IMPACT

Developing Sustainable Communities
Since 1991

QUARTERLY REPORT

Q3 2022

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Report date: 15 November 2022

Issuing company: IMPACT DEVELOPER & CONTRACTOR SA

Registered office: 31 – 41 Street, Drumul Padurea Mogosoaia, 014043, Bucharest, District 1

Phone: +4021– 230.75.70/71/72, fax: +4021– 230.75.81/82/83

Fully subscribed and paid-up capital: RON 591,419,987.75

Regulated market where the issued securities are traded: Bucharest Stock Exchange

The EUR/RON exchange rate on 30 of September 2022 is RON 4.9490

HIGHLIGHTS

THE FIRST 9 MONTHS OF 2022 (“9M 2022”)

IMPACT Developer & Contractor doubles its net profit and records a 43% increase in turnover in the first 9 months of the year

KEY FINANCIAL AND OPERATIONAL MATTERS

- The Group’s **net profit** increased from RON 7.5 million to RON 15 million within the first 9 months of the year, compared with the same period of the previous year.
- The turnover increased with **43%** during the first 9 months of the year, compared with the same period of previous year.
- IMPACT sold **173** apartments with a total value of RON 129.4 million, a 19% increase compared with the same period of previous year.
- As of 30 of September 2022, IMPACT have contracted **516 pre-sales** of apartments, with a total value of RON 272.8 million. Those pre-sales will generate revenues in the next period.
- The Group’s **gross margin** was 36%.
- The share capital of IMPACT Developer & Contractor increased to RON 591.4 million, the new number of shares being 2,365,679,951 following the private placement held within August 2022.
- As of 30 of September 2022, the total value of assets adjusted to fair value in accordance with EPRA standards is **EUR 330 million**.
- **GREENFIELD PLAZA BANEASA** will be inaugurated during Q4 2022. GREENFIELD PLAZA BANEASA is a community centre with convenience shops and a wellness centre, adding significant value to the development.
- IMPACT owns a valuable freehold land portfolio (approximately **73.50 ha**) for future developments in**:** BUCUREȘTI - GREENFIELD BĂNEASA (new phases), ARIA VERDI, GREENFIELD WEST, CONSTANȚA - BOREAL PLUS (new phases), IAȘI - GREENFIELD COPOU, with a total estimated gross development value of **EUR 1,5 billion.**

OUTLOOK FOR THE NEXT 12 MONTHS

- Starting Pre-Sales for next projects phases with building permits (total volume of 899 units) estimated to begin construction in 2023-2024.
- Closing sales and recognising revenue for 195 apartments for LUXURIA EXPOZITIEI and completed phases of GREENFIELD BANEĂSA (98 units - Panoramic) and BOREAL PLUS (16 units).
- Completion of **732** apartments in GREENFIELD BANEASA and **209** apartments in BOREAL PLUS (sales estimated to start in Q4 2022).
- Obtain building permits and starting the works for additional phases in **GREENFIELD BĂNEASA** and **GREENFIELD COPOU**.
- Obtain financing for the ongoing projects and a share capital increase up to 25 mill EUR.
- Set up of an own architecture company - Impact Alliance Architecture and a new contractor for North-East region - Impact Alliance Moldova.

OTHER ASPECTS

- Details regarding the litigation in which IMPACT is involved can be visible in the OTHER ASPECTS section and the notes to the financial statements as of September 30, 2022.

OPERATIONAL ACTIVITY

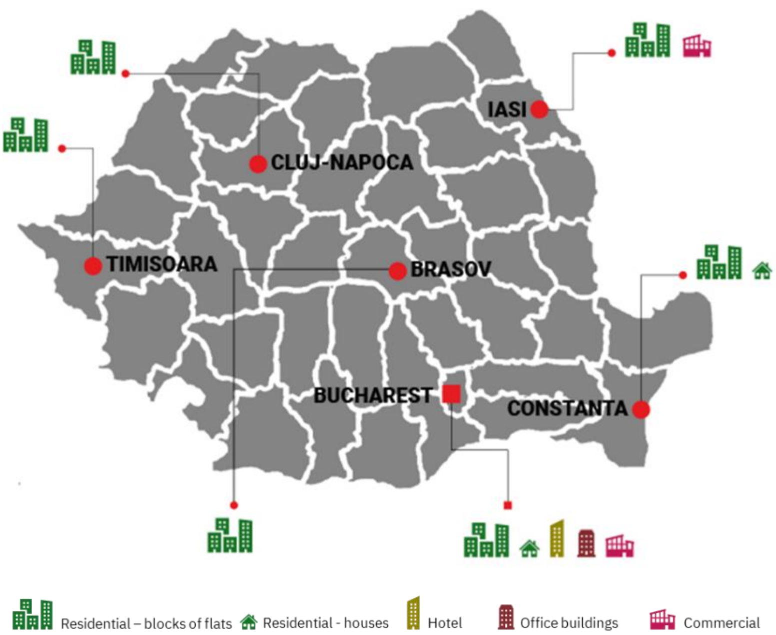
THE FIRST 9 MONTHS OF 2022

PROJECTS IN DEVELOPMENT

IMPACT is committed to develop sustainable communities, with a focus on medium affordable housing projects. Environmental and social aspects are very important to **IMPACT** and are translated into the developed projects that are planned to be GREEN (eg BREEAM Excellent certification, nZEB construction standard applicable to all authorized projects from January 2021), the use of energy sources renewable, low-emission energy, electric and human mobility, extensive green areas, parks and playgrounds.

IMPACT has a strong landbank supporting current and future projects in attractive locations in Bucharest, Iasi and Constanta. Also, **IMPACT**'s strategy is to expand its nationwide presence in big cities like Timisoara, Cluj, Brasov and is actively looking for land plots that are suitable for developing sustainable communities.

During first 9M 2022, **IMPACT** focus was on developing the projects that are currently under construction, as well as on the process for obtaining the necessary permits for developments for which the construction is planned to start in 2023-2024, projects developed on the landbank already owned. The projects are planned and developed in several phases and stages that can span for more than 3 (including permitting, construction start), depending on the size of the project.



Projects in development on the landbank owned

Construction started

- GREENFIELD BĂNEASA in Bucharest
- BOREAL PLUS in Constanța

Construction estimated to start in 2023 - 2025

- GREENFIELD COPOU RESIDENCE in Iași
- ARIA VERDI in Bucharest
- GREENFIELD WEST in Bucharest

Development strategy 2022 – 2027, residential developments estimate in summary

Project	Geo	Project Total		Under construction		Pipeline	
Name Location Phases	City	GBA Sqm	Units	Units	Sqm	Units	Sqm
Greenfield Băneasa Stage 1,2,3 of Phase 4	București	**68,953**	732	732	68,953	-	-
Greenfield Băneasa Stages 4,5 of Phase 4	București	**38,404**	435	435	38,404	-	-
Greenfield Băneasa Stages 6,7 of Phase 5	București	**50,346**	598	-	-	598	50,346
Greenfield Băneasa Stages 8,9,10 of Phase 6	București	**122,349**	1,956	-	-	1,956	122,349
Aria Verdi	București	**114,239**	839	-	-	839	114,239
Greenfield West	București	**433,427**	3,930	-	-	3,930	433,427
Greenfield Copou	Iași	**94,660**	1,062	-	-	1,062	94,660
Boreal Plus (exclusive apartments)	Constanța	**63,658**	673	673	63,658	-	-
Total		**986,036**	**10,225**	**1,840**	**171,015**	**8,385**	**815,021**

The table refer to total units in pipeline, estimated as of 30 Sep 2022.
The Under-construction figures refer to projects with building permit.
The Pipeline figures refer to projects with land, w/o building permit.
GBA represents the Gross Building Area of the Project, excluding parking
GDV – 2022-2027 estimations, the rest of the figures are total project estimates

New projects at the national level can be added to the above-mentioned projects, as new plots of land will be acquired to replace developed land, aligned with Company strategy.

GREENFIELD BANEASA RESIDENCE

- Flagship project located in the northern area of Bucharest, framed on two sides by 900 ha of woodland: Baneasa Forest and Tunari Forest.
- Started in 2007, with **6,839 units** in total, of which **2,686** units completed as at 30 of September 2022.
- Currently Zoning (PUZ) for more than **4,388 units**, of which building permit for **1,305 units** and **598 units** with the process for obtaining the building permit started.
- Out of the 1,305 units mentioned above, 138 units finalised as of 30 September 2022 (97 finalised during 9M 2022 and the rest in 2021).
- Construction is in progress for **1.167 units**.
- Value added to the project through **GREENFIELD PLAZA BANEASA**, a community centre with convenience shops (extensive stores network covering the communities' necessities) and a wellness centre (indoor swimming pools, outdoor swimming pool, wet and dry sauna, emotional showers, squash courts, dedicated spinning room and other gym facilities).
- The Company's headquarter is located near Greenfield Plaza Băneasa.
- The public school and kindergarten to be constructed by the City Hall on the land donated by the Company, the building permit for public school being issued in September 2021.
- STB terminal with two bus lines, one of them allowing connexion to subway station Străulești.
- Other facilities planned for residents: church, nursery.

