

IMPACT DEVELOPER & CONTRACTOR S.A.

**PRELIMINARY UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED 31 DECEMBER 2023**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ENDORSED BY THE EUROPEAN UNION**

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	<u>31 December 2023</u>	<u>31 December 2022</u>
ASSETS		
Non-current assets		
Property, plant, and equipment	88,798	65,648
Intangible assets	632	534
Goodwill	3,543	3,543
Right of use assets	3,300	4,317
Investment property	676,297	653,725
	<u>772,570</u>	<u>727,767</u>
Total non-current assets		
Current assets		
Inventories	623,445	617,698
Trade and other receivables	13,023	25,561
Contract receivables and other current assets	7,068	17,228
Cash and cash equivalents	51,293	55,108
	<u>694,829</u>	<u>715,595</u>
Total current assets		
	<u>1,467,399</u>	<u>1,443,362</u>
Total assets		
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	598,884	598,884
Share premium	41,462	40,493
Revaluation reserve	-	3,001
Other reserves	41,590	40,266
Own shares	(268)	(268)
Retained earnings	229,573	197,390
Equity attributable to equity holders of the parent	<u>911,211</u>	<u>879,766</u>
Non-controlling Interest	13,861	9,854
	<u>925,102</u>	<u>889,620</u>
Total equity		
Non-current liabilities		
Loans and borrowings	347,032	268,855
Trade and other payables	5,995	8,476
Deferred tax liability	57,876	81,058
	<u>410,903</u>	<u>358,389</u>
Total non-current liabilities		

IMPACT DEVELOPER & CONTRACTOR S.A.
PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	31 December 2023	31 December 2022
Current liabilities		
Loans and borrowings	66,602	119,919
Trade and other payables	23,377	33,726
Profit tax liability	2,234	1,885
Contract liabilities	38,894	39,470
Provisions for risks and charges	287	353
	131,394	195,353
Total current liabilities		
	542,297	553,742
Total liabilities		
	1,467,399	1,443,362
Total shareholders' equity and liabilities		

IMPACT DEVELOPER & CONTRACTOR S.A.
PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Period ended as at 31 December	
	2023	2022
Revenue	169,471	219,199
Costs of sales	(103,113)	(148,508)
Gross profit	66,358	70,691
Net income from other activities	-	7,306
General and administrative expenses	(42,750)	(30,182)
Marketing expenses	(3,795)	(5,515)
Other income/(expenses)	(9,295)	(8,567)
Depreciation and amortization	(4,061)	(2,323)
Gains from investment property	32,571	77,660
Operating profit	39,028	109,070
Finance income	10,979	11,626
Finance cost	(34,321)	(17,867)
Finance result net (loss)	(23,342)	(6,241)
Profit before income tax	15,686	102,829
Income tax credit/(charge)	19,216	(18,062)
Profit for the period, out of which	34,902	84,767
Attributable to:		
-Non-Controlling Interests	(2,294)	(856)
-Equity holders of the parent	37,196	85,623

IMPACT DEVELOPER & CONTRACTOR S.A.
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	NCI	Total equity
Balance as at 1 January 2023	598,884	40,493	3,001	40,266	(268)	197,390	879,766	9,854	889,620
Other comprehensive income									
Profit for the period	-	-	-	-	-	34,902	34,902	2,295	37,198
Total other comprehensive income	-	-	-	-	-	34,902	34,902	2,295	37,198
Own shares acquired	-	969	-	-	-	(969)	-	-	-
Dividends granted to shareholders	-	-	-	-	-	(3,429)	(3,429)	-	(3,429)
Legal reserves	-	-	-	1,323	-	(1,323)	-	-	-
Revaluation reserves	-	-	(3,001)	-	-	3,001	-	-	-
Other changes in equity	-	-	-	1	-	-	-	1,712	1,712
Balance as at 31 December 2023	598,884	41,462	-	41,590	(268)	229,572	911,239	13,861	925,101

