictions that have imposed sanctions or provide assistance to Ukraine or Russia/Belarus.

Based on the analysis of the information available at the date of these financial statements, the Company's management considers that for now there is no impact on the current activity.

Member of the Board of Directors

Katerina Atsali

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AIKATERINI AT'SALI Jul 5 2022 5:56 PM

Member of the Board of Directors

Theodora Veiber

Gabriela-
Theodora
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Digitally signed by Gabriela-
Theodora Veiber
Date: 2022.07.05 15:33:11 +03W

I, the undersigned Tote Simona Mariana, certified translator authorized by the Romanian Ministry of Justice under no. 18195/2006, have hereunto set my hand and affixed my seal to certify this document as a true and valid translation into English of the document in Romanian.

TRANSLATOR,