BOREAL PLUS

- Located in the northern area of Constanta with quick access to the highway, city centre and learning facilities (campus and university), Ovidius Hospital, close to commercial centres and with a view to Siutghiol lake and Black Sea.
- Building permit obtained for **673 apartments**, out of which 209 units are in an advanced stage of construction
- The complex facilities include kindergarten, playground, a small park for residents, Kaufland hypermarket, panoramic view of the lake and the sea, well-dimensioned and compartmentalized units, very good quality finishes (premium), contemporary architecture and design.

ARIA VERDI

- Located in Barbu Văcărescu Av., near the central and business areas of Bucharest, one of the hottest areas for real estate development in the recent years.
- The complex will offer panoramic views of the Verdi, Floreasca and Tei parks, as well as the homonymous lakes. In the immediate vicinity are Circului Park, the Ștefan cel Mare metro station, the Floreasca - Barbu Văcărescu office complex and a number of famous restaurants, the area being among the most wished in the Capital.
- It is planned to initiate the process for obtaining the building permit.

GREENFIELD WEST

- Located in the western area of Bucharest, an area that is booming, being of interest to the developers of office buildings, which continue to build to meet the demand of multinationals.
- Continuing the brand message, the new neighbourhood will create a community responsible for the environment, interested in a healthy life.
- Zoning (PUD) in place, process for obtaining building permits started.
- To include **GREENFIELD WEST PLAZA**, a community centre that includes a mall, gym and wellness centre.

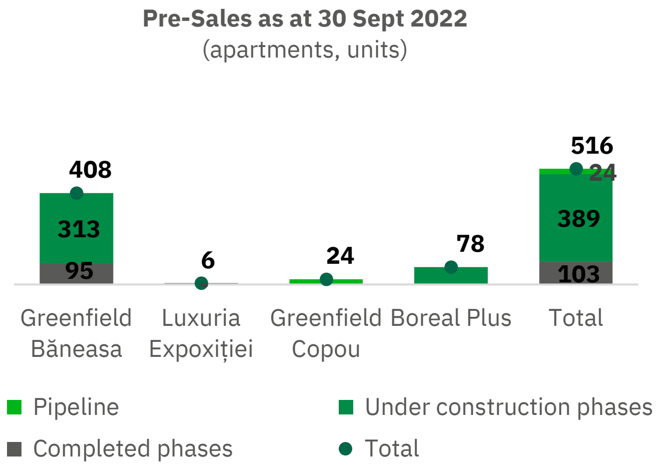
GREENFIELD COPOU RESIDENCE

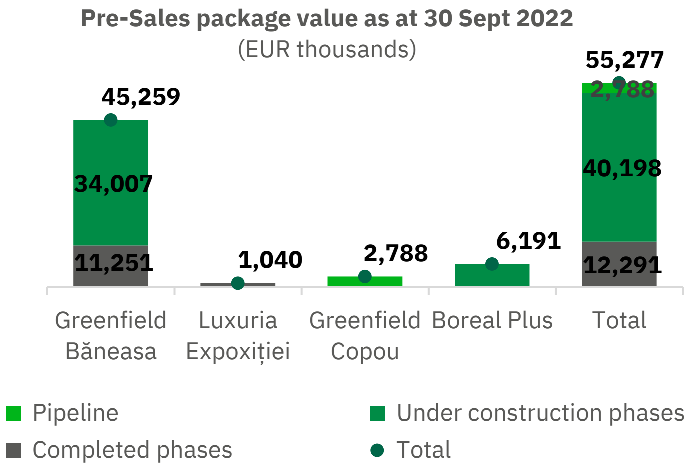
- Located on Copou Hill, close to botanical garden, one of the best locations in Iasi city.
- The ensemble will integrate harmoniously amid environment, through low-height buildings and the inclusion of large green spaces.
- The buildings will have a close to zero energy consumption, respecting the new standard in housing construction, nZEB - which involves a sustainable design, energy saving technologies and the use of renewable energy, such as photovoltaic panels
- Zoning (PUZ) in place, process for obtaining building permits started.
- To include **GREENFIELD PLAZA COPOU**, a community centre that includes commercial galleries, gym and wellness centre.
- The development's facilities include 15,000 sqm of green spaces, ensuring relaxing areas and playgrounds, kindergarten and after-school, fitness centre.

PRE-SALES AND SALES

Pre-Sales as at 30 September 2022

As of 30 September 2022, IMPACT has a stock of pre-sale contracts of **516 units** or 38,822 sqm (package value of **EUR 55.3 mil.)** that are estimated to be translated in revenues in Q4 2022-2024 and out of which, **389** units (package value EUR **40.2 mil.)** related to projects under construction.

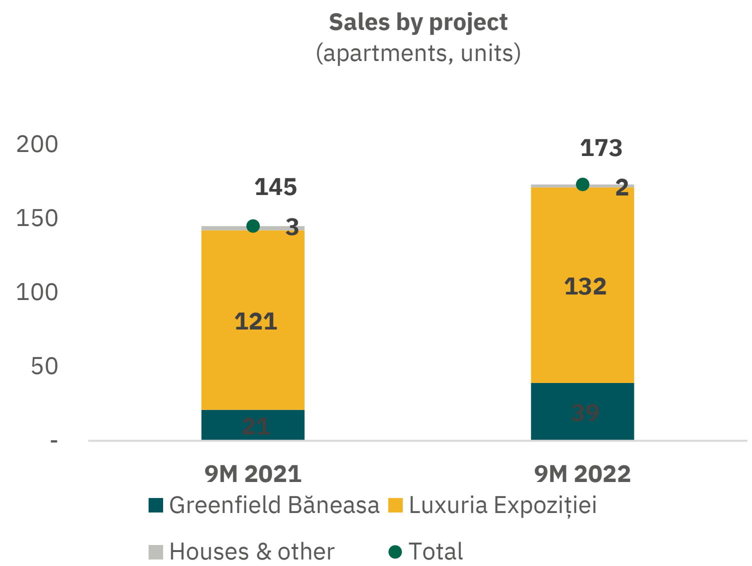




Sales for 9M 2022

Sales recorded and recognized as income during the first 9 months of 2022 reflect the new development cycle of **IMPACT**'s projects, as such projects under development and future developments will contribute to revenues as they are completed, and sales are made.

The **173** apartments (14.839 sqm) sold during the first 9 months of 2022 (145 units or 13,207 sqm in 9M 2021) generated corresponding revenues of **EUR 26.2 million (RON 129.4 million)** that were recognised in the same period.



9M 2022: 173 units, out of which **39** apartments in GREENFIELD BĂNEASA and **132** in LUXURIA EXPOZIȚIEI.

Additionally, 50 individual parking spots were sold.

9M 2021: 145 units: 21 apartments in GREENFIELD BĂNEASA and 121 LUXURIA EXPOZIȚIEI. Additionally, 92 individual parking spots were sold.

Pre-Sales and Sales for completed and under construction project phases as of 30 September 2022

As of September 30, 2022 IMPACT had building permits for **1,840 units**, out of which **941 units** were under construction and **899 units** are expected to begin construction in 2023-2024.

Approximately **41.3%** of under construction units were pre-sold as at 30 of September 2022.

Completed phases on projects as of 30 of September 2022

Project	City	Total Apartments	Sales	Pre-Sales	Sales & Pre-Sales		Available for sale
		units	units	units	units	%	units
Greenfield Băneasa	Bucharest	138	40	95	135	97.8%	3
Luxuria Expoziției	Bucharest	630	435	6	441	70.0%	189
Boreal Plus	Constanța	18	2	2	4	22.2%	14
Total		**786**	**477**	**103**	**580**	**73.8%**	**206**

Under construction phases on projects as of 30 of September 2022

Project	City	Total Apartments	Sales	Pre-Sales	Pre-Sales		Available for sale
		units	units	units	units	%	units
Construction started		732	-	313	313	42.8%	419
Construction to be started		435	-	-	-	0.0%	435
Greenfield Băneasa	**Bucharest**	**1,167**	**-**	**313**	**313**	**26.8%**	**854**
Construction started		209	-	76	76	36.4%	133
Construction to be started		464	-	-	-	0.0%	464
Boreal Plus	**Constanța**	**673**	**-**	**76**	**76**	**11.3%**	**597**
Total construction started		941	-	389	389	41.3%	552
Total construction to be started		899	-	-	-	0.0%	899
Total		**1,840**	**-**	**389**	**389**	**21.1%**	**1,451**

LAND OWNED

As of 30 of September 2022, **IMPACT** owns **89.9 ha** of land with a book value of **RON 678.9 million**, land mainly intended for the development of new projects and related to infrastructure. Out of this, approximately 73.5 ha represent the land bank on which new projects are to be developed.