IMPACT DEVELOPER & CONTRACTOR S.A.
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	NCI	Total equity
Balance as at 1 January 2022	401,214	(4,475)	3,001	14,280	(841)	303,676	716,854	-	716,854
Other comprehensive income									
Profit for the period	-	-	-	-	-	85,623	85,623	(856)	84,767
Total other comprehensive income	-	-	-	-	-	85,623	85,623	(856)	84,767
Share Capital Increase	197,670	45,985				(165,923)	77,732		77,732
Own shares acquired	-	-	-	-	(442)	-	(442)		(442)
Share based payments	-	(1,017)	-	-	1,015	-	(2)		(2)
Dividends granted to shareholders	-	-	-	-	-	-	-		-
Legal reserves	-	-	-	25,986	-	(25,986)	-		-
Acquisition of a subsidy	-	-	-	-	-	-	-	10,710	10,710
Balance as at 31 December 2022	598,884	40,493	3,001	40,266	(268)	197,390	879,766	9,854	889,620

IMPACT DEVELOPER & CONTRACTOR S.A.
PRELIMINARY UNAUDITED STATEMENT OF CASH FLOW FOR THE
PERIOD ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Period ended as at 31 December	
	2023	2022
Profit for the period	37,197	84,767
Adjustments to reconcile profit for the period to net cash flows:	(14,671)	(42,922)
Gains from revaluation of investment property	(32,571)	(77,660)
Gains from disposal of investment property	8,497	(660)
Reversal of impairment loss	(496)	7,757
Depreciation and amortization	4,061	2,323
Shares based payments	-	1,015
Finance income	(10,979)	(11,626)
Finance costs	34,321	17,867
Other non-cash adjustments	1,712	-
Income tax	(19,216)	18,062
Working capital adjustments	(256)	(91,158)
Decrease/(increase) in trade receivables and other receivables	12,538	(11,981)
Decrease in prepayments	10,160	(220)
Decrease in inventory	(8,218)	(84,272)
(Decrease)/increase in trade, other payables, and contract liabilities	(10,799)	13,067
(Decrease)/increase in provisions	(66)	(935)
Income tax paid	(3,871)	(6,817)
Net cash flows from operating activities	22,270	(49,313)
Purchase of a subsidiary	-	(5,130)
Purchase of property, plant and equipment	(5,851)	(40,006)
Payments for own shares	-	(1,459)
Expenditure on investment property under development	(9,970)	(9,749)
Expenditure on PPE under development	-	(569)
Proceeds from sale of property, plant and equipment	-	816
Interest received	303	366
Net cash flows from investing activities	(15,518)	(55,731)
Cash flows from financing activities:		
Proceeds from borrowings	225,098	483,539
Repayment of principal of borrowings	(202,906)	(422,833)
Proceeds from issue of share capital	-	77,732
Dividends paid	(3,429)	(11)
Interest paid	(29,330)	(20,312)
Net cash used in financing activities	(10,567)	118,115
Net increase / (decrease) of cash and equivalents	(3,815)	13,071
Cash and equivalents as at 1st of January	55,108	42,037
Cash and equivalents as at 31 of December	51,293	55,108

1. REPORTING ENTITY

The Impact Developer & Contractor S. A's financial statements ("the Company" or "the Parent") reported in consolidated version for financial year 2023, shows the subsidiaries financial review of IMPACT business group as well.

The company's HQ is The IMPACT building from 31-41 Drumul Padurea Mogosoia street, 1st District, Bucharest, Romania.

