SSIF SWISS CAPITAL S.A.

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

prepared in accordance with the Accounting Regulations
provided by Rule no. 39/2015 of the Financial Supervisory Authority ("FSA")
("Rule no. 39/2015"), approving the Accounting Regulations
in line with the International Financial Reporting
Standards (IFRS) and applicable to the entities authorised, regulated and supervised
by the Financial Supervisory Authority,
the Financial Instruments and Investments Sector

TRADUCATOR AUTORIZAT DE MINISTERUL JUSTITIEI
DANIELA AELENEI
AUT. NR. 4024/2002
ROMANIA

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	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	**4**	354.490	88.751
Intangible assets	**4**	99.217	174.485
Investment property	**5**	500.000	-
Investments in subsidiaries and associates	**7**	532.440	532.440
Financial assets at fair value through other comprehensive income	**7**	19.106.536	14.339.785
Financial assets at amortised cost	**7**	1.142.246	1.463.020
Deferred tax asset	**21**	-	186.884
Operating lease right-of-use assets	**6**	587.844	839.774
Other non-current assets	**8**	388.789	831.639
TOTAL non-current assets		**22.711.562**	**18.456.778**
Current assets			
Inventory		261	-
Trade receivables and other receivables	**9**	5.162.991	2.567.114
Financial assets at fair value through profit or loss	**7**	39.613.390	29.754.761
Financial assets at amortised cost	**7**	1.730.416	1.364.027
Client balances	**11**	16.571.878	13.929.435
Cash and cash equivalents	**12**	637.650	174.140
Total current assets		**63.716.586**	**47.789.477**
Total assets		**86.428.147**	**66.246.255**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	10.108.779	10.108.779
Legal reserves		1.869.768	1.869.768
Reserve from the revaluation of financial assets at fair value through other comprehensive income, net of tax	**14**	8.989.602	5.837.450
Retained earnings		32.588.258	26.423.877
Total equity		**53.556.407**	**44.239.874**
Long-term liabilities			
Lease liabilities	**13**	377.532	632.719
Total long-term liabilities		**377.532**	**632.719**
Current liabilities			
Short-term loans	**16**	2.991.187	2.931.935
Trade payables and other current liabilities	**15**	26.990.695	16.781.029
Lease liabilities	**13**	267.115	226.061
Deferred tax liability	**21**	1.712.305	1.111.090
Provisions for risks and charges	**15**	532.906	323.547
Total current liabilities		**32.494.208**	**21.373.662**
Total equity and liabilities		**86.428.147**	**66.246.255**

DANIELA ARLENEI
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Financial statements signed off this day, 26 July 2021:

Gioga Stefan
Board of Directors member

Bogdan Juravle
General Manager

Valeria Avram
Chief Accountant

The Notes are an integral part of these separate financial statements.

	Note	2020	2019
Service revenue	**17**	10.693.431	6.664.870
Net gain/(loss) from financial instruments	**18**	9.003.248	3.741.142
Interest income		825.003	602.634
Other income		100.568	48.888
Raw materials and supplies		(183.445)	(219.484)
Employee benefits	**19**	(3.491.961)	(3.236.721)
Impairment and depreciation/amortisation		(574.871)	(602.261)
Other operating expenses	**20**	(6.933.668)	(5.965.622)
Operating profit/(loss)		**9.438.304**	**1.033.447**
Finance cost		(117.242)	(95.052)
Dividend income	**22**	6.447.404	4.095.100
Profit before tax		**15.768.466**	**5.033.495**
Income tax expense/income	**21**	(1.604.085)	186.884
Net profit in the year		**14.164.381**	**5.220.379**
Other comprehensive income:			
Net changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	**7**	3.152.152	4.042.086
Total comprehensive income in the year		**17.316.533**	**9.262.465**

Financial statements signed off this day, 26 July 2021:

Gioga Stefan	**Bogdan Juravle**	**Valeria Avram**
Board of Directors member	**General Manager**	**Chief Accountant**

TRADUCATOR AUTORIZAT DE MINISTERUL JUSTIȚIEI
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SSIF SWISS CAPITAL S.A.
SEPARATE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
(all amounts in RON, unless otherwise specified)

	2020	2019
Operating cash flows		
Profit /(Loss) before tax	**15.768.466**	**5.033.495**
Adjustments for:		
Impairment and depreciation/amortisation	574.871	602.261
(Gain)/Loss from the disposal of financial assets at fair value through profit or loss	(609.934)	(452.562)
Net loss/(gain) from financial assets at fair value through profit or loss	(8.393.314)	(3.288.580)
Dividend income	(6.447.404)	(4.095.100)
Interest expense	146.520	118.239
Interest income	(825.003)	(602.634)
Other adjustments	-	45.082
Provisions for the impairment of financial assets at amortised cost	333.611	135.973
Provisions for risks and charges (net)	209.359	(2.924.139)
Cash flows before changes in operating assets and liabilities	**757.174**	**(5.427.966)**
(Increase)/Decrease in trade receivables and other receivables	(2.656.516)	854.617
(Increase)/Decrease in client balances	(2.691.288)	(3.797.547)
Increase/(Decrease) in trade payables	7.159.938	(1.473.381)
Cash from operating activities	**2.569.309**	**(9.844.276)**
Investing cash flows		
Purchases of property, plant and equipment, intangible assets and investment property	(1.013.413)	(47.510)
Net position from the sale/(purchase) of shares	(1.868.765)	5.479.597
Interest collected	695.037	543.624
Dividend collected	6.167.915	4.095.100
Other investing activities	(320.774)	(1.404.010)
Investing cash flows	**4.301.728**	**8.666.801**
Financing cash flows		
Interest paid	(146,520)	(95.052)
Dividends to shareholders	(6.038.251)	-
Loans received / (reimbursed) and operating lease payments	(222.756)	(256.830)
Net cash from financing activities	**(351.882)**	**(351.882)**
Net increase/(decrease) in cash and cash equivalents	(6.407.527)	(1.529.357)
Cash and cash equivalents at the beginning of the year	**174.140**	**1.703.496**
Cash and cash equivalents at the end of the year	**637.650**	**174.140**

Financial statements signed off this day, 26 July 2021:

Gioga Stefan	**Bogdan Juravle**	**Valeria Avram**
Board of Directors member	**General Manager**	**Chief Accountant**

SSIF SWISS CAPITAL S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(all amounts in RON, unless otherwise specified)

	Share capital	Legal reserve	Reserve from the revaluation of financial assets at fair value through other comprehensive income	Retained earnings	Total equity
Balance as of 1 January 2019	**10.108.779**	**1.869.768**	**1.795.364**	**21.255.043**	**35.028.954**
Comprehensive income in the year					
Net profit in the year	-	-	-	5.220.379	5.220.379
Other comprehensive income					
Net changes in available-for-sale financial assets, net of tax	-	-	4.042.086	(51.545)	3.990.541
Total other comprehensive income in the year	**-**	**-**	4.042.086	**(51.545)**	3.990.541
Total comprehensive income in the year	**-**	**-**	4.042.086	**5.220.379**	**9.210.920**
Dividends paid	-	-	-	-	-
Transfers to legal reserves	-	-	-	-	-
Balance as of 31 December 2019	**10.108.779**	**1.869.768**	**5.837.450**	**26.423.877**	**44.239.874**

DANIELA ALENEI

Financial statements signed off this day, 26 July 2020:

Gioga Stefan — **Board of Directors member**
Bogdan Juravle — **General Manager**
Valeria Avram — **Chief Accountant**

SSIF SWISS CAPITAL S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(all amounts in RON, unless otherwise specified)

	Share capital	Legal reserve	Reserve from the revaluation of financial assets at fair value through other comprehensive income	Retained earnings	Total equity
Balance as of 1 January 2020	**10.108.779**	**1.869.768**	**5.837.450**	**26.423.877**	**44.239.874**
Comprehensive income in the year					
Net profit in the year	-	-	-	14.164.381	14.164.381
Other comprehensive income					
Net changes in financial assets at fair value through other comprehensive income, net of tax	-	-	3.152.152	-	3.152.152
Total other comprehensive income in the year	**-**	**-**	**3.152.152**	**-**	**3.152.152**
Total comprehensive income in the year	**-**	**-**	3.152.152	**14.164.381**	**17.316.533**
Dividends paid	-	-	-	(8.000.000)	(8.000.000)
Transfers to legal reserves	-	-	-	-	-
Balance as of 31 December 2020	**10.108.779**	**1.869.768**	**8.989.602**	**32.588.258**	**53.556.407**

Financial statements signed off this day, 26 July 2021:

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Gioga Stefan **Board of Directors member**

Bogdan Juravle **General Manager**

Valeria Avram **Chief Accountant**

1 COMPANY INFORMATION

SSIF SWISS CAPITAL S.A. ("the Company") has its registered office at 20 Dacia Blvd., Romana Offices Building, 4th floor, Bucharest, Romania.

The main activities carried out by SSIF SWISS CAPITAL S.A. are as follows:

a) trading in short-term financial instruments on Romanian and foreign markets;

b) trading in financial derivative instruments on Romanian and foreign markets;

c) corporate finance;

d) intermediation of public offerings.

<u>COVID-19 impact</u>

On March 11, 2020 the World Health Organization ("WHO") declared the COVID-19 epidemic a pandemic and on March 16, 2020 Romania entered a state of emergency. The measures imposed by the Romanian Government included restrictions on the cross-border movement of persons, restrictions on foreign visitors entering the country and the temporary shut-down of certain industries.

In its fight against the COVID-19 pandemic, the Company has adopted all the necessary measures so that the business can continue to operate under normal conditions and has issued a series of instructions aimed at preventing and/or detecting and containing the effects of the spread of the virus within the Company's offices. The main measures implemented included stressing the importance of hygiene and social distancing as well as introducing the concept of telework where possible. A resilience plan was developed, identifying essential activities and key roles and back-up staff was provided. The difficult conditions mentioned above did not have a significant impact on the Company's business or its financial results

Through the close monitoring of its financial performance during the year 2020, the Company continued to maintain a positive financial position, reporting profit in the amount of 14,164,381 RON. Consequently, based on the available information and considering the actions already implemented, the Company does not anticipate a significant negative impact on its operations due to the COVID-19 pandemic; thus, no significant threats to the continuity of the Company's business have been identified for a period including at least 12 months from the date of these financial statements.