The EPRA value of the land was estimated based revaluations performed by Colliers Valuation and Advisory as 31 of December 2021 (investment value and market comparison method, where the investment value has not been determined).

The EPRA value of land estimated as of 30 of September 2022 was of **RON 786.6 million**, **16% higher** than the IFRS book value at the same date.

Land owned by IMPACT as 30 of September 2022

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	EPRA value (RONm)	EPRA value (EURm)
Baneasa	Bucharest	Greenfield Baneasa	39.6	330.9	66.9	408.1	82.5
Blvd. Timisoara - Ghencea	Bucharest	Greenfield West	25.9	128.2	25.9	128.2	25.9
Barbu Vacarescu	Bucharest	Luxuria City Center	2.5	163.5	33.0	163.5	33.0
Zenit	Constanta	Boreal Plus	4.1	9.0	1.8	35.0	7.1
Iasi	Iasi	Greenfield Copou	5.0	37.6	7.6	42.3	8.5
Oradea	Oradea	Lotus	2.9	3.1	0.6	3.1	0.6
Blvd. Expozitiei	Bucharest	Luxuria Expozitiei	0.1	1.0	0.2	1.0	0.2
Other	Neptun, Voluntari	n.a.	9.7	5.6	1.1	5.5	1.1
Total			**89.9**	**678.9**	**137.1**	**786.6**	**158.9**

Note 1: The EPRA value considers the market value based on the revaluations performed by Colliers Valuation and Advisory as at 31 December 2021 (the investment value and the market approach where the investment value has not been determined)

Note 2: The FX rate used to translate the RON denominated amounts in EUR - 4.9490 RON/EUR

FINANCIAL RESULTS

THE FIRST 9 MONTHS OF 2022

FINANCIAL PERFORMANCE HIGHLIGHTS (Consolidated)

During the first 9 months of 2022, the gross margin continued its improvement trend compared to the corresponding period of the previous year, increasing at **36%** vs. 33%, with gross profit also having a consistent increase of **56%**.

Revenues are recorded when the sale-purchase agreement is in place and the apartment can be handed over to the customer. Amounts collected from Pre-Sales are recorded as advance payments from customers and are not recognised as revenues.

The first 9 months of 2022 results show an increase in sales of housing units of **230 units** vs. 145 units sold in 9M 2021: in GREENFIELD BĂNEASA - **96** vs. 21 and LUXURIA EXPOZITIEI - **132** vs. 121.

The average selling price increased in 9M 2022 to 1,636 Euro/sqm compared to 1,424 Euro/sqm in 9M 2021.

EBITDA continued to increase significantly in 9M 2022 up to RON 26,004 thousand vs. RON 11,125 thousand in 9M 2021, the EBITDA margin reaching to 17%.

Consolidated

RON thousand	9M 2022	9M 2021	Var %
Revenue from real estate inventories	156,278	109,536	43%
Gross profit	56,366	36,128	56%
Gross margin %	*36%*	*33%*	*9%*
Operating expenses, net	(32,647)	(25,884)	*26%*
Operating expenses % of revenue	*21%*	*24%*	*(12%)*
EBITDA	26,004	11,125	*134%*
EBITDA margin %	*17%*	*10%*	*64%*
EBIT	23,657	18,657	*27%*
EBIT margin %	*15%*	*17%*	*(11%)*
Net result	14,968	7,507	*99%*
Net result margin %	*10%*	*7%*	*40%*

FINANCIAL POSITION HIGHLIGHTS (Consolidated)

Assets

The investment property increased by 4% compared to 31 December 2021 due to commissioning of **GREENFIELD PLAZA BĂNEASA**.

Property, plant, and equipment increased by 167% compared to 31 December 2021 following the commission of Group's office building and acquisition of RCTI.

Inventories account recorded a positive variation of 10% on 30 September 2022, vs. December 31, 2021, following the continuity of construction works on projects and new phases in **GREENFIELD BĂNEASA** and **BOREAL PLUS**.

Equity and liabilities

External and own funds were used to fund the expansion of IMPACT's activity, resulting in a 44 % increase in cash compared to 31 December 2021, as well as an increase in loans by 9% during 9M 2022.

Equity is at 59% of total assets as of 30 September 2022, a 14% increase compared to 31 December 2021, mainly due to capital increases following the private placements and period's result.

			Consolidated
RON thousand	**30-Sep-2022**	**31-Dec-2021**	**Var %**
Non-current assets, of which	636,273	587,318	*8%*
Investment property	595,101	571,882	*4%*
Property, plant and equipment	40,642	15,215	*167%*
Current assets, of which	743,672	617,094	*21%*
Inventories	594,965	538,922	*10%*
Trade and other receivables	88,314	36,135	*144%*
Cash and cash equivalents	60,393	42,037	*44%*
Total assets	**1,379,945**	**1,204,412**	***15%***
Liabilities, of which	564,791	487,558	*16%*
Loans and borrowings	366,883	337,033	*9%*
Trade and other payables	129,020	80,747	*60%*
Equity	815,154	716,854	*14%*
Total equity and liabilities	**1,379,945**	**1,204,412**	***15%***

IMPACT ON THE CAPITAL MARKET

IMPACT Developer & Contractor SA ("IMPACT D&C") has been listed on the Bucharest Stock Exchange since 1996. As of 2006, its shares are traded in the 1st category of the Bucharest Stock Exchange, and since January 2015, **IMPACT D&C**'s shares have been traded in the Premium category, according to the segmentation of the Bucharest Stock Exchange.

As of 30 September 2022, the share capital of IMPACT D&C consisted of 2,365,679,951 shares with a nominal value of RON 0.25 / share.

During first 9 months of 2022, there were changes in the share capital of **IMPACT D&C** as presented below:

- In the private placement launched on 3rd of January 2022, there were subscribed 84,231,295 new shares with a subscription value of RON 58,961,906.50. Therefore, in January 2022, the share capital of **IMPACT Developer & Contractor** was increased from RON 393,750,000 to RON 414,807,823.75.
- On 30.06.2022, the Company's share capital was increased by the amount of RON 165,923,129.50, through the partial incorporation of the undistributed carried forward result in the previous financial years. The capital increase was achieved by issuing 663,692,518 new shares. Each shareholder registered in the Company's Shareholder Register on the date of registration was allocated 2 (two) free shares for 5 (five) shares held.
- Within the private placement held within August 18-19, 42,756,138 new shares were subscribed with a subscription value of RON 20,950,508.

IMPACT D&C share price (Jan- Sep 2022)

- RON 0.42 / share at 30 of September 2022.
- RON ~ 1 billion market capitalization (EUR 200.7 million) at 30 of September 2022
- BRK Financial Group acting as Market Maker

There are no restrictions related to the transfer of securities, there are no restrictions related to the voting rights, there are no holders of securities with special control rights. **IMPACT D&C**, as the holder of its own shares, because of the redemption programs, does not have the right to vote in the general meetings, its votes being suspended.

EPRA NET ASSET VALUE

In October 2019, the European Public Real Estate Association ('EPRA') published new performance measures for EPRA Net Assets, namely three new measures of net asset value were introduced: Net Reinvestment Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV). These three new measures are replacing the previous EPRA Net Assets measure.

METRICS	31-Dec-2020	31-Dec-2021	30-Sep-2022
IFRS (consolidated)			
Net profit (RON thousand)	74,856	78,800	14,968
Net asset value ("NAV", RON thousand)	640,828	716,854	815,154
Profit per share (RON)	0.28	0.05	0.01
NAV/Share (RON)	0.41	0.46	0.34
EPRA Net Asset Value (consolidated)			
EPRA NRV (RON thousands)	917,518	1,044,043	1,139,087
EPRA NTA (RON thousands)	889,732	1,009,577	1,104,312
EPRA NDV (RON thousands)	862,218	975,553	1,070,597
EPRA NRV/Share (RON)	0.58	0.66	0.48
EPRA NTA/Share (RON)	0.56	0.64	0.47
EPRA NDV/Share (RON)	0.55	0.62	0.45

Colliers Valuation and Advisory valuations as of December 31, 2021 (investment value and market comparison method where investment value has not been determined) were used to determine the EPRA value on 31 December 2021 and 30 September 2022, except for cases mentioned below. The Colliers valuations made using the market comparison method were used to determine the EPRA value on 31 of December 2020.

