

CONCURRENT REAL INVESTMENTS S.R.L.

REPORT AND FINANCIAL STATEMENTS

31 December 2019

CONCURRENT REAL INVESTMENT SRL

REPORT AND FINANCIAL STATEMENTS

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CONCURRENT REAL INVESTMENT SRL

ADMINISTRATORS AND OTHER OFFICERS

Administrators:	Constantinos Hassabis
Independent Auditors:	Baker Tilly Klitou and Partners SRL 4B Gara Herastrau, 10th Fl., 2nd District Bucharest Romania
Legal Advisers:	Lucu si Asociatii SCA No. 4 Splaiul Unirii, Floor 7, Building B3, District 4 Bucharest Romania
Registered office:	7 Iuliu Maniu Bvd BuildingU, Floor 5, Office 2 Bucuresti Romania
Banker:	Alpha Bank Romania SA - Howard Johnson Branch
Registration number:	Trade Register: J40/5706/2005, VAT: RO17408234

CONCURRENT REAL INVESTMENT SRL

MANAGEMENT REPORT

The Administrator presents his report and audited financial statements of the Company for the year ended 31 December 2019.

Incorporation

The Company Concurrent Real Investment S.R.L was incorporated in Romania on 25 March 2005 as a private limited liability company under the provisions of the Romanian Companies Law No. 31/1990.

Principal activities and nature of operations of the Company

The principal activity of the Company, which is unchanged from last year, is the buying and selling of real estate.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Share capital

There were no changes in the share capital of the Company during the year under review.

Administrators

The Administrator as at 31 December 2019 and at the date of this report is presented on page 1 page 1.

In accordance with the Company's Articles of Association the Administrator continues in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Administrator.

Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Administrator,

Constantinos Hassabis
Administrator

Bucharest, 24 June 2020

Independent Auditor's Report**To the Members of CONCURENT REAL INVESTMENTS S.R.L****Report on the Financial Statements***Opinion*

- [1] We have audited the financial statements of **Concurent Real Investments S.R.L** (the "Company") which are presented in pages 7 to 22 and comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **Concurent Real Investments S.R.L** as of 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

- [2] We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, 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.

Emphasis of matters

- [3] Without qualifying our opinion we draw attention to the following matters:
- a) The financial statements, the taxation system in Romania is at an early stage of development and is subject to varying interpretations and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions. In Romania, tax periods remain open for tax reviews for 5 years.
 - b) As stated in Note 20 to the financial statements, the Company's accumulated losses are in amount of EURO 514,162. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Should the Company be unable to continue operating, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and liabilities.

- c) The financial statements as at 31 December 2019 contain transactions with related parties. The fiscal legislation in Romania include the “market value concept”, accordingly the transactions between related parties need to be made at arm’s length basis. The Romanian entities having transactions with related parties need to prepare and to make available to tax authorities, at their request, the transfer pricing file. At the date of approval of the financial statements, the tax authorities did not request the preparation of transfer pricing documentation and the Company has not yet started to prepare this file. The management considers that the company will not suffer any penalties in case of a transfer pricing fiscal control. Nevertheless, the impact of a potential different interpretation of fiscal authorities cannot be estimated reliably. This impact might be significant for the financial position and/or financial performance of the Company.
- d) As per articles 153 and 201 of Romanian Companies' Law 31/ 1990 with all the related changes, in case the net assets of the Company amount to less than half of the subscribed share capital, it is compulsory that the Company will, by the end of the financial exercise following the one in which the losses were incurred, increase the net assets up to an amount equalling at least half of the share capital (through the results of the Company in the following financial exercise or through an increase in the share capital)

Other information

- [4] The Administrators are responsible for the other information. The other information comprises the information included in the report of the administrators, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Administrators for the Financial Statements

- [5] The Administrators are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as the Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrators are 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 the Administrators either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Administrators are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of CONCURENT REAL INVESTMENT SRL

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 the Administrators.
- Conclude on the appropriateness of the Administrators' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Administrators 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.