The Consolidated Financial Statements for the year ended 31 December 2023 include the Company and its subsidiaries financial review (together referred to as the „Group”) as follows:

Company	Country of registration	Nature of activity	Owned by Impact as at 31 December 2023	Owned by Impact as at 31 December 2022
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatziou Management SRL	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	99%	99%
Bergamot Development SRL	Romania	Real estate development	99.99%	99.99%
Impact Finance SRL	Romania	Administration	99%	99%
Greenfield Copou Residence SRL	Romania	Real estate development	99%	99%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	99%	99%
Aria Verdi Development SRL	Romania	Real estate development	99%	99%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
R.C.T.I. Company SRL	Romania	Construction works	51.01%	51.01%
Impact Alliance Architecture	Romania	Architecture services	51%	51%

The Company is one of the first active companies in the field of real estate development in Romania, being founded in 1991 by public subscription. In 1995, the Company introduced the concept of residential complex on the Romanian market. Starting from 1996, the Company is traded on the Bucharest Stock Exchange (BVB).

During 2023, the activity of the IMPACT Developer & Contractor group was the development of the residential projects in Greenfield Băneasa as well as the selling of the finalized projects in Luxuria Residence and Boreal Constanta.

2. BASIS OF PREPARATION

(a) Declaration of conformity

The Preliminary Unaudited Consolidated Financial Statements have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, is in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 The effects of changes in foreign exchange rates regarding functional currency, except for the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid. These exceptions do not affect the compliance of the financial statements of the Group and the Company with IFRS adopted by the EU. The Consolidated Financial Statements are available on the company and Bucharest Stock Exchange website once they are approved by the Board of Directors and General Shareholders Meeting.

These Unaudited Preliminary Consolidated Financial Statements have been drawn-up prior to the completion of all internal review and analysis procedures, as well as prior to the completion of the independent audit and, as such, may be subjected to changes; at the same time, these statements do not include the information required for a complete set of financial statements, as defined by IFRS.

The Financial Statements shown here include only Preliminary Consolidated Statement of Financial Position, Preliminary Consolidated Statement of Comprehensive Income, Preliminary Consolidated Statement of Cash Flows, Preliminary Consolidated Statement of Changes in Equity and Basis of preparation to the Unaudited Preliminary Consolidated Financial Statements drawn up for the financial year ended as at 31 December 2023.

The Unaudited Preliminary Consolidated Financial Statements as of and for the financial year ended as at 31 December 2023 have not been audited nor reviewed by an independent auditor.

(b) Use of estimates and professional judgments

Preparing these Unaudited Preliminary Consolidated Financial Statements means that the Company's management uses reasoning, estimates and hypotheses that affect the application of accounting policies, and the acknowledged value of the assets, debts, revenues and expenses. Actual results may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis.

IMPACT DEVELOPER & CONTRACTOR SA

**PRELIMINARY UNAUDITED SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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IMPACT DEVELOPER & CONTRACTOR SA
PRELIMINARY UNAUDITED SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	31-Dec-23	31-Dec-22
ASSETS		
Non-current assets		
Tangible assets	36,102	21,545
Intangible assets	217	114
Noncurrent receivables	62,143	67,197
Right of use assets	1,061	1,485
Investment property	726,852	678,669
Investments in subsidiaries	36,216	36,216
Total non-current assets	862,591	805,226
Current assets		
Inventories	496,260	429,405
Trade and other receivables	21,216	33,892
Contract receivables and other current assets	6,721	14,854
Cash and cash equivalents	35,778	46,857
Total current assets	559,975	525,008
Total assets	1,422,566	1,330,234
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	598,884	598,884
Share premium	41,462	40,493
Revaluation reserve	-	3,001
Other reserves	39,642	38,318
Own shares	(268)	(268)
Retained earnings	220,372	160,755
Total equity	900,092	841,183
Non-current liabilities		
Loans and borrowings	337,546	232,860
Trade and other payables	6,203	12,260
Deferred tax liability	65,727	81,058
Total non-current liabilities	409,476	326,178

This is a free translation from the original Romanian version.

IMPACT DEVELOPER & CONTRACTOR SA
PRELIMINARY UNAUDITED SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023



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

Current liabilities

Loans and borrowings	51,528	97,491
Trade and other payables	26,934	29,208
Profit tax liability	(125)	(125)
Contract liabilities	34,374	35,946
Provisions for risks and expenses	287	353
Total current liabilities	112,998	162,873
Total liabilities	522,474	489,051
Total equities and liabilities	1,422,566	1,330,234

This is a free translation from the original Romanian version.