The reconciliation between the Net Book Assets according to the IFRS consolidated financial statements and the EPRA standard is the following:

RON thousand		31-Dec-2020			31-Dec-2021			30-Sep-2022		
		EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
NAV per the IFRS financial statements		**640,828**	**640,828**	**640,828**	**716,854**	**716,854**	**716,854**	**815,154**	**815,154**	**815,154**
Include:										
i)	Revaluation of property developed for sale	126,663	126,663	126,663	150,844	150,844	150,844	147,542	147,542	147,542
ii)	Revaluation of land held as inventory	94,727	94,727	94,727	95,403	95,403	95,403	95,442	95,442	95,442
iii)	Revaluation of land held as investment property	-	-	-	12,453	12,453	12,453	12,459	12,459	12,459
Exclude:										
iv)	Deferred tax	55,300	27,650	-	68,490	34,245	-	68,490	34,245	-
v)	Intangibles as per the IFRS financial statements	-	(136)	-	-	(221)	-	-	(530)	-
EPRA Net Assets		**917,518**	**889,732**	**862,218**	**1,044,044**	**1,009,578**	**975,554**	**1,139,087**	**1,104,312**	**1,070,597**

i) Revaluation of property developed for sale

The inventories/finished goods (apartments) refer to the fully completed phases of **GREENFIELD BĂNEASA**, **LUXURIA EXPOZITIEI** and **BOREAL PLUS**.

The increase/difference between the market value resulted after the revaluation and the book value of apartments at the reporting date (the lowest value between the cost and the net realizable value) was included in the Net Asset Value according to EPRA. The market value was determined using a) the value of the pre-sales contracts existing on 31 December 2021 and b) the revaluations made by Colliers (market comparison method) for the units for which no pre-sale contracts were concluded as of 31 December 2021.

ii) Revaluation of land and WIP held as inventory

The land classified as stocks on which the GREENFIELD BĂNEASA, GREENFIELD COPOU and BOREAL PLUS projects are being developed has been revalued by Colliers through both the investment value method and the market comparison method as of 31 December 2021.

The adjustment was made to reflect the market value of land included in inventories, which are reflected in the IFRS financial statements at the value from the date they were included in inventories. The market value mainly determined by Colliers was used for the market value.

iii) Revaluation of land held as investment property

Land classified as investment property is recorded in the IFRS financial statements at the market value determined by Colliers using the market comparison method. The adjustment included for determining the EPRA value of the Net Assets on 31 of December 2021 relates to the land belonging to GREENFIELD PLAZA BĂNEASA and was made to reflect the investment value determined by Colliers as of 31 December 2021.

iv) The deferred tax

The deferred tax recorded in the IFRS financial statements mainly resulted from the difference between the book value and the tax value of investment properties (plots of land). Fully adjusted for EPRA NRV, 50% adjusted for EPRA NTA and nil adjustment for EPRA NDV.

v) Intangibles as per the IFRS financial statements

Intangibles are fully adjusted for EPRA NTA. No adjustment is required for EPR NRV and EPRA NDV.

OTHER MATTERS

SHARE CAPITAL INCREASE

- Within the private placement launched on January 3, 2022, 84,231,295 new shares were subscribed with a subscription value of RON 58,961,906.50.
- On 30 of June 2022, the Company's share capital was increased by the amount of RON 165,923,129.50 through the partial incorporation of the undistributed carried forward result in the previous financial years. The capital increased was achieved by issuing of 663,692,518 new shares. Each shareholder registered in the Company's Shareholder Register on the date of registration will be allocated 2 (two) free shares for every 5 (five) shares held.
- Within the private placement held within August 18-19, 42,756,138 new shares were subscribed with a subscription value of RON 20,950,508. Therefore, in August 2022 the share capital of IMPACT Developer & Contractor increased to RON 591,419,987.75, the new number of shares being 2,365,679,951.

LITIGATIONS

Regarding the litigation related to Cluj City Council – Cluj Municipality (CCC)

- The case number 79/1285/2012 has been registered to the Cluj Commercial Court, in which the Impact Developer & Contractor has requested the dissolution of the framework-contract no. 55423/04.07.2007 concluded between CCC and the Company. In addition, the Company requested the court to compel the CCC to pay compensation in amount of 4,630,914.13 thousand RON plus related interest, computed from the date of the damage up to the date of collection of the amounts. In 2020, on December 23, 2020, the Cluj Tribunal ruled the following decision in File 79/1285/2012: rejects, as ungrounded, the said application filed by the Company. The Company filed appeal, which will be settled by the Cluj Court of Appeal. At this time, the Company cannot estimate the duration of the trial until it obtains a final decision.

- Case 1032/1259/2012 has been registered to the Arges Commercial Court, in which the Project Company has requested to CCC payment of compensation provisionally estimated to RON 17,053,000 plus related interest. On 08.06.2022, the Argeș Court issued Decision no. 277, as follows: “Admits the request, as amended, formulated by Clearline Development and Management SRL, in opposition to the defendants, the Local Council of the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca - through the Mayor. The defendants, the Local Council of the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca, jointly and severally, are ordered to pay the plaintiff the sum of 24,532,741.65 RON as damages and the sum of 13,862,967.16 RON representing penal interest calculated for the period covered between the date of the payments made by the plaintiff (established according to the report of the forensic accounting expertise carried out in the case) and until 01.04.2021”. The Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality filed appeal.

Regarding the litigation related to the land located in Bd. Timișoara – Prelungirea Ghencea:

- On 06.10.2022, the High Court of Cassation and Justice issued Ruling No. 1775, whereby it rejected, as ungrounded, the recourse filed by defendant Romanian State – through the Ministry of Public Finance against Civil Ruling No. 1246 A of 06.10.2020 of the Bucharest Court of Appeal, IV Civil Section. The ruling is final.
- Thus, the High Court of Cassation and Justice confirmed the rulings of the Bucharest Tribunal and of the Bucharest Court of Appeal, two courts that recognized the validity of the ownership title of the Company over the Impact Plot of Land.

Regarding the dispute initiated by the "EcoCivica Association"

- File no. 4122/3/2022 was registered with the Bucharest Tribunal, Administrative and Fiscal Litigation Section, in which Impact has the quality of Defendant, the plaintiffs being the Eco Civica Association and three individuals from outside the Greenfield neighbourhood.
- The object of the file is the suspension and annulment of the administrative act HCGMB 705/18.12.2019 approving the Zonal Urban Plan Aleea Teișani - Drumul Pădurea Neagra no. 56-64, the suspension and cancellation of Building Authorizations no. 434/35/P/2020 and no. 435/36/P/2020, canceling some preliminary approvals, cancelling works.
- The challenged documents are valid, they produce full effects, no decision has been made regarding their suspension or cancellation.
- The next court hearing was scheduled for 25.11.2022.

For detail on litigations involving **IMPACT** refer to the notes to the financial statements as at 30 of September 2022.

CONFLICT IN UKRAINE

The situation generated by the war in Ukraine is unprecedented in recent history, both in terms of the cause and the consequences. Anticipating with certainty its evolution as well as its consequences on the political, social and economic climate remains difficult to achieve.

IMPACT closely monitors the country's economic environment and will take all necessary measures to minimize the impact and meet its commitments to customers, lenders and shareholders.

Iuliana Mihaela Urdă	**Constantin Sebeșanu**	**Claudiu Bistriceanu**
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

APPENDIX 1 - RATIOS

IMPACT Developer & Contractor SA

Financial ratios as of 30 of September 2022

A. Annex 13 A to the ASF Regulation No. 5/2018

Impact - Individual

Ratio	30-Sep-2022	Calculation method
Current ratio	3.87	Current assets/Current liabilities
Gearing ratio	39.52%	Borrowed capital/Equity x 100
Receivables turnover	38.77	Average balance for receivables/Revenues x 90
Non-Current assets turnover	0.04	Revenues/Non-current assets

Impact - Consolidated

Ratio	30-Sep-2022	Calculation method
Current ratio	3.80	Current assets/Current liabilities
Gearing ratio	45.01%	Borrowed capital/Equity x 100
Receivables turnover	53.89	Average balance for receivables/Revenues x 180
Non-Current assets turnover	0.25	Revenues/Non-current assets

B. Impact – Consolidated - calculated based on EPRA NAV

Ratio	30-Sep-2022	Calculation method
Gearing ratio (consolidated)	32.21%	Borrowed capital/EPRA NAV x100

Note:

The financial ratios were calculated based on the unaudited individual and consolidated financial statements as at 30 September 2022, both the ones calculated according to the ASF Regulation No. 5/2018 and the Gearing ratio calculated based on EPRA NRV.