2 BASIS OF PREPARATION

(a) Statement of compliance

These Separate financial statements ("Financial statements") have been prepared in accordance with the Accounting Regulations provided by Rule no. 39/2015 of the Financial Supervisory Authority ("FSA"), the International Financial Reporting Standards (IFRS), as adopted for use within the European Union, including the International Accounting Standards (IAS) and the Interpretations issued by the International Accounting Standards Board (IASB).

According to the laws in force, the Company will prepare consolidated financial statements as required by Rule 39/2015 of the Financial Supervisory Authority ("FSA"). The consolidated financial statements of the SSIF Swiss Capital SA Group for the year ended 31 December 2020 will be prepared, approved and published by the end of 2021.

These Separate financial statements have been prepared based on the accounting ledgers and records of the Company, on a going concern basis.

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2 BASIS OF PREPARATION (continued)

(b) Accounting basis

These Financial statements have been prepared at historical cost, except for financial assets at fair value through profit or loss or other equity instruments.

(c) Functional and presentation currency

The Company management is of the opinion that the functional currency, as defined by IAS 21 ”The Effects of Changes in Foreign Exchange Rates”, should be the Romanian Leu (“RON”). These Separate financial statements are presented in RON and rounded to the nearest RON, the currency which the Company management has chosen as presentation currency.

(d) Use of judgments and estimates

The preparation of these Separate financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (“IFRS”) requires the Company management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The judgments and assumptions associated with the estimates are based on past experience, as well as on other reasonable factors. The results of these estimates form the basis of judgment concerning the carrying amount of assets and liabilities, not available from other sources of information. Actual results may differ from these estimates.

The judgments and assumptions which form the basis for the accounting estimates are periodically revised by the Company. Revisions of accounting estimates are recognised in the period when the estimate is revised, if the revision only affects that period, or in the period when the estimate is revised and the future periods, if the revision affects both current and future periods.

The Company has applied its significant accounting methods and policies on a consistent basis throughout the years shown in these financial statements.

The significant accounting policies adopted by the Company with respect to the items that are material for determining the Company’s financial position and financial performance in the relevant period are detailed below. These policies have been applied on a consistent basis, except when otherwise provided.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translations

Transactions in foreign currencies are carried in RON at the official exchange rate applicable on transaction date. Monetary assets and liabilities carried in foreign currency as of the statement of financial position date will be translated into RON, at the exchange rate announced by the National Bank of Romania on reporting date. Gains and losses resulting from the settlement or conversion or monetary assets and liabilities denominated in foreign currency at the exchange rate applicable at the end of the financial year will be recognised in profit or loss. Non-monetary assets and liabilities measured at historical cost in foreign currency will be reported in RON, at the exchange rate applicable on transaction date and will not be restated at the exchange rate announced by the National Bank of Romania at the end of the financial year.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Foreign currency translations (continued)

Monetary assets and liabilities carried in foreign currency will be restated on a monthly basis at the exchange rate announced by the National Bank of Romania on the last day of each month.

The non-monetary assets and liabilities denominated in foreign currencies which are restated at fair value will be carried in RON at the exchange rate applicable on the date when fair value was determined.

Differences arising from foreign currency translations are recognised in profit or loss, except for differences arising from the conversion of financial instruments at fair value through other comprehensive income, which are included in the reserve resulting from changes in the fair value of these financial instruments.

The main foreign exchange rates used for foreign currency conversions as of 31 December 2019:

1 USD = 4,2608 RON, 1 EUR = 4,7793 RON and 1 CAD = 3,2702 RON

The main foreign exchange rates used for foreign currency conversions as of:

1 USD = 3,9660 RON, 1 EUR = 4,8694 RON and 1 CAD = 3,1127 RON

(b) Property, plant and equipment

(i) Cost

As of 31 December 2020, property, plant and equipment are carried at cost, less any accumulated depreciation and impairment losses.

Significant improvement costs are capitalized, as they extend the useful life of the assets or significantly increase their ability to generate income. Maintenance, repair and minor improvement costs are expensed as they are incurred.

Borrowing costs (interest, other similar financial expenses, as well as foreign exchange differences in relation to various financing operations for investment purposes) are capitalized and included in the value of the qualifying asset in progress only if a direct relationship can be established between the borrowing cost and the qualifying asset. During periods of significant interruption, as well as upon completion of works, borrowings costs are no longer capitalized.

Property plant and equipment items which are disposed of or decommissioned are written off from the Statement of financial position, together with any underlying accumulated depreciation. Any related profit or loss shall be accounted for as profit or loss in the statement of comprehensive income.

(ii) Depreciation

Property, plant and equipment items are depreciated on a straight line basis, considering their estimated useful lives at the time of their commissioning, so costs will be written down to the estimated residual values.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment (continued)

The main useful lives for different categories of property plant and equipment in 2020 and 2019:

	Years
Machinery and equipment	3-5
Vehicles	5-7
Computers	3-5
Furniture	5-10

(c) Intangible assets

Costs associated with the acquisition of software licenses are capitalized and amortized on a straight line basis during their 3-year useful life.

(d) Investment property

Investment property is property (land or a building, or part of a building) held by the Company to earn rentals or for capital appreciation or both rather than for:
a) use in the production or supply of goods or services or for administrative purposes; or
b) sale in the ordinary course of business.
Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), an entity accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

i) Recognition

An owned investment property shall be recognised as an asset when, and only when:

(a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

(b) the cost of the investment property can be measured reliably.

ii) Measurement at recognition

An investment property shall be measured initially at its cost, including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs).

iii) Measurement after recognition

According to IAS 40 "Investment property", the Company may measure owned investment property at fair value or at cost, less impairments.

The Company's accounting policy is to measure investment property after recognition at cost, less impairments. Nevertheless, the Company must determine the fair value of its investment property, for disclosure in the Company's notes to the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment property (continued)

iii) Measurement after recognition (continued)

The Company checks its owned investment property for impairment on a regular basis (at least annually), on the basis of valuations by independent certified valuers. Impairment losses are recognised in profit or loss, while gains from fair value adjustments are not recognised.

Considering the purchase date of the Company's investment property (land), i.e. 29 October 2020, the value of the investment property was not remeasured as of 31 December 2020, as the purchase was deemed conducted at fair value and there was no indication of impairment as of the end of the financial year. Consequently, as of 31 December 2020, the Company estimates the market value of the land owned as investment property to be equal to its purchase price.

iv) Derecognition

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.
Gains or losses arising from the retirement or disposal of investment property shall be recognised in profit or loss in the period of the retirement or disposal.

e) Right-of-use assets

IFRS 16 provides new requirements for lease accounting, eliminating the IAS 17 classification into operating and financial leases, and introducing a single lease accounting model. According to this model, the lessee is required to recognise right-of-use assets and lease liabilities within the scope of IFRS 16. Right-of-use assets are amortised on a straight line basis throughout the useful life of the asset or the term of the lease, whichever is shorter. For more details, see Note 5.

(f) Impairment of property, plant and equipment and intangible assets

Whenever certain events or movements indicate that the carrying amount of a non-current asset may be unrecoverable, an impairment test will be conducted. When the carrying amount of a non-current asset exceeds its recoverable amount, the loss incurred is immediately charged as an expense.

The recoverable amount of non-current assets is determined as the higher of fair value less cost of sale and the value-in-use. The value in use is the present value of the net cash flows expected to be derived by the entity from the continuous use of an asset. Usually, recoverable amounts are estimated individually for each group of assets. When this is not possible, assets are grouped in cash-generating units.

(g) Accounting for the effects of hyperinflation

In accordance with IAS 29, the financial statements of the entity whose functional currency is the currency of a hyperinflationary economy should be presented in the current measuring unit as of reporting date (non-monetary items are restated by applying a general price index as of the date of purchase or of the contribution).

According to IAS 29, an economy is considered hyperinflationary if besides other factors, the cumulated inflation rate for a three-year period exceeds 100%.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Accounting for the effects of hyperinflation (continued)

The continuous decrease of the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods starting January 1, 2004. Therefore, the provisions of IAS 29 had been adopted in the preparation of the separate financial statements until 31 December 2003.

Thus, the values expressed in the measuring unit current as of 31 December 2003 are treated as basis for the carrying amounts reported in the separate financial statements and are not measured values, replacement costs, or any other measurement of the current value of the assets or of the prices at which the transactions would currently take place.

For the preparation of these Separate financial statements, the Company has adjusted its share capital to be expressed in the current measuring unit.

(h) Investments in affiliates (subsidiaries, associates)

Subsidiaries refer to companies or other entities (including special purpose entities) where the Company directly or indirectly holds more than half of the voting rights or where the Company has the capacity to govern the financial and operational policies of the entities in order to derive benefits from their business. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity.

Associates are entities over which the Company has (direct or indirect) significant influence, but are not controlled by the Company, which typically holds between 20 and 50 percent of the associates' voting rights. These separate financial statements comprise information concerning SSIF Swiss Capital SA as a separate entity, with no reference to the Group's consolidated financial statements.

Accounting for investments in subsidiaries and associates

The Company uses the cost method to account for its investments in subsidiaries and associates for the purposes of these separate financial statements. Transaction costs associates with the acquisition of subsidiaries, associates or joint ventures are recognised as expenses in profit or loss. Dividends collected from investments in subsidiaries and associates are recognised in profit or loss when the Company's right to receive dividends is established and dividends are likely to be collected.