IMPACT DEVELOPER & CONTRACTOR SA
PRELIMINARY UNAUDITED SEPARATE STATEMENT PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Period ended as at 31 December	
	2023	2022
Revenue	68,871	75,027
Cost of sales	(44,331)	(50,566)
Gross profit	24,540	24,461
Net income from other activities	-	1,361
General and administrative expenses	(22,037)	(25,609)
Marketing expenses	(2,346)	(3,771)
Other operating income/expenses	7,222	(607)
Depreciation and amortization	(1,736)	(1,398)
Gains on investment property	49,503	77,660
Operating profit	55,146	72,097
Financial income	16,644	13,751
Financial cost	(28,144)	(9,951)
Finance costs, net	(11,500)	3,800
Profit before tax	43,646	75,897
Income tax expense	15,266	(12,568)
Profit of the period	58,912	63,329

This is a free translation from the original Romanian version.

IMPACT DEVELOPER & CONTRACTOR SA
PRELIMINARY UNAUNDED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance as at 1 January 2023	598,884	40,493	3,001	38,318	(268)	160,755	841,183
Other comprehensive income							
Profit for the period	-	-	-	-	-	58,912	58,912
Total other comprehensive income	-	-	-	-	-	58,912	58,912
Own shares acquired and cancelled during the year	-	969	-	-	-	(969)	-
Dividends granted to shareholders	-	-	-	1,323	-	(1,323)	-
Legal reserves	-	-	(3,001)	-	-	3,001	-
Other changes in equity	-	-	-	1	-	-	1
Balance as at 31 December 2023	598,884	41,462	-	39,642	(268)	220,376	900,096

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IMPACT DEVELOPER & CONTRACTOR SA
PRELIMINARY UNAUDITED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance as at 1 January 2022	401,214	(4,475)	3,001	12,389	(841)	289,279	700,567
Other comprehensive income							
Profit for the period	-	-	-	-	-	63,329	63,329
Total other comprehensive income	-	-	-	-	-	63,329	63,329
Share Capital Increase	197,670	45,985				(165,923)	77,732
Own shares acquired	-	-	-	-	(442)	-	(442)
Share based payments	-	(1,017)	-	-	1,015	-	(2)
Legal reserves	-	-	-	25,929	-	(25,929)	-
Balance as at 31 December 2022	598,884	40,493	3,001	38,318	(268)	160,755	841,183

This is a free translation from the original Romanian version.

IMPACT DEVELOPER & CONTRACTOR S.A.
PRELIMINARY UNAUDITED SEPARATE STATEMENT
OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are expressed in thousand RON, unless stated otherwise)



	31-Dec-23	31-Dec-22
Profit net	58,912	63,329
Adjustments to reconcile profit for the period to net cash flows:	(51,796)	(66,854)
Valuation gains on investment property	(49,503)	(77,660)
Gain on sale PPE	-	(626)
Reversal of impairment loss PPE	274	251
Depreciation	1,736	1,398
Share based payments	-	1,015
Financial income	(16,933)	(13,751)
Finance cost	27,901	9,951
Other adjustments from non-cash transactions	(5)	-
Deferred tax expense	(15,266)	12,568
Working capital adjustments	(53,149)	(114,964)
Decrease/(increase) in trade receivables and other receivables	17,006	26,336
Decrease in prepayments	8,133	(976)
Decrease in inventory	(68,466)	(167,937)
(Decrease)/increase in trade, other payables, and contract liabilities	(9,756)	28,548
(Decrease)/increase in provisions	(66)	(935)
Income tax paid	-	-
Net cash flows used in operating activities	(46,034)	(118,489)
Investing activities		
Loans granted to subsidiaries	(1,927)	(43,894)
Loan reimbursements collected from subsidiaries	2,810	30,874
Investments in subsidiaries	-	(14,695)
Return of the amounts invested in subsidiaries	1,513	31,154
Purchase of property, plant and equipment	(3,367)	(1,864)
Expenditure on investment property under development	(6,156)	(32,987)
Expenditure on PPE under development	-	(14,978)
Proceeds from property, plant and equipment	6,311	1,538
Dividends received	3,770	1,041
Interest received	2,590	3,640
Net cash flows from investing activities	5,544	(40,171)
Cash flows from financing activities:		
Proceeds from borrowings	174,884	291,137
Repayment of principal of borrowings	(119,581)	(184,682)
Proceeds from issue of share capital	-	77,732
Acquisition of own shares	-	(1,459)
Dividends paid	-	(11)
Interest paid	(25,894)	(13,372)
Net cash from financing activities	29,409	169,345
Net increase / (decrease) of cash and equivalents	(11,080)	10,685
Cash and equivalents on 1st of January	46,856	36,171
Cash and equivalents on 31 of December	35,778	46,856