Independent Auditor's Report (continued)

To the Members of CONCURENT REAL INVESTMENT SRL

Other Matter

- [7] This report, including the opinion, has been prepared and is intended solely for the information and use of the Company's members as a body. To the fullest extent permitted by the Law, our audit work has been undertaken so that we might report those matters that we are required to report in an Auditor's Report and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Baker Tilly Klitou and Partners SRL

Bucharest, 24 June 2020

CONCURRENT REAL INVESTMENT SRL

STATEMENT OF COMPREHENSIVE INCOME 31 December 2019

	Note	2019 €	2018 €
Gross profit		-	-
Other operating income	5	2.400	-
Administration expenses	6	(2.825)	(8.049)
Other expenses	7	-	(16.800)
Operating loss	8	(425)	(24.849)
Finance income		7.849	14.444
Finance costs		(35.055)	(15.546)
Net finance costs	9	(27.206)	(1.102)
(Loss) before tax		(27.631)	(25.951)
Tax	10	-	2.688
Net loss for the year		(27.631)	(23.263)
Other comprehensive income			
Exchange difference arising on the translation financial statements to presentation currency		26.923	1.004
Other comprehensive income for the year		26.923	1.004
Total comprehensive income for the year		(708)	(22.259)

The notes on pages 11 to 21 form an integral part of these financial statements.

CONCURENT REAL INVESTMENT SRL

STATEMENT OF FINANCIAL POSITION 31 December 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Investment properties	11	<u>913.000</u>	910.600
		<u>913.000</u>	910.600
Current assets			
Trade and other receivables	12	13.296	13.270
Cash and cash equivalents	13	<u>45</u>	621
		<u>13.341</u>	13.891
Total assets		<u>926.341</u>	924.491
EQUITY AND LIABILITIES			
Equity			
Share capital	14	57	57
Translation reserve		271.480	244.557
Accumulated losses		<u>(514.162)</u>	<u>(486.531)</u>
Total equity		<u>(242.625)</u>	<u>(241.917)</u>
Non-current liabilities			
Deferred tax liabilities	16	<u>44.416</u>	44.416
		<u>44.416</u>	44.416
Current liabilities			
Trade and other payables	17	6.750	6.992
Borrowings	15	<u>1.117.800</u>	1.115.000
		<u>1.124.550</u>	1.121.992
Total liabilities		<u>1.168.966</u>	1.166.408
Total equity and liabilities		<u>926.341</u>	924.491

On 24 June 2020 the Administrators of CONCURENT 2019 authorised these financial statements for issue.

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Constantinos Hassabis
Administrator

The notes on pages 11 to 21 form an integral part of these financial statements.

CONCURRENT REAL INVESTMENT SRL

STATEMENT OF CHANGES IN EQUITY

31 December 2019

	Share capital €	Translation reserve €	Accumulated losses €	Total €
Balance at 1 January 2018	57	243.553	(463.268)	(219.658)
Net loss for the year	-	-	(23.263)	(23.263)
Other comprehensive income for the year	-	1.004	-	1.004
Exchange difference	-	-	-	-
Balance at 31 December 2018	57	244.557	(486.531)	(241.917)
Balance at 01 January 2019	57	244.557	(486.531)	(241.917)
Net loss for the year	-	-	(27.631)	(27.631)
Other comprehensive income for the year	-	26.923	-	26.923
Balance at 31 December 2019	57	271.480	(514.162)	(242.625)

The notes on pages 11 to 21 form an integral part of these financial statements.

CONCURRENT REAL INVESTMENT SRL

STATEMENT OF CASH FLOWS

31 December 2019

	2019	2018
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	(27.631)	(25.951)
Adjustments for:		
Exchange difference arising on the translation of financial statements to presentation currency investment property	26.923	1.004
Fair value (gains)/losses on investment property	(2.400)	16.800
	(3.108)	(8.147)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(26)	4.538
Decrease in trade and other payables	(242)	(1.033)
Cash used in operations	(3.376)	(4.642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2.800	5.227
Net cash generated from financing activities	2.800	5.227
Net (decrease)/increase in cash and cash equivalents	(576)	585
Cash and cash equivalents at beginning of the year	621	36
Cash and cash equivalents at end of the year	45	621
13		

The notes on pages 11 to 21 form an integral part of these financial statements.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

1. Incorporation and principal activities

Country of incorporation

The Company CONCURENT 2019 (the "Company") was incorporated in Romania on 25 March 2005 as a private company with limited liability under the Romanian Companies Law No. 31/1990. Its registered office is at 7 Iuliu Maniu Bvd, Building U, Floor 5, Office 2, Bucuresti, Romania.