IMPACT DEVELOPER & CONTRACTOR S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

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

This is a free translation from the original Romanian version.

CONTENTS: | **PAGE:**

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

	Note	30 September 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant, and equipment	**7**	35,833	15,215
Intangible assets		530	221
Right of use assets	**7**	4,809	-
Investment property	**8**	595,101	571,882
Total non-current assets		**636,273**	**587,318**
Current assets			
Inventories	**9**	594,965	538,922
Trade and other receivables	**10**	88,314	36,135
Cash and cash equivalents	**11**	60,393	42,037
Total current assets		**743,672**	**617,094**
Total assets		**1,379,945**	**1,204,412**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**12**	598,884	401,214
Share premium		38,690	(4,475)
Revaluation reserve		3,001	3,001
Other reserves		36,402	14,279
Own shares	**13**	(45)	(841)
Non-Controlling Interests		6,448	
Retained earnings		131,774	303,676
Total equity		**815,154**	**716,854**
Non-current liabilities			
Loans and borrowings	**14**	285,812	150,121
Trade and other payables	**15**	14,975	6,914
Deferred tax liability		68,490	68,490
Total non-current liabilities		**369,277**	**225,525**

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

	Note	30 September 2022	31 December 2021
Current liabilities			
Loans and borrowings	**14**	81,071	186,912
Trade and other payables	**15**	114,045	73,833
Provisions for risks and charges	**16**	398	1,288
Total current liabilities		**195,514**	**262,033**
Total liabilities		**564,791**	**487,558**
Total shareholders' equity and liabilities		**1,379,945**	**1,204,412**

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebeşanu	**Claudiu Bistriceanu**	**Iuliana Mihaela Urdă**
Chief Executive Officer	Chief Financial Officer	President BOD

	Note	30 September 2022	30 September 2021
Revenue from real estate inventories	**17**	156,278	109,536
Costs of real estate inventories		(99,912)	(73,408)
Gross profit		**56,366**	**36,128**
Net rental income		3,452	591
General and administrative expenses	**18**	(26,406)	(16,241)
Marketing expenses		(3,722)	(4,388)
Other income/expenses	**19**	(3,624)	(4,965)
Depreciation and amortization	**7**	(2,347)	(881)
Gains from investment property	**8**	(62)	8,413
Operating profit		**23,657**	**18,657**
Finance income		7,381	10,592
Finance cost		(11,172)	(1,510)
Finance result net (loss)	**20**	**(3,791)**	**(9,082)**
Profit before income tax		**19,866**	***(9,575)***
Income tax credit/(charge)		(4,898)	(2,068)
Profit for the period		**14,968**	***7,057***
Allocated to Non-Controlling Interests		**-**	**-**

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Constantin Sebesanu	**Claudiu Bistriceanu**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	President BOD

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

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity	Non-controlling Interest	Total Equity
Balance on 1st of January 2022		**401,214**	**(4,475)**	**3,001**	**14,280**	**(841)**	**303,676**	**716,854**	**-**	**716,854**
Comprehensive income										
Profit for the year		-	-	-	-	-	14,968	14,968	-	14,968
Other comprehensive income		-	-	-	-	-	-		-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**14,968**	**14,968**	**-**	**14,968**
Share Capital Increase	**12**	197,670	45,985	-	-	-	(165,923)	77,732	6,448	84,180
Own shares acquired and cancelled during the year	**13**	-	-	-	-	-	-	-	-	-
Own shares acquired	**13**	-	-	-	-	(174)	-	(174)	-	(174)
Dividends to the owners of the Company		-	(2,820)	-	-	969	-	(1,851)	-	(1,851)
Set up of legal reserves		-	-	-	22,124	-	(22,124)	-	-	-
Revaluation reserve		-	-	-	-	-	-	-	-	-
Other changes in equity		-	-	-	-	-	1,177	1,177	-	1,177
Balance at 30 September 2022		**598,884**	**38,690**	**3,001**	**36,402**	**(45)**	**131,774**	**808,706**	**6,448**	**815,154**

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebesanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

Iuliana Mihaela Urda
President BOD

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

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on 1st of January 2021		**272,464**	**65,711**	**3,001**	**13,305**	**(2,675)**	**289,022**	**640,828**
Comprehensive income								
Profit for the year		-	-	-	7	-	78,793	78,800
Other comprehensive income		-	-	-	-	-	-	
Total comprehensive income		**-**	**-**	**-**	**7**	**-**	**78,793**	**78,800**
Share Capital Increase	**13**	131,250	(69,487)	-	-	-	(61,763)	-
Own shares acquired and cancelled during the year	**13**	(2,500)	(699)	-	-	3,199	-	-
Own shares acquired	**13**	-	-	-	-	(1,365)	-	(1,365)
Dividends to the owners of the Company		-	-	-	-	-	-	-
Set up of legal reserves		-	-	-	969	-	(969)	-
Revaluation reserve		-	-	-	-	-	-	-
Other changes in equity		-	-	-		-	(1,409)	(1,409)
Balance on 31st of December 2021		**401,214**	**4.475**	**-**	**14,280**	**(841)**	**303,676**	**716,854**

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebesanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

Iuliana Mihaela Urda
President BOD

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

	Note	30 SEPTEMBER 2022	30 SEPTEMBER 2021
Profit for the period		**14,968**	**7,507**
Adjustments to reconcile profit for the period to net cash flows:		**4,464**	**12,047**
Reversal of impairment loss	7	(1,592)	16
Depreciation and amortisation	7	2,939	881
Finance income	20	(320)	(4)
Finance cost	20	4,111	10,593
Share based payment		(1,851)	-
Other adjustments from non-cash transactions		1,177	(1,507)
(Decrease) / deferred tax increase		-	-
Working capital adjustments		**(22,562)**	**(45,993)**
Decrease/(increase) in trade receivables and other receivables	10	(55,564)	(12,025)
Decrease in prepayments	10	(1,997)	-
Decrease in inventory property	9	(12,384)	(62,959)
(Decrease)/increase in trade, other payables, and contract liabilities	15	53,536	32,398
(Decrease)/increase in provisions	16	(890)	890
Income tax paid		(5,256)	(4,297)
Net cash flows from operating activities		**(3,123)**	**(26,439)**
Investing activities			
Purchase of a subsidiary		(5,130)	-
Purchase of property, plant and equipment	7	(2,315)	(22,476)
Payments for own shares	14	(174)	(1,365)
Expenditure on investment property under development	8	(63,443)	-
Expenditure on PPE under development	7	(285)	-
Proceeds from property, plant and equipment	7	501	75
Interest received		199	-
Net cash flows from investing activities		**(70,647)**	**(23,766)**

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebesanu Chief Executive Officer	**Claudiu Bistriceanu** Chief Financial Officer	**Iuliana Mihaela Urda** President BOD

	Note	30 SEPTEMBER 2022	30 SEPTEMBER 2021
Cash flows from financing activities:			
Proceeds from borrowings	**14**	175,889	22,395
Repayment of principal of borrowings	**14**	(150,727)	(3,526)
Proceeds from issue of share capital		77,732	-
Dividends paid	**12**	(7)	(7)
Interest paid	**14**	(10,761)	(6,909)
Net cash used in financing activities		**92,126**	**11,953**
Net increase / (decrease) of cash and equivalents		**18,356**	**(38,252)**
Cash and equivalents on 1st of January	**11**	**42,037**	**59,022**
Cash and equivalents on 30 of September 2022	**11**	**60,393**	**20,770**

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

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Chief Executive Officer	Chief Financial Officer	President BOD

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

1. REPORTING ENTITY

The Impact Developer & Contractor S. A's financial statements ("the Company" or "the Parent") reported in consolidated version for first nine months of 2022, shows the subsidiarises financial review of IMPACT business group as well.

The 7th of July was the last day HQ located at 172- 176 Willbrook Platinum Business and Convention Centre, Building A, Floor 1, Șoseaua București-Ploiesti, ,1st District, Bucharest, Romania.

