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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 2022, 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 2022 are identified as follows:
 - Net assets/Total equity: Lei 145,346,618
 - Net loss for the year: Lei -17,877,555

The financial statements have been signed with a qualified electronic signature by Aikaterini Atsali, in her capacity of Administrator of the Company on July 18th 2023, 16h:48m.

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 2022, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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.



Other information – Board of Directors' Report

5. 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

6. 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.
7. 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.
8. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

9. 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.
10. 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.

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- 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.
11. 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.

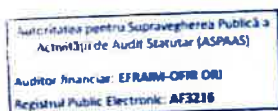
Refer to the original signed Romanian version

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

EFRAIM OFIR ORI

registered in the electronic public register of financial auditors and audit firms under no AF3216

Bucharest, 18 July 2023



KPMG Audit SRL

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



IMO PROPERTY INVESTMENTS BUCURESTI SA
PROFIT AND LOSS ACCOUNT
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

IMO PROPERTY INVESTMENTS BUCURESTI SA

FINANCIAL STATEMENTS

Prepared according to the
Order of the Minister of Public Finances no. 1802/2014 as subsequently amended,
on the date and for the financial year ended on 31 DECEMBER 2022



IMO PROPERTY INVESTMENTS BUCURESTI SA
PROFIT AND LOSS ACCOUNT
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

SUMMARY:

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IMO PROPERTY INVESTMENTS BUCURESTI SA
STATEMENT OF CHANGES IN EQUITY
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

Equity element	Balance on 1 January 2022 (lei)	Increases (lei)	Discounts/ Distributions (lei)	Balance on 31 December 2022 (lei)
Subscribes capital (note 6)	112,560	606,000,399	-	606,112,959
Legal reserves	935,626	-	-	935,626
Carried forward result representing retained earnings or uncovered loss	(400,837,070)	42,487,326	-	(443,324,396)
Credit balance	163,687,440	-	-	163,687,440
Debit balance	564,524,510	42,487,326	-	607,011,836
Carried forward result from the correction of accounting errors	(656,052)	156,035	-	(500,017)
Credit balance	-	156,035	-	156,035
Debit balance	656,052	-	-	656,052
Profit or loss of the financial year	-	17,877,554	-	17,877,554
Profit distribution	-	-	42,487,326	-
Total equity	(442,932,261)	545,791,554	(42,487,326)	145,346,619

The financial statements from page 3 to page 33 have been authorised by the Board of Directors for AGA approval as of 18 July 2023



Director,
Katerina Atsali
AIKATE RINI ATSAJLI JULI 18 2023 4:48 PM
Signature

Prepared by,
Irina Hatmanu
Financial Manager
Signature

Lenuta Digitally signed
Irina Hatmanu by Lenuta Irina
Date: 2023.07.18
Hatmanu 15:26:22 +0300

The notes from 1 to 22 are an integral part of the financial statements.

IMO PROPERTY INVESTMENTS BUCURESTI SA
STATEMENT OF CHANGES IN EQUITY
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

2021

Equity elements	Balance on 1 January 2021 (lei)	Increases (lei)	Discounts/ Distributions (lei)	Balance on 31 December 2021 (lei)
Subscribed capital (note 6)	112,560	-	-	112,560
Legal reserves	935,626	-	-	935,626
Carried forward result representing retained earnings or uncovered loss	(363,147,829)	37,689,241	-	(400,837,070)
Credit balance	163,687,440	-	-	163,687,440
Debit balance	526,835,269	37,689,241	-	564,524,510
Carried forward result from the correction of accounting errors	(1,061,726)	(295,907)	(701,581)	(656,052)
Credit balance	-	-	-	-
Debit balance	1,061,726	295,907	701,581	656,052
Profit or loss of the financial year	-	-	-	-
Credit balance	-	-	-	-
Debit 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)

The financial statements from page 3 to page 33 have been authorised by the Board of Directors for AGA approval as of 18 July 2023

Director,
Katerina Atsali

AIKATERINI ATSALI
AIKATERINI ATSALI
Jul 18 2023 4:49 PM

Prepared by,
Irina Hatmanu
Financial Manager

Digitally signed by
Lenuta Irina
Hatmanu
Date: 2023.07.18
15:26:43 +0300

Signature

Signature

The notes from 1 to 22 are an integral part of the financial statements.

IMO PROPERTY INVESTMENTS BUCURESTI SA
CASH FLOW STATEMENT
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

Direct method

	Financial year ended on 31 December 2021 (lei)	Financial year ended on 31 December 2022 (lei)
Cash flow from operating activities:		
Net cash flow generated from operational activities, of which		
Collection from Customers	36,968,459	29,793,404
Payments to Suppliers	(7,090,763)	(25,303,699)
Payments to employees and similar	(2,847,639)	(2,795,613)
VAT Collection/payment		784,505
Other payments (taxes, duties)	(2,898,605)	(2,207,571)
Interest income	210,967	599,032
Expenses with banking and similar services	(7,965)	(8,155)
Other operating expenses	403,806	(34,264)
Paid profit tax		
Net cash from operating activities	24,738,260	827,638
Cash flow from investment activities:		
Payment in cash for purchase of land and fixed assets, intangible assets and other long term assets	(8,493,853)	
Cash receipts from the sale of land and buildings, installations and equipment, intangible assets and other long term assets	41,929,882	22,691,745
Loans granted or cashed, including loans granted to affiliated parties	-	-
Net cash from investment activities	33,436,029	22,691,745
Cash flow from financing activities:		
Cash receipts from loans	-	296,754,000
R Cash repayments of amounts borrowed	(32,085,100)	(933,144,950)
The effect of foreign currency exchange rate variations on loans and debts	(80,163)	(695,070)

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
CASH FLOW STATEMENT

for the financial year ended on 31 December 2022

(all amounts are expressed in lei ("RON"), if not specified otherwise)