When the recoverable amount of an investment in subsidiaries and associates (i.e. the higher of value in use and fair value less costs to sell) is lower than its net carrying amount, the Company will write down the net carrying amount to the recoverable amount to account for the impairment loss. The net carrying amount of investments carried at cost is equal to the initial cost less any impairment loss. The recoverable amount of investments will be generally determined based on the economic benefits generated by the dividends received from subsidiaries and associates.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets and liabilities

(i) Classification

The Company initially recognises receivables and deposits when they arise. All other financial assets (including assets carried at fair value through profit or loss) are recognised on the date when the Company becomes a party to the contractual provisions of the respective financial instrument.

The Company derecognises a financial asset when the rights to the cash flows from that financial asset expire or when the Company has transferred its rights to the cash flows from the financial asset in a transaction which has transferred substantially all the risks and rewards of ownership of the financial asset. Any continuing involvement in the transferred financial assets created or retained by the Company will be recognised as asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when a legally enforceable right to set off exists and the Company intends to settle on a net basis or realise the asset and settle the liability simultaneously.

As of 1 January 2018, the Company adopted IFRS 9 "Financial Instruments", as issued by the International Accounting Standards Board (IASB) in July 2014. Thus, changes have taken place in the accounting policies used for the classification and measurement of financial assets and liabilities and the impairment of financial assets.

IFRS 9 also amended IFRS 7 "Financial instruments: Disclosure", due to the fact that financial instrument disclosures had been adjusted to the most recent requirements.

The classification of financial assets and liabilities as of 31.12.2019 and 31.12.2020 is made in line with the requirements of IFRS 9, based on the outcomes of the SPPI test and the business model implemented by the Company. Thus, as of 31.12.2020, the Company has classified its financial assets and liabilities as follows:

- Financial assets at amortised cost, including:
  - Loans and receivables (mainly comprising trade receivables and other receivables, client balances and cash and cash equivalents)
  - Other financial assets
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

Investments in equity instruments are always measured at fair value. Nevertheless, the company management may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income, provided that the instrument is not held for trading, but for sale in the short term for profit. If the equity instrument is held for trading, subsequent changes in the fair value of the investment will be presented in profit or loss. As of 31 December 2020, the Company held equity instruments at fair value through profit or loss, as well as equity instruments at fair value through other comprehensive income, considering that the letter are equity instruments that are not held for trading. For details, see Note 6.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets and liabilities (continued)

(i) Classification (continued)

Receivables and cash and cash equivalents

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value, and subsequently measured at amortized cost using the effective interest method, less any impairment losses.

Cash and cash equivalents include cash on hand, bank balances, other short-term, highly liquid investments with initial maturities of up to three months and overdrafts.

Financial liabilities

The Company does not hold financial liabilities carried at fair value through profit or loss under IFRS 9, so all the Company liabilities are carried at amortised cost.

(ii) Recognition

Assets and liabilities are recognised on the date when the Company becomes a party to the contractual provisions of the respective financial instrument. Financial asset buy or sell models are recognised on settlement date, which is the date that an asset is delivered to or by an entity.

At initial recognition, the Company will measure a financial asset or financial liability at its fair value plus/minus directly attributable transaction costs (except for financial instruments at fair value through profit or loss, where transaction costs are recognised directly in profit or loss).

The fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the price paid to issue or acquire the asset or received to issue or assume the liability.

(iii) The fair value of financial instruments

Fair value is the amount for which a financial instrument can be exchanged between two parties in an arm's length transaction. Fair value is an approximation of realisable value and it may never be effectively realised. Financial instruments in the Separate Statement of financial position include bank account balances, receivables and other receivables, client balances, financial assets at fair value through other comprehensive income and trade liabilities. The accounting policies applicable to recognition are disclosed in the accounting policies applicable to each financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets and liabilities (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when a legally enforceable right to set off exists and the Company intends to settle on a net basis or realise the asset and settle the liability simultaneously.
Income and expenses are presented on a net basis only when permitted by the accounting standards or for the profit or loss resulted from a group of similar transactions, such as those from the trading activity of the Company.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments, plus or minus accumulated amortisation using the effective interest method, less write-downs for impairment loss.

(vi) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The determination of fair value for financial assets and liabilities is based on price quotes on an active market. A financial instrument has an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of instruments traded on an active market is determined by multiplying the number of shares held by the closing price on the last trading date in the corresponding reporting period.

If a financial asset is listed on several active markets, the Company uses the price quote on the most favourable market, considering all barriers/costs associated with access to each market.

Financial assets for which there is no active market and whose fair value cannot be determined reliably are measured at cost and are periodically tested for impairment.

For all the other financial instruments, fair value is determined using valuation techniques. Valuation techniques include the net present value method, the discounted cash flow method, comparison with similar instruments with observable market data and other valuation methods.

Values resulting from valuation methods are adjusted taking into consideration a number of factors, since valuation techniques do not reliably reflect all the factors considered by market participants in actual transactions. Adjustments are accounted for to reflect risk models, the differences between bid and ask prices, liquidity risks, as well as other factors. The Company management considers these adjustments to be necessary for a more accurate presentation of financial instruments held at fair value in the Statement of financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets and liabilities (continued)

(vii) Impairment recognition and measurement

Impairment of financial assets under IFRS 9

The Company recognises impairment losses for financial assets other than those measured at fair value through profit or loss or fair value through other comprehensive income, namely trade receivables and other receivables, client balances and cash and cash equivalents which are measured at amortised cost.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:
the time value of money; and
reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The amount of impairment loss will be recognised as a loss adjustment.

As of 31.12.2020, the Company reported no impairment losses on the financial assets measured at amortised cost, due to the nature thereof, except for the loan granted to Mobila Radauti (see Note 6 e). The Company's trade receivables outstanding as of 31.12.2020 were collected in January 2021.

(viii) Derecognition

The Company derecognises a financial asset when the rights to the cash flows from that financial asset expire or when the Company has transferred its rights to the cash flows from the financial asset in a transaction which has transferred substantially all the risks and rewards of ownership of the financial asset.

Any continuing involvement in the transferred financial assets created or retained by the Company will be recognised as asset or liability.

The Company will derecognise a financial liability when the obligation specified in the contract is cancelled or expires. This normally occurs when the liability is reimbursed or redeemed.

On derecognition of a financial asset in its entirety, the difference between:
- its carrying amount and
- the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income shall be recognised in profit or loss.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

Current account balances and overnight deposits due within 3 months are cash and cash equivalents held on behalf of the Company. Current account balances and overnight deposits held on behalf of clients are not accounted for as cash and cash equivalents as they do not provide a basis to assess the ability of the Company to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. According to IAS 7 "Cash flow statement", cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

(k) Dividends payable

Dividends declared by the Company are recognised as payables on date of the Company's Annual General Meeting of Shareholders approving the distribution of dividends, which is also the date when the Company's obligation to pay out dividends arises.

According to the legislation in force, the Company may cancel the shareholders' right to collect dividends unclaimed for more than 3 years from the date of their first distribution. When the right to such dividends expires, the Company will recognise their value as income through profit or loss.

(l) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions will be recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
As of 31 December 2020 and 31 December 2019, the Company reported provisions as shown in Note 14.b.

(m) Share capital

The Company's share capital as of 31 December 2020, as registered with the Trade Register, amounts to RON 9,348,840 (the same as of 31 December 2019) and comprises 934,884 shares with a nominal value of RON 10 per share. The company's subscribed share capital is fully paid up. Financial statements show the Company's share capital considering the effects of inflation, under IAS 29.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Operating lease liabilities

Under IFRS 16, the lessee is required to recognise a right-of-use asset and a lease liability.

Lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined – which is usually the case with Group leases - the lessee shall use the lessee's incremental borrowing rate, which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

(o) Current and deferred income tax

Deferred income taxes are recognised for temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill; deferred income taxes are not accounted for when they arise from the initial recognition of an asset or liability in a transaction which is not a business combination or which at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that have been adopted or substantively adopted by the balance sheet date and would be enacted in the period when deferred tax assets/deferred tax liabilities are recovered/settled.

According to local tax laws, the tax losses incurred by the company that ceases to exist as a result of a legal merger by acquisition can be taken over and recovered by the entity that takes over the assets of the acquired company. The annual tax loss reported since 2011, determined on the basis of the corporate income tax returns, is recovered from the taxable profit reported in the following 7 consecutive years. A deferred tax asset shall be recognised for the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits in the previous years can be utilised. The deferred tax asset is reduced to the extent that the related tax benefit is unlikely to be realised.

A deferred tax asset shall be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

An entity shall recognise a deferred tax asset for all deductible temporary differences arising from investments in joint arrangements, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

An entity shall offset current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts and the tax assets and tax liabilities relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

The applicable tax rate used to determine current and deferred income tax as of 31 December 2020 was 16% (31 December 2019: 16%).

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Disclosure of events after the reporting period

Events after the reporting period are those favourable and unfavourable events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The Company reported no significant events after the financial years ended 31 December 2020 and 31 December 2019, except as shown in Note 26.

(q) Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. An example is a claim that the entity is pursuing through legal processes, where the outcome is uncertain.

The entity shall not recognise a contingent asset since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

The entity shall not recognise a contingent liability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(r) Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

SWISS CAPITAL S.A. makes monthly payments to the state pension, health, and unemployment funds for the account of its employees, as required by the laws in force.

(s) Dividend income

Dividend income from equity instruments is recognised in profit or loss on the date of approval by the General Meeting of Shareholders of the distribution of profit in the companies where the entity is a shareholder. Dividend income from unquoted shares is recognised in profit or loss on dividend reporting date.

When the Company receives or decides to receive dividends in the form of shares in lieu of cash, divided income is recognised as the amount of cash surrendered, plus a corresponding investment instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Dividend income (continued)

When shares are received free of charge without consideration in cash, and only some of the shareholders receive such free shares, the shares received are measured at fair value and, a corresponding amount is recognised as dividend income. On the other hand, if all shareholders receive pro-rata free shares, no dividend income is recognised, since the distribution of free shares does not have an impact on the fair value of the Company's holdings.