Principal activities and nature of operations of the Company

The principal activity of the Company, which is unchanged from last year, is the buying and selling of real estate.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company has recorded a loss of €27.631 for the year ended 31 December 2019 and it has accumulated losses in amount of € 514.162. The Company is dependent upon the continuing financial support of its shareholder. The shareholder has indicated his intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention as modified by the revaluation of and investment property.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. The Administrator expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenues of the Company are recognized on an accrual basis.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

2. Significant accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to the income statement as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Therefore, in accordance with IAS 21, the method used to translate the financial statements from the functional currency into the presentation currency as follows; Assets and liabilities are translated using the closing exchange rate as at 31 December 2019. Consequently, they have been translated into EURO with an exchange rate of RON 4.7739 per EURO 1.00. Income and expenses are translated using the average exchange rate for the year. Consequently, they have been translated into EURO with a rate of RON 4.7452 per EURO 1.00. Exchange differences arising on the translation are classified as equity and recorded as translation reserve.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investment properties

Investment property, principally comprising land, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

2. Significant accounting policies (continued)

Financial instruments (continued)

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity.

Related parties

Parties are considered related when one party either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, or significantly influence the other party.

Subsequent events

Post year end events that provide additional information about the Company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the accompanying financial statements. Post year end events that are not adjusting events are disclosed in the notes when material.

Contingencies

Contingencies liabilities are not recognised in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

3. Financial risk management

Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, compliance risk, reputation risk, capital risk management, compliance risk, reputation risk and other risks arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the EURO. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

3. Financial risk management (continued)

3.7 Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company applies procedures to minimize this risk.

3.8 Other risks

The general economic environment prevailing in Romania and internationally may affect the Company's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

4. Critical accounting estimates and judgements (continued)

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

Market values determined based on market comparable evidence are used in order to determine the fair value, where market comparable evidence exists, based on recent transactions. Otherwise, fair value is determined based on residual value approach, taking into account the intended use of the investment property.

Land is valued at fair value recognized in profit or loss, according to IAS 40.

During the year the evaluation is made with an independent evaluator.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Other operating income

	2019	2018
	€	€
Fair value gains on investment property	2.400	-
	2.400	-

6. Administration expenses

	2019	2018
	€	€
Immovable property tax	185	186
Auditors' remuneration	1.100	1.100
Accounting fees	527	537
Legal fees	271	173
Legal and professional	700	700
Inland travelling and accommodation	42	-
VAT not recovered	-	5.009
Cleaning Plot	-	344
	2.825	8.049

7. Other expenses

	2019	2018
	€	€
Fair value loss on investment property	-	16.800
	-	16.800

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS 31 December 2019

8. Operating loss

	2019	2018
	€	€
Operating loss is stated after charging the following items:		
Auditors' remuneration	<u>1.100</u>	<u>1.100</u>

9. Finance income/cost

	2019	2018
	€	€
Exchange profit	<u>7.849</u>	14.444
Finance income	<u>7.849</u>	14.444
Net foreign exchange losses	<u>(34.998)</u>	(15.483)
Sundry finance expenses	<u>(57)</u>	(63)
Finance costs	<u>(35.055)</u>	(15.546)
Net finance costs	<u>(27.206)</u>	(1.102)

10. Tax

10.1 Tax recognised in profit or loss

	2019	2018
	€	€
Deferred tax - credit (Note 16)	<u>-</u>	(2.688)
Credit for the year	<u>-</u>	(2.688)

The corporation tax rate is 16%.

Tax on profit is calculated in accordance with the Romanian tax legislation on profit as per the financial statements prepared in accordance with the Romanian GAAP. According to the tax legislation companies must submit tax returns on a quarterly basis.

For the fiscal period from 1 January 2019 to 31 December 2019 the Company recorded a fiscal loss.

Due to tax losses sustained in the period, no tax liability arises on the Company.

Under current legislation, tax losses may be carried forward and be set off against taxable income of the following 7 years.

11. Investment properties

	2019	2018
	€	€
Balance at 1 January	910.600	927.400
Additions	-	(16.800)
Fair value adjustment	<u>2.400</u>	-
Balance at 31 December	<u>913.000</u>	<u>910.600</u>

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

11. Investment properties (continued)

The Company acquired in 2005 properties on Splaiul Unirii no. 66-68 and Intre Garle Street, amounting to EURO 793,185 for land (778.3 sqm) and to EURO 80,000 for building at acquisition date. In 2009 the building was demolished. On 04 February 2020 Real Estate Appraisal, represented by Mr. Cosmin Grecu, performed the valuation of the property as of 31 December 2019. According to the valuation report the fair value of the property is 913,000 EURO, calculated based on the market comparison approach.

12. Trade and other receivables

	2019	2018
	€	€
Vat Receivable	13.296	13.264
Other receivables	-	6
	<u>13.296</u>	<u>13.27</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

13. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following

	2019	2018
	€	€
Cash in hand	21	64
Cash at bank	24	557
	<u>45</u>	<u>621</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

14. Share capital

	2019	2019	2018	2018
	Number of shares	€	Number of shares	€
Authorised				
Issued and fully paid				
Balance at 1 January	21	57	21	57
Balance at 31 December	<u>21</u>	<u>57</u>	<u>21</u>	<u>57</u>

The details of the shareholders are as follows:

Name	Country	Number of shares	Holding %
Christos Ioannou	Cyprus	1	4.76%
Avax Development Single Member SA	Greece	20	95.24%
		21	100%

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

15. Borrowings

	2019 €	2018 €
Current borrowings		
Short term loans (Note 13)	<u>1.117.800</u>	1.115.000
Total	<u><u>1.117.800</u></u>	<u>1.115.000</u>

Details regarding the loans granted to the Company are presented below:

Date of contract	Name of the lender	CCY	B/ce in EURO	Interaset rate
20 May 2015	Avax Development Single Member SA	EUR	1.117.800	0%
	TOTAL	EUR	1.117.800	

According addendum no.4/ 19.05.2020, the Company undertook to fully reimburse the loan no later than 20.05.2025

16. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 10). The applicable corporation tax rate in the case of tax losses is 16%.

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Fair value gains on investment property €
Balance at 1 January 2018	47.104
Charged/(credited) to:	
Statement of comprehensive income (Note 10)	<u>(2.688)</u>
Balance at 31 December 2018	<u><u>44.416</u></u>
Balance at 01 January 2018	<u><u>44.416</u></u>
Balance at 31 December 2019	<u><u>44.416</u></u>

17. Trade and other payables

	2019 €	2018 €
Trade payables	17	516
Accruals	2.213	1.843
Payables to associates - Avax Development	<u>4.520</u>	4.633
	<u><u>6.750</u></u>	<u>6.992</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

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18. Related party transactions

The Company is controlled by Avax Development Single Member SA which owns 95.24% of the Company's shares. The Company's ultimate controlling party is Avax SA.

As at 31 December 2019 the related parties of the company were:

Name of the related party	Type of relation	Country of origin
Christos Ioannou	Shareholder	Cyprus
Avax Development Single Member SA	Shareholder	Greece
Constantinos Hassabis	Administrator	Cyprus
Oriol Real Estate SRL	Under common control	Romania
Faethon Development SRL	Under common control	Romania
Bupra Development SRL	Under common control	Romania
Avax SA	Ultimate controlling party	Greece
Avax SA Atena Grecia Sucursala Romania	Under common control	Romania
Avax Development Single Member SA Atena Sucursala Romania	Under common control	Romania

The following transactions were carried out with related parties:

18.1 Shareholders' current accounts - credit balances

	2019	2018
	€	€
Avax Development Single Member SA	<u>1.117.800</u>	1.115.000
	<u>1.117.800</u>	<u>1.115.000</u>

19. Taxation and legal environment in Romania

The taxation system in Romania is at an early stage of development and is subject to varying interpretation and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions and range starting with 0.02% per day. In Romania, tax periods remain open for tax reviews for 7 years.

20. Going concern

The financial statements have been prepared on a ongoing basis. For the year ended 31 December 2019 the company incurred a loss of 27,631 EURO and accumulated losses in amount of Eur 514.162 . The Company is dependent upon the continuing financial support of its parent company. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet it's obligations as they fall due.

21. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019.

22. Commitments

The Company had no capital or other commitments as at 31 December 2019.

CONCURRENT REAL INVESTMENT SRL

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

23. Events after the reporting period

With the recent and rapid development of the Coronavirus disease (COVID 19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position.

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 and 6

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ADMINISTRATIVE EXPENSES

31 December 2019

	2019	2018
	€	€
Immovable property tax	185	186
Auditors' remuneration	1.100	1.100
Accounting fees	527	537
Legal fees	271	173
Legal and professional	700	700
Inland travelling and accommodation	42	-
VAT not recovered	-	5.009
Cleaning Plot	-	344
	2.825	8.049