Increase of share capital		609,782,399
Interests paid	(9,653,380)	(7,336,811)
Net cash from financing activities	(41,818,643)	(34,640,431)
Net increase in cash and cash equivalents	16,355,646	(11,121,048)
Cash and cash equivalents at the beginning of the financial year	10,020,093	26,375,739
Cash and cash equivalents at the end of the financial year	26,375,739	15,254,691
	<u>26,375,739</u>	<u>15,254,691</u>

The financial statements from page 3 to page 33 have been signed as of 18 July 2023 by:

Director,
Katerina Atsali

AIKATERINI ATSALI
Jul 18 2023 4:49 PM

AIKATERINI ATSALI

Prepared by,
Irina Hatmanu
Financial Manager

Lenuta Digitally signed
by Lenuta Irina
Irina Hatmanu
Hatmanu Date: 2023.07.18
15:04:51 +03'00'

Director,

Theodora Veiber

Gabriela-
Theodora Veiber

Digitally signed by
Gabriela-Theodora Veiber
Date: 2023.07.18 15:19:53
+03'00'

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

NOTE 1: COMPANY INFORMATION

These financial statements are submitted by IMO Property Investments Bucuresti 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.

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.

NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

2.1. Basis for the preparation of the financial statements

These are the *individual* financial statements of the Company IMO PROPERTY INVESTMENTS BUCURESTI SA for the financial year ended on 31 December 2022 prepared according to:

- Accounting Law 82/1991 (republished in 2008), with subsequent changes
- Provisions of the Order of the Minister of Public Finance no. 1802/2014 with subsequent changes („OMFP 1802/2014”)

The accounting policies used for the preparation and presentation of the financial statements are in accordance with the accounting principles provided by OMFP 1802/2014.

These financial statements include:

- Balance sheet;
- Profit and loss account;
- Cash flow statements;
- Statement of changes to equity;
- Explanatory notes to financial statements.

The financial statements are related only to IMO PROPERTY INVESTMENTS BUCURESTI SA.

The company has no branches to make necessary the consolidation.

The accounting records based on which these financial statements have been prepared are done in lei (“RON”).

The attached financial statements are not intended to present the financial position in accordance with regulations and accounting principles accepted in countries and jurisdictions other than Romania. Also, the financial statements are not intended to present the results of operations, cash flows and a complete set of notes to the financial statements in accordance with regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the attached financial statements are not prepared for the use of people who do not know the accounting and legal regulations

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

in Romania including the Order of the Minister of Public Finances no. 1802/2014 with subsequent changes.

2.2. Significant accounting principles

The financial statements for the year ended on 31 December 2022 were prepared in accordance with the following accounting principles:

Principle of business continuity

The Company will normally continue its operation without entering into liquidation or without the significant reduction thereof.

Principle of the methods' stability

The company consistently applies the accounting policies and evaluation methods from one financial year to another.

Principle of prudence

When preparing the annual financial statements, the recognition and evaluation was carried out on a prudent basis and, in particular:

- a) only the profit made on the balance sheet date was included in the profit and loss account;
- b) debts incurred during the current financial year or the previous financial year, have been recognized even if they become evident only between the date of the balance sheet and the date of its preparation;
- c) impairments have been recognized, regardless of whether the result of the financial year is loss or profit.

Accrual principle

The effects of transactions and other events were recognized when the transactions and events occurred (and not as cash or its equivalent was received or paid) and were recorded in the accounting and reported in the financial statements of the related periods.

All income and expenses of the exercise were taken into account, without taking into account the date of receipt or payment. The revenues and expenses that resulted directly and simultaneously from the same transaction were recognized simultaneously in accounting, through the direct association between the related expenses and revenues, with the distinct highlighting of these revenues and expenses.

Principle of intangibility

The opening balance of the financial year corresponds to the balance sheet for the previous financial year.

The principle of separate evaluation of assets and liabilities

in order to determine the value corresponding to a position in the balance sheet, the value of each individual asset or liability item was determined separately.

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.

Accounting and presentation of the elements of the financial statements taking into account the economic background of the transaction or accrual in question

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

The recording in the accounting and the presentation in the financial statements of the economic-financial operations reflect their economic reality, highlighting the rights and obligations, as well as the risks associated with these operations.

Principle of valuation at acquisition cost or production cost

The items presented in the financial statements were evaluated based on the principle of acquisition cost or production cost. [The acquisition cost or the production cost was not used in the cases where it was chosen the evaluation of tangible assets or the evaluation of financial instruments at fair value].

Significance threshold principle

The entity may deviate from the requirements contained in the applicable accounting regulations regarding the presentation of information and publication, when the effects of their compliance are insignificant.

2.3. Reporting currency

Accounting is kept in the Romanian language and in the national currency ("RON"). The accounting of operations carried out in foreign currency is kept in the national currency, as well as in foreign currency. The items included in these statements are expressed in Romanian lei.

2.4. Comparative statements

The financial statements prepared as of 31 December 2022 shows comparability with the financial statements of the previous financial year.

2.5. Use of accounting 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 and the description of assets and contingent liabilities on the date of preparation of financial statements, as well as the revenues and expenses values reported for that period. Actual results may differ from estimates. These estimates are reviewed periodically and, if adjustments are necessary, they are recorded in the profit and loss account in the period when they become known.

2.6. Business continuity

The financial statements have been drawn up based on the principle of continued activities, which assumes that the Company will continue its activities for the foreseeable future. In order to assess the applicability of this assumption, management analyzes forecasts of future cash inflows. Based on these analyses, the management considers that the Company will be able to contain its activities in the foreseeable future and therefore the application of the principle of contained activities in the preparation of the financial statements is justified.

For the year ended on 31 December 2022, the Company recorded a total loss of 17,877,555 lei, at this date having net current assets in the amount of 73,334,998 lei (2021: net current liabilities in the amount of 536,760,705). The losses come from: the operation activity 18,724,936 lei, while a profit of 847,381 lei is recorded from the financial activity lei.

During 2022 there was a capital increase in the amount of 606,000,399 lei, which had the role of regulating the company's net assets, becoming positive.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

2.7. Currency conversions

The Company's transactions in foreign currency are first registered at the exchange rates communicated by the National Bank of Romania ("NBR") on the transactions' dates.

At the balance sheet date, the monetary elements expressed in foreign currency and the receivables and liabilities expressed in lei whose settlement must be made depending on the exchange rate of a currency are evaluated and presented in the annual financial statements at the exchange rate communicated by the National Bank of Romania, valid on the date the end of the financial year.

The earnings and losses from exchange rate differences, realized and unrealized, between the exchange rate of the foreign exchange market, communicated by the National Bank of Romania from the date of registration of receivables or debts in foreign currency and those expressed in lei settlement to be made depending on the exchange rate a currency, or the rate at which they are recorded in accounting and the exchange rate from the end of the financial year, are recorded in the profit and loss account of the respective financial year.

The non-monetary items purchased with payment in foreign currency and recorded at historical cost (fixed assets, stocks) are presented in the annual financial statements using the exchange rate from the date of the transaction. The non-monetary elements purchased with payment in foreign currency and recorded at fair value (for example, revalued tangible assets) are presented in the annual financial statements at this value.

The exchange rates RON/USD and RON/EUR communicated by the National Bank of Romania as of 31 December 2022 and 31 December 2021, were as follows:

Currency	31 December 2022	31 December 2021
RON/USD	4.6346	4.3707
RON/EUR	4.9474	4.9481

2.8. Intangible assets

The intangible assets are valued at cost without the accumulated depreciation and accumulated impairment losses.

Start-up expenses

The start-up expenses are capitalised and depreciated during a period of not more than 5 years.

Other intangible assets

The costs related to the acquisition of software are capitalised and depreciated based on the straight-line method for the useful shelf life.

2.9. Tangible assets

Cost / Evaluation

The tangible assets are initially evaluated at the acquisition cost, including non-recoverable acquisition fees, transport and handling expenses, commissions, notary fees, expenses for obtaining authorizations and other non-recoverable expenses directly attributable to tangible immobilization and any direct costs attributable to bringing the asset to the place and in working conditions.

A tangible asset has to be assessed in the balance sheet at the input value, less the cumulated depreciation and any losses in the cumulated depreciation.

The subsequent expenses related to a tangible asset are expenses of the period when these ones have been done or increase the value of that tangible asset, depending on the economic benefits of these expenses, according to the general criteria of recognition.

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

The company applies the following criteria to determine whether the subsequent expenses increase the value of the respective tangible asset:

- The efficiency of the fixed asset is increased as a result of making the respective subsequent expenses
- The improvement is required by the application of the laws in force.

In the case of the replacement of some components of a long-term asset, the Company recognizes the cost of the partial replacement, the accounting value of the replaced part being removed from the record, with the related depreciation, if the necessary information is available and the recognition criteria for tangible assets are met.

The spare parts and security equipment are considered tangible fixed assets when it is estimated that they will be used during a period of more than one year.

Real estate investments

The real estate investment represents (a land or a building – or part of a building – or both) held rather to obtain rental income or to increase capital value, or both, than to be used in the production or supply of goods or services or for administrative purposes or to be sold during the normal course of business.

On the date of acquisition, the Company establishes, based on accounting policies and professional judgment, which of the real estate properties it owns meet the conditions to be classified as real estate investments. The transfers in or out of the category of real estate investments are made if and only if there is a change of use, evidenced by the start of use by the owner, for a transfer from the category of real estate investments to the category of real estate properties used by the owner; termination of use by the owner, for a transfer from the category of real estate used by the owner to the category of real estate investments.

If the Company decides to sell a real estate investment, with or without additional facilities, the entity continues to treat the real estate property as a real estate investment until the moment it is removed from the records.

The tangible assets and real estate investments are kept at cost less depreciation and related to the depreciation expenses. At the end of the year, management assesses whether there are indicators of impairment and, if necessary, adjusts the value of the asset.

Depreciation

The depreciation of the value of fixed assets with limited periods of economic use represents the systematic allocation of the depreciable value of an asset over the entire period of economic use. The depreciable value is represented by the cost or another value that replaces the cost (for example, the revalued value).

The depreciation is calculated as from the month following the commissioning and until the full recovery of the input value. When determining the depreciation of tangible assets, the periods of economic use and the conditions of their use are taken into account.

The depreciation is calculated using the straight-line depreciation method over the entire lifetime of the assets. The investments made in tangible assets used under a rental contract, management location, administration or other similar contracts are subject to depreciation during the duration of the respective contract.

The lands are not depreciated. Land improvements are depreciated on a straight-line basis.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

The life time for the main categories of tangible assets are shown in the table below.

Type	Years
Buildings	1-50 years
Real estate investments - buildings	1-50 years
Technical installations and machineries	1-20 years
Other installations, equipment and furniture	1-30 years

The revision of the depreciation period can be justified by a significant change in the conditions of use, as well as in the case of investments or repairs, other than those determined by current maintenance, or the obsolescence of a tangible asset. Also, if the tangible immobilizations are put into conservation, their use being interrupted for a long period, the revision of the amortization period can be justified. When the elements that were the basis for the initial establishment of the economic use period have changed, the Company establishes a new amortization period. The change in the economic useful life represents a change in the accounting estimate.

Assignment and cancellation

A tangible asset is cancelled upon disposal or scrapping, when no future economic benefit is expected from its further use. In the case of cancellation a tangible asset, the income from the sale, the expenses representing the unamortized value of the asset and other expenses related to its disposal are highlighted separately.

For the purpose of presentation in the profit and loss account, the earnings or losses obtained following the disposal or disposal of a tangible asset are determined as the difference between the income generated by the cancellation and its unamortized value, including the expenses caused by this and must be presented as net value, as income or expenses, as the case may be, under the item "Other operating income", respectively "Other operating expenses".

2.10. *Depreciation of fixed assets*

Determination of impairment losses

The accounting value of the Company's fixed assets is analyzed at each balance sheet date to determine if there are any impairment losses. If such an impairment loss is probable, the value of the impairment loss is estimated.

Correcting the value of intangible and tangible assets and bringing them to the level of the inventory value is carried out, depending on the type of existing depreciation, either by recording an additional depreciation, in the event that an irreversible depreciation is found, either by establishing or supplementing the adjustments for depreciation, in the case that a reversible depreciation of them is found.

Resumption of adjustments for impairment losses

An adjustment for impairment of fixed assets is resumed if there has been a change in the estimates used to determine the recoverable amount.

An impairment adjustment can be reversed to the extent that the carrying amount of the asset does not exceed the recoverable amount, less depreciation, which would have been determined if the impairment adjustment had not been recognized.

The notes from 1 to 22 are an integral part of the financial statements.



IMO PROPERTY INVESTMENTS BUCURESTI SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended on 31 December 2022
(all amounts are expressed in lei ("RON"), if not specified otherwise)

2.11. 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 determined on the basis of valuations carried out by authorized valuers or other methods recognized by experts.

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

2.11. Trade receivables

The trade receivables are initially recognised and recorded at their invoiced value, or according to documents proving the delivery of goods, respectively the provision of services

The assessment of the recoverable value of the receivables at the balance sheet date is done at their probable collection or payment value. The differences found in the minus between the inventory value established at the inventory and the accounting value of the receivables are recorded in accounting on account of the adjustments for depreciation. The adjustments for depreciation are constituted when there is evidence according to which the Company will not be able to collect the receivables at the initially agreed maturity. The bad debts are recorded as expenses when they are identified.

The impairment loss related to a receivable is reversed if the subsequent increase in the recoverable amount can be related to an event that occurred after the impairment loss was recognized.

The receivables taken over by assignment are highlighted in accounting at the acquisition cost, their nominal value being highlighted outside the balance sheet.

2.12. Cash and cash equivalent

Cash availability consists of bank accounts, bank deposits for a maximum of three months if they are held for the purpose of meeting short-term cash needs.

For the cash flow situation, cash and its equivalents include bank accounts.

2.13. Loans

The short and long term loans are initially registered at the amount received. 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.

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" / "Amounts owed to affiliated entities", "Amounts owed to entities with which the entity is linked by virtue of participation interests"/ "Other debts"] from current liabilities.

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2.14. Liabilities

Commercial obligations are recorded at cost, which represents the value of the obligation that will be paid in the future for the goods and services received, regardless of whether or not they were invoiced to the Company.

2.15. 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 related to an operational leasing contract are recognised as expenses in the profit and loss account, on a straight line basis throughout the duration of the contract. The incentives received for concluding a new or renewed operational leasing contract are recognized as an integral part of the net value of the agreed consideration for the use of the asset under leasing, regardless of the nature of the incentive, the form or the moment when the payment is made, thus reducing the rent expenses for the entire duration of the leasing contract, on a straight line basis.

2.16. Provisions

The provisions are recognised when the Company has a current obligation (legal or implicit) 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 value recognized as a provision is the best estimate at the balance sheet date of the costs necessary to settle the current obligation.

The best estimate of the costs necessary to extinguish the current debt is the amount that the Company would pay, in a rational way, to extinguish the obligation at the balance sheet date or to transfer it to a third party at that time.

If the effect of the time value of money is significant, the value of the provision represents the updated value of the expenses estimated to be necessary to settle the obligation. The updating rate used reflects current market assessments of the time value of money and specific debt risks. The update is carried out by specialized people.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If an outflow of resources is no longer likely to settle an obligation, the provision must be canceled by writing back of provisions.

Other provisions

Provisions are also recognized for litigation, fines and penalties, compensations, damages and other uncertain liabilities, taxes, pensions and similar obligations, premiums to be granted to staff depending on the profit achieved and in connection with assignment agreements.

2.17. Share capital

The social capital consisting of common shares is registered at the value established on the basis of the articles of incorporation and additional documents, as the case may be, as well as the supporting documents regarding the capital payments.

Gains or losses related to the issuance, redemption, sale, free transfer or cancellation of the entity's equity instruments (shares, participating shares) are recognized directly in equity in the lines of "Gains / or Losses related to equity instruments".

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The Company recognises the share capital changes only after approval thereof by the Trade Register.

2.18. Legal reserves

It is constituted in a share of 5% of the gross profit from the end of the year until the total legal reserves reach 20% of the share capital paid in accordance with the legal provisions.

2.19. Dividends

The dividends are recognized as debt in the period in which their distribution is approved. The dividends are distributed after the approval of the financial statements.

2.20. Retained earnings

The carried forward result of the company is a loss in the amount of 401,493,121 lei. This loss will be covered from the share capital.

2.21. Financial instruments

The financial instruments used by the Company are mainly made up of cash, time deposits, receivables, debts and amounts owed to credit institutions. The instruments of this type are evaluated in accordance with the specific accounting policies presented in Note 2 "Principles, policies and accounting methods.

2.22. Revenues

Turnover

The net turnover related to the main activity carried out and included in the profit and loss account is the net turnover related to the activities of the sale of own real estate carried out under CAEN code 6810.

Revenue from the sale of goods

The revenues from sales of goods are recorded at the moment of handing over the goods to the buyers, of their delivery based on the invoice or under other conditions stipulated in the contract, which confirms the transfer of ownership of the respective goods, to the customers.

The revenues from sales of goods are recognised at the moment when the following conditions are met:

- a) The company has transferred to the buyer the significant risks and advantages arising from ownership of the goods
- b) The company no longer manages the sold goods at the level at which it would normally be done, in the case of owning them, nor does it have effective control over them;
- c) the amount of income can be reliably assessed;
- d) it is likely that the economic benefits associated with the transaction will be generated by the entity; and
- e) transaction costs can be reliably evaluated.