Dividends received from subsidiaries are recognised by the Company as dividend income in the Company's Separate financial statements, provided that the Company is entitled to collect such dividends.

The Company will engage in legal claims for the collection of overdue dividends (mediation, disputes, etc.). The Company is entitled to collect penalties for late divided payments, at the penalty rate set out in the legal provisions in force. Income from penalties charged on overdue dividends is recognises in the financial year when collection becomes certain.

Dividend income is disclosed gross of withholding tax which is recognised as income tax.

(t) Fee and commission income

Fee and commission income includes income from securities brokerage, corporate finance, and intermediation of public offerings. Fee and commission income is recognised when underlying transactions occur.

(u) Interest

Interest income and interest expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

Interest income is recognised on current accounts, bank deposits and loans to clients for margin trading.

(v) Income from disposal of financial instruments

Gains and losses from the disposal of financial instruments are recognised in profit or loss when the financial instrument is derecognised.

(w) Gains and losses from foreign exchange differences

Gains and losses from foreign exchange differences are disclosed on a net basis and include both realised and unrealised foreign exchange differences. Most such gains and losses are associated with the monthly restatement of assets and liabilities in foreign currencies.

(x) Expenses

All expenses are recognised in profit or loss on an accrual basis. Third party service costs are expensed in the period in which services were performed.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties

Related parties are those legal entities or individuals who, either by ownership, contractual rights, family relations or other types of relationships, have the ability to control the other party directly or indirectly.

A party is related to the entity if directly or indirectly, through one or several intermediaries:

a) controls or is controlled by or is under the joint control of the entity (this includes the parent companies, the subsidiaries or the member subsidiaries);

b) has an interest in the entity that offers a significant influence on the respective entity; or

c) holds joint control over the entity.

Related parties can be represented by members of the key management of the entity or of the parent company, as well as by close family members.

(z) New standards and interpretations

<u>New Standards or IASB interpretations in force for the first time in the financial year ended 31 December</u> **<u>2020</u>**

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU were in force in the reporting period:

• **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - The definition of material – adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards.

• **Amendments to IFRS 3 "Business combinations"** – Definition of a business - adopted by the EU on 21 April 2020 (applicable to business combinations where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 as well as to the acquisition of assets on or after the beginning of the same period). The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance.

• **Amendments to IFRS 9 "Financial statements", IAS 39 "Financial instruments: Recognition and Measurement"** and **IFRS 7 "Financial instruments: Disclosures" –** Interest Rate Benchmark Reform - adopted by the EU on 15 January 2020 (effective for annual periods beginning on or after 1 January 2020). Amendments to the Interest rate benchmark reform:

a) modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New standards and interpretations (continued)

b) are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;

c) are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required);

d) and require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

• **Amendments to IFRS 16 "Leases"** – Covid-19-related rent concessions (adopted by the EU on 9 October 2020 and effective for annual periods beginning on or after 1 June 2020). The amendment permits lessees not to assess whether rent concessions that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions are lease modifications. Instead, the lessee accounts for those rent concessions as if they were not lease modifications.

• **Amendments to References to the Conceptual Framework in IFRS Standards** - adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020). Since the Conceptual Framework has been revised, IASB has updated the references to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. This was meant to support the transition to the revised Conceptual Framework for companies that prepare accounting policies using the Framework when no IFRS Standard applies to a particular transaction.

The adoption of amendments to various standards had no significant impact on the Company's financial statements.

<u>Standards and interpretations issued by the IASB and adopted by the EU, but not yet in force</u>

The following amendments to existing standards were issued by the IASB and adopted by the EU, but not yet in force as of the approval date of these financial statements:

• **Amendments to IFRS 4 "Insurance contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 (the expiration date for the temporary exemption of applying IFRS 9 was extended for annual periods beginning on or after 1 January 2023). The amendments extend the temporary exemption from applying IFRS 9 by two years. The extension will expire for annual reporting periods beginning on or after 1 January 2023.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New standards and interpretations (continued)

• **Amendments to IFRS 9 "Financial statements", IAS 39 "Financial instruments: Recognition and Measurement"** and **IFRS 7 "Financial instruments: Disclosures", IFRS 4 "Insurance contracts" and IFRS 16 "Leases"**– Interest Rate Benchmark Reform—Phase 2 (effective for annual periods beginning on or after 1 January 2021). The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting:

a) Modification of financial assets, financial liabilities and lease liabilities. The IASB introduces a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.

b) Hedge accounting requirements. Under the amendments, hedge accounting is not discontinued solely because of the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

c) Disclosures. In order to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the amendments require that an entity discloses information about

- how the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition;

- quantitative information about non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by significant interest rate benchmark;

- to the extent that the IBOR reform has resulted in changes to an entity's risk management strategy, a description of these changes and how is the entity managing those risks

d) The IASB also amended IFRS 4 to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments in accounting for modifications directly required by IBOR reform.

The Company decided not to adopt new standards, revisions and interpretations before their entry into force. The Company is currently assessing the impact of these new standards on the Company's financial statements.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New standards and interpretations (continued)

Standards and interpretations issued by the IASB, but not yet adopted by the EU

The IFRS Standards currently adopted by the EU are not significantly different from the regulations adopted by the IASB, with the exception of the following standards and amendments, whose application was not yet approved by the EU by 31 December 2020 (the effective dates below are applicable to the IFRS Standards issued by IASB):

• **IFRS 14 "Regulatory deferral accounts"** (effective for annual periods beginning on or after 1 January 2016) – The European Commission decided not to launch the approval process of this interim standard, but wait for the final version to be approved. The standard is intended to allow first-time adopters of IFRS, which currently recognise regulatory deferral accounts under previous GAAP, to continue to do so on their transition to IFRS.

• **IFRS 17 "Insurance Contracts"** including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023). The new standard requires insurance liabilities to be measured at present value and provides a more uniform measurement and presentation approach for all insurance contracts. The requirements are intended to achieve consistent, principles-based accounting for insurance contracts. IFRS 17 overrides IFRS 4 "Insurance Contracts" and all related interpretations when applied. The amendments to IFRS 17 "Insurance Contracts" issued by the IASB on 25 June 2020 extend the date of initial IFRS 17 application by two years for annual periods beginning on or after 1 January 2023. In addition, the amendments introduce simplifications and clarifications to certain requirements in the standard and provide additional practical expedients on the initial application of IFRS 17.

• **Amendments to IAS 1 "Presentation of Financial Statements"** – The classification of liabilities as current and non-current (effective for annual periods beginning on or after 1 January 2023). The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by IASB on 15 July 2020 defer the effective date annual reporting periods beginning on or after 1 January 2023.

• **Amendments to IAS 16 "Property, plant and equipment"** – Proceeds before intended use (effective for annual periods beginning on or after 1 January 2022). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

• **Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets"** – Onerous contracts – Costs of fulfilling a contract (effective for annual periods beginning on or after 1 January 2022). The amendments specify that the "cost of fulfilling" a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New standards and interpretations (continued)

• **Amendments to IFRS 3 "Business combinations"** – Reference to the conceptual framework (Amendments to IFRS 3) (effective for annual periods beginning on or after 1 January 2022). The amendments: (a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; (b) add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and (c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

• **Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" –** Sales or contributions of assets between an investor and its associate/joint venture and subsequent amendments (effective date deferred indefinitely until completion of research on the equity method). The amendments settle the contradiction between the requirements in IAS 28 and IFRS 10 and clarify that the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets constitutes a business.

• **Amendments to various standards due to "Annual improvements (2018-2020) to IFRS Standards (IFRS 1, IFRS 9, IFRS 16 and IAS 41)"** having as main purpose the elimination of inconsistencies and clarifications on the scope of the Standards (The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated).

The amendments: (a) clarify that a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS Standards (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) remove from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example (Example 13 accompanying IFRS 16); and (d) remove the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

The Company is currently assessing the potential impact of these new standards and amendments on the Company's financial statements.

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4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Balances and variations in property, plant and equipment and intangible assets in the financial year ended 31 December 2020:

Description	Land and buildings	Equipment and vehicles	Other PP&E	Total PP&E	Intangible assets	Total non-current assets
Cost as of 31 December 2019	**104.943**	**1.403.224**	**327.056**	**1.835.223**	**760.631**	**2.595.854**
Acquisitions	-	308.965	37.791	346.757	166.655	513.412
Disposals	-	-	7.825	7.825	-	7.825
Cost as of 31 December 2020	**104.943**	**1.712.189**	**357.022**	**2.174.155**	**927.286**	**3.101.441**
Depreciation/amortisation as of 31 December 2019	**104.943**	**1.377.679**	**263.850**	**1.746.472**	**586.146**	**2.332.618**
Increases	-	43.548	37.470	81.018	241.923	322.941
Reductions	-		7.825	7.825	-	7.825
Depreciation/amortisation as of 31 December 2020	**104.943**	**1.421.227**	**293.495**	**1.819.665**	**828.069**	**2.647.734**
Net carrying amount						
As of 31 December 2019	**-**	**25.545**	**63.206**	**88.751**	**174.485**	**263.236**
As of 31 December 2020	**-**	**290.962**	**63.527**	**354.490**	**99.217**	**453.707**

4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (continued)

Balances and variations in property, plant and equipment and intangible assets in the financial year ended 31 December 2019:

Description	Land and buildings	Equipment and vehicles	Other PP&E	Total PP&E	Intangible assets	Total non-current assets
Cost as of 31 December 2018	**104.943**	**1.403.224**	**280.327**	**1.788.494**	**563.280**	**2.548.344**
Acquisitions	-	-	46.729	46.729	284.933	47.510
Disposals	-	-	-	-	88.363	-
Cost as of 31 December 2019	**104.943**	**1.403.224**	**327.056**	**1.835.223**	**760.631**	**2.595.855**
Depreciation/Amortisation as of 31 December 2018	**104.943**	**1.242.520**	**238.538**	**1.586.001**	**384.734**	**1.970.735**
Increases	-	135.160	25.311	160.471	201.413	361.884
Reductions	-	-	-	-	-	-
Depreciation/Amortisation as of 31 December 2019	**104.943**	**1.242.520**	**263.850**	**1.746.472**	**586.146**	**2.332.619**
Net carrying amount						
As of 31 December 2018	**-**	**160.704**	**41.789**	**202.493**	**375.116**	**577.609**
As of 31 December 2019	**-**	**25.545**	**63.206**	**88.751**	**174.485**	**263.236**

5. INVESTMENT PROPERTY

Description	**Land**
Cost as of 31.12.2019	**-**
Acquisitions	500.000
Disposals	-
Cost as of 31.12.2020	**500.000**
Impairment as of 31.12.2019	**-**
Increases	-
Reductions	-
Impairment as of 31.12.2020	**-**
Net carrying amount	
As of 31.12.2019	**-**
As of 31.12.2020	**500.000**

On 29 October 2020, the Company acquired a 1.642 sq.m. plot of land within the built-up area of Radauti, Suceava county. As of 31 December 2020, the Company estimates there is no evidence of impairment, so the land's market price is equal to its purchase price.

	31 December 2020		**31 December 2019**	
	Acquisition cost	**Market value**	**Acquisition cost**	**Market value**
Land in Radauti, Suceava county	500.000	500.000	-	-
Total	**500.000**	**500.000**	**-**	**-**

6. RIGHT-OF-USE ASSETS

Description	Operating lease right-of-use assets
Cost as of 31.12.2019	**939.780**
Acquisitions	-
Disposals	-
Cost as of 31.12.2020	**939.780**
Depreciation as of 31.12.2019	**100.006**
Increases	251.930
Reductions	-
Depreciation as of 31.12.2020	**351.936**
Net carrying amount	
As of 31.12.2019	**839.774**
As of 31.12.2020	**587.844**

Upon initial adoption of IFRS 16, namely as of 1 January 2019, the Company recognised right-of-use assets associated with the operating lease concluded by the Company for its registered office amounting to 939.780 RON.

On the initial application date for IFRS 16, the Company chose the simplified approach permitted by IFRS 16, according to which the Company may recognise a right-of-use asset at an amount equal to the lease liability associated with the operating lease, without restating comparative information.

For more information on the operating leases in force upon initial adoption of IFRS 16, as well as on the operating lease liabilities recognised and the interest expense associated with them, see Note 13.

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7. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In RON	**31 December 20120**	**31 December 2019**
Quoted shares	39.548.600	29.716.471
Unquoted fund shares (*)	35.000	10.000
Unquoted shares (*)	29.790	28.290
Total	**39.613.390**	**29.754.761**

The increase in the value of quoted shares was mainly due to the increase in the market value of financial instruments in the year 2020.

(*) Unquoted shares and fund shares

	31 December 2020	**31 December 2019**
FII ACTIVE PLUS fund shares	35.000	10.000
Shares in the Investor Compensation Fund	29.790	28.290
Total	**64.790**	**38.290**

The fair value of these financial assets is determined using inputs that are not based on observable data (level 3), as detailed in Note 3 h) (vi).

b) Financial assets at fair value through other comprehensive income

In RON	**31 December 2020**	**31 December 2019**
Shares at fair value	19.106.536	14.339.785
Total	**19.106.536**	**14.339.785**

As of 31 December 2019 and 31 December 2020, shares at fair value include the shares of IMPACT Developer & Constructor S.A. As of 31.12.2020, the Company also held shares in Gabriel Resources; the shares were traded on 31.12.2020 on the Canadian stock exchange and were settled in January 2021.

The fair value of shares was determined by multiplying the number of shares held as of reporting date by the closing price on the last trading date in the corresponding reporting period.

7. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through profit or loss (continued)

Variations in financial assets at fair value through other comprehensive income in the years ended 31 December 2020 and 31 December 2019 are detailed in the table below:

In RON	**Shares measured at fair value through other comprehensive income**
1 January 2019	**9.527.777**
Net variation in the period	-
Changes in fair value, gross of tax	4.812.008
31 December 2019	**14.339.785**
Net variation in the period	-
Changes in fair value, gross of tax	3.753.367
31 December 2020	**18.093.152**

The impact of deferred tax on changes in fair value in 2019 is 769.922 RON, resulting in changes in fair value net of deferred tax in the amount of 4.042.087 RON. The impact of deferred tax on changes in fair value in 2020 is 601.215 RON, resulting in changes in fair value net of tax in the amount of 3.152.152 RON.

c) Investments in subsidiaries and associates

The company holds 99.990696% of the total shares of SAI SWISS Capital Asset Management S.A. The subsidiary is consolidated.

As of 31 December 2018 and 31 December 2019, SAI Swiss Capital Asset Management SA equity, reserves and profit/loss in the year under IFRS were as follows:

	31 December 2020	**31 December 2019**
Equity	430.000	430.000
Reserves	95.009	95.009
Retained earnings	592.735	566.398
Profit/Loss in the year	1.978.041	5.526.338
Total	**3.187.140**	**6.617.744**

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7. FINANCIAL ASSETS (continued)

Information on investments in subsidiaries is detailed in the table below:

SSIF SWISS CAPITAL SA	**31 December 2020**		**31 December 2019**	
	Value	**Ownership share**	**Value**	**Ownership share**
SAI SWISS Capital Asset Management S.A.	532.440	99,990696%	532.440	99,990696%
Cost - companies in the Group - Total	**532.440**		**532.440**	
Impairment - companies in the Group	-		-	
Net value – companies in the Group	**532.440**		**532.440**	

(d) Fair value hierarchy

The table below examines the financial instruments measured at fair value according to their valuation method. The various levels have been defined as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable data.

	31 December 2019	**NIVEL 1**	**NIVEL 2**	**NIVEL 3**
Financial assets at fair value through other comprehensive income	14.339.785	14.339.785	-	-
			-	-
Financial assets at fair value through profit or loss	29.754.761	29.716.471	-	38.290
Total	**44.094.546**	**44.056.256**	**-**	**38.290**

	31 December 2020	**NIVEL 1**	**NIVEL 2**	**NIVEL 3**
Financial assets at fair value through other comprehensive income	19.106.536	19.106.536		-
Financial assets at fair value through profit or loss	39.613.390	39.548.600	-	64.790
Total	**58.719.926**	**58.655.136**	**-**	**64.790**

7. FINANCIAL ASSETS (continued)

(e) Financial assets at amortised cost

- ***non-current***

	31 December 2020	31 December 2019
ANRP points	1.142.246	1.463.020
Total	**1.142.246**	**1.463.020**

In 2019, Swiss Capital acquired a number of 2.303.736 ANRP (National Authority for Property Restitution) points at the total acquisition cost of 1.404.010 RON. The manner in which ANRP points may be realised is set out in Law no. 165/2013, according to which one ANRP point equals 1 RON; moreover, ANRP points may be sold in equal instalments for a maximum period of 5 years.

Taking into consideration the date when the Company acquired the ANRP points and the proceedings started by previous owners with respect to the sale of the points, the Company may collect corresponding amounts from the Romanian Government in three or four instalments.

On acquisition date, the Company observed the provisions of IFRS 9 for the classification and measurement of financial assets, namely ANRP points (the SPPI test and holding for the collection of contractual cash flows) and concluded that the amortised cost method (including the application of the effective interest rate) was the most appropriate for disclosing ANRP points in the Company's financial statements. These financial assets are not tradable on a regulated market.

On 02.11.2020, the Company collected the first proceeds arising from the holding of ANRP points, amounting to 666.636 RON.

- ***current***

	31 December 2020	31 December 2019
Short term loans	2.200.000	1.500.000
Expected credit losses under IFRS 9	(469.584)	(135.973)
Total	**1.730.416**	**1.364.027**

In 2019, Swiss Capital granted Mobila Radauti SA a secured short-term loan amounting to 1,500,000 RON for the payment of tax overdues (initial maturity: 30.06.2020). At the same time, Mobila Radauti, as borrower, has set up a 1st rank mortgage over property owned by it in favour of Swiss Capital. The loan has a 9% interest rate per annum. In 2020, Mobila Radauti became insolvent and Swiss Capital started to take the necessary steps for being included in the insolvent borrower's creditor list.

Under IFRS 9, the Company performed an assessment of the related receivables in order to identify any potential impairment as of 31.12.2019 and 31.12.2020 and concluded that it should reported an expected credit loss amounting to 469.584 RON. The amount of the expected credit loss was determined using a number of estimates concerning the recoverable amount of the receivables arising from the loan and the present value of future cash flows arising from the sale of the security, as follows:

- the market value of the security was determined by an independent valuator (member of the National Association of Romanian Certified Valuators) at 1.913.700 RON as of 31.12.2019;

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7. FINANCIAL ASSETS (continued)

(e) Financial assets at amortised cost

- the Company further applied a 25% haircut for 2020 and a 15% haircut for 2019, taking into account the borrower's current status (insolvent) and the likelihood of realising the security as a matter of urgency (liquidation);
- average security realisation time: 2-3 years;
- applicable discount rate: the effective interest rate of the loan granted.

In December 2020, the Company granted Mecanica Roates (a company listed on the Bucharest Stock Exchange) a loan for the maximum amount of 2.000.0000 RON, of which, as of 31.12.2020, 700.000 RON had been drawn for the payment of tax overdues. The loan matures on 31.12.2021 and has an interest rate of 7% per annum, payable in full on maturity. The loan is not secured.

According to IFRS 9, on 31.12.2020, the Company performed an assessment with regard to the impairment of the receivables above and concluded that no expected credit losses should be reported.

8. OTHER NON-CURRENT FINANCIAL ASSETS

Financial statements include other financial assets, as follows:

Other non-current receivables	**31 December 2020**	**31 December 2019**
Central Depository Guarantee Fund	200.841	195.688
Romtelecom, Rompetrol Guarantee Fund	20.000	20.000
Central Depository margin	16.212	15.796
Company credit card collateral	30.000	30.000
SNN (Nuclearelectrica) guarantee	5.500	-
Hill Investitii & Constructii S.R.L. guarantee	116.235	92.225
Complex Energetic Oltenia Public Offering guarantee	-	477.930
Total	**388.789**	**831.639**

9. RECEIVABLES

Receivables	**31 December 2020**	**31 December 2019**
Trade receivables	3.744.875	2.139.538
Adjustments for the impairment of trade receivables	(13.749)	(13.749)
Receivables, of which:	**1.431.865**	**441.325**
receivables from related parties (Note 14)	-	-
- Prepaid expenses	98.022	139.970
- Accounts receivable and other receivables	1.316.787	264.500
- Other receivables from the state budget + the Single National Social Security budget (FNUASS)	17.056	36.856
Total	**5.162.991**	**2.567.114**

All Company receivables have maturities of less than 1 year.

10. FINANCIAL ASSETS AND LIABILITIES

The table below shows the carrying amounts and fair values of the Company's financial assets and liabilities as of 31 December 2020:

	Loans and receivables	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Acquisition cost less adjustments for impairment loss	Carrying amount	Fair value
Investments in subsidiaries and associates	-	-	-		-	532.440	532.440	532.440
Equity instruments at fair value								
Financial assets at fair value through other comprehensive income	-	-	19.106.536		-	-	19.106.536	19.106.536
Financial assets at fair value through profit or loss	-	39.613.390	-	-	-	-	36.613.390	39.613.390
Other non-current assets	388.789	-	-	-	-	-	388.789	388.789
Trade receivables and other receivables	5.162.991	-	-	-	-	-	5.162.991	5.162.991
Financial assets at amortised cost	-	-	-	2.872.662	-	-	2.872.662	2.872.662
Operating lease right-of-use assets	16.571.878	-	-	-	-	-	16.571.878	16.571.878
Cash and cash equivalents	637.650	-	-	-	-	-	637.650	637.650
Short-term loans	-	-	-	-	(2.991.187)	-	(2.991.187)	(2.991.187)
Lease liabilities	-				(644.647)	-	(644.647)	(644.647)
Trade payables	-	-	-		(26.990.695)	-	(26.988.613)	(26.988.613)
Provisions	-	-	-		(532.906)	-	(532.906)	(532.906)
Total	**22.761.308**	**39.613.390**	**19.106.536**	**2.872.662**	**(31.159.435)**	**532.440**	**53.726.901**	**53.726.901**

10. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below shows the carrying amounts and fair values of the Company's financial assets and liabilities as of 31 December 2019:

	Loans and receivables	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Acquisition cost less adjustments for impairment loss**	**Carrying amount**	**Fair value**
Investments in subsidiaries and associates	-	-	-		-	532.440	532.440	532.440
Equity instruments at fair value								
Financial assets at fair value through other comprehensive income	-	-	14.339.785		-	-	14.339.785	14.339.785
Financial assets at fair value through profit or loss	-	29.754.761	-	-	-	-	29.754.761	29.754.761
Other non-current assets	831.639	-	-	-	-	-	831.639	2.294.659
Trade receivables and other receivables	2.567.114	-	-	-	-	-	2.567.114	2.567.114
Financial assets at amortised cost	-	-	-	2.827.047	-	-	2.827.047	2.827.047
Operating lease right-of-use assets	13.929.435	-	-	-	-	-	13.929.435	13.929.435
Cash and cash equivalents	174.140	-	-	-	-	-	174.140	174.140
Short-term loans	-	-	-	-	(2.931.935)	-	(2.931.935)	(2.931.935)
Lease liabilities	-				(858.780)	-	(858.780)	(858.780)
Trade payables	-	-	-		(16.781.029)	-	(16.781.029)	(16.8871.029)
Provisions	-	-	-		(323.547)	-	(323.547)	(323.547)
Total	**17.102.328**	**29.754.761**	**14.339.785**	**2.827.047**	**(20.895.291)**	**532.440**	**44.061.070**	**44.061.070**

11. CLIENT BALANCES

	31 December 2020	31 December 2019
BRD Groupe Societe Generale	5.676.618	7.768.375
First Bank	-	2.730
Banca Transilvania	118.255	147.2401
Credit Europe Bank	10.777.005	6.011.090
Total	**16.571.878**	**13.929.435**

Client balances account for sums received from the Company's clients for trading to their accounts. The Company is keeping client funds separately from its own funds, in accounts opened with banks in Romania, selected based on expertise and good standing criteria.

12. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Current accounts	455.648	142.106
Bank deposits	179.922	31.377
Cash on hand	2.080	657
Total	**637.650**	**174.140**

13. OPERATING LEASE LABILITIES

On 1 January 2019, the Company adopted for the first time the provisions of IFRS 16 and consequently recognised a right-of-use asset and a lease liability associated with the operating lease agreement concluded for the Company's registered office, in effect as of the same date. On the date of initial adoption, the Company had one operating lease agreement in effect, namely Lease Agreement of 24.01.2012 valid until 20 April 2017, extended by way of Addendum no. 5/10.10.2016 until 20.04.2020 and Addendum no. 6/20.08.2019 until 20.04.2023.

On the initial application date for IFRS 16, the Company chose the simplified approach permitted by IFRS 16, according to which the Company may recognise a right-of-use asset at an amount equal to the lease liability associated with the operating lease.

Considering that the lease was extended in August 2019, the Company reviewed the addendum and concluded that a separate lease should not be reported under IFRS 16. Thus, as of 31 August 2019, the Company restated the lease liability considering the new term of the lease and reported an increase in the lease liability and the corresponding right-of-use asset.

The table below shows the lease liabilities reported under IFRS 16, as well as the 2019 rents, financial expenses and lease payments associated with the existing operating lease. Right-of-use assets and impairment losses are also shown in Note 6.

13. OPERATING LEASE LABILITIES (continued)

	31 December 2020	31 December 2019
Interest expense associated with the lease liability	29.279	23.187
Short-term lease expense	-	-
Lease liability as of the end of the financial year, of which:	644.647	858.780
- *short term*	*267.115*	*226.061*
- *long term*	*377.532*	*632.719*
Total cash outflows associated with leases	228.555	260.586
Gains or losses from sales and leases	(14.422)	16.029

14. CAPITAL AND RESERVES

(a) Share capital

The Company's share capital as of 31 December 2020 amounts to RON 9.348.840 (the same as of 31 December 2019) and comprises 934,884 shares with a nominal value of RON 10 per share. The subscribed share capital is fully paid up.

The Company's shareholding structure as of 31 December 2020 and 31 December 2019:

Juravle Bogdan	47,50%
Apostol Sorin	47,50%
Blajut Ionel Olimpiu	3%
Gunescu Eduard-Cristian	2%

The reconciliation of share capital under IFRS (International Financial Accounting Standards) and RAS (Romanian Accounting Standards) is shown in the table below:

In RON	31 December 2020	31 December 2019
Paid up share capital	9.348.840	9.348.840
Effects of hyperinflation - IAS 29	759.939	759.939
Share capital, restated	**10.108.779**	**10.108.779**

The effect of hyperinflation on share capital amounted to RON 759,939 and was reported by diminishing retained earnings by the same amount.

14. CAPITAL AND RESERVES (continued)

(b) Reserves from the revaluation of financial assets at fair value through other comprehensive income

This reserve comprises accumulated net changes in the fair values of available-for-sale financial assets as of classification date until derecognition or impairment.

The Reserve from the revaluation of available-for-sale financial assets is reported net of applicable deferred tax.
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	31 December 2020	31 December 2019
Differences from the revaluation of shareholding under IFRS (a)	10.701.907	6.948.540
Deferred tax liability (b)	(1.712.305)	(1.111.090)
Fair value reserve from the revaluation of financial assets at fair value through other comprehensive income, net of tax (a-b)	**8.989.602**	**5.837.450**

Deferred tax liabilities as of 31.12.2020 and 31.12.2019 resulted from the revaluation of shareholding in IMPACT Developer & Contractor SA.

(c) Legal reserves

As per the applicable legal requirements, the Company sets up legal reserves amounting to 5% of profit under RAS, up to 20% of the Company's share capital. Currently, legal reserves are up to 20% of the Company's share capital. Legal reserves may not be distributed to shareholders.

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15. LIABILITIES AND PROVISIONS

a) As of 31 December 2020:

		Maturity		
	31 December 2020	less than 1 year	1-5 years	more than 5 years
Trade payables	1.838.423	1.838.423		
Accounts payable (incl. affiliates – Note 22)	18.965.108	18.965.108	-	-
Payroll	166.142	166.142	-	-
Social security payables	210.602	210.602	-	-
Payroll taxes	37.648	37.648	-	-
VAT payable	42.851	42.851	-	-
Dividends payable	1.961.749	1.961.749	-	-
Other accounts payable	2.181.391	2.181.391	-	-
Total	**25.403.914**	**25.403.914**	**-**	**-**

As of 31 December 2019:

		Maturity		
	31 December 2019	less than 1 year	1-5 years	more than 5 years
Trade payables	518.132	518.132		
Accounts payable	14.554.123	14.554.123	-	-
Payroll	136.994	136.994	-	-
Social security payables	172.146	172.146	-	-
Payroll taxes	30.312	30.312	-	-
VAT payable	13.597	13.597	-	-
Other accounts payable	1.355.725	1.355.725	-	-
Total	**16.781.029**	**16.781.029**	**-**	**-**

As of 31.12.2019 and 31.12.2020, trade account for payables to internal and external suppliers. Accounts payable as of 31.12.2019 and 31.12.2020 account for payables to clients in capital market transactions.

Other accounts payable as of 31.12.2019 and 31.12.2020 account for:
- payables in relation to house account or client accounts for trading on regulated local and international markets;
- payables to the FSA (Financial Supervisory Authority) as levies on trading operations;
- client guarantees in various offerings.