1. REPORTING ENTITY

The Impact Developer & Contractor S. A's financial statements ("the Company" or "the Parent") reported in consolidated version for financial year 2023, shows the subsidiaries financial review of IMPACT business group as well.

The Company controls several other entities and prepares consolidated financial statements. According to the provisions of Law no. 24/2017, such entities shall also prepare separate financial statements.

The Company and its subsidiaries (together referred to as the „Group“) are as follows:

Company	Country of registration	Nature of activity	Owned by IMPACT as at 31 December 2023	Owned by IMPACT as at 31 December 2022
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzoo Management SRL (former Actual Invest House SRL)	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	99%	99%
Bergamot Development SRL	Romania	Real estate development	99.99%	99.99%
Impact Finance SRL	Romania	Administration	99%	99%
Greenfield Copou Residence SRL	Romania	Real estate development	99%	99%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	99%	99%
Aria Verdi Development SRL	Romania	Real estate development	99%	99%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
Impact Alliance Architecture SRL	Romania	Architecture services	51%	51%
R.C.T.I. Company SRL	Romania	Construction works	51.01%	51.01%

The Company is one of the first active companies in the field of real estate development in Romania, being founded in 1991 by public subscription. In 1995, the Company introduced the concept of residential complex on the Romanian market. Starting from 1996, the Company is traded on the Bucharest Stock Exchange (BVB).

During 2023, the activity of the IMPACT Developer & Contractor was the development of the residential projects in Greenfield Băneasa as well as the selling of the finalized projects in Boreal Plus Constanta.

2. BASIS OF PREPARATION

a) Declaration of conformity

The Preliminary Unaudited Separate Financial Statements have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, is in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 The effects of changes in foreign exchange rates regarding functional currency, except for the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid. These exceptions do not affect the compliance of the financial statements of the Group and the Company with IFRS adopted by the EU. The separate Financial Statements are available on the company and Bucharest Stock Exchange website once they are approved by the Board of Directors and General Shareholders Meeting.

These Unaudited Preliminary Separate Financial Statements have been drawn-up prior to the completion of all internal review and analysis procedures, as well as prior to the completion of the independent audit and, as such, may be subjected to changes; at the same time, these statements do not include the information required for a complete set of financial statements, as defined by IFRS.

The Financial Statements shown here include only Preliminary Separate Statement of Financial Position, Preliminary Separate Statement of Comprehensive Income, Preliminary Separate Statement of Cash Flows, Preliminary Separate Statement of Changes in Equity and Basis of preparation to the Unaudited Preliminary Separate Financial Statements drawn up for the financial year ended on December 31st, 2022.

The Unaudited Preliminary Separate Financial Statements as of and for the financial year ended on December 31st, 2022, have not been audited nor reviewed by an independent auditor.

a) Use of estimates and professional judgments

Preparing these Unaudited Preliminary Separate Financial Statements means that the Company's management uses reasoning, estimates and hypotheses that affect the application of accounting policies, and the acknowledged value of the assets, debts, revenues, and expenses. Actual results may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis.