

DOCUMENTO STRETTAMENTE RISERVATO E CONFIDENZIALE

PERIZIA DI STIMA DEL VALORE ECONOMICO

DELLA PINUM DOORS AND WINDOWS LTD.

AL 30 APRILE 2022

Spett.le

Parfin S.a.r.l.

Rue de Beggen,

1220 Luxembourg

Milano, 1 luglio 2022

Oggetto: Perizia di stima del Valore Economico della Pinum Doors and Windows Ltd.

Con lettera di incarico datata 31 maggio 2022, la Società Parfin S.a.r.l. (di seguito anche "Parfin" o la "Conferente"), ha conferito a RSM Società di Revisione e Organizzazione Contabile S.p.A. (di seguito anche la "scrivente" o la "scrivente Società di revisione") l'incarico di determinare il valore economico alla data del 30 aprile 2022 (di seguito anche "Data di riferimento") della società **Pinum Doors and Windows Ltd.** (in seguito anche la "Società" o "Pinum"), con sede nella città di Bucarest, 48 Pipera Road, unità PAV. ADM., 2° piano, Distretto 2, CAP 020112, C.F. 24230589, ORC n. J40/12717/2008, a supporto della prospettata operazione di conferimento e per le finalità di cui all'art. 2343 ter, lett. b) del codice civile.

Ai fini della redazione della presente relazione e, in particolare, delle analisi e delle considerazioni ivi contenute, è utile ricordare che le conclusioni raggiunte nella presente relazione devono essere interpretate alla luce delle seguenti ipotesi:

- i dati contabili utilizzati per lo sviluppo delle metodologie di valutazione utilizzate nella perizia sono stati forniti alla scrivente dall'organo amministrativo di Pinum Doors and Windows Ltd. o sono stati tratti da database specializzati o da altre fonti pubbliche;
- i dati consuntivi e le informazioni ottenuti e di seguito elencati non sono stati sottoposti a verifiche tese a comprovarne l'autenticità, né ad una revisione contabile neppure in forma limitata, ma essi sono stati soltanto esaminati in termini di ragionevolezza e di coerenza complessiva: la scrivente Società di revisione ha dunque fatto affidamento sulla veridicità e accuratezza delle informazioni di natura contabile ricevute e non ha svolto verifiche sulle stesse, non rientrando tale attività nell'oggetto dell'incarico ricevuto ed essendo, peraltro, incompatibile con i tempi richiesti per l'esecuzione dell'incarico. Pertanto, nonostante l'incarico sia stato svolto con la massima diligenza ed imparzialità, la scrivente non si assume alcuna responsabilità in relazione alle informazioni di carattere aziendale utilizzate per l'elaborazione della perizia di stima, né può, quindi, escludere che, qualora fossero state condotte ulteriori

- procedure di revisione contabile sui dati storici, sarebbero potute emergere differenze, anche significative, rispetto alle risultanze della presente perizia;
- la valutazione della Società è stata effettuata in ipotesi di continuità aziendale e alla luce di elementi prospettici ragionevolmente ipotizzabili in uno scenario normale; pertanto, non tengono conto della possibilità che possano, in futuro, verificarsi eventi straordinari e non prevedibili;
 - la valutazione è stata condotta considerando la configurazione e il modello operativo alla data di redazione della presente perizia nonché l'attuale contesto normativo e regolamentare;
 - i dati prospettici della Società non sono stati oggetto di due diligence da parte della scrivente società;
 - l'incarico non prevede lo svolgimento di verifiche e accertamenti circa l'eventuale sussistenza di passività di natura fiscale, contrattuale o previdenziale, relative alla Società.

La perizia, pertanto, si basa necessariamente sulle attuali condizioni economiche e monetarie di mercato e sulle informazioni aziendali che sono state messe a disposizione della scrivente società fino alla data del 30 aprile 2022.

La Relazione di stima ex art 2343-ter, lett. b)

Il D.lgs. 4 agosto 2008 n.142 (in G.U. n. 216 del 15 settembre 2008), entrato in vigore il 30 settembre 2008, ha introdotto nel nostro ordinamento una nuova disciplina concernente la valutazione dei conferimenti diversi dal denaro (d'ora in poi, "conferimenti in natura"), in attuazione della Direttiva 2006/68/CE, a sua volta modificativa della cd. Seconda Direttiva. La nuova disciplina è racchiusa negli artt. 2343-ter e 2343-quater del Codice Civile, i quali sono stati rivisti con l'emanazione del D.lgs. 224//2010 che ha eliminato alcuni motivi di incertezza interpretativa. La lettera b) del secondo comma dell'art. 2343-ter consente di avvalersi della valutazione redatta da un esperto indipendente e dotato di adeguata professionalità, dalla quale emergano il valore equo ed i criteri di valutazione adottati. L'equivalenza funzionale con la relazione di stima di cui all'art. 2343, primo comma, deve intendersi perseguita, innanzitutto, tramite il riscontro di precisi requisiti soggettivi di professionalità ed indipendenza in capo all'esperto estensore della perizia. La rilevanza di suddetti requisiti è evidenziata dal procedimento di verifica ex post disciplinato nell'art. 2343- quater, nell'ambito del quale costituiscono oggetto di puntuale esame di idoneità, all'esito negativo del quale si deve rinnovare la stima dell'entità conferita in conformità al procedimento generale disciplinato nell'art. 2343 c.c..

I requisiti soggettivi dell'esperto indipendente

La carenza dei requisiti soggettivi priva di attendibilità la valutazione agli effetti della lett. b) del secondo comma dell'art. 2343-ter, perché mancante dei presupposti oggettivamente riconoscibili e fondanti. La professionalità deve essere innanzitutto adeguata, quindi proporzionata e conveniente in ragione dell'importanza economica e della natura del bene da conferire ed oggettivamente riconoscibile dalla generalità dei consociati, segnatamente dagli altri soci e dai terzi.

Tra gli indici presuntivi di professionalità che possono confortare nella valutazione:

- l'iscrizione di RSM Società di Revisione e Organizzazione Contabile S.p.A. presso il MEF n. iscr. 155781 con Decreto Ministeriale del 07/07/2009 pubblicato nella G.U. n. 59 del 04/08/2009
- l'iscrizione del Dott. Luca D'Ambrosio e del Dott. Nicola Tufo, soci di RSM Società di Revisione e Organizzazione Contabile S.p.A., nel Registro dei Revisori Contabili;
- l'esperienza acquisita da RSM Società di Revisione e Organizzazione Contabile S.p.A. e dai suoi soci, dipendenti e collaboratori, nonché dal network internazionale nella predisposizione di numerose perizie di stima di aziende con l'utilizzo di metodi finanziari.

RSM Società di Revisione e Organizzazione Contabile S.p.A. e con essa i suoi soci, amministratori, dipendenti e collaboratori confermano inoltre di essere indipendenti da chi effettua il conferimento e dalla Società, e anche dai soci che esercitano individualmente o congiuntamente il controllo sul soggetto conferente o sulla società conferitaria e di possedere dunque i requisiti previsti per i sindaci nell'art. 2399 c.c. e nell'art. 160 T.U.F.

Caratteristiche della perizia di stima

La valutazione è stata condotta in conformità "ai principi ed ai criteri generalmente riconosciuti per la valutazione dei beni oggetto del conferimento": tale condizione dimostra che la possibilità di avvalersi del regime di stima previsto dall'art. 2343- ter, lett. b) c.c. dipende dalla ricorrenza di indici oggettivi di attendibilità della valutazione tali da far ritenere superfluo il ricorso all'esperto nominato dal Tribunale per la tutela degli interessi coinvolti, tenuto conto che il procedimento di stima dei conferimenti di beni o crediti disciplinato nell'art. 2343 è volto a soddisfare l'interesse sia dei soci diversi dal conferente sia dei terzi ad evitare sopravvalutazioni delle entità apportate in società ed imputate a capitale.

La perizia contiene pertanto la puntuale indicazione dei criteri adottabili, della ragione per cui nella circostanza si è scelto il criterio adottato, e l'iter logico che ha condotto alla determinazione del valore equo. La valutazione contenuta della perizia non può essere riferita ad una data più risalente di sei mesi rispetto alla data del conferimento.

Metodo valutativo adottato

Sulla base delle analisi svolte e considerando il piano aziendale fornito dal Management della Società, è stato deciso di eseguire la valutazione della Società utilizzando un metodo valutativo basato sul reddito e sui flussi di cassa (*Income approach*) ed, in particolare, il metodo dell'attualizzazione dei flussi di cassa.

Tale metodo determina il valore equo dell'azienda sulla base dei risultati economici che la Società è in grado di generare in futuro a remunerazione dei prestatori di capitale di rischio.

Questo metodo può fornire una migliore indicazione del valore economico della Società considerando la sostanziale mancanza di indicazioni con riferimento ad aziende comparabili e della disponibilità delle previsioni economiche, finanziarie e patrimoniali della Società ricevute dal Management.

E' stata eseguita la valutazione utilizzando i flussi di cassa disponibili risultanti dai piani economici e patrimoniali della Società ricevuti dal Management e riportati nel corpo di questo documento, nonché le informazioni ottenute dal Management della Società.

Conclusioni

Con riferimento alla natura ed alla finalità dell'Incarico, sulla base della documentazione di riferimento ivi riportata e dei criteri metodologici nel seguito illustrati, abbiamo proceduto alla determinazione del valore corrente teorico della Società al 30 aprile 2022.


Sulla base degli elementi riportati nel corpo del documento abbiamo stimato il valore economico della Società alla data del 30 aprile 2022 pari a complessivi **€ 8,4 milioni**.

La scrivente Società precisa che accadimenti interni ed esterni intervenuti successivamente alla Data di Riferimento della presente Relazione di Stima e sino alla data di stipula dell'atto di conferimento determineranno variazioni e valori della situazione patrimoniale con conseguente necessità di rettifiche contabili e aggiornamenti di segno negativo o positivo da parte della Conferitaria.



Rimaniamo a Vostra disposizione per qualsiasi ulteriore chiarimento e, con l'occasione, inviamo cordiali saluti.

**RSM Società di Revisione e
Organizzazione Contabile S.p.A.**



Luca D'Ambrosio
(Socio - Revisore Legale)



Nicola Tufo
(Socio - Revisore Legale)

Allegato A: Business Valuation Report completo di Pinum Doors and Windows Ltd. al 30 aprile 2022

ALLEGATO A

BUSINESS VALUATION REPORT COMPLETO DI PINUM
DOORS AND WINDOWS LTD. AL 30 APRILE 2022

BUSINESS VALUATION REPORT

PINUM DOORS & WINDOWS LTD



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1. Valuation Premises

HYPOTHESIS

The main assumptions which were considered in the current report, are presented below:

1. Hypothesis:

- ✓ The legal aspects are based exclusively on the information and the documents received from Parfin Sarl. and Pinum Doors & Windows Ltd. representatives, and they have been presented without making any verifications or additional investigations. The property rights over the company's shares are considered valid and marketable.
- ✓ The information provided by third parties are considered to be reliable; but the appraiser does not offer any certification regarding their accuracy.
- ✓ We have not made any functional or efficiency analysis of the company's assets. There are assumed to be in good physical condition. We cannot express our opinion regarding their condition and the report should not be considered as a mean of validating the functional integrity or efficiency of the assets.
- ✓ The current state of the analysed company and the valuation purpose are at the basis of the methods used in estimating the market value.
- ✓ The analysis of the entity financial statements in the current report does not suggest that we undertook a financial audit or due diligence of the company. We do not take any responsibility regarding the integrity of any financial information received from the company representatives.
- ✓ The estimated market value is valid only at the date of valuation. Due to the fact that market conditions can change the estimated value can be different in any other moment in time.
- ✓ We assumed that current legislation will remain unchanged and we have not taken into account any changes that may occur in the following period.
- ✓ When estimating the value, the appraiser used only the information available at the date of valuation; it is possible that other information, unknown to the appraiser could exist.

2. Assumptions:

- ✓ The coming into possession of a copy of this report does not involve the right of publishing it;
- ✓ The appraiser, through the nature of his/her work, does not have to offer his/her advice, or to testify in a court of law in relation to the named property;
- ✓ This present report or its parts shall not be published without the permission of the parts from 2.2 chapter (conclusions regarding the values, or the valuator's identity)
- ✓ Any values estimated in the report are applied to the entire property and any division or distribution of the value on fractioned interests will invalidate the estimated value, except for the case in which such a distribution has been specified in the report.
- ✓ The current valuation report is valid under the present (valuation date) economical, fiscal and political conditions. In the case that any of them should change the conclusions will lose their validity.
- ✓ According to the information received from the client, we have reclassified in the historical

balance sheets an amount of around 2.6 mln Euro from other payables into loan to shareholders. We have been informed that part of such amount (about 2.2 mln Euro) will be waived from the shareholders during 2022 and recorded as capital increase in the forecasted balance sheets and the remaining amount of about 400.000 Euro will continue to be recorded as net debt for the following years. We considered these special assumptions in our valuation premises.

- ✓ Net debt as of valuation date has been adjusted taking into consideration an amount of about 782.000 Euro representing an overdue tax payable to be repaid and included within “Other payables/Altri debiti” in the historical balance sheets.

PURPOSE, UTILISATION AND VALUATION INSTRUCTIONS

Purpose

The purpose of the valuation is estimating the market value of PINUM DOORS & WINDOWS SRL. for user information purposes.

Subject

PINUM DOORS & WINDOWS SRL is located in Bucharest City, 48 Pipera Road, unit PAV. ADM., 2nd floor, room 19, District 2, postal code 020112.

The current report is addressed to PARFIN SARL - being the client and designated user.

Taking into account IVS – International Valuation Standards, ANEVAR status and the Appraiser Deontology Code, the appraiser does not take any responsibilities beside the client and designated user.

VALUATION BASES. TYPE OF ESTIMATED VALUE

The value expressed in this report, in accordance with the addressee requirements, is an estimation of the market value of the subject.

The Market Value is defined as follows: *“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.*

In the current report the ANEVAR Valuation Standards, 2022 edition, were taken into account:

- ✓ SEV 100 – Framework
- ✓ SEV 200 – Businesses and Business Interests.
- ✓ SEV 102 – Implementation
- ✓ SEV 103 – Reporting
- ✓ SEV 230 – Real property interests
- ✓ SEV 220 – Plant and equipment

The documents received are:

- Credit note date 26.10.2017

- Balance sheet 31.12.2019
- Balance sheet 31.12.2020
- Balance sheet 31.12.2021
- Trial balance 2019
- Trial balance 2020
- Trial balance 2021
- Trial balance 30.04.2022
- Asset registry at 30.04.2022
- NUSCO CORPORATE TIMETABLE

DATE OF ESTIMATING THE VALUE

At the basis of estimating the market value are the price levels specific for 30th April 2022, the date when the estimations and hypothesis are considered valid (valuation date).

The valuation was made in 1st July 2022, which is the date of the report.

REPORT CURRENCY. MEANS OF PAYMENT

The value is expressed in Lei. The forecast was made in Lei and Euro.

The exchange rate used is 4,9480 lei / euro (which is the exchange rate published by the National Bank of Romania on 30th of April 2022)

We mention that a conversion in Euro of the opinion is adequate only if the main premises, on which the valuation process is based do not suffer any significant changes (the forecast earnings, profitability, the degree of risk associated with a similar investment, exchange rate and the evolution of it in comparison with purchasing power).

The value expressed as an opinion in the current report represents the sum which will be paid in cash or cash equivalents at the date of valuation without considering any special payment conditions.

NON-DISCLOSURE CLAUSES

The current valuation report is based on the information received from PINUM DOORS & WINDOWS LTD and the client's representatives; the appraiser does not assume any responsibility regarding the accuracy and the precision of this information. The estimated value is valid at the date presented in the report and a limited time after, in which the specific conditions do not suffer any significant changes which may affect the opinion.

The appraisers' opinion will be analysed only in the economical context in which the valuation process is constructed, the degree of market development and valuation purpose. If one of them is to change soon the appraiser cannot be held responsible for another information that were unknown to him at the date of valuation.

This report or any reference to it cannot be published or included into a document, which will be published without prior written approval of the appraiser, specifying the form in which it will appear. Partial or integral publishing or use of the report for other purposes than those stated at 2.2. leads to the cease of contractual obligations.

VALUATION METHODOLOGY

The valuation methodology, generally accepted, presumes that the appraiser will gather, analyze and adjust the information that are consider relevant, select and apply the necessary approaches and methods that will lead to the market value.

In the valuation process the following were considered:

- ✓ Type of business and its history
- ✓ General economic background, taking into consideration the sector in which the company undertakes its activity
- ✓ The patrimonial situation
- ✓ The future cash-flow generated by the business (according to the discussions takes with the valued company's representatives).

The following approach was applied:

Income approach – a general mean of determining the market value of a company using different methods of estimating the value by converting future benefits into capital value

The value obtained through the income-based approach considers on the one hand the intangible assets that PINUM DOORS & WINDOWS LTD. benefits from, and on the other hand the potential of the business.

2. DATA PRESENTATION AND ANALYSIS

2.1 GENERAL ASPECTS

2.1.1 GENERAL PRESENTATION

Name	PINUM DOORS & WINDOWS LTD
Address	Bucharest City, 48 Pipera Road, unit PAV. ADM., 2nd floor, room 19, District 2, postal code 020112, Tel: 037- 402.40.97, 021 233.15.10
Registrations	Fiscal code 24230589, Trade Register Number J40/12717/2008
Email address	office@pinum.ro
Main Activity	The company has as a main object activity, according to the NACE code – 4673 Wholesale of wood and construction materials and sanitary equipment. The operational activity is production and selling door and windows.

General aspects

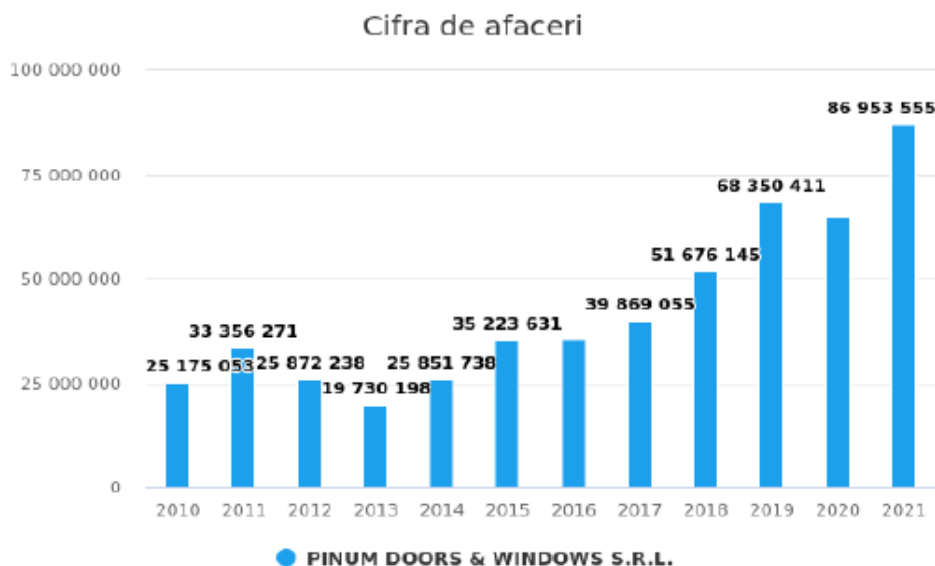
The assessed company has its registered office in District 2 of Bucharest city, 48 Pipera Road, unit PAV. ADM., 2nd floor, room 19, postal code 020112.

Pinum Doors & Windows LTD, part of the Nusco Group, produces in Romania and in Italy a wide range of doors and windows: interior doors, entrance doors, metal doors, armored doors, fire resistant doors, windows and doors. wood, wood with aluminum, aluminum, PVC, and PARQUET.

General information

Pinum Doors & Windows LTD (CUI 24230589, Trade Register Number J40/12717/2008) was established in 1992 and has its registered office at 48 Pipera Road, unit PAV. ADM., 2nd floor, room 19, District 2, postal code 020112, District 2.

With a turnover of 87 million LEI in 2021 and 175 employees, the company has as its main object of activity, according to the NACE code 4673 - Wholesale of wood and construction materials and sanitary equipment. The operational activity is production and selling door and windows.



2.2 DIAGNOSTIC ANALYSIS

The diagnostic analysis aims at determining the general state of a company, its deficiencies and its malfunctions, in order to establish the application procedures for the implementation of the corrections. Starting from both internal factors (company functioning, evolutionary trends) and external factors (the environment in which the company carries out its activity, disruptive factors), diagnosis analysis aims at identifying the symptoms that generate the current state of the company and Establishing a direction for it.

The most common type of diagnostic analysis is SWOT (Strengths, Weaknesses, Opportunities and Threats), which addresses both internal and external factors for the strategic direction of the company. It identifies the company's weaknesses (operating deficiencies) and its strong points (competitive advantages) to determine the direction of profitability growth (capitalizing on Opportunities and combating threats).

2.2.1 LEGAL DIAGNOSIS

Identification data

Constitutive act and legal form

The name of the company is PINUM DOORS & WINDOWS LTD.

PINUM DOORS & WINDOWS LTD is organized as a limited liability company according to Law no.

31/1990 republished.

According to the statute, at the foundation the company's share capital is subscribed and fully paid.

The commercial company was registered with the Trade Register, under no. J40/12717/2008.

The commercial company has a unique registration certificate - code 24230589.

Statute and company contract

It carries out its activity in accordance with the Romanian laws and the constitutive act.

The company's duration is unlimited.

The main activity is NACE 4673 - Wholesale of wood and construction materials and sanitary equipment. The operational activity is production and selling door and windows.

The Statute includes in its structure all the rights and obligations of the shareholders according to the law.

The way of dissolution and liquidation of the company will be according to the legislation in force.

Social capital

At the date of the valuation, the share capital was divided accordingly:

Shareholder	Shares
PARFIN SARL	90%
FRC ASVISING CONSULT SRL	10%

The most important assets held by the company at the moment of valuation (top assets with unamortised value over 130,000 RON).

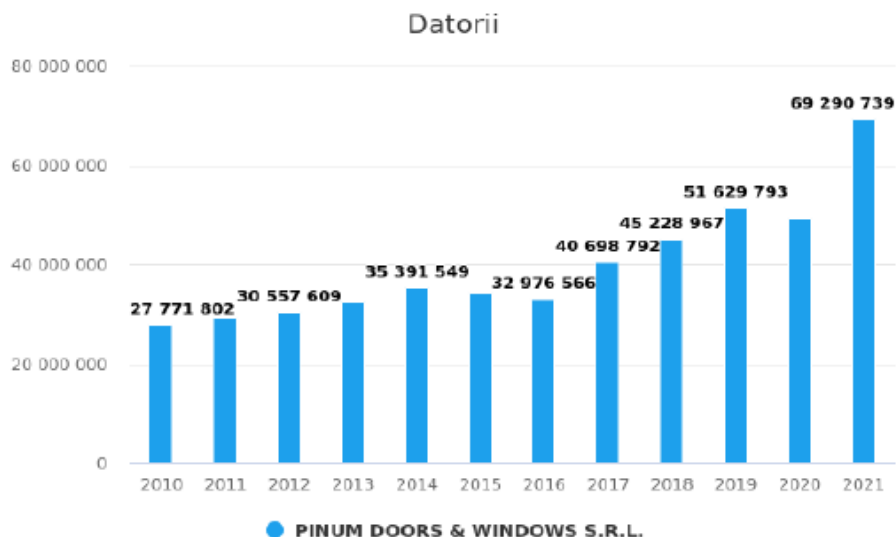
Date act.	Assets held	Acquisition price	Allowance for depreciation	Book value	Currency
26.03.2010	MARCA COMERCIALA "PINUM"	6,109,350.00	-1,476,426.25	4,632,923.75	RON
20.12.2016	Apartment C1.B.09-B104 LAGUNA	699,086.39	-74,569.23	624,517.16	RON
01.06.2009	CABINA PRESURIZATA ALWO THERM RANGE ROVER EVOQUE TD4	160,987.99	-160,987.99	0.00	RON
01.07.2013	2.2L(SALVA2BC0CH664402)	157,840.01	-157,840.01	0.00	RON
12.07.2017	CENTRU DE PRELUCRARE SI TAIERE-KABAN-	973,062.20	-546,520.86	426,541.34	RON
12.07.2017	CENTRU DE SUDURA 4 CAPETE CU CNC-KABAN-	353,840.80	-198,734.86	155,105.94	RON
05.02.2019	CENTRU DE PRELUCRARE SI DEBITARE PROFILE ALUMINIU	1,884,614.65	-596,794.64	1,287,820.01	RON
20.03.2019	MASINA DE SRTIZAT PROFILE DIN ALUMINIU EP 124/20	148,157.26	-44,492.63	103,664.63	RON
08.05.2019	APARAT SUDURA CU 4 CAPETE PVC-GRAF SYNERGY	1,277,823.41	-372,698.49	905,124.92	RON
31.10.2019	ECOLINE TOP FINISH 8TC MAT.2008-A56	250,262.01	-62,044.76	188,217.25	RON
22.10.2019	LAND ROVER NEW DISCOVERY SE	227,011.75	-94,588.22	132,423.53	RON
07.08.2020	MASINA DE FREZAT LACASURI TEKNO BASIC SER-20500/20	193,436.00	-80,598.34	112,837.66	RON

Date	Description	Value	Change	Balance	Unit
19.07.2021	CIRCULAR VERTICAL SECTOR 1255 ALUCOBOND	167,644.54	-12,573.34	155,071.20	RON
02.11.2021	MASINA DE DIBITAT LA 2 CAPETE DG104 6.0MM+E580	287,763.00	-14,388.15	273,374.85	RON
09.12.2021	TUNNEL ESSICCAZIONE MATR.10RC2861 MAKOR	173,215.00	-7,217.29	165,997.71	RON
01.01.2011	ROBOT CEFLA VS733 ECOSPRAYER	276,249.30	-276,249.30	0.00	RON
01.01.2011	ECHIPAMENT EXHAUSTARE RUMEGUS SI PRAF ALWO THERM	146,618.00	-123,810.76	22,807.24	RON
01.01.2011	SILOZ 300MC CU SUBSTATII DE FILTRARE SI DESC.AUTOM	670,787.00	-344,507.46	326,279.54	RON
01.01.2011	COMPRESOR CU SURUB TIP ESD 301	171,885.00	-103,931.62	67,953.38	RON
		19,996,976.50	-8,733,874.08	11,263,102.42	RON

Tax law

The debt situation has evolved according to the table below.

Graph III.1. Evolution of Debt ratio for PINUM DOORS & WINDOWS SRL.



Labor Law

There were no incidents / litigation regarding the employees from the data provided to the Valuer.

Strength and weak points of the legal diagnosis

Strengths:	Weak points:
<ul style="list-style-type: none"> There are no significant legal actions with authorities or third parties 	<ul style="list-style-type: none"> The lack of local infrastructure development
Opportunities	Threats:
<ul style="list-style-type: none"> The growth and development of the northern Bucharest area 	<ul style="list-style-type: none"> Stricter regulation in the commercial sector

2.2.2 DIAGNOSIS OF HUMAN RESOURCES AND MANAGEMENT OF THE COMPANY

The purpose of human resources diagnosis within PINUM DOORS & WINDOWS LTD It is the knowledge of the evolution, the structure and the efficiency of the personnel, namely the knowledge of the way of organizing and managing the personnel, factors that influence directly the economic performances of the company.

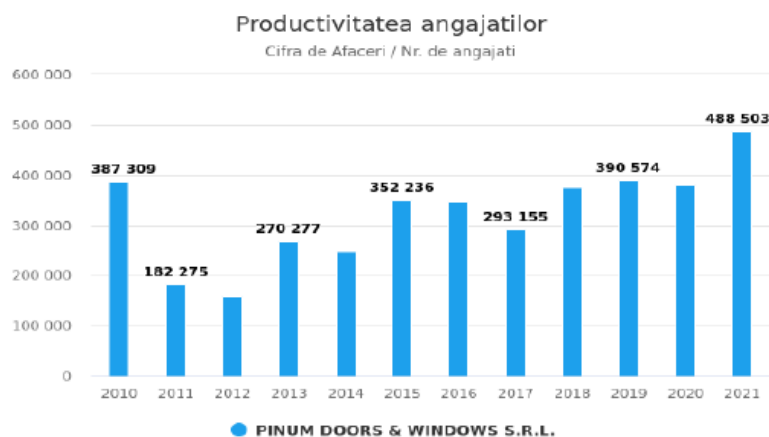
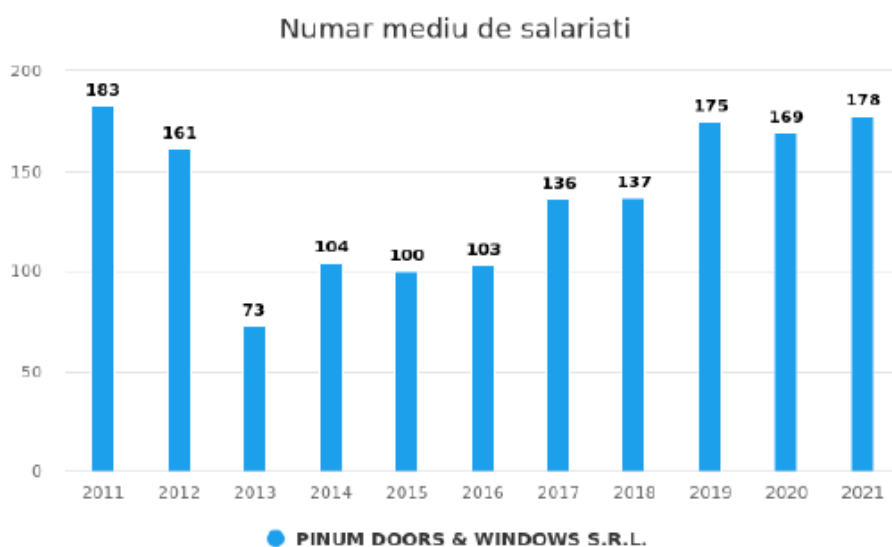
2.2.2.1 MANAGEMENT

Management is provided by Mr. Nusco Michele.

2.2.2.2 DIAGNOSIS OF HUMAN RESOURCES

Number of Employees PINUM DOORS & WINDOWS LTD Registered a small variation throughout the company's existence, in accordance with the business cycle and the company's revenue.

Chart IV.1. Evolution of the number of employees and their productivity (2011-2021)

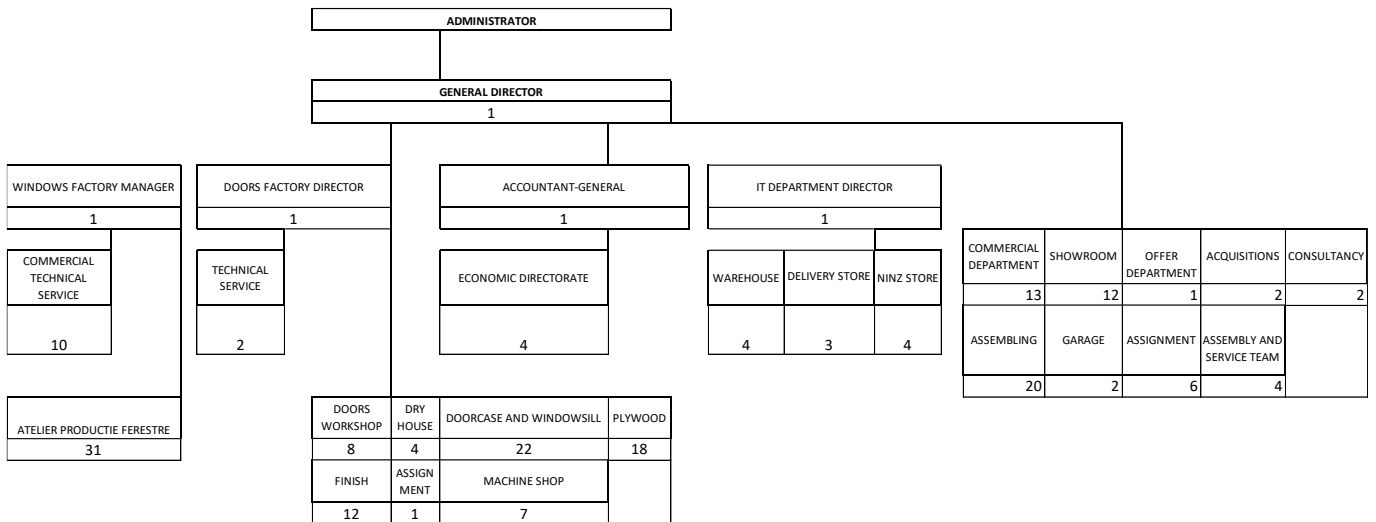


As regards staff expenditure, the company recorded a significant increase in employee expenses per month from 2016 to 2021.

In March 2017 the organization chart of the company indicates the division of the personnel in types of activities (departments), as follows:

Organizational chart of PINUM DOORS & WINDOWS LTD (2022 April)

ORGANIGRAMA PINUM DOORS&WINDOWS 04.2022



Strengths:	Weak points:
<ul style="list-style-type: none"> • Management with field experience 	<ul style="list-style-type: none"> • N/A
Opportunities	Threats:
<ul style="list-style-type: none"> • Potential to recruit workforce from surrounding areas 	<ul style="list-style-type: none"> • Greater training costs due to technological changes

2.2.3 COMMERCIAL DIAGNOSIS

The purpose of the commercial diagnosis is to delimit and analyse the market on which PINUM DOORS & WINDOWS LTD. operates, estimating the potential of the market and the place occupied within it by the analysed company.

2.2.3.1 EXTERNAL ENVIRONMENT

The main aspects of the external environment that influence the company's evolution can be grouped as follows:

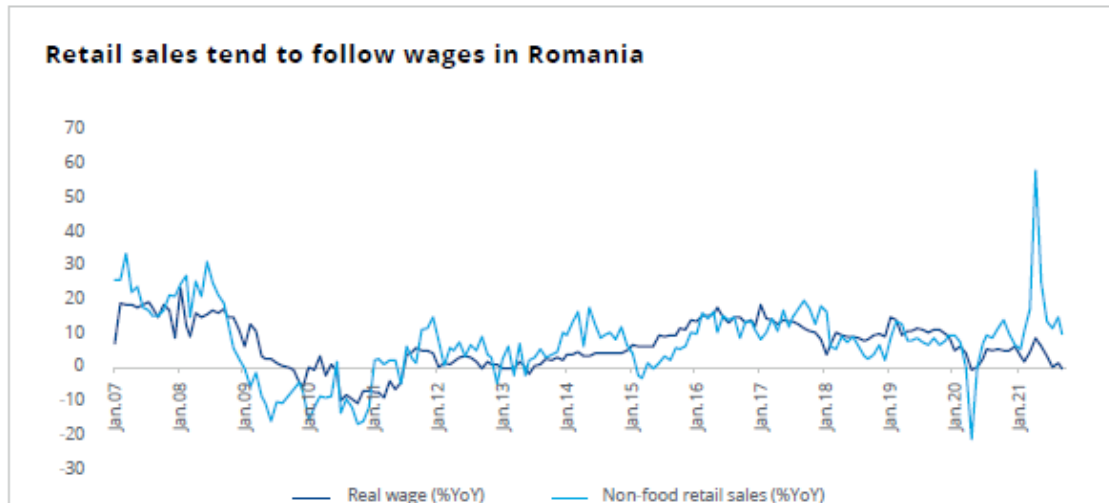
Economic Aspects

In recent years, the near-term outlook has always been clouded by multiple factors and 2022 is no exception, with its own specific set of challenges.

That said, most of these factors are pointing to the downside for Romania. For 2022, we would mention the following negative themes and potential events, the first one being especially problematic: 1. The Federal Reserve tightening cycle is starting much sooner with the first rate hikes due in 2022 (at the start of 2021, most in financial markets were arguing for a 2024 date), which could impact risk perception about emerging markets greatly; we also need to acknowledge a change of tone from the European Central Bank, which could raise EUR rates as soon as Q4 2022, much sooner than the 2024 dates previously penciled in; 2. Lingering geopolitical tensions in the region; 3. An unstable internal political situation in Romania, with part of the governing coalition pushing for more handouts in spite of the stretched budget (also watch out for higher taxes); 4. Lingering inflationary pressures globally stimulated by supply chain issues; 5. Uncertainties regarding the pandemic.

On the flipside, there are some positive themes that could help Romania: 1. The country should be one of the major beneficiaries of EU funds in the next years, provided the authorities have the administrative capacity to absorb the money (the post-COVID recovery funds, the regular EU funds and agriculture subsidies add up to almost EUR 80bn available until 2027, which is one third of the country's GDP); 2. A positive fallout from some external events (Brexit, rocky relations between China and some Western countries) could lead to some local job creation.

Overall, we believe that GDP growth is likely to print somewhere in the 3 to 4% range in 2022, with the risk balance skewed to the downside. The major risk, as we highlighted before, is the Federal Reserve's tightening cycle, with the US central bank starting to pull back quantitative easing support as of late 2021 and set to raise the key rate 3 to 4 times (or 0.75-1.00 pp in total) throughout 2022. In the past, the tantrum caused by the Fed's actions caused great damage to emerging markets (Mexico's 1994 crash for instance), which could lead to similar things for Romania as well in 2022 given the country's bad macroeconomic position, especially its lingering issues regarding the fiscal position and the current account balance. This also places Romania in a poor position, meaning that if there is a storm in external markets or some other very negative scenario materializes, it could more easily suffer a hard landing (or even a recession) than other countries.



With the labour market set to return more into a neutral position, as companies are taking stock of uncertainties with regards to both markets and policies, this means that wage growth is likely to remain subdued, despite the fact that earnings at the lower end of the pay scale will receive a boost following the bump of the minimum pay by close to 11%.

Consequently, when accounting for average inflation, real wage growth should barely see a positive value throughout 2022. This means that consumption growth will become more mellow and localized (i.e. some industries and cities in Romania will likely see healthier gains). We cannot overlook the theme of structural changes that are shaping labour markets in developed nations, with more and more young persons quitting and many not returning to the job market; in this respect, Romania already had one of the higher NEETs rates (not in education, employment or training) in the EU to begin with, so things could become much more challenging if Romanians adhere to this global trend. For reference, a bit over 20% of Romania's persons aged 20-34 were NEETs in 2020, the 6th highest rate in the Union.

The outlook for inflation is quite cloudy given that there are still many unknowns regarding the supply chain issues we have been seeing throughout 2021. That said, it is highly unlikely that inflation will come down below the central bank's top end of the target interval (3.5%) sooner than late 2023, so more key rate increases are in order. These key rate hikes should protect the RON from some weakness, but only to some extent; consequently, we would still expect the overall context to eventually lead the EUR/ RON pair some 2% higher by the end of 2022. With a fairly populist rhetoric from the new governing coalition at the end of 2021, we cannot entirely rule out that Romania will again be on the radar of the rating agencies after having just escaped a downgrade (Moody's and S&P both improved the rating outlook from negative to neutral in 2021, though Fitch still maintains the negative outlook). The overall context suggests no material improvements should be expected in narrowing the sovereign risk spread Romania has versus European peers; quite the contrary. Furthermore, the coalition is formed by two previously bitter political rivals, so we cannot exclude seeing political noise in the following year(s) as well. This could not come at a worse time, given that Romania's twin deficits (current account balance and fiscal gap) are set to remain at problematic levels and well higher than those seen in neighbouring peers.

For instance, Poland, Czechia or Hungary all have current account surpluses (though, admittedly, they are looking a bit worse for wear compared to pre-pandemic levels); furthermore,

they are also forecasted to bring their fiscal gaps in check much sooner thanks to more ambitious tightening from their respective governments (something which looks unlikely in Romania's case given the shaky political situation).

CEE Investment Market

In spite of the adverse economic backdrop, the generous liquidity conditions and the perceived safety of real estate assets led to a strong result for the Romanian investment market, with a total volume of close to EUR 900mn, roughly unchanged compared to 2020. Barring 2019, this result is also more or less in line with the yearly average we have seen since 2014, though each year had its own particularities and brought certain changes.

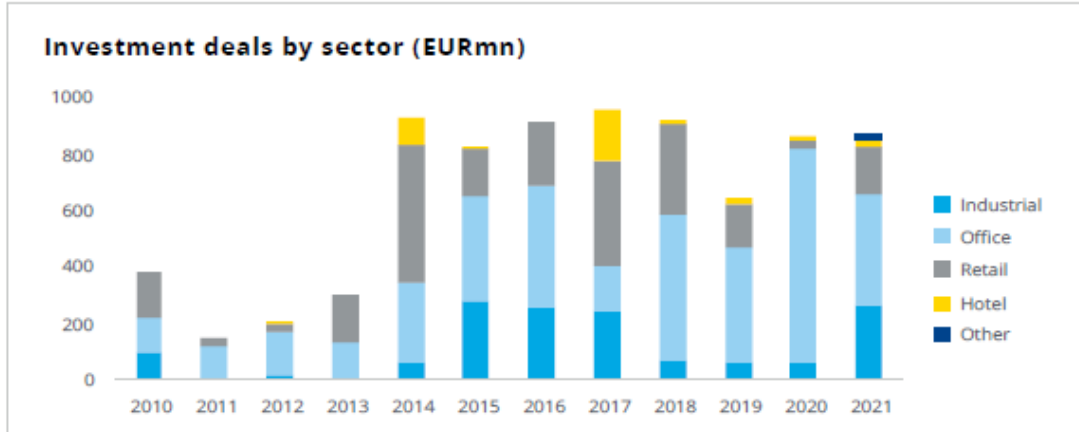
Probably the most striking result was for industrial assets, which recorded the best result since 2015, having attracted deals worth circa EUR 260mn in total (representing over 29% of total volumes). This figure is also 2.6x higher than the yearly average seen for deals involving I&L assets between 2010 and 2020.

We continue to view the rather depressed volume of traded I&L assets in previous years as the result of a low offer on hand, which failed to underscore how deep the actual demand was. This means that 2021's result was rather the simple consequence of more properties seeking a different owner, as buyers were likely to dig into their pockets. In fact, a Colliers survey conducted late in 2021 showed that industrial assets have become the most favoured asset class in Europe. Meanwhile, offices remained the most active asset class, attracting deals worth around 44% of total (though very much below 2020's share of 89%); the year was notable both in terms of the size of certain deals, as well as pricing, which marked a more significant downward move.

Prime investment yields, end-2021 (and comparison to 2020 levels)

	Office	Retail	Industrial
Bucharest	6.50% (-0.50ppt)	6.75% (flat)	7.50% (-0.50ppt)
Warsaw	4.35% (-0.30ppt)	6.00% (+0.25ppt)	4.10% (-2.15ppt)
Prague	4.00% (-0.25ppt)	5.25% (flat)	4.00% (-1.00ppt)
Budapest	5.25% (flat)	6.50% (+0.25ppt)	6.00% (-1.00ppt)

The year was an improvement for retail as well, attracting deals of EUR c.170mn, a sharp increase from 2020, though this is barely half the yearly volume seen between 2013 and 2018, when several large transactions involving commercial properties took place. Otherwise, after having underperformed CEE peers in past years, 2021 saw yields for prime office in Romania performing a bit better than for some neighbours, though I&L assets saw a much steeper drop in the region.



2.2.3.2 MARKET DEFINITION

PINUM DOORS & WINDOWS LTD compete in the local manufacturing and distribution of high quality doors and windows, and IT IS an internationally recognized distributor. This market was approximately made for large and small scale construction and made order available in wholesale or retail. We believe, the major future trend in the industry will be towards environmentally oriented, high quality, and value oriented product offerings.

Market research suggests this market will grow to be having shipments or deliveries around the country by having branches nationwide by the year 2020. We expect the niche in which THE COMPANY compete to grow more during this time. The major forces affecting this change will be trends, demand, environmental issues and innovations. The area of greatest growth within the industry will be focused on doors and windows designs, parts, accessories and services by setting standards.

2.2.3.3 SECTOR ANALYSIS

We define market segment as the light and ventilation of the buildings, home and other infrastructures. This segment has been steady in the last few years. Industry experts forecast greater sales for the industry in the next few years.

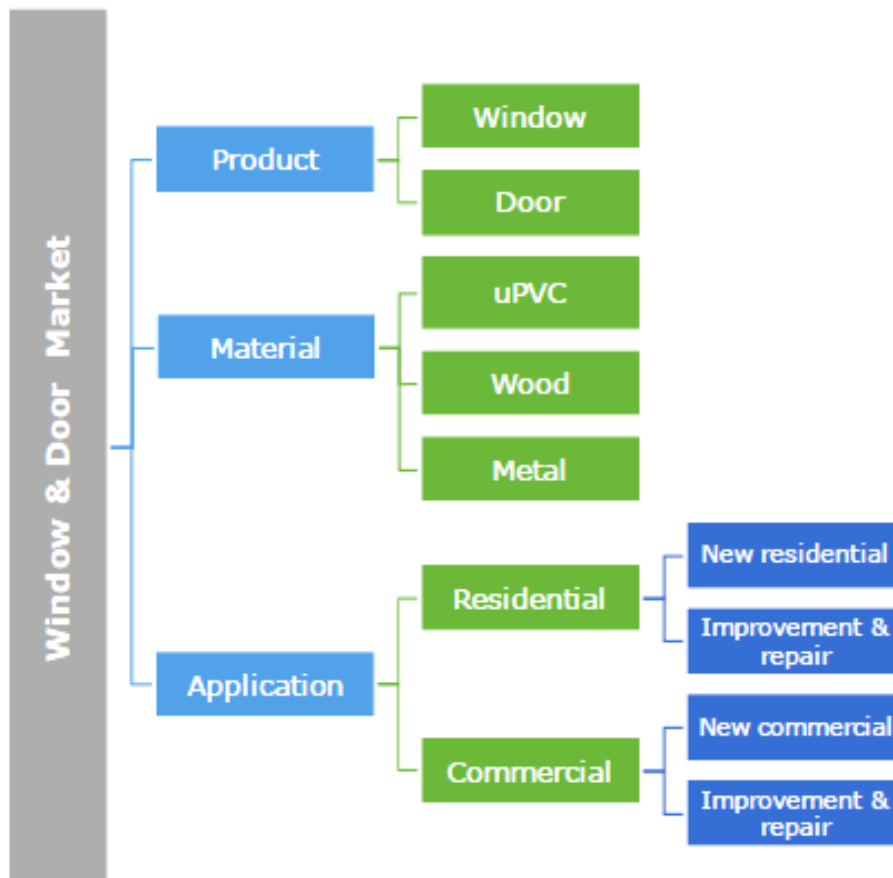
The major market segments are on production, design, services, etc. List, in general, the types of customers they are likely to reach such as retailers, contractors, construction firms, etc. The segment of the market is based on windows that retail depending on the specification of the customer and doors depending on the materials needed. Most of the sales in the segment are delivered on the specified place using truck. The charge is included on the package the customer availed.

A typical customer for those products is a person who current may use the products as one of his prospect to make good ventilation and design for his home, building, etc. They are motivated to buy the product because of its uniqueness since the company ensure customer satisfaction,

high quality at reasonable price. We know this from customers on market responses and feel the customers of the company perceive products as good value

The product, does, however, have the following weaknesses; man power if the orders are made at high volume and a possible scarcity of raw materials. The company is working to position the product as a continuous innovation in order to reduce this vulnerability and hire people to increase man-power.

FIG. 2 Industry segmentation



Direct competitors

There are few manufacturers in the Romania which is serving the doors and windows segment: Giant Star Ltd, Porta Design Invest Ltd, Kulttur Impex Ltd, Regata Ltd, Eco Eurodoors LTS, etc, whose reputation have been established and is offering different types for the needs of the customers. Several local operations make up the balance of the local marketplace with competition arising from artisan door makers.

Major strengths of large competitors lie in the economies of scale given by their broad-brush

approach to the marketplace. The large size of these companies allows them better access to retailers across the Philippines.

The competitors concentrate their efforts in aluminum and vinyl windows, and are not positioned to enter the diverse range of products to be introduced in the market without significant investment and re-tooling, a significant advantage to these companies. They also offer doors but only as an add-on to fill orders from their regular customers.

Pinum Windows and Doors has decided to concentrate on the manufacture of plain interior doors but has also entered into an agreement with a foreign company to distribute their doors in the market in the Romania.

Local artisans' products are most similar to ours, and while they generally have close relationships with architects and local builders, they are unable to supply the larger retailers because of their size and more specialized nature of their products.

Pinum Doors and Windows LTD advantage reside in its niche: they are big enough to supply large retailers, yet offer high-quality wood products that respond directly to the tastes of the mid to high-end market segment. The competitors Windows and Doors higher quality products do not match our products, and the "one-size-fits-all" approach of the competition allows ample room for smaller specialized competitors to thrive. They intend to continue positioning their products in the higher end of the market.

Their point-of-sale marketing efforts ("Feel the Difference" series) have paid off and their sales remain strong.

2.2.3.4 INTERNAL ENVIRONMENT

Technical equipment

The company owns a range of equipment and machinery for the production of doors and windows.

Customers

Customers of PINUM DOORS&WINDOWS LTD are most companies who purchase for the modernization of new developments, developers who use Pinum products for residential, office or even commercial projects.

The main clients of PINUM DOORS & WINDOWS LTD (January – April 2022).

	Name		Balance	Credit reporting	%
1	PEDRO COMPANY CONSTRUCTEXIM SRL	RON	0	5,256,196.74	14
2	JACOB GARDENS SRL	RON	527,572.87	2,553,670.31	7
3	PINUM IASI SRL	RON	148,294.05	1,856,333.09	5
4	NUSCO S.p.A. CON UNICO SOCIO	RON	2,894,572.48	1,826,290.11	5
5	IDEAL DOORS SOLUTIONS SRL	RON	34,910.36	1,616,529.00	4
	TOTAL			13,109,019.25	36
	Others			23,143,698.75	64

The main supplier of PINUM DOORS & WINDOWS LTD (January – April 2022).

	Name		Balance	Credit reporting	%
1	I Q LOGISTIC Ltd	RON	-17,354.02	2,023,964.29	6
2	INNOVATION WINDOORS LLC	RON	0	1,657,893.74	5
3	GEALAN ROMANIA	RON	-18,424.25	1,585,503.81	3
4	BARAUSSE SPA	RON	-8,008.91	1,242,098.80	3
5	SC DELTA GLASS	RON	-54,789.91	1,173,593.03	3
	TOTAL			7,683,053.67	20
	Others			28,569,664.33	80

Pricing policy

They arrive at their pricing based on market prices. They review this pricing quarterly to ensure that potential profits are not squandered. Customers seem willing to pay as much as the specified price for their orders because of quality since they can assure it to them.

Strengths and weaknesses of the commercial diagnosis

Strengths:	Weak points:
<ul style="list-style-type: none"> • Good market reputation and strong client base 	<ul style="list-style-type: none"> • Market competitors in strong positions
Opportunities	Threats:
<ul style="list-style-type: none"> • Potential of the Romanian property sector over the future decade 	<ul style="list-style-type: none"> • Legal unclarities in the production field (the need to move the factory from the current location)

2.2.4 TECHNOLOGICAL DIAGNOSIS

Technological diagnosis aims to assess the extent to which all the means of exploitation correspond to the current and future needs of the company.

The company owns many equipment and new technology.

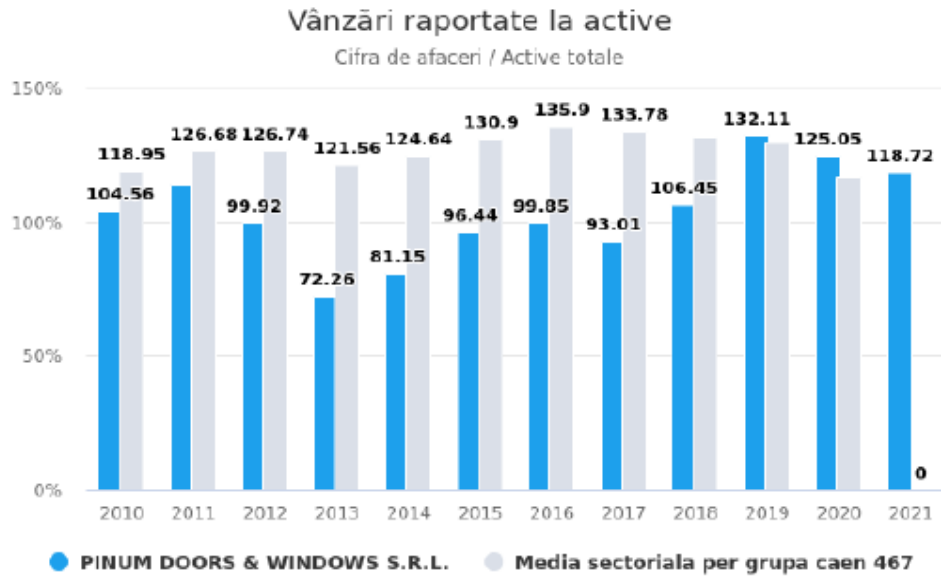
2.3 FINANCIAL ANALYSIS

2.3.1 PROFITABILITY

Profitability analysis involves studying the correlation between the financial result obtained and the elements that generated it, tracking the evolution over time of these reports, or reporting to competing firms within the same sector.

Turnover for PINUM DOORS & WINDOWS LTD. increased in the analyzed period from year to year far above the growth registered by the companies in the sector. This is related to the sale of the products determined by the expansion of the real estate sector, as well as by the quality of their products.

Financial indicators of cost-effectiveness



The structure of revenues and expenditures shows a similar share in the evolution of the expenses to PINUM DOORS & WINDOWS LTD from year to year (represented by administration, maintenance and expansion expenses).

INCOME STATEMENT ANALYSIS

		lei				
		Row no.	2019	2020	2021	31 April 2022
1.	1. Net sales turnover (rows 2 to 4)	01	68,350,411 lei	64,570,084 lei	86,953,555 lei	36,252,718 lei
	Sale of own goods	02	58,189,055 lei	54,625,335 lei	71,508,492 lei	30,070,070.7 lei
	Sale of merchandises	03	10,161,356 lei	9,944,749 lei	15,445,063 lei	6,182,647.35 lei
	Commercial discounts granted	04				
	Revenues from subsidies related to the net turnover	04 bis		487,589 lei	- lei	
2.	2. Stocks variation					
	Sold C	05	- lei		1,579,422 lei	- lei
	Sold D	06	1,094,078 lei	149,567 lei	- lei	
3.		07				
4.	Others incomes from the current activity	08	260,496 lei	2,460,337 lei	1,157,875 lei	131,274.18 lei
	TOTAL OPERATING INCOME (rows 1+5-6+7+8)	09	67,516,829 lei	67,368,443 lei	89,690,852 lei	36,383,992.2 lei
5.	a) Purchase of raw materiales and consumables	10	34,692,868 lei	31,491,376 lei	41,770,580 lei	17,613,969 lei
	Other material expenses	11	475,956 lei	788,946 lei	837,985 lei	360,077.75 lei
	b) Other outside expenses (Electricity, water)	12	978,052 lei	1,003,759 lei	1,020,794 lei	560,319.76 lei
	c) Costs of sold goods	13	9,553,617 lei	8,170,199 lei	12,519,209 lei	5,235,837.58 lei
		13 bis	- lei			
6.	6. Personnel expenses (rows 15+16) comprised of:	14	8,742,729 lei	9,622,369 lei	11,071,836 lei	4,063,745 lei
	a) Salaries	15	8,474,064 lei	9,311,378 lei	10,721,412 lei	3,918,214 lei
	b) Social security expenses	16	268,665 lei	310,991 lei	350,424 lei	145,531 lei
7.	a) Depreciation and allowances for the depreciation of the nontangible and tangible assets (rows 18-19)	17	1,078,318 lei	1,150,614 lei	1,236,040 lei	442,609 lei
	a. 1) Expenses	18	1,078,318 lei	1,150,614 lei	1,236,040 lei	442,609 lei
	a. 2) Incomes	19	- lei	- lei	- lei	
	b) Adjustment of the current assets value (rows 21-22)	20	2,499,508 lei		4,184,485 lei	
	b. 1) Expenses	21	2,660,243 lei		4,184,485 lei	
	b. 2) Income	22	160,735 lei		- lei	
8.	8. Other operating expenses (rows 24 to 26)	23	11,712,979 lei	11,228,845 lei	13,640,168 lei	5,119,194 lei
	8.1. Expenses regarding services rendered by third parties	24	11,292,522 lei	9,045,987 lei	12,743,220 lei	4,896,224 lei
	8.2. Duties, taxes and other similar payments	25	281,344 lei	226,710 lei	256,244 lei	221,101 lei
	8.3. Other expenses regarding donations, sold assets, other operational expenses	26	139,113 lei	1,956,148 lei	640,704 lei	1,869 lei

Business Valuation of PINUM DOORS & WINDOWS LTD

	Adjustments regarding allowances for risks and expenses (rows 28-29)	27				
	- Expenses	28				
	- Incomes	29				
	TOTAL OPERATING EXPENSES (rows 10 to 14+17+20+23+27)	30	69,734,027 lei	63,456,108 lei	86,281,097 lei	33,395,752.2 lei
	OPERATING RESULT:					
	Profit (rows 9-30)	31	- lei	3,912,335 lei	3,409,755 lei	2,988,239 lei
	Loss (rows 30-9)	32	2,217,198 lei		0	0
9.	9. Incomes from securities	33				
	- from which, within the group	34				
10.	10. Incomes from other financial investments and fixed assets receivables	35				
	- from which, within the group	36				
11.	11. Interest income	37	41 lei			73.89 lei
	-from which, within the group	38				
	Other financial incomes	39	2,160,963 lei	2,124,720 lei	1,956,259 lei	753,122 lei
	FINANCIAL INCOMES - TOTAL (rows 33+35+37+39)	40	2,161,004 lei	2,124,720 lei	1,956,259 lei	753,196 lei
12.	12. Adjustment of the value of the financial assets and investments in the form of current assets (rows 42-43)	41				
	- Expenses	42				
	- Income	43				
13.	13. Interest related expenses	44	507,347 lei	450,856 lei	398,279 lei	106,405 lei
	- from which, within the group	45				
	Other financial expenses	46	2,668,811 lei	2,744,195 lei	2,435,034 lei	767,959 lei
	FINANCIAL EXPENSES - TOTAL (rows 41+44+46)	47	3,176,158 lei	3,195,051 lei	2,833,313 lei	874,364 lei
	FINANCIAL RESULT					
	- Profit (rows 40 - 47)	48				
	- Loss (rows 47-40)	49	1,015,154 lei	1,070,331 lei	877,054 lei	121,168 lei
14.	CURRENT RESULT:					
	- Profit (rows 9+40-30-47)	50	- 3,232,352 lei	2,842,004 lei	2,532,701 lei	2,867,071 lei
	- Loss (rows 30+47-9-40)	51				

Business Valuation of PINUM DOORS & WINDOWS LTD

	TOTAL INCOME (rows 9+40+52)	56	69,677,833 lei	69,493,163 lei	91,647,111 lei	37,137,188 lei
	TOTAL EXPENSES (rows 30+47+53)	57	72,910,185 lei	66,651,159 lei	89,114,410 lei	34,270,117 lei
15.	GROSS RESULT					
	- Profit (rows 56-57)	58	- 3,232,352 lei	2,842,004 lei	2,532,701 lei	2,867,071 lei
	- Loss (rows 57-56)	59				
16.	PROFIT TAX	60	- lei	326,158 lei	1,044,533 lei	208,068 lei
17.	INCOME TAX	61	- lei	- lei	- lei	- lei
18.	NET RESULT OF THE FISCAL PERIOD					
	- Profit (rows 58-60-61)	62	- 3,232,352 lei	2,515,846 lei	1,488,168 lei	2,659,003 lei
	- Loss (rows 59+60+61); (rows 60+61-58)	63				

The most important loans from banking institutions were accessed for leasing - cars, equipment and invested in the company as described in the table below.

Loan typ	Bank	Document	Object	Period	Financial value	Currency	Sold	Grant date	Repayment date
	Loan society						30.04.2022		
Credit INVESTITII	OTP	C11002017020570/26.10.2017	Refinantare credit si Linie credit Veneto si rest.part.imp.PAR FIN(621.000EUR)		2,900,000	EUR	1,649,374.91	27.10.2017	25.10.2027
Ctr. de credit (OVERDRAFT)	OTP	C11002017020683/26.10.2017-2019	Finantarea deficitului de lichiditati, SGB		4.500.000	RON	1,405,199.17	31.01.2022	
Leasing Financiar	Tiriac Leasing	50796/21.03.2017	Utilaj KABAN	60 luni	277,100	EUR	49,562.21	10.07.2017	01.03.2023
Leasing Financiar	OTP Leasing	14144N/25.07.2019	Dacia Sandero SL PLUS BLUE DCI 75	36 luni	8,962	EUR	890.56	25.07.2019	07.07.2022
Leasing Financiar	OTP Leasing	14668N/19.12.2019	IVECO DAILY	36LUNI	21,360	EUR	6,281.74	19.12.2019	07.01.2023
Leasing Financiar	OTP Leasing	14737N/20.01.2020	SKODA	36LUNI	16,117	EUR	8,017.91	20.01.2020	07.01.2024
Leasing Financiar	OTP Leasing	14384N/22.10.2019	LAND ROVER NEW DISCOVERY SE	60luni	47,059	EUR	20,996.47	22.10.2019	07.10.2024
Leasing Financiar	OTP Leasing	13612N/14.02.2019	Centru de prelucrare si debitare profile aluminiu	60luni	351,000	EUR	147,802.15	14.02.2019	07.02.2024
Leasing Financiar	OTP Leasing	13839N/08.05.2019	Aparat de sudura cu patru capete pentru profile din PVC	60luni	207,000	EUR	97,836.72	08.05.2019	07.05.2024
TOTAL EUR credit						EUR	1,649,374.91		
TOTAL EUR leasing						EUR	331,387.76		
TOTAL RON Credit line						RON	1,405,199.17		
CREDIT					2,900,000	EUR	1,649,374.91		
Equipment					835,100	EUR	295,201		
AUTO					93,498	EUR	36,187		

2.3.2 BALANCE SHEET

The analysis of the balance sheet involves the study of the correlation between the assets owned by the company, in evolution and towards the competitors.

BALANCE SHEET - PINUM DOORS & WINDOWS SRL					
	Row no.	2019	2020	2021	31 April 2022
A. FIXED ASSETS					
I. INTANGIBLE ASSETS	01	5,007,365 lei	4,853,032 lei	4,721,221 lei	4,676,906.6 lei
II. TANGIBLE ASSETS	02	8,810,370 lei	7,180,681 lei	8,619,301 lei	6,586,196 lei
III. FINANCIAL ASSETS	03	- lei	- lei	- lei	968,000 lei
FIXED ASSETS - TOTAL (rows 1 to 3)	04	13,817,735 lei	12,033,713 lei	13,340,522 lei	12,231,102 lei
B. CURRENT ASSETS					
I. STOCKS	05	19,643,852 lei	19,727,404 lei	33,147,310 lei	28,185,905 lei
II. RECEIVABLES	06	15,416,190 lei	19,732,120 lei	20,631,054 lei	33,079,266 lei
III. SHORT TERM FINANCIAL INVESTMENTS	07	- lei	- lei	- lei	- lei
IV. CASH AND BANK ACCOUNTS	08	2,859,832 lei	141,291 lei	6,120,913 lei	337,047 lei
CURRENT ASSETS - TOTAL (rows 5 to 8)	09	37,919,874 lei	39,600,815 lei	59,899,277 lei	61,602,218 lei
C. PREPAID EXPENSES	10	828,183 lei	1,008,644 lei	990,953 lei	1,069,237 lei

Business Valuation of PINUM DOORS & WINDOWS LTD

		11	- lei	45,036 lei	635,160 lei	1,069,237 lei
		12	828,183 lei	963,608 lei	355,793 lei	- lei
D.	D. DEBTS TO BE PAID UP TO ONE YEAR TERM	13	24,657,192 lei	23,268,427 lei	41,400,847 lei	57,438,998 lei
E.	E. NET CURRENT ASSETS / NET CURRENT DEBTS (rows 9+10-11-18)	14	21,119,382 lei	24,234,124 lei	26,990,290 lei	13,089,157 lei
F.	F. TOTAL ASSETS - CURRENT DEBTS (rows 4+12-17)	15	35,765,300 lei	37,231,445 lei	40,686,605 lei	25,320,259 lei
G.	G. DEBTS TO BE PAID IN MORE THAN ONE YEAR TERM	16	26,972,601 lei	25,922,900 lei	27,889,892 lei	9,864,543.68 lei
H.	H. ALLOWANCES FOR RISKS AND EXPENSES	17				
I.	I. INCOMES IN ADVANCE (rows 17+18) comprised of:	18	- lei	- lei	- lei	- lei
	- Subventions for investments	19	- lei	- lei	- lei	- lei
		20	- lei	- lei	- lei	- lei
		21	- lei	- lei	- lei	- lei
	- Incomes in advance	22			- lei	- lei
		23			- lei	- lei
		24			- lei	- lei
CAPITAL AND RESERVES						
J.	I. CAPITAL (rows 20 to 22) comprised of:	25	7,856,700 lei	7,856,700 lei	7,856,700 lei	7,856,700 lei
	- Paid-in unsubscribed share capital	26	- lei	- lei	- lei	- lei
	- Paid-in subscribed share capital	27	7,856,700 lei	7,856,700 lei	7,856,700 lei	7,856,700 lei
	- Equity/social capital of the autonomous Trust	28				
	II. SHARE PREMIUM CAPITAL	29				
	III. REVALUATION RESERVES	30	2,476 lei	2,476 lei	2,476.38 lei	2,476.38 lei
	SOLD C	30				
	SOLD D	31				
	IV. RESERVES	32	51,748 lei	193,848 lei	320,483.4 lei	320,483.4 lei
	V. CARRY-FORWARD RESULTS	33	- lei	- lei	- lei	- lei
	SOLD C	33				
	SOLD D	34	3,742,573 lei	6,974,925 lei	4,601,180 lei	3,239,646.6 lei
	SOLD C	35	- lei	2,515,846 lei	1,488,168 lei	2,659,002.75 lei
	VI. RESULT OF THE FINANCIAL EXERCISE	36	3,232,352 lei	- lei	- lei	- lei

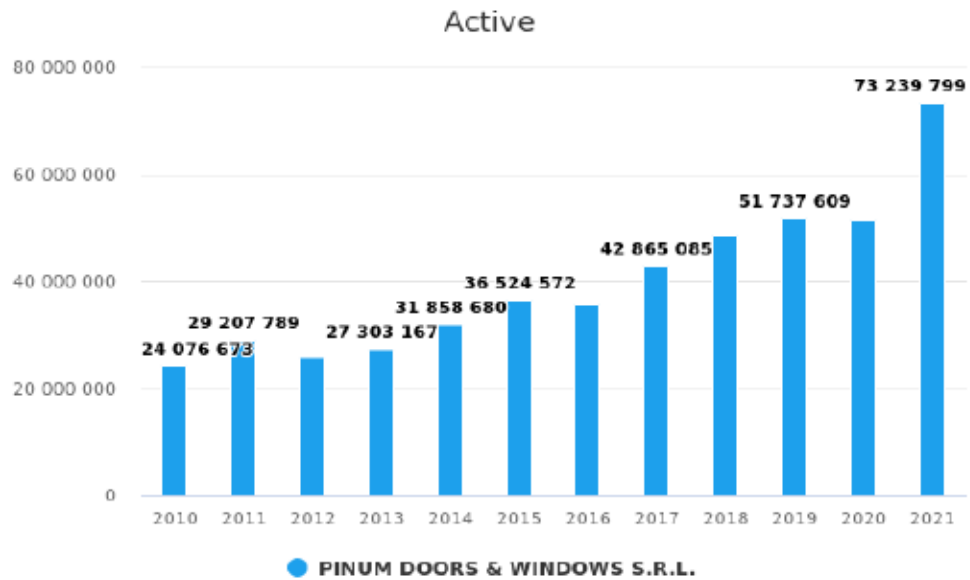
Business Valuation of PINUM DOORS & WINDOWS LTD

- Profit distribution	37		142,100 lei	126,635 lei	- lei
EQUITY (rows 19+23+24-25+26+27-28+29-30-31)	38	4,168,351 lei	3,451,845 lei	4,940,013 lei	7,599,016.0 lei
Public capital					
	39				
TOTAL EQUITY (rows 32+33)	40	4,168,351 lei	3,451,845 lei	4,940,013 lei	7,599,016.0 lei

In the historical balance sheets the Company reclassified an amount of around 2.6 mln Euro from other payables into loan to shareholders. We have been informed that part of such amount (about 2.2 mln Euro) will be waived from the shareholders during 2022 and recorded as capital increase in the forecasted balance sheets and the remaining amount of about 400.000 Euro will continue to be recorded as net debt for the following years. We considered these special assumptions in our valuation premises.

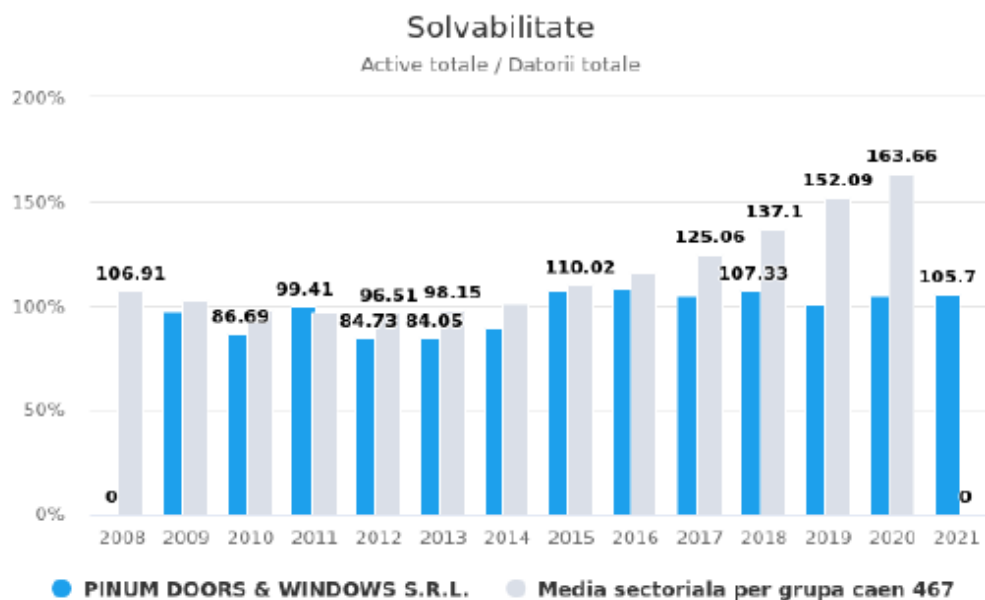
2.3.3 FIXED ASSETS

The Company's fixed assets are mainly represented by wood processing and finishing machinery.

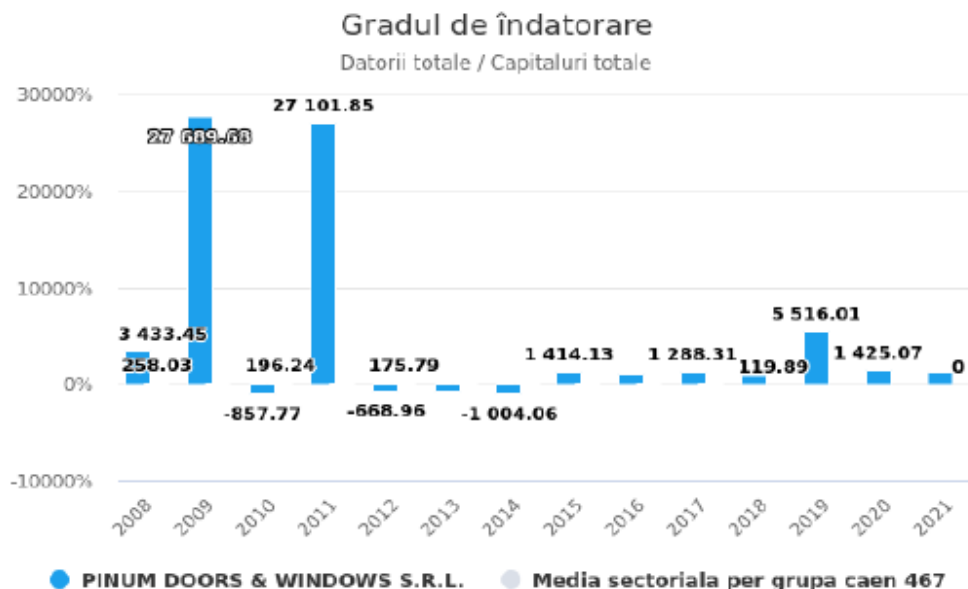


2.3.4 COMPANY FINANCING

The Company's financing is mainly made through short and long-term bank loans.



The financial indicators show both an improvement in the solvency and return on assets held by PINUM DOORS & WINDOWS LTD.



2.3.4.1 DIAGNOSIS OF HUMAN RESOURCES AND MANAGEMENT OF THE COMPANY

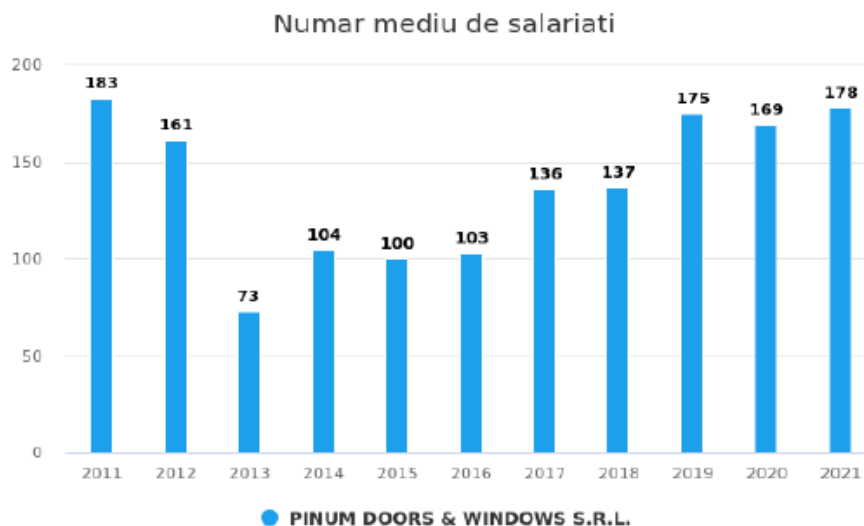
The purpose of human resources diagnosis within PINUM DOORS & WINDOWS LTD is to know the evolution, structure and efficiency of the personnel, as well as the knowledge of how to organize and manage the personnel, factors that directly influence the economic performance of the company.

Management

Management is provided by Mr. Nusco Michele

Diagnosis of human resources

The number of employees of PINUM DOORS & WINDOWS LTD registered a small variation along the company's existence, as below:



As regards staff expenditure, they recorded a significant increase in employee between 2018 and 2019.

COMMERCIAL DIAGNOSIS

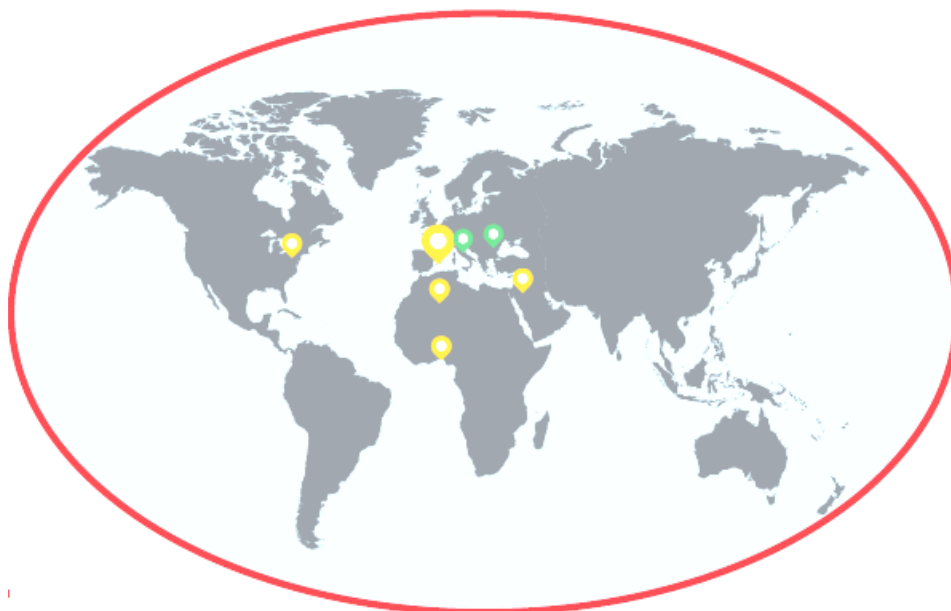
The purpose of the commercial diagnosis is to delimit and analyze the market on which PINUM DOORS & WINDOWS LTD activates the estimation of the potential of the market and the place occupied within it to the analyzed company.

Company products and services

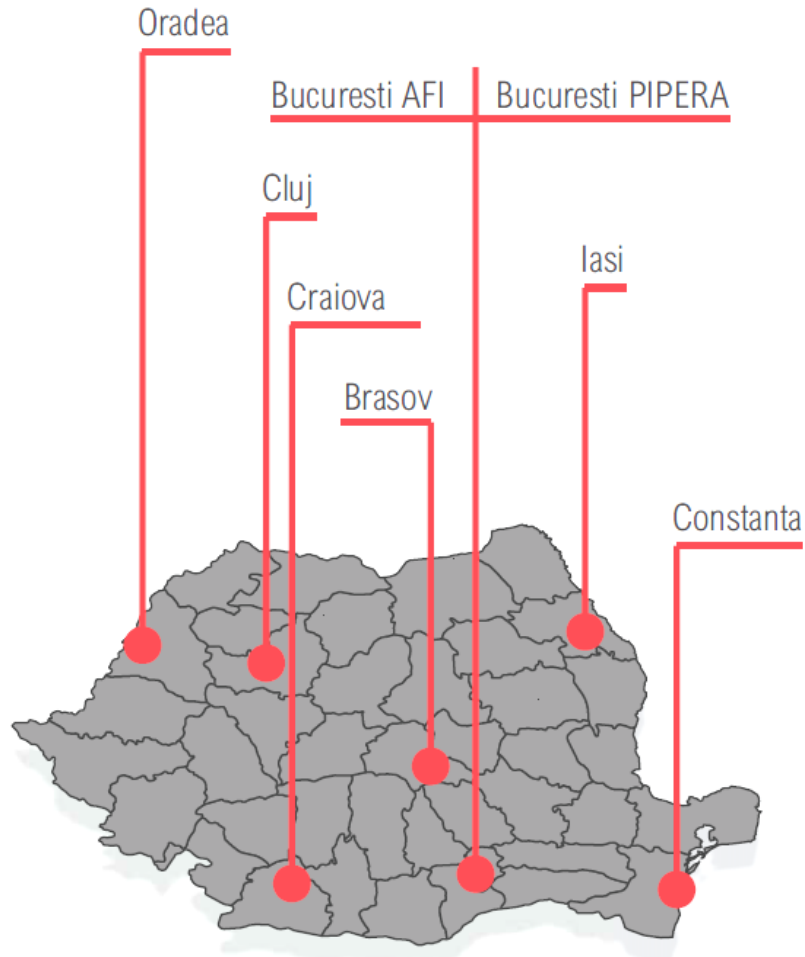
The main production of the company consists in the production of doors, pvc and aluminum joinery and the import of parquet and other sanitary ware.

Window and door market is segmented based on materials into uPVC, wood, and metal. uPVC is the most used materials in doors and windows. uPVC window & door provide better insulation and energy saving. These are widely used in households and commercial buildings that use air conditioners owing to these properties. Excellent sound and thermal insulation is an added advantage of uPVC window & door. The availability of choice for colors, laminates, and patterns is a key factor that drives the segment growth. Increasing demand for products, resistant to weather, termites, high impact, and chemicals will drive the industry growth.

World expansion of Pinum Doors & Windows Company



Expansion in Romania



<u>Strengths</u>	<u>Weaknesses:</u>
<ul style="list-style-type: none"> • Access to the most known developers • Good reputation 	<ul style="list-style-type: none"> • Increasing competition at the sector level
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • The sector has further prospects, being strongly connected with the booming property market. 	<ul style="list-style-type: none"> • N/A

2.3.4.2 OPERATIONAL DIAGNOSIS

The Operational diagnosis follows the analysis of manufacturing technologies and the organization of production and labour. The details of the operational flow of the evaluated company were not available to the Valuer.

According to the management, suppliers are selected on the basis of the best quality / price offer.

2.3.4.3 Profitability

Profitability analysis involves studying the correlation between the financial result obtained and the elements that generated it, tracking the evolution over time of these reports, or reporting to competing firms within the same sector.

The turnover for PINUM DOORS & WINODWS LTD increased in the analyzed period from year to year well above the growth registered by the companies in the sector. This is related to the sale of the apartments as they are finished and is related to the appetite for housing acquisition and access to financing of the population of Bucharest.

Evolution and structure of Turnover for PINUM DOORS & WINDOWS LTD (2019 - March 2022)

2.3.4.4 Cost analysis 2019 – 30th April 2022

The structure of revenues and expenditures shows a similar share in the evolution of the company between period 2019 – 2022, as below.

Costs - 2019	Total 12 months	%	Employees no.	Adm.
Raw material consumption	17,692,824.57			
Raw materials	344,778.99	1.95	4	
Direct production labor	645,235.00		16	
Raw material production	437,633.64	67.83	4	
Production costs	19,120,472.20		24	
Wares costs (Resale Products)	8,811,976.84			
Freight costs	239,102.59			
Rigging up expenses	3,333,294.79	11.93		
Expenses with the assembly team	247,820.98		4	
Solid	1,113,995.21			
Total expenses (Production, Material)	32,866,662.61		28	
Sales	3,728,576.69	11.34	29	
Management	2,880,063.10	8.76	13	1

Total financial costs	3,073,827.92			
Financial costs related to loans	350,865.75			
Total cost of operation	39,471,279.47			
Total cost of operation&financial	42,545,107.39		70	1

Assembly expense 2019

Cost element description	Total 12 luni	No. Employees
Direct materials	17,692,824.57	
Raw materials		
Hardware	1,016.72	
Office supplies	600.86	
Spare parts	1,550.00	
Protective equipment	973.33	
Delegation protection costs	228.00	
Transport of raw materials	119,183.96	
Italy delegation	3,177.00	
Raw material department salaries	161,557.00	4
Finishing materials	305.01	
Stock price difference	56,187.11	
TOTAL	344,778.99	4
Direct staff costs	645,235.00	16
Film, Accelerator, polish, lacquer thinner	42,656.34	
Film, aerograph, HCN, PES	26,015.94	
Circular blades, steam blast, milling machine	6,836.49	
Schotch, glue, gloves	5,037.01	
Protection equipment	5,043.40	
Tweezers, lock, padding	654.80	
Office automation	1,380.70	
Connecting pipe, gasket, water tap	616.00	
Metal doors, doorcase, dowel	1,929.33	
Milk	473.53	
Fastening screws	534.55	
Energy + water	37,988.77	
Merchandise	172.00	
Arrangement of sector, locker room	22,220.00	
CASCO forklift	3,663.00	
Transport	11,913.43	
Delegation costs	1,325.08	

Latch	300.00	
Forklift Leasing operations, technical documentation	639.07	
Forklift course	950.00	
Staff costs	220,603.00	4
Non-taxable aid	3,228.00	
Price difference	6,211.02	
Forklift leasing interest	2,463.86	
Dif. Course	42.70	
Depreciation	34,735.62	
TOTAL	437,633.64	

Administrative Expense 2019			
	Total 12 months	Employees	Administrator
APC SMART SERVER, bicycle	3,726.05		
Water, cleaning water dispenser, water dispenser rent	6,711.03		
Gas - IT, legal, adm. - timber, sawdust	22,694.15		
Stock	10,230.12		
Cleaning products	9,620.71		
Stationery and office supplies	13,667.25		
Printer toner	15,951.09		
Energy + gas	113,048.58		
Weigher inspection - B208MLN, B130PIN	2,736.10		
Equipment rental	4,440.90		
Office rental	475.02		
CASCO Duster, Piaggio insurance	5,181.86		
Insurance fot stocks, apartments	42,578.91		
Orange mobile insurance	127.82		
Administrator room	282,348.00		1
Commission and fee expenses	86,933.19		
Hotel accommodation, meal served	29,065.87		
Google adv - re-invoiced to Nusco Residential, Facebook Pantelimon	37,962.14		
Travel expenses, accommodation	29,581.79		
Orange fix	31,415.45		
GTS	12,055.80		
Telekom	1,785.06		
Postal fees	300.47		
Bank Commission	95,940.21		
AUDIT	28,522.35		
Tehnickal	16,398.40		
SECURITAS Technical support	4,800.00		
FRC consulting	342,073.50		
Cash register + money counting machine	1,050.30		

Duster Administrative commission and registration, currency exchange difference, Land analyzes commission	4,768.91		
Waste collected and transported + Ecologic 3R	86,255.46		
Total Clean	576.77		
Docentris service contract	1,240.33		
Psophometer - SRAC, ISO, SORISO	8,792.61		
Occupational health service	14,742.00		
Update Indaco	1,380.67		
Duties	14,469.99		
SGB Ninz overhang	951.70		
Buildings revaluation	3,314.78		
Zooku E-mail	686.33		
Translation, parking, car wash, Christmas art services	8,856.71		
Computer services	500.00		
Fire extinguisher check	903.60		
SSM MEDICAL	1,635.82		
Fund for disabilities people	234,600.00		
Fund for environment, environmental tax	9,968.00		
Official Gazette	244.00		
Labor union	8,000.00		
Road tax	109.61		
Commerce Department, environmental permit review	738.14		
VAT, transire	3,891.75		
Vietnam duties	2,974.75		
Local duty	13,209.00		
Hotel fee	98.43		
Staff costs (economic director, IT, legal, department of procurement, cleaner, receptionist)	959,490.50	13	
VAT penalties, Show Afi fine operating notice	16,575.49		
Differences in price	19,632.51		
Depreciation	210,033.12		
TOTAL	2,880,063.10	13	1

From analysis of administration costs for 2019 shows the following:

	Currency exchange difference	2,667,725.92	
	Credit interest costs	350,865.75	
	Credit line interest charges	51,000.02	
	Duster interest expenses	2,709.68	
	Total financial	3,072,301.37	
CC-ADMIN	Total expenses that do not affect costs	5,952,364.47	
ZCO1			
	Ware costs	8,811,985.42	

	Transport	239,102.59	
	Rigging up expenses	3,333,294.79	
	Expenses with the assembly team	247,820.98	4
	Solid	1,113,995.21	
Logistica		13,746,198.99	4

Sales Expense 2019

Sales	Total / Year	Employees
Gas	83,819.81	
Water	55.40	
Windshield solution, wheel covers, tires, car battery	1,427.57	
Office supplies	11,159.30	
Afi cleaning products	1,219.55	
Medicinal drugs	393.85	
Doors test	385.71	
Protection equipment, humidity measuring equipment, laptop	17,808.12	
Afi energy	5,620.19	
Apartment utilities - Laguna	8,313.64	
Show Afi set-up	21,270.00	
Show Pipera set-up	63,860.00	
Car repairs and overhauls, B104 spare parts, B105 damper, B65 PIN auto parts	73,159.51	
Showroom AFI rent, common spaces	5,922.37	
Showroom AFI rent, common spaces	129,678.63	
Afi park rent	1,913.75	
Showroom Pipera rent	284,490.00	
CASCO +RCA AUTO, RCA Piaggio	53,198.52	
Coffee, EXPO MILANO meal served	15,665.94	
Advertising	718,617.44	
Taxi, Ploiesti-Brasov train	144.95	
Travel expenses (Made Expo, Brasov, C-TA, Rusia, Bacau, Solid)	121,375.69	
Orange	37,078.65	
Porta Smart consulting	222,390.93	
MEDIAFAX subscription	857.14	
Cash register + money counting machine	480.00	
Auto administration fee, B102FRC franchise, IVECO	4,008.14	
Auto registration, talon fee	2,236.37	
Sales commission	25,987.65	
Car monitoring	6,597.28	
Afi monitoring	1,127.53	
INOX/TOP CONSULT providing services, SECURITY PLAN	7,451.40	
Car wash, vulcanization	5,256.87	
Print services, Docentris services	2,085.98	
Made Expo forklift services	3,343.77	
Odorization services	4,973.74	
Recruitment services (Humangest)	4,076.96	

Rusia visé	2,366.42	
Carpet and window cleaning	6,577.65	
TEST INCERC	1,890.00	
CHECKING THE GAS INSTALLATION	168.07	
STRABAG protocol retention	19,064.70	
WOOD SERVICE translate	1,375.00	
Road tax, PTI	1,712.73	
Parking tax, toll bridge	147.68	
Advertising fee	5,881.58	
Staff costs	1,671,188.00	29.00
AJ chargeless	200.00	
Sanctions	342.14	
INFOCONS Sponsorship	25,049.27	
Currency exchange difference	66.57	
Tiriac leasing interest, RCI Leasing	1,749.44	
Depreciation	43,345.09	
TOTAL	3,728,576.69	29.00

Year – 2020

Costs - 2020

	TOTAL / year	%	Employee	Administrator
Raw material consumption	23,326,659.48			
Raw materials	294,819.62	1.26	5	
Direct production labor	756,278.00		19	
Raw material production	571,848.18	75.61	5	
Production costs	24,949,605.28		29	
Wares costs (Resale Products)	8,072,795.90			
Freight costs	75,692.99			
Rigging up expenses	3,716,063.47	11.25	3	
Expenses with the assembly team	228,580.41			
Solid	815.09			
Total expenses (Production, Material)	37,043,553.14		32	
Sales	3,464,312.95	9.35	28	
Management	2,910,134.02	7.86	14	1
Total financial costs	2,892,420.60			
Financial costs related to loans	327,405.09			
Total cost of operation	43,411,201.82			
Total cost of operation&financial	46,303,622.42		74	1

Furlough	177,774
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REVENUE FROM OPERATING SUBSIDIES FOR PAYMENT OF STAFF 41.5% 60,348.00

TOTAL income from apartment no. 118-119 sales 2,385,211.50

TOTAL expenses related to the apartments no. 118-119 1,994,279.92

Profit from the sale of apartments no. 118-119 390,931.58

Assembly expense 2020		
Cost element description	Total / year	Employees
Direct materials	23,326,659.48	
Raw materials		
Raw material department salaries	171,927.00	4
Gifts	189.50	
AJ chargeless	1,500.00	
Differences in expenses	18,999.72	
Spare parts	2,103.37	
Office supplies	3,223.03	
Padlock, Office supplies	644.75	
Fixed thresholds, hardware	4,132.06	
Masks	54.36	
Auto parts	1,042.48	
Defective goods from IQ	641.30	
Sliding system	747.20	
Expenses with Barausse doors	10,082.94	
Electric forklift overhaul	345.63	
Training for obtaining a forklift permit	700.00	
NINZ, Ascentis Design,Solid, Barausse, Ascentis transport	49,062.80	
Material price differences, NINZ	29,423.48	
TOTAL	294,819.62	4
Direct staff costs	756,278.00	19
Film, Accelerator, polish, lacquer thinner	37,886.18	
Film, aerograph, HCN, PES	25,446.53	
Circular blades, steam blast, milling machine	7,962.39	
Schotch, glue, gloves	11,988.57	
Grinding machine	1,347.00	
E40	252.15	
Screws	579.50	
Mask, visors, hand sanitizer, cleaning products	5,223.57	
Office supplies	1,870.67	
Energy + water	90,458.53	

Arrangement of sector, locker room	33,613.00	
Capacitor battery	11,522.19	
Forklift CASCO	6,125.23	
Machine transport from MODO	4,111.87	
Masterwood assistance	3,823.04	
Forklift leasing commission	85.79	
Occupational health service	0.00	
Earthing installation check	453.00	
Waterproofing	4,695.56	
Staff costs (mechanical workshop, technical office, production manager)	259,553.00	5
Death aid	4,140.00	
Gifts	1,421.24	
Raw material differences in price	1,322.54	
Currency exchange difference	467.94	
Forklift leasing interest	1,322.36	
Depreciation	56,176.33	
TOTAL	571,848.18	5

Administrative Expense 2020	Total / year	Employees	Administrator
Chairs, Brasov coffee machine, vacuum cleaner	4,018.11		
Water, cleaning water dispenser, water dispenser rent	9,136.10		
Gas - IT, legal, adm. - timber, sawdust FRC 587, B128PIN, B104PIN	19,456.98		
Auto keys, engine solution	1,604.78		
Hardware, IT cable, wires, window, Barausse door, keyboard, mouse, wax, sand	15,254.97		
Cleaning products	8,523.07		
Office supplies	10,400.82		
Sanitary alcohol, masks, hand sanitizer, thermometer	21,629.44		
Printer toner	9,695.22		
Gas & Energy	116,732.00		
Energy apartments no 118, 119	8,222.99		
Inspection B 587 FRC, B102 FRC, B208MLN	2,873.53		
Equipment rental	5,796.08		
Office rental	363.19		
Duster CASCO, FRC	16,648.16		
Stock Insurance, fixed assets, apartments	55,914.00		
Manager room	282,348.00		1
Commission and fee expenses	88,802.91		
Hotel accommodation, meal served, Christmas holiday	45,997.99		
Chelt. Deplasare, cazare ,	42,763.75		
Orange Fix	13,942.92		
GTS	11,263.40		
TELEKOM	1,890.92		

Postal fees	618.26		
Bank Commission	65,759.89		
AUDIT	29,057.40		
SECURITAS Technical support	9,024.64		
Subscriptions: Termene, Ziarul financiar, business magazine, digital	5,546.96		
Audit certification	2,729.28		
Voice data system installation	5,830.10		
FRC Consulting	348,622.70		
SRAC, Soriso, INCD consulting	11,026.25		
Cash register + money counting machine	768.44		
Duster Administrative commission and registration, Land Rover commission	831.70		
Waste collected and transported + Ecologic 3R	65,268.57		
Pest Control	8,428.63		
Occupational health service, RT-PCT test	2,839.00		
Duties	6,337.74		
Docentris service	1,816.77		
Ap. 104 Valuation report, Ap 118 air conditioning service, Pinum building valuation, Straulesti apartment sale commission	5,726.72		
Translation, parking, car wash, gas bottle loaded, write a vehicle off the register	2,466.78		
Indaco, web and e-mail extension	1,988.01		
Computer services	6,000.00		
RTE TEHNOCLIMA services	2,000.00		
Door lock replacement	292.00		
CNCIR inspection	870.00		
Town Planning Certificate	721.02		
SSM	874.59		
CP MED Land analysis	17,000.00		
Painting the thresholds	531.04		
Fund for disabilities people	185,574.00		
Fund for environment, environmental tax	12.00		
Trade union	6,400.00		
Residential property tax	11,198.00		
VAT, CUSTOMS AUTHORIZATION	3,747.03		
B 102 FRC, B130PIN road tax	228.53		
Hotel fee	79.03		
Local duty	12,750.00		
Straulesti ap. advertising fee	2,090.00		
AIKA Legal Fee	664.20		
Staff costs (economic director, IT, legal, cleaner, receptionist)	985,411.00	14	
Gifts	663.24		

AJ chargeless	9,120.00		
Penalties	5,953.38		
Differences in price	2,645.12		
Depreciation	287,342.67		
TOTAL	2,910,134.02	14	1

Analysis of administration costs for 2020 shows the following:

	Currency exchange difference	2,524,378.11	
	Credit interest costs	321,845.09	
	Credit line interest charges	28,173.47	
	Duster&Range interest expenses	7,130.61	
	Total financial	2,881,527.28	
CC-ADMIN	Total expenses that do not affect costs	5,791,661.30	
ZCO1			
	Ware costs	8,072,795.90	
	Transport	75,692.99	
	Rigging up expenses	3,716,063.47	
	Expenses with the assembly team	228,580.41	3
	Solid	815.09	
Logistica		12,093,947.86	3
	Ap. 118 furniture expenses	63,675.07	
	Ap. 118-119 sales commission	53,479.75	
	Ap. 118-119 disposal costs	1,674,660.84	
	Apartments equipment expenses	202,464.26	
	Ap. 118-119 Total expenses	1,994,279.92	
	Ap 118-119 - sales revenue	2,360,847.00	
	Ap. 118 furniture sales revenue	24,364.50	
	Ap. 118-119 Total expenses	2,385,211.50	
		0.00	
	Profit from the sale of ap. 118-119	390,931.58	

Sales Expense 2020		
Sales	TOTAL / year	Employees
Computer parts, Chairs, Brasov coffee machine, vacuum cleaner	19,625.72	
Gas	56,061.23	
Winter tires	6,675.57	
Windshield solution, windshield wipers	647.05	
Cleaning products, louvers, sanitation solution, masks	7,146.62	
Office supplies, chair, print toner	20,826.69	
Afi energy	5,018.96	
Apartment utilities - Laguna	9,036.61	

Ap Brasov energy	4,140.53	
Show Afi set-up	1,774.45	
104 ap. Set-up	24,752.00	
Show Pipera set-up	78,012.00	
Show Brasov set-up	15,222.00	
Show Craiova set-up	4,763.42	
Show Mihai Bravu set-up	1,191.00	
Car repairs and overhauls, B104 spare parts, B105 damper, B65 PIN auto parts	35,504.19	
Printer rent	5,938.38	
Showroom AFI rent, common spaces	112,905.76	
Afi park rent	1,787.33	
Showroom Pipera rent	289,975.00	
Showroom Brasov rent	39,859.98	
Brasov ap. Rent	9,725.06	
CASCO + AUTO RCA	35,105.76	
Coffee, meal served, Christmas gifts	9,241.49	
Advertising	462,782.12	
B103 PIN transport platform, Taxi	1,611.28	
Travel expenses	7,912.90	
Orange	39,342.11	
RCS RDS Show Brasov	246.48	
Arenaconstr. access pass	749.83	
Porta Smart consulting	208,758.40	
Cash register + money counting machine	520.00	
Auto administration fee, B102FRC franchise, IVECO pre-financing costs	4,578.71	
Brasov commission	13,870.38	
Sales commission	53,399.27	
Car monitoring	7,166.32	
Afi monitoring	1,128.00	
Car wash, vulcanization	2,899.60	
Print services, Docentris services	3,044.69	
Occupational health service	1,638.00	
Brasov cleaning services	3,200.00	
Radconspeed architectural services	1,476.37	
RT*RPC Test	600.00	
Odorization services, air conditioning overhaul	1,034.51	
Brasov Show. Security services	1,384.17	
Brasov Show. sanitation services	375.46	
Carpet and window cleaning	3,959.44	
Road tax, PTI	1,445.45	

Advertising fee, Brasov town planning fee, Brasov health department	2,180.63	
Staff costs	1,750,940.00	28
Gifts	1,468.61	
Death aid	6,840.00	
Sanctions	405.07	
Sponsorship	20,974.50	
Currency exchange difference	550.44	
Tiriac leasing interest, RCI Leasing	4,455.61	
Depreciation	58,437.80	
TOTAL	3,464,312.95	28

Year 2021

Costs - 2021	Total / year	%	Employees	Administrator
Raw material consumption	28,999,253.42			
Raw materials	489,148.58	1.69	4	
Direct production labor	941,707.00		19	
Raw material production	658,886.37	69.97	5	
Production costs	31,088,995.37		28	
Wares costs (Resale Products)	12,502,578.13			
Freight costs	88,777.50			
Rigging up expenses	4,775,659.89	10.96		
Expenses with the assembly team	316,639.66		4	
Winter holidays gifts	46,044.86			
Material price differences (473 close)	29,268.09			
Material expenses	82,560.77			
Total expenses (Production, Material)	48,930,524.27		32	
Sales	4,587,273.99	9.38	33	
Management	3,201,900.94	6.54	14	1
Total financial costs	2,713,390.57			
Financial costs related to loans	284,794.87			
Total cost of operation	56,658,821.53			
Total cost of operation&financial	59,372,212.11		79	1
TOTAL income from apartment and parking space	594,920.04			
TOTAL expenses related to Straulesti ap., parking space	455,458.17			
Profit from the sale of apartment and parking space	139,461.87			

Assembly expense 2021

Cost element description	Total / year	Employees
Direct materials	28,999,253.42	
Raw materials		
Raw material department salaries	175,275.00	4
Spare parts	1,271.39	
Materials	35,337.23	
Hydraulic pallet truck	1,549.22	
Toner, ink	2,255.10	
Threshold, fuel	869.44	
Fixed income expenses	9,963.35	
Barausse, Bonaiti, Busneli, Stirparo, Berti transport	119,420.98	
Occupational health service	312.00	
Price differences for raw materials	142,894.87	
TOTAL	489,148.58	4
Direct staff costs	941,707.00	19
Film, Accelerator, polish, lacquer thinner	18,193.42	
Film, aerograph, HCN, PES	31,777.88	
Circular blades, steam blast, milling machine	22,729.94	
Schotch, glue, gloves	2,819.28	
Work equipment	7,500.00	
Linings, hardware, canvas	1,418.31	
Glue	1,004.76	
Office supplies	2,302.89	
Brooms	465.73	
Toner	1,589.75	
Fuel	337.16	
Fixed assets expenses	74.50	
Energy + water	145,608.22	
Arrangement of sector, locker room	35,064.00	
sharp cutter	43.93	
Inspection Electrical forklift	399.01	
Forklift CASCO	1,628.00	
ESSPIGI transport	1,045.60	
Forklift leasing commission	256.90	
Occupational health service	2,184.00	
Staff costs (mechanical workshop, technical office, production manager)	273,629.00	5
AJ chargeless	4,753.00	
Currency exchange difference	209.38	
Forklift leasing interest	123.45	

Depreciation	103,728.26	
TOTAL	658,886.37	5

Administrative Expense 2021	Total / year	Employees	Administrator
Vacuum cleaner, computer parts, printer, cable, robe	6,392.44		
Water	13,666.99		
Fuel - IT, legal, adm. - timber, sawdust FRC 587, B128PIN, B104PIN	24,953.15		
Fibre optic, active CATV, led bulb, phone components, Laguna bulbs, switch, insulating band	11,863.65		
Cleaning products, masks	12,959.37		
Office supplies	11,847.95		
Windshield solution, car additive	754.74		
Toner	10,269.78		
Pavilion Energy, gas	117,189.47		
Human resources computer parts	3,367.65		
Inspection B 130PIN, B587FRC, B102FRC, winter tires	9,624.00		
Equipment rental	5,407.14		
Office rent	492.43		
FRC, Duster CASCO	6,476.69		
Stocks insurance, fixed assets, apartments	35,384.00		
Administrator room	282,348.00		1
Commission and fee expenses	89,097.20		
Protocol, meal served, Dancev accommodation, Todor, plane tickets, administrative department person packages, Bulgaria travel, festive dinner	111,545.10		
Orange fix	13,084.96		
GTS	12,510.51		
Telekom	2,360.33		
Postal fees	615.88		
Bank Commission	101,943.76		
AUDIT	29,531.05		
SECURITAS Technical support	5,200.00		
FRC consulting	473,077.25		
Cash register + money counting machine	769.36		
Qualification certificate, environment authorization, CNCIR, ISO, SSM authorization	6,542.78		
Land Rover remote control administration and replacement commission	1,027.95		
Collected and transported waste	52,691.97		
ISEO ARGO Onr Mircea Eliade implementation	250.61		
Occupational health service	1,014.00		
Customs services	10,654.04		
Translation, parking, car wash, carpet wash, vulcanization	3,767.20		

Computer services	6,000.00		
Personal recruitment services	1,845.34		
Docentris service	2,990.75		
PINUM building valuation, PD&W valuation	22,911.93		
Water sanitation, fire extinguisher check	3,406.95		
Lege5 online pass, legislation, company monitoring, web hosting, Pinum.ro transfer	12,089.72		
Fund for disabilities people	196,158.00		
Fund for environment, environmental tax	12.00		
Labor union	17,500.00		
B 587 FRC,B208MLN,B102FRC road tax	345.50		
Hotel fee	5.31		
Area tax, ANCPI tax	1,208.80		
Local duty	18,926.00		
Advertising fee, cadastre	2,096.49		
Residential property tax	6,128.22		
Staff costs (economic director, IT, legal, cleaner, receptionist)	1,172,085.00	14	
Death aid	3,000.00		
VAT Penalties	23,979.39		
Depreciation	243,579.06		
TOTAL	3,202,949.86	14	1

Analysis of administration costs for 2021 shows the following:

	Currency exchange difference	2,397,673.09	
	Credit interest costs	286,094.57	
	Credit line interest charges	21,662.01	
	Duster&Range interest expenses	5,228.47	
	Total financial	2,710,658.14	
CC-ADMIN	Total expenses that do not affect costs	5,913,608.01	
ZCO1			
	Ware costs	12,501,999.57	
	Transport	88,777.50	
	Rigging up expenses	4,775,659.89	
	Winter holidays gifts	46,044.86	
	Material price differences (473 close)	29,268.09	
	Expenses with the assembly team	316,639.66	4
	Solid	82,560.77	
Logistica	LOGISTICS	17,758,389.57	4
6583	Ap. Straulesti disposal costs	354,428.96	
6583	Straulesti Parking lot disposal costs	37,303.61	

628	Sraulesti Parking lot and ap. sale commission	8,965.10	
628	Laguna parking places sale commission	3,664.00	
6583	Ceded active expenses (Laguna parking)	51,096.50	
	Straulesti parking lot and ap. Total expenses	455,458.17	
		0.00	
7583	Straulesti ap - sale revenue	404,510.46	
7583	Parking space Straulesti and Laguna sales revenue	190,409.58	
	Total expenses	594,920.04	
	Profit from sale of ap. And parking lot	139,461.87	

Sales Expense 2021		
Sales 2021	Total / year	Employees
Show. Craiova Laptop, Show. Brasov chair, show. Craiova cash register	17,346.09	
Fuel	96,910.69	
Water, medicinal drugs	1,857.81	
Office supplies, self-copying notebook, plants, flower pot, Afi coffee table, Afi chair, louvers, fir tree	18,832.95	
Windshield solution, windscreen wipers, B135PIN bulbs	1,062.42	
Vulcanization, summer tires, car mats, winter tires	6,830.77	
Cleaning products	6,131.03	
SHO. Parquet	1,824.24	
Toner	4,118.50	
Afi energy	5,293.85	
Apartment utilities - Laguna ap.	12,966.42	
Ap Brasov energy	17,294.83	
Show. Craiova utilities	11,151.69	
104 Ap. Set-up	37,128.00	
Pipera Show. Set-up	79,944.00	
Brasov Show. Set-up	56,796.00	
Craiova Show. Set-up	26,650.00	
Mihai Bravu Show. Set-up	13,360.49	
Repairs, car overhauls, central overhaul, winter tires	40,812.36	
Computer parts - Nita, Perteaa	2,557.98	
Printer rent	6,360.99	
Showroom AFI rent, common spaces	110,331.77	
Afi park rent	1,984.47	
Showroom Pipera rent	295,034.50	
Showroom Brasov rent	135,701.99	
Showroom Craiova rent	91,144.96	
Brasov ap. Rent	29,511.95	
CASCO + RCA AUTO	37,218.87	
Showroom protocol	7,710.06	
Advertising	591,691.73	
Transport	186.00	
Travel expenses	17,960.43	

Orange	47,665.24	
RCS RDS Brasov	1,414.03	
RCS RDS Craiova	918.52	
Porta Smart aid	221,337.80	
Auto administration fee	196.73	
Sales commission	129,650.97	
Safety and health documents - Showroom Craiova+Brasov	584.96	
Omniasig Damage file franchise	409.24	
Car monitoring	9,939.59	
Afi monitoring	1,128.00	
Occupational health service	2,730.00	
Car wash, vulcanization, parking, license plates	3,994.64	
Cash register services	851.05	
Print services, Docentris services	5,891.59	
Show. Craiova services	12,819.33	
Brasov cleaning services	9,110.23	
Show. Brasov security services	11,672.02	
Brasov Show. sanitation services	2,787.82	
Craiova Show. sanitation services	2,939.69	
Craiova Cash register services	348.00	
CLAUSS Diaconu,LIXANDRU,ONE VERDI architectural services	8,271.14	
Pipera Showroom air conditioning intervention	957.00	
104 ap. central heating check	400.00	
Covid-19 rapid test	450.00	
Translation, recruitment	1,131.76	
Afi Carpet and window cleaning	8,935.49	
Advertising fee, display fee, hotel tax	2,737.31	
B 135 PIN, B110PIN road tax	1,908.24	
Staff costs	2,233,065.00	33
Currency exchange difference	696.74	
Tiriac leasing interest	2,974.37	
Depreciation	76,694.50	
TOTAL	4,588,318.84	33

Year 2022 – 3 Months

Costs - 2022	Total 3 Months	%	Employees	Administrator	Coef.planif 2022
Raw material consumption	8,025,381.17				
Raw materials	120,417.71	1.50	4		4.5
Direct production labor	222,130.00		20		
Raw material production	181,321.56	81.63	5		85
Production costs	8,549,250.44		29		
Wares costs (Resale Products)	3,013,357.13				
Freight costs	34,620.50				
Rigging up expenses	1,190,892.61	10.30			12

Expenses with the assembly team	89,009.26		4		
Material expenses	8,967.00				
Total expenses (Production, Material)	12,886,096.94		33		
Sales	1,319,547.95	10.24	37		10
Management	861,908.92	6.69	14	1	7
Total cost of operation	15,067,553.81		84	1	

Financial costs	Total 3 luni
Currency exchange difference	317,394.67
Credit interest costs	63,976.18
Credit line interest charges	0.00
Duster&Range interest expenses	17,021.00
Total financial	398,391.85

Assembly expense 2022		
Cost element description	Total 3 Months	Employees
Direct materials	8,025,381.17	
Raw materials		
Office supplies	1,614.55	
Complete contactor	1,278.83	
Spare parts	8,120.63	
ERCO, NUSCO transport	8,286.74	
Import services	741.76	
Forklift parts	1,374.97	
Staff costs	45,102.00	4
Meal tickets	1,104.00	
Price differences for raw materials, Barausse, parquet	52,794.23	
TOTAL	120,417.71	4
Direct staff costs	222,130.00	20
Film, Accelerator, polish, lacquer thinner	11,197.82	
Film, aerograph, HCN, PES	8,458.74	
Spare parts expenses	7,492.05	
Schotch, glue, gloves	595.03	
Office supplies	1,020.33	
Gloves	163.03	
Energy	42,062.18	

Water	3,362.74	
Sector Arrangement, locker room	8,766.00	
Staff costs (mechanical workshop, technical office, production manager)	69,306.00	5
Meal tickets	1,308.00	
AJ chargeless	600.00	
Depreciation	26,989.64	
TOTAL	181,321.56	5

Administrative Expense 2022	Total 3 Months	Employees	Administrator
Protective equipment, computer elements, document shredder	7,685.88		
Water	2,013.31		
Fuel B587FRC, legal, IT	5,950.87		
Cable, cooler, ssd, extension cord, ups, mouse, archiving container, profile	3,552.76		
Office supplies	7,350.71		
Cleaning materials	3,151.69		
Windshield solution	121.90		
Pavilion energy, gas	23,393.49		
Pavilion energy	25,425.30		
ITP PIAGGIO	540.58		
Equipment rental	1,839.31		
Fixed assets stock insurance	12,507.00		
Car insurance	1,940.00		
Sdministrative salaries	70,587.00		1
Legal advice	22,504.00		
Airplane ticket delegation expenses	636.73		
Telekom	623.83		
GTS	3,146.43		
Orange fix	3,282.21		
Postal fees	184.36		
Bank Commission	25,972.28		
Financial AUDIT	7,421.55		
FRC consulting	148,398.10		
Pipera Cash register + money counting machine	522.73		
Land Rover commission	68.46		
Update legislation	3,300.09		
Topographic analysis of the land, framing plans	3,640.00		
Technical support	1,200.00		
Phone decoding	820.00		
Waste and packaging collection	11,336.46		
Docentris Contract	592.87		
Cofindustria fee	9,894.00		

Car wash, parking	841.30		
Computer services	1,500.00		
Personal recruitment services	830.25		
Import services	742.20		
SMS services	989.42		
Translation of site text, notification	1,625.00		
Issuing meal voucher cards	1,445.20		
Fund for disabilities people	57,222.00		
B 587 FRC road tax	116.44		
Area tax, ANCPi tax	2,189.68		
Environmental tax	15.00		
Land Tax - Tunari, Moara Vlăsiei	775.00		
Local duty	1,895.00		
Control register, credit line extension notice	863.75		
Staff costs (economic director, IT, legal, cleaner, receptionist)	310,611.00	14	
Meal tickets	3,540.00		
AJ chargeless	2,000.00		
VAT Penalties	8,765.00		
Depreciation	56,338.78		
TOTAL	861,908.92	14	1

Analysis of administration costs for 2022 – 3 Months - shows the following:

607	Ware costs	3,013,357.13	
624	Transport	34,620.50	
628	Rigging up expenses	1,190,892.61	
6041+628	Expenses with the assembly team	89,009.26	4
60100003	Material expenses	8,967.00	
Logistics		4,327,879.50	4

Sales 2022	Total 3 Months	Employees
Laptop, computer elements, fridge, microwave, heaters, Sibiu cash register	14,721.09	
Water	552.70	
Tires	1,065.55	
Office supplies, toner, self-copying notebook	6,247.63	
Fuel	36,516.74	
HDMI cable	65.90	
Cleaning products	1,885.34	
Windshield solution, feeder	345.46	
104 Ap, Show. Craiova, Brasov - utilities	6,696.76	
Afi, Brasov, 104 ap. energy	30,274.47	
Pipera Show. Set-up	19,986.00	
Brasov Show. Set-up	14,199.00	
Craiova Show. Set-up	6,900.00	

Sibiu Show. Set-up	5,230.00	
104 Ap. Set-up	9,282.00	
Car overhaul	8,729.51	
Showroom Pipera rent	74,191.00	
Showroom Craiova rent	28,201.51	
Showroom Brasov rent	34,881.29	
Brasov ap. Rent	7,420.65	
Afi rent	33,019.23	
Afi park rent	498.69	
Rent of equipment	2,615.87	
Car insurance	10,646.00	
Monthly telephone insurance	561.56	
Protocol	4,606.68	
Advertising	171,967.71	
Taxi transport	610.37	
Travel expenses	17,633.38	
RCS-RDS Showroom	951.75	
Orange mobil	19,484.86	
Construction Arena	909.82	
Auto administration fee	20.26	
Sales commission	16,325.91	
Craiova Show. waste collecting, cleaning	1,407.91	
Porta Smart	55,475.63	
Afi monitoring	282.00	
Car monitoring	3,005.46	
Preferential car numbers, registration services	750.00	
URBANO M. services	6,450.00	
Show. Brasov security services	2,586.51	
Brasov Show. Sanitation and cleaning services	4,335.00	
Sales agent recruitment	9,541.58	
104 ap. Central heating overhaul	210.08	
Docentris services	202.23	
Print services - ONE	446.89	
Craiova Cash register services	184.00	
Arkadia design services	891.27	
Car wash, vulcanization, parking	1,122.88	
Afi Carpet and window cleaning	991.49	
Show. Sibiu advertising fee, accommodation tax	1,147.15	
Talon tax, road tax	281.38	
Staff costs	594,780.00	37
Meal tickets	9,612.00	
AJ chargeless	9,371.00	
VAT Penalties	86.10	
ANCP fine	1,000.00	
Depreciation	28,142.70	
TOTAL	1,319,547.95	37

3. BUSINESS VALUATION

In accordance with the purpose of the valuation, in the following part of the report the approaches used are presented.

The approaches used to establish the market value of *PINUM DOORS & WINDOWS LTD* are:

- ✓ Income approach (DCF method)

3.1.1 INCOME APPROACH

General aspects

It requires estimating the market value of the company based on free cash flows that the shareholders may benefit in the hypothesis of ongoing concern. The method is based on summing up future earnings that the business generates. This approach will recognized unidentifiable intangible elements distinct input value.

The two methods that can be used in this approach are:

- ✓ Discounted cash-flow method
- ✓ Capitalization method

DISCOUNTED CASH FLOW METHOD

In this method a profit and loss budget is forecasted and the net cash flow available to shareholders is discounted at an expected rate of return in order to be transformed into value. Values are obtained by forecasting financial results considering all information available to management and majority shareholder of the company to date. Explicit forecast period is 10 years, then we consider that the company reaches maturity.

The steps taken are the following:

- ✓ Cash flows at investors' disposal
- ✓ Estimate residual value
- ✓ Estimate the discount rate
- ✓ Discount financial flows and residual value
- ✓ Adding the redundant assets
- ✓ Obtaining the value of the invested capital

The forecasted Profit and Loss Budget and the financial cash flows were established starting with the last available financial statement and balance sheet at 2019 and the results at the March 2022 and the market profitability (the profitability of similar companies in the field).

- ✓ Taking into account the valuation purpose and the fact that the business strategy is coordinated by the company itself, the value of the company was estimated taking into

account the current level of production, considered to be sustainable, which ensures a profitability margin that is similar to other companies in the industry;

- ✓ The values were estimated in nominal currency - takes into account the expected inflation for next period
- ✓ After the explicit forecast period, it was assumed that business development will be on a maintenance trend with a perpetual annual growth.
- ✓ The results of this approach are valid under some reserves, the failure in fulfilling certain forecasts taken into account, for reasons impossible to be considered when valuing the company, can lead to the reconsideration of the opinion.

In the following part of the report we present the main valuation steps:

3.1.2 ESTIMATING THE CASH FLOWS AT INVESTORS' DISPOSAL

Estimating the cash flows at investors' disposal require the following steps:

- ✓ Estimating the Profit and Loss Budget
- ✓ Estimating the annual cash flows
- ✓ Estimating the variation of working capital

ESTIMATING THE PROFIT AND LOSS BUDGET

The Profit and Loss Budget was realized based on the elaborated business plan taking into account the current state of the company, activity history and the elements belonging to the specific market. These were discussed and reviewed with the management of PINUM DOORS & WINDOWS LTD.

Revenues increase is estimated slight, with a bottom up approach on the specific business unit and product line. In the period FY2021 and FY2024 the growth of Pinum Doors & Windows revenues pass from 17,4 Euro million to 22,8 Euro million with a CAGR of 9.4%.

Main drivers for such growth are as follows: (I) Increase sales towards international clients, in particular France and UK, where the products of Pinum are well known and well appreciated (II) Positive trend of the real estate market in Romania.

Variable costs are estimated in growth, in particular due to the price increase of raw materials. The incidence of raw materials on total revenues has been estimated at 64%, with growth of 2,7% and 2,4% with respect to the incidence in FY2021 and FY2020. Such effect has been normalised at 62% starting from FY2024 as a consequence of a progressive increase in selling price from 2023 and a reduction of raw material price considering a more stable period.

Other variable costs are considered with stable incidence with respect FY2021 actual ones.

Estimating a company's structure able to sustain the revenues increase, the business plan does not forecast significant EBITDA increase.

Cash flow estimate in LEI Currency:

CONTO ECONOMICO	2020		2021		2022		2023		2024	
LEI/000	ACT A	% su Vdp	FCST	% su Vdp	FCST	% su Vdp	FCST	% su Vdp	FCST	% su Vdp
Ricavi netti	64,570		86,953		99,581		106,552		114,011	
Ricavi netti totali	64,570		86,953		99,581		106,552		114,011	
Var YoY	-5.5%		34.7%		14.5%		7.0%		7.0%	
Variazione rimanenze prodotti finiti	(150)		1,579		4,814		2,657		2,843	
Valore della Produzione	64,420		88,532		104,395		109,209		116,854	
Var YoY	-5.9%		37.4%		17.9%		4.6%		7.0%	
Materiali diretti	(39,661)	-61.6%	(54,297)	-61.3%	(66,813)	-64.0%	(68,802)	-63.0%	(72,450)	-62.0%
Material profit	24,759	38.4%	34,235	38.7%	37,582	36.0%	40,407	37.0%	44,405	38.0%
Var YoY	-21.4%		38.3%		9.8%		7.5%		9.9%	
Costi di produzione	(8,235)	-12.8%	(11,215)	-12.7%	(13,225)	-12.7%	(13,835)	-12.7%	(14,803)	-12.7%
MOD	(6,735)	-10.5%	(7,750)	-8.8%	(9,139)	-8.8%	(9,560)	-8.8%	(10,230)	-8.8%
Margine di contribuzione	9,789	15.2%	15,269	17.2%	15,218	14.6%	17,012	15.6%	19,372	16.6%
Var YoY	-51.5%		56.0%		-0.3%		11.8%		13.9%	
Trasporti su vendite	(789)	-1.2%	(838)	-0.9%	(988)	-0.9%	(1,034)	-0.9%	(1,106)	-0.9%
Margine al netto dei costi di vendita	9,000	14.0%	14,431	16.3%	14,230	13.6%	15,979	14.6%	18,266	15.6%
Var YoY	-53.2%		60.3%		-1.4%		12.3%		14.3%	
Costi di marketing	(1,924)	-3.0%	(2,214)	-2.5%	(2,297)	-2.2%	(2,403)	-2.2%	(2,571)	-2.2%
Margine al netto dei costi specifici	7,076	11.0%	12,217	13.8%	11,933	11.4%	13,576	12.4%	15,695	13.4%
Var YoY	-49.1%		72.7%		-2.3%		13.8%		15.6%	
Costi operativi	(1,816)	-2.8%	(2,541)	-2.9%	(2,723)	-2.6%	(2,773)	-2.5%	(2,851)	-2.4%
Oneri diversi di gestione	(2,183)	-3.4%	(897)	-1.0%	(961)	-0.9%	(979)	-0.9%	(1,006)	-0.9%
Costi personale indiretto	(962)	-1.5%	(1,107)	-1.3%	(1,187)	-1.1%	(1,208)	-1.1%	(1,242)	-1.1%
Altri ricavi e proventi	2,948	4.6%	1,158	1.3%	1,158	1.1%	1,158	1.1%	1,158	1.0%
EBITDA Adjusted	5,063	7.9%	8,830	10.0%	8,221	7.9%	9,773	8.9%	11,753	10.1%
Var YoY	105.4%		74.4%		-6.9%		18.9%		20.3%	
Oneri di natura straordinaria e altre rettifiche	0	0.0%	(4,184)	-4.7%	0	0.0%	0	0.0%	0	0.0%
Proventi di natura straordinaria	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBITDA	5,063	7.9%	4,645	5.2%	8,221	7.9%	9,773	8.9%	11,753	10.1%
Var YoY	105.4%		-8.2%		77.0%		18.9%		20.3%	
Totale Ammortamenti e svalutazioni	(1,151)	-1.8%	(1,236)	-1.4%	(1,597)	-1.5%	(1,835)	-1.7%	(1,631)	-1.4%
EBIT	3,912	6.1%	3,409	3.9%	6,624	6.3%	7,938	7.3%	10,122	8.7%
Var YoY	184.3%		-12.8%		94.3%		19.8%		27.5%	
Proventi finanziari	2,125	3.3%	1,956	2.2%	2,307	2.2%	2,413	2.2%	2,582	2.2%
Oneri finanziari	(3,195)	-5.0%	(2,833)	-3.2%	(2,833)	-3.2%	(2,833)	-3.2%	(2,833)	-3.2%
Proventi ed oneri finanziari	(1,070)	-1.7%	(877)	-1.0%	(527)	-0.5%	(420)	-0.4%	(251)	-0.2%
EBT	2,841	4.4%	2,532	2.9%	6,097	5.8%	7,518	6.9%	9,871	8.4%
Var YoY	687.2%		-10.9%		140.8%		23.3%		31.3%	
Imposte	(326)	-0.5%	(1,045)	-1.2%	(1,123)	-1.1%	(1,279)	-1.2%	(1,328)	-1.1%
Risultato di periodo	2,515	3.9%	1,488	1.7%	4,974	4.8%	6,239	5.7%	8,543	7.3%
Var YoY										

Annual income was estimated taking into account the premise production vs costs.

STATO PATRIMONIALE	2020		2021		2022		2023		2024	
LEI/000	ACT A		FCST		FCST		FCST		FCST	
Immobilizzazioni immateriali	4,853		4,721		4,423		4,005		3,689	
Immobilizzazioni materiali	7,180		8,619		9,321		9,903		10,587	
Partecipazioni	0		0		0		0		0	
Altre attività non correnti	0		0		0		0		0	
Totale Immobilizzato	12,033		13,340		13,743		13,908		14,277	
Rimanenze	19,727		33,147		37,961		40,618		43,462	
Crediti Commerciali	15,882		20,130		23,053		24,667		26,394	
Debiti commerciali	(6,967)		(10,168)		(11,865)		(12,243)		(12,910)	
Capitale Circolante Operativo	28,642		43,109		49,149		53,042		56,946	
Altre attività	4,857		1,492		1,641		1,805		1,986	
Altri debiti	(17,040)		(36,513)		(39,784)		(40,702)		(42,126)	
Debiti e Crediti tributari e fiscalità differite	0		0		0		0		0	
Capitale Circolante Netto	16,459		8,088		11,006		14,146		16,805	
Capitale investito lordo	28,492		21,428		24,749		28,054		31,082	
TFR	0		0		0		0		0	
Fondi per rischi e oneri	0		0		0		0		0	
CAPITALE INVESTITO NETTO	28,492		21,428		24,749		28,054		31,082	
Capitale sociale	7,856		7,856		7,856		7,856		7,856	
Riserve, risultati a nuovo	(6,921)		(4,405)		8,104		13,078		19,318	
(Utile) Perdita	2,515		1,488		4,974		6,239		8,543	
Patrimonio netto	3,450		4,939		20,934		27,174		35,717	
Indebitamento finanziario a breve termine	2,282		930		930		930		930	
Disponibilità liquide	(141)		(6,121)		(7,342)		(9,865)		(14,989)	
Posizione finanziaria netta breve termine	2,141		(5,191)		(6,412)		(8,935)		(14,059)	
Indebitamento finanziario a M/L termine	9,978		8,656		8,223		7,812		7,421	
Attività finanziarie	0		0		0		0		0	
<i>di cui crediti v/soci</i>	0		0		0		0		0	
<i>di cui crediti v/collegate</i>	0		0		0		0		0	
Passività finanziarie vs soci	12,921		13,021		2,000		2,000		2,000	
Posizione finanziaria netta lungo termine	22,899		21,677		10,223		9,812		9,421	
Posizione finanziaria netta	25,040		16,486		3,812		877		(4,638)	
MEZZI PROPRI E INDEBITAMENTO	28,490		21,425		24,746		28,051		31,079	

RENDICONTO FINANZIARIO	2020		2021		2022		2023		2024	
LEI/000	ACT A		FCST		FCST		FCST		FCST	
EBITDA (MOL)	5,063		4,645		8,221		9,773		11,753	
<i>Imposte</i>	(326)		(1,045)		(1,123)		(1,279)		(1,328)	
<i>Svalutazioni ordinarie e accantonamenti</i>	0		0		0		0		0	
GROSS CASH FLOW	4,736		3,601		7,098		8,494		10,425	
<i>Var. dei crediti commerciali</i>	(4,371)		(4,248)		(2,923)		(1,614)		(1,727)	
<i>Var. rimanenze</i>	(84)		(13,420)		(4,814)		(2,657)		(2,843)	
<i>Var. debiti verso fornitori</i>	(7,207)		3,201		1,697		378		667	
VARIAZIONE CCO	(11,662)		(14,467)		(6,040)		(3,893)		(3,903)	
Variazione altre poste correnti	8,081		22,838		3,122		753		1,244	
Variazione TFR e Fondo rischi	(16,115)		0		0		0		0	
VAR CCN	(19,696)		8,371		(2,918)		(3,140)		(2,659)	
CASH FLOW OPERATIVO	(14,960)		11,972		4,180		5,354		7,766	
Investimenti immateriali	(422)		(486)		(500)		(500)		(500)	
Investimenti materiali	1,055		(2,057)		(1,500)		(1,500)		(1,500)	
Investimenti finanziari	0		0		0		0		0	
Investimenti Netti	633		(2,543)		(2,000)		(2,000)		(2,000)	
CASH FLOW CARATTERISTICO (FCFO)	(14,327)		9,429		2,180		3,354		5,766	
Var debiti fin a MLT	11,943		(1,222)		(11,454)		(411)		(391)	
Var debiti fin a BT	656		(1,352)		0		0		0	
Var. dell'Equity	78		1		11,021		0		0	
Gestione finanziaria	(1,070)		(877)		(527)		(420)		(251)	
FREE CASH FLOW GESTIONE (FCFE)	(2,720)		5,979		1,221		2,523		5,124	

Cash-flow estimate in EURO Currency:

CONTO ECONOMICO	2020		2021		2022		2023		2024	
	ACT A	% su Vdp	ACT A	% su Vdp	FCST	% su Vdp	FCST	% su Vdp	FCST	% su Vdp
Ricavi netti	12,914		17,391		19,916		21,310		22,802	
Ricavi netti totali	12,914		17,391		19,916		21,310		22,802	
Var YoY	-5.5%		34.7%		14.5%		7.0%		7.0%	
Variazione rimanenze prodotti finiti	(30)		316		963		531		569	
Valore della Produzione	12,884		17,706		20,879		21,842		23,371	
Var YoY	-5.9%		37.4%		17.9%		4.6%		7.0%	
Materiali diretti	(7,932)	-61.6%	(10,859)	-61.3%	(13,363)	-64.0%	(13,760)	-63.0%	(14,490)	-62.0%
Material profit	4,952	38.4%	6,847	38.7%	7,516	36.0%	8,081	37.0%	8,881	38.0%
Var YoY	-21.4%		38.3%		9.8%		7.5%		9.9%	
Costi di produzione	(1,647)	-12.8%	(2,243)	-12.7%	(2,645)	-12.7%	(2,767)	-12.7%	(2,961)	-12.7%
MOD	(1,347)	-10.5%	(1,550)	-8.8%	(1,828)	-8.8%	(1,912)	-8.8%	(2,046)	-8.8%
Margine di contribuzione	1,958	15.2%	3,054	17.2%	3,044	14.6%	3,402	15.6%	3,874	16.6%
Var YoY	-51.5%		56.0%		-0.3%		11.8%		13.9%	
Trasporti su vendite	(158)	-1.2%	(168)	-0.9%	(198)	-0.9%	(207)	-0.9%	(221)	-0.9%
Margine al netto dei costi di vendita	1,800	14.0%	2,886	16.3%	2,846	13.6%	3,196	14.6%	3,653	15.6%
Var YoY	-53.2%		60.3%		-1.4%		12.3%		14.3%	
Costi di marketing	(385)	-3.0%	(443)	-2.5%	(459)	-2.2%	(481)	-2.2%	(514)	-2.2%
Margine al netto dei costi specifici	1,415	11.0%	2,443	13.8%	2,387	11.4%	2,715	12.4%	3,139	13.4%
Var YoY	-49.1%		72.7%		-2.3%		13.8%		15.6%	
Costi operativi	(363)	-2.8%	(508)	-2.9%	(545)	-2.6%	(555)	-2.5%	(570)	-2.4%
Oneri diversi di gestione	(437)	-3.4%	(179)	-1.0%	(192)	-0.9%	(196)	-0.9%	(201)	-0.9%
Costi per Godimento beni terzi	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Costi personale indiretto	(192)	-1.5%	(221)	-1.3%	(237)	-1.1%	(242)	-1.1%	(248)	-1.1%
Altri ricavi e proventi	590	4.6%	232	1.3%	232	1.1%	232	1.1%	232	1.0%
EBITDA Adjusted	1,013	7.9%	1,766	10.0%	1,644	7.9%	1,955	8.9%	2,351	10.1%
Var YoY	105.4%		74.4%		-6.9%		18.9%		20.3%	
Oneri di natura straordinaria e altre rettifiche	0	0.0%	(837)	-4.7%	0	0.0%	0	0.0%	0	0.0%
Proventi di natura straordinaria	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBITDA	1,013	7.9%	929	5.2%	1,644	7.9%	1,955	8.9%	2,351	10.1%
Var YoY	105.4%		-8.2%		77.0%		18.9%		20.3%	
Totale Ammortamenti e svalutazioni	(230)	-1.8%	(247)	-1.4%	(319)	-1.5%	(367)	-1.7%	(326)	-1.4%
EBIT	782	6.1%	682	3.9%	1,325	6.3%	1,588	7.3%	2,024	8.7%
Var YoY	184.3%		-12.8%		94.3%		19.8%		27.5%	
Proventi finanziari	425	3.3%	391	2.2%	461	2.2%	483	2.2%	516	2.2%
Oneri finanziari	(639)	-5.0%	(567)	-3.2%	(567)	-2.7%	(567)	-2.6%	(567)	-2.4%
Proventi ed oneri finanziari	(214)	-1.7%	(175)	-1.0%	(105)	-0.5%	(84)	-0.4%	(50)	-0.2%
EBT	568	4.4%	506	2.9%	1,219	5.8%	1,504	6.9%	1,974	8.4%
Var YoY	687.2%		-10.9%		140.8%		23.3%		31.3%	
Imposte	(65)	-0.5%	(209)	-1.2%	(225)	-1.1%	(256)	-1.2%	(266)	-1.1%
Risultato di periodo	503	3.9%	298	1.7%	995	4.8%	1,248	5.7%	1,709	7.3%
Var YoY										

STATO PATRIMONIALE	2020		2021		2022		2023		2024	
€/000	ACT A		ACT A		FCST		FCST		FCST	
Immobilizzazioni immateriali	971		944		885		801		738	
Immobilizzazioni materiali	1,436		1,724		1,864		1,981		2,117	
Partecipazioni	0		0		0		0		0	
Altre attività non correnti	0		0		0		0		0	
Totale Immobilizzato	2,407		2,668		2,749		2,782		2,855	
Rimanenze	3,945		6,629		7,592		8,124		8,692	
Crediti Commerciali	3,176		4,026		4,611		4,933		5,279	
Debiti commerciali	(1,393)		(2,034)		(2,373)		(2,449)		(2,582)	
Capitale Circolante Operativo	5,728		8,622		9,830		10,608		11,389	
Altre attività	971		298		328		361		397	
Altri debiti	(3,408)		(7,303)		(7,957)		(8,140)		(8,425)	
Debiti e Crediti tributari e fiscalità differite	0		0		0		0		0	
Capitale Circolante Netto	3,292		1,618		2,201		2,829		3,361	
Capitale investito lordo	5,698		4,286		4,950		5,611		6,216	
TFR	0		0		0		0		0	
Fondi per rischi e oneri	0		0		0		0		0	
CAPITALE INVESTITO NETTO	5,698		4,286		4,950		5,611		6,216	
Capitale sociale	1,571		1,571		1,571		1,571		1,571	
Riserve, risultati a nuovo	(1,384)		(881)		1,621		2,616		3,864	
(Utile) Perdita	503		298		995		1,248		1,709	
Patrimonio netto	690		988		4,187		5,435		7,143	
Indebitamento finanziario a breve termine	456		186		186		186		186	
Disponibilità liquide	(28)		(1,224)		(1,468)		(1,973)		(2,998)	
Posizione finanziaria netta breve termine	428		(1,038)		(1,282)		(1,787)		(2,812)	
Indebitamento finanziario a M/L termine	1,996		1,731		1,645		1,562		1,484	
Attività finanziarie	0		0		0		0		0	
<i>di cui crediti v/soci</i>	0		0		0		0		0	
<i>di cui crediti v/collegate</i>	0		0		0		0		0	
Passività finanziarie vs soci	2,584		2,604		400		400		400	
Posizione finanziaria netta lungo termine	4,580		4,335		2,045		1,962		1,884	
Posizione finanziaria netta	5,008		3,297		762		175		(928)	
MEZZI PROPRI E INDEBITAMENTO	5,698		4,285		4,949		5,610		6,216	

RENDICONTO FINANZIARIO	2020		2021		2022		2023		2024	
€/000	ACT A		ACT A		FCST		FCST		FCST	
EBITDA (MOL)	1,013		929		1,644		1,955		2,351	
Imposte	(65)		(209)		(225)		(256)		(266)	
Svalutazioni ordinarie e accantonamenti	0		0		0		0		0	
GROSS CASH FLOW	947		720		1,420		1,699		2,085	
Var. dei crediti commerciali	(874)		(850)		(585)		(323)		(345)	
Var. rimanenze	(17)		(2,684)		(963)		(531)		(569)	
Var. debiti verso fornitori	(1,441)		640		339		76		133	
VARIAZIONE CCO	(2,332)		(2,893)		(1,208)		(779)		(781)	
Variazione altre poste correnti	1,616		4,568		624		151		249	
Variazione TFR e Fondo rischi	(3,223)		0		0		0		0	
VAR CCN	(3,939)		1,674		(584)		(628)		(532)	
CASH FLOW OPERATIVO	(2,992)		2,394		836		1,071		1,553	
Investimenti immateriali	(84)		(97)		(100)		(100)		(100)	
Investimenti materiali	211		(411)		(300)		(300)		(300)	
Investimenti finanziari	0		0		0		0		0	
Investimenti Netti	127		(509)		(400)		(400)		(400)	
CASH FLOW CARATTERISTICO (FCFO)	(2,865)		1,886		436		671		1,153	
Var debiti fin a MLT	2,389		(244)		(2,291)		(82)		(78)	
Var debiti fin a BT	131		(270)		0		0		0	
Var. dell'Equity	16		0		2,204		(0)		0	
Gestione finanziaria	(214)		(175)		(105)		(84)		(50)	
FREE CASH FLOW GESTIONE (FCFE)	(544)		1,196		244		505		1,025	

According to the information received from the client, we have reclassified in the historical balance sheets an amount of around 2.6 mln Euro from other payables into loan to shareholders. We have been informed that part of such amount (about 2.2 mln Euro) will be waived from the shareholders during 2022 and recorded as capital increase in the forecasted balance sheets and the remaining amount of about 400.000 Euro will continue to be recorded as net debt for the following years. We considered these special assumptions in our valuation premises.

3.1.1.1 Cash flows at investors' disposal

Cash flows at investors' disposal (CFI) are made of operation cash flows and investment ones. No cash flows from financing activity were considered.

Operating cash flows have as inflows operating gross profit and as outflows income tax and variation in working capital. Operating gross income (EBIT) and income tax were taken from the P & L Budget, but certain corrections were required in order to adjust them to the market average. The working capital was estimated based on the historical and expected evolution as mentioned above.

Investment cash flows have as inflows depreciation and amortization expenses (taken from the P & L Budget) and other non cash expenses (provisions, adjustments) and as outflows investments, which have the role of enforcing the forecasts regarding turnover evolution (to maintain the fixed assets in current working condition). Investment cash flows were considered at annual depreciation for the explicit forecast period and at the value of the annual depreciation in non explicit forecast period, as these investments are required to support maintenance of turnover expected.

Revenues	19,916	21,310	22,802	23,144
DCF Valuation (€/000)	FY2022	FY2023	FY2024	TV
EBIT	1,325	1,588	2,024	2,055
% on revenues	6.7%	7.5%	8.9%	8.9%
(Income tax expense)	(225)	(256)	(266)	(276)
% effective Tax Rate	-18.4%	-17.0%	-13.5%	-13.5%
+ Depreciation & Amortisation	319	367	326	331
Change in TWC	(584)	(628)	(532)	(581)
(Capex)	(400)	(400)	(400)	(400)
Free Cash Flow From Operations	436	671	1,153	1,128

ESTIMATE THE DISCOUNT RATE

One of the most widely used method for estimating the Cost of Equity is the CAPM model (Capital Assets Pricing Model). The formula is the following:

$$R_a = R_f + (R_m - R_f) \times \beta + \alpha$$

where, R_a – the discount rate

R_f – risk free rate

$(R_m - R_f)$ – market risk premium

β - beta coefficient

α – company specific risk rate

Applying rigorously this method in Romania is very difficult due to lack of public information

regarding the main components, such as risk premium and β coefficient.

The next part of the report shows how the 4 components were estimated:

1. Risk free rate (R_f)

The risk free rate represents the minimum investment risk that determines the remuneration of capital invested in low-risk conditions (current interest in long-term government bonds – at the valuation date). Taking into account that the estimates are in inflated currency (Lei), the consider risk free rate which was associated to the yield of long term Romanian bounds (3.5%). The second approach in estimating the risk free rate takes into account Germany bounds with an yield of long term bond of 4.24% and an inflation rate.

2. Market risk premium

Romania country risk was estimated at 2,18% - Source: Aswath Damodaran, Stern School of Business - New York University,

https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

Country Default Spreads and Risk Premiums

Last updated: January 5, 2022

This table summarizes the latest bond ratings and appropriate default spreads for different countries. While you can use these numbers as rough estimates of country risk premiums, you may want to modify the premia to reflect the additional risk of equity markets. To estimate the long term country equity risk premium, I start with a default spread, which I obtain in one of two ways: (1) I use the local currency sovereign rating (from Moody's: www.moody's.com) and estimate the default spread for that rating (based upon traded country bonds) over a default free government bond rate. For countries without Moody's rating but with an S&P rating, I use the Moody's equivalent of the S&P rating. To get the default spreads by sovereign rating, I use the CDS spreads and compute the average CDS spread by rating. Using that number as basis, I extrapolate for those ratings for which I have no CDS spreads. (2) I start with the CDS spread for the country, if one is available and subtract out the US CDS spread, since my mature market premium is derived from the US market. That difference becomes the country spread. For the few countries that have CDS spreads that are lower than the US, I will get a negative number. You can add just this default spread to the mature market premium to arrive at the total equity risk premium. I add an additional step. In the short term especially, the equity country risk premium is likely to be greater than the country's default spread. You can estimate an adjusted country risk premium by multiplying the default spread by the relative equity market volatility for that market (Std dev in country equity market/Std dev in country bond). Since government bonds are not available or traded in most countries, I approximate the relative equity market volatility by estimating the standard deviations in two indices, the S&P emerging market equity index (for equities) and the S&P emerging market government bond index (for government bonds), and using that ratio for all countries to estimate the additional country risk premium. Finally, I add that country risk premium to my estimate of a mature market equity risk premium, for which I use the implied equity risk premium of the S&P 500.

Country	Moody's rating	Adj. Default Spread	Country Risk Premium	Equity Risk Premium	Country Risk Premium
Abu Dhabi	Aa2	0.42%	0.49%	4.73%	0.49%
Albania	B1	3.83%	4.45%	8.69%	4.45%
Algeria	NR	5.53%	6.43%	10.67%	6.43%
Andorra (Principality of)	Baa2	1.62%	1.88%	6.12%	1.88%
Angola	B3	5.53%	6.43%	10.67%	6.43%
Anguilla	NR	5.88%	6.83%	11.07%	6.83%
Antigua & Barbuda	NR	5.88%	6.83%	11.07%	6.83%
Argentina	Ca	10.21%	11.87%	16.11%	11.87%
Armenia	Ba3	3.06%	3.56%	7.80%	3.56%
Aruba	Baa2	1.62%	1.88%	6.12%	1.88%
Australia	Aaa	0.00%	0.00%	4.24%	0.00%
Austria	Aa1	0.34%	0.39%	4.63%	0.39%
Azerbaijan	Ba2	2.56%	2.97%	7.21%	2.97%
Bahamas	Ba3	3.06%	3.56%	7.80%	3.56%
Bahrain	B2	4.68%	5.44%	9.68%	5.44%
Bangladesh	Ba3	3.06%	3.56%	7.80%	3.56%
Barbados	Caa1	6.38%	7.41%	11.65%	7.41%
Belarus	B3	5.53%	6.43%	10.67%	6.43%
Belgium	Aa3	0.51%	0.60%	4.84%	0.60%
Belize	Caa3	8.51%	9.89%	14.13%	9.89%
Benin	B1	3.83%	4.45%	8.69%	4.45%
Romania	Baa3	1.87%	2.18%	6.42%	2.18%
Russia	Baa3	1.87%	2.18%	6.42%	2.18%
Rwanda	B2	4.68%	5.44%	9.68%	5.44%
Saint Lucia	NR	5.88%	6.83%	11.07%	6.83%
Saudi Arabia	A1	0.60%	0.70%	4.94%	0.70%
Senegal	Ba3	3.06%	3.56%	7.80%	3.56%
Serbia	Ba2	2.56%	2.97%	7.21%	2.97%
Sharjah	Baa3	1.87%	2.18%	6.42%	2.18%
Sierra Leone	NR	8.51%	9.89%	14.13%	9.89%
Singapore	Aaa	0.00%	0.00%	4.24%	0.00%
Slovakia	A2	0.72%	0.84%	5.08%	0.84%
Slovenia	A3	1.02%	1.19%	5.43%	1.19%
Solomon Islands	Caa1	6.38%	7.41%	11.65%	7.41%
Somalia	NR	10.21%	11.87%	16.11%	11.87%
South Africa	Ba2	2.56%	2.97%	7.21%	2.97%
South Korea	Aa2	0.42%	0.49%	4.73%	0.49%
Spain	Baa1	1.36%	1.58%	5.82%	1.58%
Sri Lanka	Ca2	7.66%	8.90%	13.14%	8.90%

Curacao	Baa2	1.62%	1.88%	6.12%	1.88%
Cyprus	Ba1	2.13%	2.47%	6.71%	2.47%
Czech Republic	Aa3	0.51%	0.60%	4.84%	0.60%
Denmark	Aaa	0.00%	0.00%	4.24%	0.00%
Dominican Republic	Ba3	3.06%	3.56%	7.80%	3.56%
Ecuador	Caa3	8.51%	9.89%	14.13%	9.89%
Egypt	B2	4.68%	5.44%	9.68%	5.44%
El Salvador	Caa1	6.38%	7.41%	11.65%	7.41%
Estonia	A1	0.60%	0.70%	4.94%	0.70%
Ethiopia	Caa2	7.66%	8.90%	13.14%	8.90%
Falkland Islands	NR	5.88%	6.83%	11.07%	6.83%
Fiji	B1	3.83%	4.45%	8.69%	4.45%
Finland	Aa1	0.34%	0.39%	4.63%	0.39%
France	Aa2	0.42%	0.49%	4.73%	0.49%
French Guiana	NR	3.26%	3.79%	8.03%	3.79%
Gabon	Caa1	6.38%	7.41%	11.65%	7.41%
Gambia	NR	4.68%	5.44%	9.68%	5.44%
Georgia	Ba2	2.56%	2.97%	7.21%	2.97%
Germany	Aaa	0.00%	0.00%	4.24%	0.00%
Ghana	B3	5.53%	6.43%	10.67%	6.43%
Gibraltar	NR	0.72%	0.83%	5.07%	0.83%
Greece	Ba3	3.06%	3.56%	7.80%	3.56%
Greenland	NR	0.72%	0.83%	5.07%	0.83%
Guatemala	Ba1	2.13%	2.47%	6.71%	2.47%
Guernsey	Aa3	0.51%	0.60%	4.84%	0.60%
Guinea	NR	7.66%	8.90%	13.14%	8.90%
Guinea-Bissau	NR	5.53%	6.43%	10.67%	6.43%
Guyana	NR	3.83%	4.45%	8.69%	4.45%
Haiti	NR	8.51%	9.89%	14.13%	9.89%
Honduras	B1	3.83%	4.45%	8.69%	4.45%
Hong Kong	Aa3	0.51%	0.60%	4.84%	0.60%
Hungary	Baa2	1.62%	1.88%	6.12%	1.88%
Iceland	A2	0.72%	0.84%	5.08%	0.84%
India	Baa3	1.87%	2.18%	6.42%	2.18%
Indonesia	Baa2	1.62%	1.88%	6.12%	1.88%
Iran	NR	5.53%	6.43%	10.67%	6.43%
Iraq	Caa1	6.38%	7.41%	11.65%	7.41%
Ireland	A2	0.72%	0.84%	5.08%	0.84%

3. β Coefficient

In estimating β coefficient for the sector, we used a public database: Construction Supplies – January 2022 = **1,11**.

← → ↻ 🏠 pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html

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Industry Name	Number of firms	Beta	D/E Ratio	Effective Tax rate	Unlevered beta	Cash/Firm value	Unlevered beta corrected for cash	HiLo Risk	Standard deviation o
Advertising	49	1.34	51.47%	5.76%	0.97	11.57%	1.10	0.6674	56.70%
Aerospace/Defense	73	1.28	29.45%	6.83%	1.05	5.05%	1.11	0.4765	38.23%
Air Transport	21	1.58	153.33%	5.32%	0.75	18.30%	0.91	0.4020	40.19%
Apparel	39	1.23	31.60%	12.06%	1.00	9.26%	1.10	0.4896	43.49%
Auto & Truck	26	1.13	19.86%	3.88%	0.99	3.38%	1.02	0.5955	54.78%
Auto Parts	38	1.40	31.68%	13.62%	1.14	6.36%	1.21	0.4759	37.14%
Bank (Money Center)	7	1.12	170.39%	14.69%	0.50	51.78%	1.03	0.2381	22.23%
Banks (Regional)	563	0.70	34.57%	19.29%	0.56	33.75%	0.84	0.2078	19.68%
Beverage (Alcoholic)	21	0.82	21.42%	7.93%	0.71	1.66%	0.72	0.5568	37.87%
Beverage (Soft)	32	1.22	16.65%	4.53%	1.08	2.83%	1.12	0.7179	48.27%
Broadcasting	28	1.35	116.82%	11.54%	0.73	10.05%	0.81	0.5395	48.77%
Brokerage & Investment Banking	31	1.17	182.48%	14.76%	0.50	24.81%	0.67	0.4393	31.74%
Building Materials	44	1.19	18.75%	17.03%	1.04	3.95%	1.09	0.3600	34.54%
Business & Consumer Services	160	1.09	22.39%	10.17%	0.94	5.06%	0.99	0.5196	41.17%
Cable TV	11	0.93	60.12%	18.08%	0.65	2.25%	0.66	0.3561	20.07%
Chemical (Basic)	35	1.16	44.76%	10.02%	0.88	6.51%	0.94	0.5277	45.02%
Chemical (Diversified)	4	1.50	47.40%	3.90%	1.12	7.57%	1.21	0.3781	37.29%
Chemical (Specialty)	81	1.10	19.47%	10.12%	0.97	3.23%	1.00	0.4865	40.72%
Coal & Related Energy	18	0.92	41.65%	0.74%	0.70	14.34%	0.82	0.6620	58.57%
Computer Services	83	1.20	26.94%	8.19%	1.00	5.28%	1.06	0.6098	48.44%
Computers/Peripherals	46	1.29	7.58%	4.96%	1.22	2.36%	1.25	0.5470	51.27%
Construction Supplies	48	1.11	27.94%	13.00%	0.92	6.01%	0.98	0.4090	40.01%
Diversified	22	0.75	22.62%	7.24%	0.65	7.79%	0.70	0.5904	30.11%
Drugs (Biotechnology)	581	0.99	15.30%	0.53%	0.89	8.13%	0.97	0.5862	50.80%
Drugs (Pharmaceutical)	298	1.08	14.69%	2.18%	0.97	3.74%	1.01	0.6577	56.17%
Education	35	1.13	25.70%	7.64%	0.95	14.06%	1.10	0.5554	41.50%
Electrical Equipment	104	1.25	13.69%	4.98%	1.13	5.20%	1.19	0.6305	57.66%
Electronics (Consumer & Office)	16	0.98	7.62%	4.87%	0.92	12.54%	1.06	0.6272	52.54%
Electronics (General)	137	1.09	12.75%	6.66%	0.99	5.53%	1.05	0.5047	43.45%
Engineering/Construction	48	1.06	25.59%	13.53%	0.89	8.46%	0.97	0.4492	36.36%
Entertainment	108	1.01	15.23%	2.64%	0.91	5.52%	0.96	0.7100	59.63%
Environmental & Waste Services	58	1.24	20.87%	5.90%	1.08	0.90%	1.09	0.6178	43.01%
Farming/Agriculture	36	1.03	36.82%	7.65%	0.81	4.22%	0.85	0.5642	46.45%
Financial Svcs. (Non-bank & Insuran	223	0.93	726.37%	15.60%	0.15	3.06%	0.15	0.3406	28.52%
Food Processing	92	0.75	30.52%	10.54%	0.61	2.90%	0.63	0.4668	27.69%

(Source: Aswath Damodaran, Stern School of Business - New York University,
https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html)

4. α Coefficient

Due to the fact that the data used in estimating the cost of equity are associated with public companies, characterized by high liquidity of shares, we took into consideration an Alpha coefficient of 2,00%, split as follows:

- operational risk – 1%
- financial risk – 1%
- default risk – 0%

Estimating the Cost of Equity:

The cost of equity was determined using both of the mentioned beta coefficients and risk free rates, as can be seen below:

Weighted Average Cost of Capital estimate				
WACC = $E/(E+D) \times COE + D/(E+D) \times COD \times (1- TR)$				
COE - Cost of Equity				
COE = $R_f + CRP + \beta + ERP + \alpha$				
Rf	- Risk free rate		National Bank or Romania	Treasury bond - bid - 10 years 3.5
CRP	- Country Risk Premium		Romania	Moody's Rating Baa3 2.18
β	- Industry volatility coefficient	Levered Beta	Construction suppliers	Emerging Markets - jan.2022 1.11
ERP	- Equity Risk Premium	ERP piata matura	Germany	4.24
α	- Company risk			1.50
				<i>operational risk</i> 1.00
				<i>financial risk</i> 1.00
				<i>default risk</i> 0.00
COE - Cost of Equity				12.39%

Estimating the weighted average cost of capital

For estimating the WACC we have taken into account the formula:

$$WACC = E/(E+D) \times COE + D/(E+D) \times COD \times (1- TR)$$

Financing cost was estimated starting from the interest rate offered by Romanian National Bank, crediting facility BNR (COD = 4,75%)



BANCA NAȚIONALĂ A ROMÂNIEI
The NBR's primary objective is to ensure and maintain price stability.

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International Reserves May 2022

€ 40,920 mill.	€ 5,741 mill.
= € 46,661 mill.	

Monetary indicators 30 April 2022

	Value (LEI bill.)	Annual variation (%)
Non-government loans	340.0	+15.8
> LEI	246.9	+19.6
> FOREX	93.1	+6.8

NEWS

- 02/06/2022 International reserves – May 2022
- 26/05/2022 Numismatic issues dedicated to 140 years since the birth of Vasile Pârvan
- 28/05/2022 Monetary indicators – April 2022
- 20/05/2022 Minutes of the monetary policy meeting of the National Bank of Romania Board on 10 May 2022
- 13/05/2022 NBR Governor Mugur Isărescu presentation: Inflation report, May 2022

PUBLICATIONS

- 27/05/2022 Inflation Report (full version) - May 2022
- 27/05/2022 Monthly Bulletin, March 2022 (final version)

INFLATION RATE

- Target 2022: **2.50%** (variation band: ±1pp)
- Current value: **13.76%** (Apr 2022 / Apr 2021) current projection »»»

NBR INTEREST RATES

- Deposit facility: **2.75%**
- Policy rate: **3.75%**
- Lending facility: **4.75%** more »»»

EXCHANGE RATES 02/06/2022

	1 EUR	1 USD
4.9411	4.6235	
-0.0019	+0.0198	
-0.04 %	+0.43 %	

FREQUENTLY VISITED

- Calendar
- Financial info
- Interactive database
- Interviews and presentations

RELATED LINKS

- Official Institutions
- Central banks
- International Institutions
- Banks in Romania

Invested capital structure according to Aswath Damodaran, Stern School of Business - New York University, <http://pages.stern.nyu.edu/~adamodar/>, was estimated for emerging markets.

The resulting value of WACC is:

Cost of debt structure	
D/(E+D)	21.84%
E/(E+D)	78.16%
D/E	27.94%
COD - Cost of Debt	4.75% (National Bank of Romania - Lending facility)
TR - Tax Rate	16.00%
WACC = E/(E+D) x COE + D/(E+D) x COD x (1- TR)	10.55%
Sources: - Aswath Damodaran - http://pages.stern.nyu.edu	
- Stern School of Business - New York University	
- National Bank of Romania	

Considering the present situation we have estimated a growth rate of 1,5%. This takes into account the fact that the industry in which the analysed company is acting is very connected to the property market – experiencing medium to low future growth prospects in Romanian for the next years. In conclusion the capitalization rate is 12,05%.

DCF Valuation (€/000)	FY2022	FY2023	FY2024	TV
EBIT	1,325	1,588	2,024	2,055
% on revenues	6.7%	7.5%	8.9%	8.9%
(Income tax expense)	(225)	(256)	(266)	(276)
% effective Tax Rate	-18.4%	-17.0%	-13.5%	-13.5%
+ Depreciation & Amortisation	319	367	326	331
Change in TWC	(584)	(628)	(532)	(581)
(Capex)	(400)	(400)	(400)	(400)
Free Cash Flow From Operations	436	671	1,153	1,128
<hr/>				
WACC	10.55%			
long term growth rate	1.50%			
<hr/>				
Period	1.00	2.00	3.00	4.00
Discount factor	0.9046	0.8182	0.7402	0.6695
Discounted cash flows	394	549	854	755
Sum of discounted cash flows	1,797			
Terminal value	12,655			
Discounted TV	8,473			
Enterprise Value	10,270			
Net Debt at valuation date	693			
Net debt	400			
Tax liability overdue (repayment)	782			
Equity Value	8,395			

Residual value:

Estimated residual value, an important component of the DCF value is the residual value (terminal) which represents the business at the end of the explicit forecast period. Due to business continuity, we estimated terminal value by capitalizing net cash flow for the first year of non explicit forecast period and taking account of the estimated annual growth for this period.

Discounting cash flows and residual value - was performed correcting cash flows and the residual value previously estimated with the discount rate (WACC).

To the value resulted through the sum of cash-flows and the residual value, we have subtracted the value of debts interest, resulting the company value through the DCF method.

The market value of PINUM DOORS & WINDOWS LTD. under this method is (rounded):

V income PINUM DOORS&WINDOWS LTD = 8.395.000 EURO equivalent 5,48 EURO / share

3.2 VALUE RECONCILIATION

The valuation approach applied is:

- ✓ *Income approach* – a general valuation approach of a company, using one or more methods to estimate their value converting the expected earnings into capital value.

The following value was obtained:

Under the income approach (DCF method):

EURO 8.395.000 Euro

Comments upon the estimated values:

- ✓ The value obtained within the income approach takes into account the contribution of assets and liabilities to the company value as at 30.04.2022, but also the activity level and the investors' general perception upon the potential performance of the company.
- ✓ As the income approach is constructed on the premises of going on concern activity and company's business strategy, we rely our opinion on a series of estimations and assumptions (cash-flow projections, discounted rate), this approach has a good precision in estimating the market value of the company.
- ✓ Taking into account the aspects within this report, it can be considered that for the purpose of this valuation and the relevance of data and information used in the valuation process, the result within the Income approach is the most relevant.

✓ **V PINUM DOORS & WINDOWS LTD. = 8.395.000 EURO equivalent 41.550.000 LEI**

The arguments for the estimated value are:

- The value was estimated taking into account the assumptions presented in the report;
- The value is a global one and refers to the entity as a whole;
- Any value estimation in the present report applies to the company as a whole and any split between elements or partial rights will invalidate the present valuation;
- Projections and operational estimations presented in the report, are based on present economic conditions, on anticipated supply and demand and consequently they may change according to future conditions;
- Net debt as of valuation date has been adjusted taking into consideration an amount of about 782.000 Euro representing an overdue tax payable to be repaid and included within "Other payables/Altri debiti" in the historical balance sheets.