If the Company retains only an insignificant risk related to the right of ownership, the transaction is a sale and the income is recognized.

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The moment when the significant risks and advantages related to the ownership of the goods are transferred is determined after examining the circumstances in which the transaction took place, and the terms of the sales contracts.

Revenues from provision of services

The revenues from the provision of services are recognized in the period in which they were provided and in correspondence with the phase of execution. The provision of services includes the execution of works and any other operations that cannot be considered deliveries of goods.

If the sale price includes a distinct amount, contractually specified, intended for the subsequent provision of services, that amount is deferred (account 472 "revenue recorded in advance") and recognized as income during the period in which the services are provided, but no later than the end of the period for which the subsequent provision of services was contracted.

Revenues from royalties, rents

The revenues from royalties and rents are recognized based on accrual accounting, according to the contract. The incentives granted for the conclusion of a new or renewed operational leasing contract are recognized as an integral part of the net value of the agreed consideration for the use of the asset under leasing, regardless of the nature of the incentive, the form or the time when the payment is made, thus reducing the income from rents throughout the duration of the leasing contract, on a straight-line basis.

If a client pays an amount before the entity transfers a good or a service to it, at the time of receipt the Company registers a debt to the customer. The company removes that debt and recognizes income when it transfers the respective goods or services and, therefore, fulfills its contractual obligation.

If the Company collects a non-refundable advance from the customer, at the beginning of the contract or close to this date and the received advance represents an advance payment made by a customer for services to be provided in a future period, the corresponding amount is recorded as income in advance, to be recognized as income when the respective services are provided.

2.23. Financial revenues and expenses

The financial revenue includes income from interest, income from dividends, income from transferred financial assets, income from short-term financial investments - net, income from exchange rate differences and income from discounts obtained. The financial revenue is recognized based on accrual accounting. Thus, interest income is recognized periodically, proportionally, as the respective income is generated, based on accrual accounting; dividends are recognized when the shareholder's right to collect them is established. The dividends received as a result of distribution during the financial year are highlighted on account of debts, their regularization being carried out in the following year on account of dividends due based on the annual financial statements approved, according to the law, of the entity that choose to make interim distributions of dividends, moment in which they are recognized as financial income

The financial expenses include interest expenses related to loans, amortization of provisions, recognized impairment losses related to financial assets, expenses related to sold financial assets, expenses related to short-term financial investments - net, expenses from exchange rate differences and receipts related to discounts obtained. All borrowing costs that are not directly attributable to the acquisition, construction or production of assets with a long manufacturing cycle are recognized in the profit and loss account, periodically, based on accrual accounting.

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2.24. Accounting errors

The errors found in the accounting can refer either to the current financial year or to the previous financial years; the errors from previous periods also refer to the erroneous presentation of information in the annual financial statements. Errors are corrected on the date of their discovery. The errors from previous periods are omissions and erroneous statements contained in the entity's financial statements for one or more previous periods resulting from the mistake of using or not using reliable information that:

a) were available at the time the financial statements for those periods were approved for issue;

b) could have been reasonably obtained and taken into account in the preparation and presentation of those annual financial statements.

The correction of the errors related to the current financial exercise is carried out on account of the profit and loss account. The correction of the significant errors related to the previous financial exercises is carried out on account of the carried over result. The insignificant errors related to previous financial years are also corrected on account of the profit and loss account.

The correction of the significant errors related to the previous financial exercises does not result into the change of the financial statements of those exercises. In the case of errors related to the previous financial exercises, their correction does not require the adjustment of the comparative information presented in the financial statements. The comparative information regarding the financial position and financial performance, respectively the change in the financial position, are presented in the explanatory notes. In the explanatory notes to the financial statements, the information is also presented regarding the nature of the errors found and the periods affected by them.

2.25. Related parties

A related party is a person or an entity that is related to the entity that prepares financial statements, hereinafter referred to as the reporting entity.

A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has a significant influence on the reporting entity; or
- (iii) is a member of the key staff in the management of the reporting entity or of the parent company of the reporting entity.

An entity is related to a reporting entity if it meets any of the following conditions:

- (i) the entity and the reporting entity are members of the same group (which means that each parent company, subsidiary and subsidiary in the same group is related to the others);
- (ii) an entity is an associated entity or jointly controlled entity of the other entity (or an associated entity or jointly controlled entity of a member of the group of which the other entity is a part);
- (iii) both entities are jointly controlled entities of the same third party;
- (iv) one entity is a jointly controlled entity of a third entity, and the other is an associated entity of the third entity;
- (v) the entity is a post-employment benefits plan for the benefit of the employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself represents such a plan, the sponsoring employers are also linked to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person or an appropriate family member of the respective person who has control or joint control over the reporting entity, has a significant influence on the reporting entity; or is a member of the key personnel in the management of the reporting entity or of the parent company of the reporting entity.

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- (vii) a person or an appropriate member of the family of that person who has control or joint control over the reporting entity significantly influences the entity or is a member of the key management personnel of the entity (or of the entity's parent company);
- (viii) the entity or any member of a group of which it is a part provides services to the staff
- key from the management of the reporting entity or the parent company of the reporting entity.

The key management personnel represent those persons who have the authority and responsibility to plan, direct and control the activities of the entity, directly or indirectly, including any director (executive or otherwise) of the entity.

A person's immediate family members are those family members who can be expected to influence or be influenced by that person in their relationship with the entity and include:

- a) the children and the wife or life partner of the respective person;
- b) the children of the wife or life partner of the respective person; and
- c) the dependents of the respective person or the wife or life partner of this person.

According to OMF 1802/2014, the affiliated entities mean two or more entities within the same group.

2.26. Changes of accounting policies

The changes in accounting policies may be determined by: **a) the entity's initiative, in which case the change must be justified in the explanatory notes to the annual financial statements; b) a decision of a competent authority and which is imposed on the entity (regulatory amendment), in which case the amendment does not have to be justified in the explanatory notes, but only mentioned in these ones.**

In case of a change in an accounting policy, the entity must mention in the explanatory notes the **nature** of the change in the accounting policy, as well as the **reasons** why the application of the new accounting policy provides credible and more relevant information, so that users can appreciate if the new accounting policy has been chosen adequately, **the effect of the change on the reported results** of the period and the real trend of the entity's activity results.



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NOTE 3: FIXED ASSETS

	Start-up costs	Concessions, patents, brand licenses, rights and similar values and other intangible assets	Pre-payments	Total
	(lei)	(lei)	(lei)	(lei)
Gross value				
Balance on 1 January 2022	321,438	327,710	-	649,148
Increases	-	17,250	-	17,250
Assignments, transfers and other discounts	-	-	-	-
Balance on 31 December 2022	321,438	344,960	-	666,398
Cumulated depreciation				
Balance on 1 January 2022	321,438	169,694	-	491,132
Depreciation recorded during the year	-	59,448	-	59,448
Discounts or reruns	-	-	-	-
Balance on 31 December 2022	321,438	229,142	-	550,580
Provisions				
Balance on 1 January 2022	-	-	-	-
Increases	-	-	-	-
Discounts	-	-	-	-
Balance on 31 December 2022	-	-	-	-
Net book value on 1 January 2022	-	158,016	-	158,016
Net book value on 31 December 2022	-	115,818	-	115,818



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	<u>Technical installations and machines</u>		<u>Real estate investments in progress</u>			<u>Total</u> (lei)
	(lei)	<u>Other installations, equipment and furniture</u>	<u>Real estate investments</u> (lei)	(lei)	<u>Pre-payments</u> (lei)	
Net value						
Balance on 1 January 2022	128,945	106,604	108,471,594	438,800	1,854,769	111,000,713
Increases	-	122,823	736,651	-	-	859,474
Increases, assignments, transfers and other discounts	-	-	25,911,175	78,934	729,4210	26,719,53
Balance on 31 December 2022	128,945	229,427	83,297,070	359,866	1,125,348	85,140,657
Cumulated depreciations						
Balance on 1 January 2022	55,049	65,768	8,738,330	-	-	8,859,147
Depreciation recording during the year	2,677	20,476	1,758,060	-	-	1,781,213
Discounts and reruns	-	-	3,158,207	-	-	3,158,207
Balance on 31 December 2022	57,726	86,244	7,338,183	-	-	7,482,153
Provisions						
Balance on 1 January 2022	-	-	8,095,026	-	-	8,095,026
Increases	-	-	-	-	-	-
Discounts and reruns	-	-	2,708,433	-	-	2,708,433
Balance on 31 December 2022	-	-	5,386,593	-	-	5,386,593
Net book value on 1 January 2022	73,896	40,836	91,638,238	438,800	1,854,769	94,046,540
Net book value on 31 December 2022	71,219	143,183	70,572,294	359,866	1,125,348	72,271,911



3.1. Intangible assets

Within advances and other intangible assets, are recorded advances to providers of intangible assets, softwares 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 5 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.

3.2. Tangible assets

Real estate investments

The real estate investments 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.

The tangible fixed assets are valued at cost, less the 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.

Ongoing tangible assets

The company holds ongoing tangible assets amounting of 359,866 lei

Impairment losses

At the end of the financial year, the company management assesses whether there are indicators of the tangible and intangible assets and, adjusts the assets value accordingly. For this purpose, the net book value is compared to the recovery value. The differences found in the minus between the recoverable amount and the net book value of the fixed assets are recorded in accounting on account of the additional depreciation,



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in the case of depreciable assets for which the impairment is irreversible or an adjustment for impairment or loss of value is made when the impairment is reversible. The recoverable amount is determined according to the utility of the asset, its condition and the market price.

Following the evaluation, a reduction of the net accounting value of the land and buildings registered as real estate investments was recorded by 1,981,820 lei and an increase of this value by 354,194 lei. The expenses from the valuation of tangible assets and the income from the valuation of tangible assets were recorded in the profit and loss account in the amount of 1,627,626 lei net.



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NOTE 4: 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 determined on the basis of valuations carried out by authorized valuers or other methods recognized by experts.

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

CURRENT ASSETS	Financial year	
	31 December 2021	31 December 2022
Consumables	2.185.796	1.863.147
Stocks being supplied	87.281.021	66.256.969
Finished products and goods	(22.101.867)	(11.252.787)
Depreciation	44.100	497.151
Advances for stock purchases	67.409.050	57.364.480

The adjustment for depreciation represents the difference between the accounting value of stocks and the inventory value (the value of stocks is reduced to the net achievable value, by constituting an adjustment for depreciation). The net achievable value of inventories represents the estimated selling price that could be obtained in the ordinary course of business, less the estimated costs of completing the good, when applicable, and the estimated costs necessary to sell.

NOTE 5: LIABILITIES

On 31 December 2022 the Company's liabilities are as follows:

Liabilities	Balance at the end of financial year 2021 (lei)	Balance at the end of financial year 2022 (lei)
Total, of which:	12,128,909	2,098,208
Trade liabilities, of which	10,117,352	1,283,491
Customers	10,050,189	1,150,040



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Uncertain customers	4,747,144	2,746,136
Adjustments for liabilities depreciation	(4,793,331)	(2,822,460)
Other liabilities	113,350	209,775
Liabilities to the State Budget	-	-
Amounts to be collected from affiliated entities	-	-
Other liabilities	2,011,557	814,719
Interest to be collected	-	-

The *Other liabilities* line, *net* is detailed in the table below:

Other debts	1 January 2022	31 December 2022
Other liabilities related to State Budget	1,083,088	447,030
Other liabilities	662,915	102,635
Various debtors	265,554	265,054
Total of other liabilities	2,011,557	814,719

NOTE 6: CASH AND BANK ACCOUNTS

	2021		2022	
	RON	EUR (RON equivalent)	RON	EUR (RON equivalent)
Current accounts at Banks	25,666,843	640,712	15,129,638	121,284
Treasury	68,227		2,306	-
TOTAL	25,735,070	640,712	15,131,944	121,284



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NOTE 7: ADVANCE EXPENSES

The advance expenses are expenses paid in the current financial year, but which concern the following financial years. These mainly represent expenses with subscriptions, insurances, local taxes, as well as licenses that are valid for only one year - subscription type.

NOTE 8: DEBTS

On 31 December 2022 the Company's debts are as follows:

Debts	Balance at the end of financial year 2021 (lei) 1 = 2+3+4	Balance at the end of financial year 2022 (lei) 1 = 2+3+4	DUE DATE		
			Under 1 year (lei)	1-5 years (lei)	Over 5 years (lei)
			2	3	4
Total, of which:	643,147,774	1,852,693	1,852,693	-	-
Amounts due to credit institutions	640,895,908	-	-		
Advances received on account of customer orders	414,512	222,497	222,497		
Suppliers	1,662,044	1,541,535	1,541,535		
Amounts owed to affiliated entities	67,708	-	-		
Debts to the State Budget and to the Social Insurance Budgets	107,602	88,661	88,661		

For amounts to be paid, conditions and terms regarding debts to related parties, see NOTE 18.2 and 18.4.

Amounts due to credit institutions

At the end of the year 2021 the Company had the following loans:

Amounts due to credit institutions	Balance at the end of financial year 2021	
	EUR	RON
Eurobank Private Bank Luxembourg	69,500,000	344,009,908



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Eurobank Bulgaria	60,000,000	296,886,000
Total	129,500,000	640,895,908

During the year 2022 the company closed both loans with the capital contribution made by Eurobank SA.

The company did not issue bonds during the year ended on 31 December, 2022 (2021: no bonds were issued).

NOTE 9: PROVISIONS

Name of provision	Balance at the beginning of the financial year 1	Transfers		Balance at the end of financial year 4=1+2-3
		Into the account 2	From the account 3	
0				
Other provisions:				
- Provisions for disputes	(376,111)	--		(376,111)
	(376,111)	--		(376,111)

The provisions for disputes consist of a provision amounting of 44,821 for previous years disputes and the provisions of 331,290 lei established in 2021 for the dispute with SIR IMPEX - apartment in Vivando building complex.

The company did not set up other provisions during the year 2022.

NOTE 10: CAPITAL AND RESERVES

Subscribed capital and shareholding structure

	<u>Number of shares</u> (thousands)	<u>Amount</u> (lei)		<u>Percentage</u> (%)
		2021	2022	
		EUROBANK SA	452.323.103	
ERB NEW EUROPE HOLDING B.V.	1	1	1	0,0000002%
Total	452.323.104	112.560	606.112.959	100,000000%



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The share capital of the Company was changed by direct subscription in 2022 as per AGA Decision as of 19.12.2022 and is fully paid as of 31 December 2022.

The result of the exercise and the distribution of the profit

The company recorded losses both for the year ended on 31 December, 2021, and for the year ended on 31 December 2022.

NOTE 11: NET TURNOVER

Sales on activities:

	2021	2022
Rental revenues	559,572	288,198
Revenues from various activities *	226,255	128,016
Revenues from sales of goods	36,182,632	25,005,040
Total turnover	36,968,459	25,421,254
Expenses from the sale of goods	(59,688,995)	(37,287,474)
Other operating revenues	306,323	224,408
Other operating expenses	13,744,100	(1,627,792)
Revenues from the sale of real estate investments	52,033,970	17,950,519
Expenses from the sale of real estate investments	(60,718,856)	(22,752,967)

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

All Company's revenues are resulted from activities in Romania.

NOTE 12: OTHER OPERATING REVENUES

Other operating revenues amounting of 306,323 lei on 31 December 2022 (2021: 224,408 lei) include the re-invoicing of maintenance costs for rented properties; sales of scrap iron

NOTE 13: STAFF EXPENSES AND INFORMATION ON EMPLOYEES, MEMBERS OF ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES



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13.1 Directors, managers and the supervisory committee

During the year 2022, the Company changed the composition of the Board of Directors

	2021		2022	
Members of BoD / Directors	<i>Michail</i>	<i>Stamou</i>	<i>Efthymios</i>	<i>Zois</i>
	<i>Katerina</i>	<i>Atsali</i>	<i>Katerina</i>	<i>Atsali</i>
	<i>Theodora Veiber</i>		<i>Theodora Veiber</i>	
Managers	Theodora Veiber		Theodora Veiber	

The company does not pay allowances for the members of the Board of Directors or any other benefits.

13.2 Employees

The average number of employees and the expenses with salaries and related tax recorded during the years 2021 and 2022 are the followings:

	2021	2022
Total average number of employees	19	16

	2020	2021
Expenses with salaries	2,744,963	2,721,976
Expenditure on vouchers granted to employees	35,425	64,605
Expenses with social insurances	59,733	63,237
Total	2,840,121	2,849,818

NOTE 14: OTHER OPERATING EXPENSES

In the table below, other operating expenses are detailed according to their nature:

	2021	2022
Expenses with transport of goods and personnel	10,645,76	15,043,44
Expenses with royalties, business management agreements and rents	380,714,85	383,595,69
Expenses with bank services and similar	7,964,98	8,155,20
Expenses with insurance premium	179,266,73	183,551,23
Expenses with commissions and fees	228,626,45	181,678,27



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Expenses with maintenance and repairs	(13,244,58)	-
Postage and telecommunications fees	62,327,22	65,726,10
Travel, secondment and transfer expenses	12,327,53	115,782,64
Expenses for protocol, advertising and publicity	17,212,35	27,807,89
Other expenses with services performed by third parties	9,679,171,29	7,231,708,19
Expenses with external service provisions - total	10,565,012,58	8,213,048,65
Expenses with taxes, fees and similar payments	2,984,373,22	2,664,103,47
Total	13,549,385,80	10,877,152,12

Other expenses with services performed by third parties

	2021	2022
Costs with IT services	275,901	158,423
Legal and notary services	1,132,064	1,218,613
Services of Facility Management	1,307,912	1,004,836
Consultancy and audit	202,145	158,876
Letter of guarantee commissions	2,528,809	1,489,548
Sale commission	1,962,418	1,643,357
Expenses with evaluation services	210,573	102,748
Security costs	1,645,228	774,242
Labour medicine services	11,825	10,117
Others	402,297	670,950
Total	9,679,171	7,231,709

The financial audit of the Company in 2022 was provided by KPMG Audit SRL. The fees are established based on the contract concluded between the two parties.

NOTE 15: FINANCIAL REVENUES AND EXPENSES

	2021	2022
Financial revenues		
Interest revenues - deposits	210,967	599,032
Revenues from exchange rate differences	2,121,916	20,079,472
Revenues from discounts obtained	-	24,559
Financial revenues, total	2,332,883	20,703,063



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	2021	2022
Financial expenses		
Interest expenses – affiliated entities	6,822,030	7,253,013
Expenses from exchange rate differences	12,846,777	12,602,669
Financial expenses, total	19,668,807	19,855,682

NOTE 16: INFORMATION ON RELATED WITH RELATED PARTIES

16.1. Nature of transactions with related parties

The related parties include the following companies:

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

The parent company is EUROBANK SA

IMO Property Investments Bucuresti SA is affiliated with the other companies in the group - they are jointly controlled by EUROBANK SA. Consolidation is done in Greece.

16.2. Amounts due and receivable from related parties

16.2.1. Liabilities from related parties

	<u>31 December 2021</u>	<u>31 December 2022</u>
	(lei)	(lei)
Liabilities		18.700
<i>d) associated entities -</i>		
Total		<u>18.700</u>

16.2.2. Debts to related parties



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	<u>31 December 2021</u>	<u>31 December 2022</u>
	(lei)	(lei)
<i>debts</i>		
<i>d) associated entities</i>	67,708	22,456
Total	<u>67.708</u>	<u>22.456</u>

16.3. Information on transactions with related parties

16.3.1. Sales of good and services and/or intangible assets

	Financial year ended on <u>31 December 2021</u> (lei)	Financial year ended on <u>31 December 2022</u> (lei)
	10,541	
<i>Sales of services</i>		10,758
<i>associated entities</i>		

16.3.2. Other revenues

	Financial year ended on <u>31 December 2021</u> (lei)	Financial year ended o <u>31 December 2022</u> (lei)
<i>Other revenues</i>	-	37,300

16.3.3 Acquisition of goods and services

	Financial year ended on <u>31 December 2021</u> (lei)	Financial year ended on <u>31 December 2022</u> (lei)
<i>Acquisition of services</i>		
<i>d) associated entities</i>	61,611	60,866
<i>Expenses with interests and similar</i>		
<i>d) associated entities</i>	9,350,838	8,744,124



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16.4. Loans received from related parties

	<u>31 December 2021</u>	<u>31 December 2022</u>
	(lei)	(lei)
Long term loans (principal and related interest)		
<i>d) associated entities</i>	640,895,908	-

16.5. Commitments regarding related parties

NOTE 17: SUBSEQUENT EVENTS

There are no significant situations to be presented

NOTE 18: CORRECTION OF ACCOUNTING ERRORS

In the financial year ended on 31 December 2022, the Company corrected the amounts presented below on account of the carried forward result.

Corrections 2022 - account 1174

Debit	Credit	
10,589,98		maintenance activities, previous period
25,815,00		prorated regularization 2018 - not registered at that time
		transition to deductible VAT of amounts previously considered non-deductible -
	192,439,57	For the property A522

NOTE 19: CONTINGENCIES

19.1 Taxation

The company considers that it has paid on time and in full all the fees, taxes, penalties and penalty interests, as far as the case is concerned.

In Romania, the financial year remains open for tax review for 5 years.

19.2 Transfer pricing



In accordance with the relevant fiscal legislation, the fiscal assessment of a transaction made with related parties is based on the concept of the market price related to that transaction. Based on this concept, transfer prices must be adjusted so as to reflect the market prices that would have been established between entities between which there is no affiliation relationship and which act independently, based on "normal market conditions".

It is likely that verifications of the transfer prices will be carried out in the future by the tax authorities, in order to determine whether the respective prices comply with the principle of "normal market conditions" and that the taxable base of the Romanian taxpayer is not distorted.

19.3 Claims of a legal nature (including the estimated value)

The management of the Company considers that these disputes will not have a significant impact on the operations and financial position of the Company.

19.4 Financial risks

19.4.1. Risk of interest rate

The company no longer has loans at the date of these financial statements.

19.4.2. Risk of variations of currency rate exchange

The company has transactions in a currency other than the functional currency (RON). The transactions are not numerous or of high value and the Company does not consider that there is a significant risk related to exchange rate variations.

19.4.3. Credit risk

The company carries out commercial relations only with recognized third parties, which justify credit financing. The Company's policy is that all customers who wish to carry out commercial relations under credit conditions are subject to verification procedures. Moreover, receivables balances are permanently monitored, resulting in an insignificant exposure of the Company to the risk of uncollectible receivables.

Director,
Katerina Atsali

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AIKATERINI ATSALI JULY 18 2023 4:51 PM

Prepared by,
Irina Hatmanu

Financial manager

Director
Theodora Veiber

Signature

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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,