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15. LIABILITIES AND PROVISIONS (continued)

b) Changes in provisions in 2020:

	31.12.2019	Increases	Reversals	31.12.2020
Provisions for accrued holiday entitlements	323.547	532.906	323.547	532.906
TOTAL	323.547	532.906	323.547	532.906

Provisions for accrued holiday entitlements are associated with holidays for the year 2019 (and 2020) to be taken in 2021.

16. SHORT-TERM LOANS

	2020	2019
Short-term loans	2.991.187	2.931.935
Total	**2.991.187**	**2.931.935**

In 2016, the Company took out an overdraft from Bank Alpinum Liechtenstein. The overdraft limit is EUR 900,000, while the applicable interest rate is EURIBOR 3M + 3%, payable at the end of each quarter.

17. SERVICE REVENUE

	31 December 2020	31 December 2019
Fee and commission income, of which:	9.857.392	6.315.714
Income from trading fees on BSE (Bucharest Stock Exchange)	*8.759.460*	*6.095.081*
Income from fees on client transactions in international markets	*1.097.932*	*220.633*
Income from public offerings	467.143	107.328
Income from financial advisory services	-	-
Revenue from other services provided	368.898	241.827
Net turnover	**10.693.433**	**6.664.870**

18. NET GAINS FROM FINANCIAL INSTRUMENTS

	31 December 2020	31 December 2019
(Net loss)/Gains from the measurement of financial instruments at fair value through profit or loss	8.393.314	3.288.580
Net gain/(Loss) from the sale of financial instruments at fair value through profit or loss	609.934	452.562
Net loss from financial instruments	**9.003.248**	**3.741.142**

19. EMPLOYEE BENEFITS

The Company is managed by a Board of Directors.

By authorisation no. 222/27.09.2017, the Financial Supervisory Authority approved the new Company management:

- ✓ Berbec Magdalena Mariana – Chair of the Board of Directors
- ✓ Solovastru Mircea Stefan – Member of the Board of Directors
- ✓ Gioga Stefan Dragos – Member of the Board of Directors

By Annual General Meeting of Shareholders Resolution no. 29.01.2021, the mandate of the Company's Board of Directors was renewed for 4 years.

By FSA Letter no. DG 266.10 of 18.06.2021, the Company was informed of the Authority's decision to approve the appointments of Mr. Mircea Solovastru and Mr. Stefan Gioga as Company directors and to reject the appointment of Ms. Magdalena Berbec.

In this context, the Company is required to submit a new proposal for the position of Company director within 45 days from the date above; the proposal will be submitted to the FSA for approval. On 16.07.2021, the Company submitted the new proposal to the FSA, and the authorisation of the newly-appointed person will now follow the applicable legal process.

As of 31 December 2019 and 31 December 2020 all the members of the Company's Board of Directors are Romanian citizens. The Company does not pay out remunerations to Board members.

Payroll:

	31 December 2020	31 December 2019
Personnel expenses	3.342.013	3.088.526
Other social security expenditure	149.948	148.194
Total	**3.491.961**	**3.236.721**
Number of employees	**21**	**22**

19. EMPLOYEE BENEFITS (continued)

The Company does not pay out remunerations to Board members.

In 2020, the Company made no contributions to voluntary pensions schemes on behalf of employees and paid out no voluntary health insurance premiums. The Company only paid out contributions to the state pension and health funds, as required by the legal provisions in force.

The Company is not bound by any contractual obligations on behalf of Board members and executive officers. The Company has no future obligations in the form of guarantees set up on behalf of Board members and executive officers.

20. OTHER EXPENSES

Expenses for third party services account for goods and services provided by third party suppliers and providers for the adequate performance of the Company's core business, plus financial and legal advisory services received.

	31 December 2020	31 December 2019
Maintenance and repair expenses	212.973	198.809
Rent expenses	77	14.115
Insurance costs	10.996	11.237
Capital market transaction fees, commissions and taxes	3.051.822	1.607.671
Transportation of goods and persons	12.725	18.544
Business trips and worker posting	49.548	474.665
Postage and telecommunication costs	87.712	94.432
Third party services	1.677.583	1.713.587
Miscellaneous	1.362.507	851.566
Other advisory expenses	72.321	59.052
Hospitality expenses	222.825	608.232
Bank fees and commissions	131.286	149.837
Other operating expenses	41.293	163.876
Total	**6.933.668**	**5.965.622**

In 2019, following the first time adoption of IFRS 16 (see Notes 5 and 12), the Company reported no royalty and rent expenses. The registered office space lease agreement was reported under IFRS 16.

The Company's statutory auditor for the year 2020 was Mazars Romania SRL. The audit fee for the auditing of the Company's separate financial statements amounted to EUR 11,000, as provided for in the Audit Services Agreement entered into by the parties.

In the course of 2019, the Company's statutory auditor did not deliver prohibited non-audit services under art. 5(1) of (EU) Regulation no. 537/2014 of the European Parliament and the Council.

Other operating expenses mainly include fees payable to capital market entities, local taxes and levies, and net provision expenses.

21. CURRENT AND DEFERRED INCOME TAX

Further information concerning income tax:

In RON	2020	2019
Current income tax:		
Current income tax recoverable (16%)	-	(12.735)
Current income tax payable (16%)	1.309.699	-
Current income tax payable / (receivable)	**1.309.699**	**(12.735)**
Deferred income tax:		
Deferred income tax receivable related to 2019 recoverable tax losses	-	186.884
Deferred income tax payable related to available-for-sale financial assets	1.712.305	1.111.090
Deferred income tax (net)	**1.712.305**	**922.206**

Reconciliation of profit before tax and income tax expense in profit or loss:

In RON	2020	2019
Net profit/(loss) in the period	**14.164.381**	**5.220.379**
Tax loss in the previous years	**(1.168.024)**	**-**
Non-eligible expenses	2.696.467	898.652
Non-taxable income	(6.770.950)	(7.287.055)
Deduction of legal reserves	-	-
Taxable profit/tax loss	**8.921.874**	**(1.168.024)**
Income tax (16%)	**1.417.201**	**-**

Non-taxable income as of 31.12.2019:
- income from the reversal of provisions for 2019 holiday entitlements in the amount of 157.217 RON;
- income from the reversal of 2019 bonuses in the amount of 2.772.385 RON
- income from dividend collection in the amount of 4.095.100 RON
- income from deferred tax on 2019 tax loss in the amount of 186.884 RON
- income from motor insurance claims in the amount of 531 RON
- income from the reversal of adjustments to holdings in the Bucharest Clearing House (CCB) and the Romanian Clearing House.

Non-taxable income as of 31.12.2020:
- income from the reversal of provisions for 2020 holiday entitlements in the amount of 323.547 RON;
- income from the reversal of provisions for 2019 holiday entitlements in the amount of 6.447.403 RON

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21. CURRENT AND DEFERRED INCOME TAX (continued)

Non-eligible expenses as of 31.12.2019 and 31.12.2020:

	31 December 2020	**31 December 2019**
Maintenance and repair expenses	50.631	56.075
Fuel expenses	72.972	94.447
Motor vehicle insurance expenses	4.667	4.850
Other motor vehicle expenses (property tax, road tax, other levies)	51.525	2.977
Motor vehicle depreciation costs	15.897	14.310
Penalties, fines	2.211	472
Hospitality expenses	-	495.397
Provisions	866.517	230.124
Income tax + Deferred income tax	1.604.085	-
Total	2.696.467	898.652

As of 31 December 2019, the Company reported deferred income tax liabilities as follows:

In RON	**Assets**	**Liabilities**	**Net**
Available-for-sale financial assets – recognised in equity	6.948.540	-	6.948.540
Total	6.948.540	**-**	6.948.540
Deferred income tax liabilities – 16%			**1.111.090**
Net of deferred income tax			**5.837.450**

As of 31 December 2020, the Company reported deferred income tax liabilities as follows:

In RON	**Assets**	**Labilities**	**Net**
Financial assets at fair value through other comprehensive income-recognised in equity	10.701.907	-	10.701.907
Total	10.701.907	**-**	10.701.907
Deferred income tax liabilities 16%			**1.712.305**
Net of deferred income tax			**8.989.602**

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21. CURRENT AND DEFERRED INCOME TAX (continued)

Deferred income tax recognised by diminishing equity amounted to RON 1.712.305 as of 31 December 2020 (31 December 2019: RON 1.111.090) and resulted from available-for-sale financial assets measured at fair value.

22. DIVIDEND INCOME

	2020	2019
Dividend income from available-for-sale financial assets	6.447.403	4.095.100
Total dividend income	**6.447.403**	**4.095.100**

23. RELATED PARTY TRANSACTIONS

Related party transactions include the transactions between SWISS CAPITAL and:

- SAI SWISS CAPITAL ASSET MANAGEMENT S.A.;
- FDI ACTIVE DINAMIC;
- FII ACTIVE PLUS;
- FII ACTIVE INVEST;
- Members of the Company management.

Transactions between Swiss Capital and SAI SWISS CAPITAL ASSET MANAGEMENT S.A.:

- brokerage fees on capital market transactions by SAI Swiss Capital Asset Management S.A. intermediated by SWISS CAPITAL;

- capital market transactions by SAI Swiss Capital Asset Management S.A. intermediated by SWISS CAPITAL.

	31 December 2020	31 December 2019
Capital market transaction fees	191.875	33.330

	31 December 2020	31 December 2019
Trading liabilities	1.973	73.616

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23. RELATED PARTY TRANSACTIONS (continued)

The fees on transactions between SWISS CAPITAL and the funds managed by SAI Swiss Capital Asset Management S.A. are accounted for by brokerage fees on transactions carried out by FDI Active Dinamic, FII Active Plus, and FII Active Invest.

	31 December 2020	31 December 2019
Capital market transaction fees	1.106.491	227.472

b) Transactions with the Company's management are accounted for by personal transactions on the capital market, as follows:

	31 December 2020	31 December 2019
Capital market transaction fees	61.693	4.477

Capital market transaction fees also included fees and commissions collected for payment to capital market entities (BSE, FSA, international markets).