Starting with 8th of July 2022 the company company's new HQ became The IMPACT building from 31-41 Drumul Padurea Mogosoaia street, 1st District, Bucharest, Romania.

The shareholding updated structure is shown in 12 Note of 30 September 2022 and 31 December 2021 financial reporting.

The Consolidated Financial Statements for Q3 2022 include the Company and its subsidiaries financial review (together referred to as the „Group") as follows:

Company	Country of registration	Nature of activity	% of shareholding on 30 of September 2022	% of shareholding on 31 of December 2021
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzioo Management SRL (former Actual Invest House SRL)	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	100%	100%
Greenwise Development SRL	Romania	Real estate development	100%	100%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
R.C.T.I. Company SRL	Romania	Construction works	51.01%	-

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

During the first nine months of 2022, the activity of the IMPACT Developer & Constructor group was the development of the residential projects Greenfield and Luxuria in Bucharest and Boreal Plus in Constanta.

2. BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union ("EU IFRS").

The financial statements have been prepared on a going concern basis and under the historical cost basis, except for the revaluation of certain properties at the end of each reporting period, that are presented at the revalued amount or fair value, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern

The Group has prepared forecasts, including certain sensitivity tests considering the principal business risks. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Consequently, the financial statements were prepared on a going concern basis.

The Group made an initial assessment of the risks and uncertainties. Therefore, management considered different scenarios, considering the following:
• Sales and pre-sales
• Prices
• Costs
• Evolution of real estate projects
• Cash and external financing

Regarding sales, the Group expects an increase in the volume of transactions by the end of the year 2022 due to existing inventory and the projects that the Group is currently running: Greenfield – Teilor District, Panoramic 1 and 2, Luxuria Domenii Residence, Boreal Plus Constanța.

The group is in the process of obtaining building permits for Greenfield Copou Iași and in various stages of negotiation with the builders and financing banks for this project.

The Group also considers that a major impetus in the Group's activity is the construction of Greenfield Plaza (a multifunctional complex that will include SPA areas (with relaxation areas and 2 swimming pools), fitness rooms and sports fields, commercial areas.

The group agreed a partnership with the Sector 1 Bucharest City Hall for the construction of a public kindergarten and public school, as the Group transferred to the City Hall the land for these new constructions.

The consolidated financial statements have been prepared on a going concern principle.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated Financial Statements are presented in RON, this being also the functional currency of the Group. All financial information is presented in thousand RON (kRON), unless otherwise stated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been constantly applied by all the Group's entities, for all periods presented in these Consolidated Financial Statements.
Below is presented the summary of the significant accounting policies.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Group:

- has power over the entity in which it has invested.
- is exposed or has rights to variable profits/returns from its involvement in the entity in which it has invested; and
- can use its power to affects its returns.

The Group reassesses whether it controls an investment if the facts and circumstances indicate that there are changes in one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Loss of control

When the Group loses control of a subsidiary, it recognises the assets and liabilities of the subsidiary, as well as non-controlling interests and other elements of the subsidiary's equity. Any resulting gain or loss is recognized in the income statement. Any remaining holding in the former subsidiary is measured at fair value at the time of loss of control or measured using the equity method as an investment in affiliates.

Investments measured under the equity method

Investments of the Group measured using the equity method consist of investments in associates. Associates are those entities over which the Group exercises significant influence but does not have control over financial and operational policies.

Associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. After initial recognition, in the consolidated financial statements, the Group recognizes pro rata profit and loss, as well as other global results of the associated entity, until the date when the significant influence ceases.

(b) Foreign currency

Transactions in foreign currency are converted into the functional currencies of the Group entities at the exchange rates of the transaction dates. Monetary assets and liabilities that at the reporting date are shown in foreign currency are converted into the functional currency at the exchange rate of date. The gains and losses from exchange rate differences related to monetary items are computed as the difference between the amortized cost in functional currency at the beginning of the year, adjusted by the effective interest, payments, and collections during the year, on one side and the amortized cost in foreign currency translated using the exchange rate prevailing at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rate prevailing at the date of the determination of fair value.

The non-monetary elements denominated in a foreign currency that are carried at historical cost are converted using the exchange rate prevailing at the date of transaction.

The exchange rate differences resulted from translation are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(c) Property, plant, and equipment

Lands and buildings held for use in production, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses.

Any revaluation increase resulting from the revaluation of land and buildings is credited to the fixed asset revaluation reserve, except the decrease from revaluation of the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued buildings is recognized in the profit or loss account. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives of property, plant and equipment are as follows:

- buildings 40 years

- plant, equipment, and vehicles 3–5 years
- fixtures and fittings 3–12 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of reporting.

(d) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(e) Investment property

Investment property, which are properties held to earn rents and/or for capital appreciation (including Property under construction for such purposes), are initially valued at cost, including transaction costs. After initial recognition, investment property is measured at fair value.

All the Group's property interests held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses resulting from changes in the fair value of investment property are included in profit or loss in the period in which they occur.

When the use of a property is changed, such that it is reclassified to property, plant and equipment or inventories, its fair value as of the date of reclassification becomes the cost of the property for subsequent accounting purposes.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

The Company's management is assessing on regular basis the best use of the land maintained in investments. The transfer from investment property to stock inventory is made close to construction start date, after all required permitting has been finalized, a detailed concept of the project is finalized, and significant steps have been done to identify construction companies and financing for the project.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes direct materials and, where applicable, direct labour and indirect manufacturing costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The valuation of inventories upon entry into the company is done using the following techniques:

- ✓ Residential properties — specific identification
- ✓ Land — Specific identification
- ✓ Other — first in-first out (FIFO)

(g) Trade and other receivables

Trade receivables on normal terms excluding derivative financial instruments do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. The carrying amount of trade and other receivables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(h) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

(j) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity at its value net of any fiscal effects.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares are classified as treasury shares and are presented in the treasury share reserves. When treasury shares are sold or subsequently reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(k) Dividends

Dividends are recognised in the period when their allocation is approved.

(l) Own shares

Own shares consist of treasury shares and shares held within an employee benefit plan. The group has an employee benefit trust to satisfy the exercise of share options that have vested under the group’s share option schemes.

Own shares are recognised at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds from the original cost being taken to retained earnings. No gain or loss is recognised in the performance statements on transactions in own shares.

(m) Borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The borrowing costs of general loans are added to the cost of the qualifying assets (in accordance with IAS 23). The applicable rate for capitalization is the weighted average interest rate of the loans obtained by the Group.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Trade payables and other payables

Trade payables on normal terms are not interest-bearing and are stated at their nominal value.

Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs. The carrying amount of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(o) Leases

The Group analyses at the commencement of the contract the extent to which a contract is, or contains a lease. Namely, the extent to which the contract confers the right to use an identifiable asset for a period in exchange for the consideration.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and low-value assets. The Group recognizes lease payables for lease payments and the right to use the assets representing the right to use the underlying asset. i) Right to use assets: The Group recognizes the right to use assets at the date of commencement of a lease (i.e. the date on which the underlying asset is available for use). The right to use the assets is measured at cost excluding accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The cost of the right to use the assets includes the amount of the recognized lease liability incurred at initial direct costs and lease payments made on or before the commencement date excluding any lease benefits received. The right to use the assets is amortized on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

- Land and buildings: 1 -3 years
- Other equipment: 1 -3 years

If ownership of a leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a call option, depreciation is calculated using the asset's estimated useful life. The duration of the lease contract was considered the irrevocable period of the lease contract, without considering the option of extension. The right to use assets is also subject to impairment.

At the date of commencement of the lease, the Group recognizes the lease payables measured at the current value of the lease payments to be made throughout the lease. Lease payments include fixed payments (Including fixed payments as a substance) excluding any lease benefits receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under the residual value guarantee. Lease payments also include the exercise price of a call option that is reasonably certain to be exercised by the Group and penalty payments for the termination of the lease, if the lease term reflects the group's option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or conditions that determine the payments occur.

To calculate the current value of lease payments, the Group uses the incremental loan rate at the commencement date of the lease because the default interest rate of the lease is not readily determinable.

After the start date, the amount of the lease liability is increased to reflect the accretion of interest and decreased for the lease payments made. In addition, the carrying amount of the lease is re-measured if there is a change, a modification in the lease term, a change in lease payments (change in future payments resulting from a change in an index or instalment rate used to determine those lease payments) or a change in the valuation of an underlying asset purchase option. Lease liabilities are included in Note 14 - Trade and other payables.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the Present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(q) Revenue

Revenue is recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Group is expected to be entitled to receive in exchange of those goods or services. Revenue is recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.
Revenue comprises the fair value of the consideration received or receivable, net of value added tax, after eliminating sales within the Group. Revenue and profit are recognized as follows:

(i) Revenue from sale of residential properties
Revenue from sale of residential properties during the ordinary course of business are valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognised when the significant risks and rewards of ownership have been transferred to the customer, this is deemed to be when title of the property passes to the customer on legal completion, the associated costs and possible return of goods can be estimated reliably. This is the point at which all performance obligations are satisfied in line with the provisions of IFRS 15 and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable for certain rebates to be granted, and their value can be measured reliably, then these are recognised as a reduction of the revenues when the sale revenues are recognised. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the payment is almost always less than one year, the company has also instalments payments over a period more than one year but those are not significant.

(ii) Revenues from re-charging utilities
The revenues from recharge of utilities are recognised when they are realised, together with the utilities expenses invoiced by the suppliers. The Group recharges the utilities at mark-up under the form of administrative costs. These revenues refer to the rented properties and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utility's suppliers in their own name.

(r) Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current income tax
The income tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax
Deferred income tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(s) Share-based payments

The Company has applied the requirements of IFRS 2 "Share-based payment". The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

(t) Financial instruments – fair values and risk management

The risk management function within the Group is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

(u) Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events that is not recognized because:

   i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Group's financial statements but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognized in the Group's financial statements but disclosed when an inflow of economic benefits is probable.

(v) Subsequent events

Events occurring after the reporting date, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(w) Segment reporting

The Group operates only in Romania. The main operating segment is related to real estate development.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Fair value measurements and valuation processes

The Group has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Group's investment property and property developed for sale in their current state as at 31 December 2021. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

In the Romanian market actual transaction values for real estate deals are not public available and there is not a high volume of transactions in larger land plots. The sale price comparison method therefore has inherent limitations, and a significant degree of judgement is required in its application.

For investment property, land assets are mainly valued using the sales comparison approach. The main assumptions underlying the market value of the groups land assets are:

- the selection of comparable land plots resulting to determine the "offer price" which is taken as the basis to form an indicative price

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

- the quantum of adjustments to apply against the offer price to reflect deal prices, and differences in location and condition including the status of any legal dispute as described in Note 24.

The key inputs are summarised in Note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.
A sensitivity analysis of the three key assets is presented below:

Asset	Impact on the valuation included in the balance sheet on 30 September 2022 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa Bucuresti land	- 11.422 mii RON	+ 11.422 mii RON
Bd. Barbu Vacarescu land	- 7.898 mii RON	+ 7.898 mii RON
Bd Ghencea land	- 6.405 mii RON	+ 6.405 mii RON

(ii) Transfer of assets both from and to investment property

IAS 40 (investment property) requires the transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgemental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

- For the Ghencea and Barbu Vacarescu projects, the management has decided to be recognised as investment property until the decision to start the projects will be taken; cconsequently these assets are recorded at fair value as at the balance sheet date.

- For a portion of the Greenfield land, management considers that a potential development will not take place in the following 3-4 years from the balance sheet date. Consequently, these assets continue to be accounted for at fair value within investment property.

Had different judgements been applied in determining a change in use, than the financial statements may have been significantly different because of the differing measurement approach of inventory and investment properties.

(iii) Legal issues

The management of the Group analyses regularly the status of all ongoing litigation and following a consultation with the Board of Administration, decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the separate financial statements. Key legal matters are summarized in Note 24.

(iv) Cost allocation

To determine the profit that the Group should recognise on its developments in a specific period, the Group has to allocate site-wide development costs between units sold in the current year and to be sold in future years. Industry practice does vary in the methods used and in making these assessments there is a degree of inherent uncertainty. If there is a change in future development plans from those currently anticipated, then the result would be fluctuations in cost and profit recognition over different project phases.

(v) Effects of the Coronavirus pandemic

The Company has been closely monitoring the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will adjust its strategy to mitigate the impact of the pandemic and respect its commitments to its clients, financers, and shareholders.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Company as of 1 January 2022:

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company recognizes such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. The amendments had no impact on the financial statements of the Group.

- IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 September 2021 (Amendment)

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 September 2022, provided the other conditions for applying the practical expedient are met. The amendments had no impact on the financial statements of the Group.

B) Standards issued but not yet effective and not early adopted

- IFRS 17 : Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. In its March 2020 meeting the Board decided to defer the effective date to 2023. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity

The amendments had no impact on the financial statements of the Group.

- IFRS 17: Insurance Contracts (Amendments)

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The amendments had no impact on the financial statements of the Group.

IFRS 17: Insurance contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments)
The amendment is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted respectively with IFRS 17. For entities that first apply IFRS 17 and IFRS 9 at the same time, the amendment adds a transition option for a "classification overlay", relating to comparative information of financial assets. An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. Also, in applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. These amendments have not yet been endorsed by the EU. The amendments had no impact on the financial statements of the Group.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The amendments had no impact on the financial statements of the Group.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.
In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within

the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The amendments had no impact on the financial statements of the Group.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)
The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The amendments had no impact on the financial statements of the Group.
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)
The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The amendments had no impact on the financial statements of the Group.

IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)
The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The amendments had no impact on the financial statements of the Group.

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

7. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

Cost / valuation	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Balance on 1st of January 2022	**20,601**	**3,801**	**1,703**	**8,674**	**34,779**
Additions	9,905	1,821	1,479	285	13,490
Transfers	25,935	-	-	(6,381)	19,554
Disposals	(25)	(249)	(4)	(223)	(501)
Balance on 30th of September 2022	**56,416**	**5,373**	**3,178**	**2,355**	**67,322**
Accumulated depreciation and impairment losses					
Balance on 1st of January 2022	**15,430**	**2,733**	**1,401**	**-**	**19,564**
Charge for the period	1,735	319	132	-	2,186
(Reversal of)/Impairment loss	102	-	-	-	102
Transfers	10,581	-	-	-	10,581
Accumulated depreciation of disposals	(693)	(248)	(3)	-	(944)
Balance on 30th of September 2022	**27,155**	**2,804**	**1,530**	**-**	**31,489**
Carrying amounts					
On 1st of January 2022	**5,171**	**1,068**	**302**	**8,674**	**15,215**
On 30th of September 2022	**29,261**	**2,569**	**1,648**	**2,355**	**35,833**

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

Reconciliation of carrying amount

Cost / valuation	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Balance on 1st of January 2021	**21,483**	**3,201**	**1,539**	**286**	**26,509**
Additions	1,206	828	178	- 8,883	11,095
Transfers	495	-	-	(495)	-
Disposals	(2,583)	(228)	(14)	-	(2,825)
Balance on 31 of December 2021	**20,601**	**3,801**	**1,703**	**8,674**	**34,779**
Accumulated depreciation and impairment losses					
Balance at January 1, 2021	**14,955**	**2,736**	**1,266**	**-**	**18,958**
Charge for the period	656	225	137	-	1,018
(Reversal of)/Impairment loss	(181)	-	-	-	(181)
Accumulated depreciation of disposals	-	(228)	(2)	-	(230)
Balance on 31 of December 2021	**15,430**	**2,733**	**1,401**	**-**	**19,564**
Carrying amounts					
On 1st of January 2021	**6,528**	**465**	**274**	**286**	**7,552**
On 31st of December 2021	**5,171**	**1,068**	**302**	**8,674**	**15,215**

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

Lease contracts

30 September 2022	Lease Contracts no.	Fixed payments	Variable Payments	Sensitivity
Cars	26	100%	-	-
Machinery	5	100%	-	-
Total	**31**	**100%**	**-**	**-**

Right of Use Assets

	Vehicles	Land and buildings	Total
Balance on January 1	-	-	-
Additions	5,181	-	5,181
Amortisation	(590)	-	(590)
Modification to lease terms	-	-	-
Variable lease payment adjustment	-	-	-
Foreign exchange movements	-	-	-
Balance on 30 September	4,591	-	4,591

The right-of-use assets are depreciated on a straight-line basis over the lease term.

The right of use assets under leasing contracts is represented by electric cars used by Impact and Spatzioo employees' and by machinery for construction site used by RCTI.

In 2021 the Group did not hold significant assets under lease agreements.

Land and buildings:

During first nine months of 2022, assets worth 9,905 kRON were purchased, represented by a plot of land in the Greenfield, as well as exterior design and landscaping works in Luxuria Domenii Residence (8,235 kRON). The depreciation recorded in the first nine months of 2022 for the owned buildings is 1,735 kRON, the depreciation method used was the straight-line method.
The Group recorded adjustments for the loss of value of the fixed assets owned (electrical networks, sewage networks, roads) because the estimates showed that their recoverable value is lower than the book value (cost - depreciation).