24. CONTINGENT ASSETS AND LIABILITIES

a) Legal proceedings

It is the opinion of the Company management that there are no outstanding legal proceedings or claims with a significant impact on the company's financial statements which have not been properly provisioned or disclosed in these Financial statements.

b) Transfer pricing

According to the relevant tax laws in force, related party transactions are taxed based on market price. Thus, transfer pricing should be adjusted to reflect the market prices which would have been otherwise set by non-related parties which act independently, on an "arm's length" basis.

Tax authorities are likely to test transfer pricing in the future to determine whether the "arm's length" requirement is met and the taxpayer's tax base has not been distorted.

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24. CONTINGENT ASSETS AND LIABILITIES (continued)

c) Taxation

All amounts due as Government taxes and levies have been paid or reported in the Company's Statement of financial position.

25. SIGNIFICANT RISK MANAGEMENT

The Romanian economy is undergoing continuous changes, so uncertainties arise with regard to the future direction of domestic economy and politics.

The Company is exposed to the following financial risks:

- Market risk, including interest rate risk and foreign exchange risk
- Credit risk
- Liquidity risk
- Capital adequacy risk
- Cash flow risk

These Notes provide information on the Company's exposure to each of the risks above, as well as the Company's objectives, policies and processes in terms of risk assessment and management.

The Company's Board of Directors will set up and oversee the Company' overall risk management framework.

a) Market risk

Market risk is the risk that changes in market prices or rates, such as share prices, interest rates and foreign exchange rates may have an impact on the Company's income or the value of the financial instruments held. The purpose of market risk management is to keep market risk within acceptable limits, while at the same time improving profitability.

(i) Market risk of equity instruments

The market risk of equity instruments is the risk that equity instrument values fluctuate as a result of changes in market prices, as a result of issuer-specific factors or factors with an impact on all instruments traded on the market.

The market risk of equity instruments is the result of fluctuations in the values of available-for-sale and held for trading shares. Market risk is the most significant risk for the Company. Investments in a diversified range of financial instruments are the main market risk management technique.

25. SIGNIFICANT RISK MANAGEMENT (continued)

(ii) Interest rate risk

The company transfers cash to overnight bank deposits at a fixed interest rate.

As of the reporting date, the Company's cash and cash equivalents were as follows:

Cash and cash equivalents	31 December 2020	31 December 2019
Current accounts	455.648	142.106
Cash on hand	2.080	657
Bank deposits	179.922	31.377
Total	**637.650**	**174.140**

(iii) Foreign exchange risk

The Company is exposed to foreign exchange risk in respect of the current accounts and deposits with banks, and the receivables and liabilities denominated in foreign currencies, namely euro (EUR), US dollar (USD) and Canadian dollar (CAD).

The entity hedges its foreign currency risk by matching receipts in foreign currency with payments in foreign currency. Foreign currency positions are determined on a regular basis and debit or credit positions for each currency are hedged by selling or purchasing foreign currency to current accounts.

Foreign currency exposure as of 31 December 2020

	RON	EUR	USD	OTHER	TOTAL
Financial assets at fair value through profit or loss	31.406.771	261.458	-	7.945.161	39.613.390
Financial assets at fair value through other comprehensive income	18.093.152	-	-	1.013.384	19.106.536
Other non-current assets	388.789	-	-	-	388.789
Trade receivables and other receivables	917.445	2.264.382	674.369	1.306.795	5.162.992
Client balances	14.766.717	356.756	1.445.879	2.526	16.571.878
Cash and cash equivalents	254.040	352.672	19.993	10.944	637.650
Total assets	**65.826.915**	**3.235.267**	**2.140.241**	**10.278.810**	**81.481.234**
Short-term loans	-	2.991.187	-	-	2.991.187
Trade payables	21.217.047	2.016.482	2.495.923	1.261.244	26.990.695
Total liabilities	**21.217.047**	**5.007.669**	**2.495.923**	**1.261.244**	**29.981.882**
Net assets	**44.609.869**	**(1.772.402)**	**(355.681)**	**9.017.566**	**51.499.352**

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25. SIGNIFICANT RISK MANAGEMENT (continued)

Foreign currency exposure as of 31 December 2019

	RON	EUR	USD	OTHER	TOTAL
Financial assets at fair value through profit or loss	24.622.025	1.852.330	-	3.280.405	29.754.761
Other non-current assets	353.709	477.930	-	-	831.639
Trade receivables and other receivables	392.774	1.012.066	924.433	237.841	2.567.114
Client balances	12.811.564	1.064.672	45.941	7.259	13.929.435
Cash and cash equivalents	100.438	51.991	18.310	3401	174.140
Total assets	**38.280.511**	**4.458.988**	**988.684**	**3.528.906**	**47.257.089**
Short-term loans	-	2.931.935	-	-	2.931.935
Trade payables	13.465.288	2.063.713	973.235	278.791	16.781.028
Total liabilities	**13.465.288**	**4.995.648**	**973.235**	**278.791**	**19.712.963**
Net assets	**24.815.222**	**(536.660)**	**15.449**	**3.250.115**	**27.544.126**

b) Credit risk

Credit risk is the risk of financial loss given the counterparty's failure to meet contractual obligations.

The maximum exposure of the Company to credit risk as of 31 December 2020 and 31 December 2019 is shown in the table below:

	31 December 2020	31 December 2019
Other non-current assets	388.789	831.639
Trade receivables and other receivables	5.162.991	2.567.114
Total	**5.551.780**	**4.230.392**

The Company observes closely the information available on the banks where its account balances are maintained (as deposits and current accounts), and investment/divestment decisions are made based on the reviews conducted.

c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its liabilities when due.

The Company's policy seeks to ensure that sufficient liquidity is maintained to meet liabilities when due. The Company carefully plans and monitors its cash flows in order to prevent liquidity risk.

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25. SIGNIFICANT RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

The structure of assets and liabilities in the period between the reporting date and the contractual maturities thereof for the financial year ended:

In RON	**Carrying amount**	**Less than 3 months**	**Between 3 and 12 months**	**More than 1 year**	**No set maturity**
Financial assets					
Investments in subsidiaries and associates	532.440	-	-	-	532.440
Financial assets at fair value through other comprehensive income	19.106.536	-	-	-	19.106.536
Other non-current assets	388.789	-	-	-	388.789
Trade receivables and other receivables	5.162.991	4.900.375	262.616	-	-
Assets at amortised cost	2.872.662			2.872.662	
Financial assets at fair value through profit or loss	39.613.390	39.548.600	-	-	64.790
Client balances	16.571.878	16.571.878	-	-	-
Cash and cash equivalents	637.650	637.650	-	-	-
Total financial assets	**84.886.336**	**61.658.503**	**262.616**	**2.872.662**	**18.065.787**
Financial liabilities					
Short-term loans	2.991.187	-	2.991.187	-	-
Trade payables and other current liabilities	26.990.695	26.031.210	-	959.485	
Operating lease liabilities	644.647	65.535	201.580	377.532	
Provisions	532.906	-	532.906	-	-
Total financial liabilities	**31.159.435**	**26.096.745**	**3.725.673**	**1.337.017**	**-**

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25. SIGNIFICANT RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

The structure of assets and liabilities in the period between the reporting date and the contractual maturities thereof for the financial year ended:

In RON	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	No set maturity
Financial assets					
Investments in subsidiaries and associates	532.440	-	-	-	532.440
Financial assets at fair value through other comprehensive income	14.339.785	-	-	-	14.339.785
Other non-current assets	831.639	-	-	-	831.639
Trade receivables and other receivables	2.567.114	2.311.772	255.342	-	-
Assets at amortised cost	2.827.047			2.827.047	
Financial assets at fair value through profit or loss	29.754.761	29.716.471	-	-	38.290
Client balances	13.929.435	13.929.435	-	-	-
Cash and cash equivalents	174.140	174.140	-	-	-
Total financial assets	**63.956.361**	**45.131.818**	**255.342**	**2.827.047**	**15.742.354**
Financial liabilities					
Short-term loans	2.931.935	-	2. 931.935	-	-
Trade payables and other current liabilities	16.781.028	15.821.543	-	959.485	
Operating lease liabilities	858.780	55.462	170.599	632.719	
Provisions	323.547	-	323.547	-	-
Total financial liabilities	**20.895.290**	**15.876.005**	**3.426.081**	**1.592.204**	**-**

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25. SIGNIFICANT RISK MANAGEMENT (continued)

d) Capital adequacy

The Company is subject to legal requirements concerning capital adequacy. Thus, the amount of equity according to IFRS statutory accounting regulations, namely RON 44.239.875 as of 31 December 2019 and RON 53.556.407 as of 31 December 2020 are over the required legal limit.

e) Cash flow risk

Cash flow risk is the risk that future cash flows associated with monetary items may fluctuate in size. For instance, in the case of financial instruments with variable interest rates, fluctuations will result in an effective change in the financial instrument's interest, usually with no impact on fair value.

Due to the nature of its business, the Company is not exposed to major estimated cash flow fluctuations, from financial instruments or interest rates.

f) Return on assets

According to the provisions laid down in Art. 134 of FSA Regulation no. 3/2014, return on assets is calculated as the ratio between net profit and total assets.

Return on assets	**2020**	**2019**
	16%	**8%**

26. EVENTS AFTER THE REPORTING PERIOD

No subsequent events with potential significant impact on the financial statements were reported.

Financial statements signed off this day, 26 July 2021:

Gioga Stefan	**Bogdan Juravle**	**Valeria Avram**
Board of Directors member	**General Manager**	**Chief Accountant**

I, DANIELA ANCA AELENEI, certified English, Italian and Romanian translator and interpreter, Certificate no. 4024 of 6 December 2002 issued by the Romanian Ministry of Justice, hereby certify that this is a true translation from Romanian into English, that the original wording has been translated in full, with no omissions, and that the translation retains the same content and meaning as the original.

CERTIFIED TRANSLATOR AND INTERPRETER