Machinery, equipment and means of transport:

In the first 9M of 2022, the purchases of cars, equipment and means of transport were worth 3,520 kRON, represented by office equipment (laptops, phones, servers, the equipments for wellness, equipments in RCTI etc.), the outgoings representing 249 KRON.

Furniture and installations:

In the first 9M of 2022, furniture, and installations worth 1,479 kRON were purchased. Depreciation in the amount of 132 kRON was calculated using the straight-line method.

Assets under construction:

The value of fixed assets under construction increased in the first quarter of 2022 by 285 kRON, representing the investment in the building for the Company's offices.
This building has been completed and received in the first part of the year 2022.

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

Financial costs in the amount of 15 kRON were capitalized in the value of tangible assets under construction.

The value of the land and buildings was compared with the evaluations made by an independent appraiser - Colliers Valuation and Advisory SRL - and it turned out that there are no significant changes in the values that require value adjustments or the recording of increases from the revaluation.

8. INVESTMENT PROPERTY

Reconciliation of carrying amount

	30 September 2022	31 December 2021
Balance on 1st of January 2022/2021	**571,882**	**457,706**
Additions through subsequent expenditures	74,204	30,541
Transfers from inventories	-	-
Transfers to inventories	(51,735)	2,899
Adjustments	750	2,548
Disposals	-	(8,462)
Changes in fair value during the year	-	86,651
Balance sheet on 30 of September 2022/31 December 2021	**595,101**	**571,882**

Investment property comprises primarily land plots held with the purpose of capital appreciation or to be rented to third parties.

Main real estate investments in land

	30 September 2022		31 December 2021	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	200,719	228,431	200,719	228,431
Barbu Vacarescu land (Bucharest)	25,424	157,961	25,424	157,961
Blvd. Ghencea – Timisoara land (Bucharest)	258,895	128,106	258,895	128,106
Total	**485,038**	**514,498**	**485,038**	**514,498**

The additions through subsequent expenditures are mainly construction works for Greenfield Plaza in amount of 25,446 kRON and capitalisation of interest and foreign exchange differences in accordance with IAS 23 in amount of 1,531 kRON.

The Group management analyses yearly, on balance sheet date, the market conditions at those points in time to decide the best use of the land, namely if it will be used to construct to sell or to construct to rent.

Considering the above, the Group considers that in September 2022 there is sufficient evidence that the future use of the land is uncertain and thus the land should be classified as investment property and not as inventory, in accordance with IAS 40 provision regarding “land held for a currently undetermined future use”.

Details on the legal matters related to lands are presented in Note 23.

Valuation processes
The Company’s investment properties were valued at 31 December 2021 by independent professionals Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having

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

experience regarding the location and nature of the properties evaluated.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valuation technique used in determination of the fair value of investment property.

Fair value hierarchy
Based on the input data used in the valuation technique, the fair value of real estate investments was classified at level 3 of the fair value hierarchy as of December 31, 2021. The valuation is considered appropriate given the adjustments applied to the data observed for comparable land and building valuations. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques
Fair values are determined applying the comparison method. The evaluation model is based on a price per square meter of land, obtained from observable data of existing price offers on the market. The estimate established by the independent expert was diminished by the management in order to take into account the legal situation of the various assets.

The table below presents a summary of the most significant assets and key assumptions used:

Asset	**Main parameters on 31st of December 2021**
Greenfield Baneasa land	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 450 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -47% discount to + 18% premium
Barbu Vacarescu land	• Price offer per square meter for land used as comparable: from 814 EUR/sqm to 2,348 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -40% to +55% premium •
Blvd Ghencea land	• Price offer per square meter for land used as comparable: from 90 EUR/sqm to 150 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -25%

The carrying value as at 30 September 2022 of the land plots pledged is of 185,152 kRON (31 December 2021: 156,709 kRON).

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

9. INVENTORIES

	30 September 2022	31 December 2021
Finished goods and goods for resale	195,701	212,145
Residential developments:		
- Land	133,078	143,075
- Development and construction costs	266,186	183,702
	594,965	**538,923**

Inventories are represented by:

	30 September 2022	31 December 2021
Greenfield residential project	269,443	200,300
Luxuria residential project	138,351	219,239
Constanta land and project	103,137	60,834
Iasi land and project	44,877	42,501
Others inventory	39,157	16,048
	594,965	**538,922**

Lands with a carrying amount of 133,078 kRON as at 30 September 2022 (31 December 2021: 143,075 thousand RON) consist of land owned by the Group for the development of new residential properties and infrastructure, mainly in Bucharest, as well as land the Group are planned to be sell directly.

Real estate completed with an accounting value of 195,701 kRON on 30 September 2022 (December 31, 2021: 212,145 thousand RON) refers entirely to apartments held for sale by the Group.
The book value as at 30 September 2022 of the pledged stocks is 195,701 kRON (December 31, 2021: 102,492 thousand RON) (see Note 14).

The Boreal Plus project in Constanța is financed by CEC Bank, therefore the interest on the loan was capitalized in the construction value of the stock. The value of the capitalized interest in the first nine months of 2022 is 995 kRON.

Part of the Greenfield project (construction of the Panoramic complex) is financed by First Bank. The capitalized interest in the first nine months of 2022 in the value of the projects is 243 kRON.

According to the provision of IAS23 – Borrowing costs, the costs related to general loans was capitalised in the value of eligible assets using a weighted average rate. The value of borrowing cost capitalised in the value of ongoing projects is 1,025 kRON.

Further details on the company's loans are set out in Note 14.

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

10. TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	30 September 2022	**31 December 2021**	**30 September 2022**	**31 December 2021**
Trade receivables	46,789	8,078		-
Sundry debtors	12,643	2,540		-
Prepaid expenses	7,140	5,143		
Receivables from authorities	8,236	8,509		-
Advance payments to services suppliers	13,506	11,865		-
	88,314	**36,135**		**-**

An allowance has been made for estimated irrecoverable amounts from trade receivables of 2,052 thousand RON (31 December 2021: 2,151 thousand RON).

Reconciliation of the provision for uncollected receivable:	
Balance on 01 January 2022	2,151
Reversal of provision (receivables)	(99)
Constitute new provision	
Balance on 30 September 2022	2,052

As of 30 September 2022, the Group did not register trade receivables and other pledged receivables.

11. CASH AND CASH EQUIVALENTS

	30 September 2022	**31 December 2021**
Current accounts	60,345	42,027
Petty cash	18	10
Cash advances	30	-
	60,393	**42,037**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 2,966 kRON (31 December 2021: 553 kRON) is restricted cash. The restricted cash is subject to commercial or legal restrictions (cash collateral for letters of guarantee, cash collateral for the payment of uncollected dividends, etc.)

12. SHARE CAPITAL

	30 September 2022	**31 December 2021**
Paid Share capital	591,420	393,750
Adjustments of the share capital (hyperinflation)	7,464	7,464
	598,884	**401,214**

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

The shareholding structure at the end of each reported period was as follows:

	30 September 2022	**31 December 2021**
		%
Gheorghe Iaciu	57.76%	59.97%
Andrici Adrian	12.73%	15.98%
Swiss Capital	19.70%	12.45%
Other shareholders	9.82%	11.60%
	100%	**100%**

All shares are ordinary and have equal ranking related to the Group's residual assets. The nominal value of one share is 0.25 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 1 share during the meetings of the Group.

On 20.08.2021, the Extraordinary General Meeting of the Company's shareholders approved the delegation and authorization of the Board of Directors to decide and implement the increase of the Company's share capital, through a cash contribution, through one or more issues of new ordinary shares, whose value nominal value not to exceed 193,750,000 RON. Also, the Board of Directors was authorized to, for each of the increases made up to the level of the authorized share capital, decide to restrict or lift the existing shareholders' pre-emptive right to subscribe to the new shares. Later, on 20.09.2021, the Company's Board of Directors decided to offer the newly issued shares for subscription in a private placement.

On 01.02.2022, the share capital increase was registered, through the issuance of new shares, through private placement. As a result of the increase, 84,231,295 new shares were issued and the share capital was increased with the value of 21,057,823.75 RON. Following the increase of the share capital through private placement, the share capital of the Company increased from 393,750,000 RON to 414,807,823.75 RON, the new total number of shares being 1,659,231,295.

On 30.06.2022, the Company's share capital was increased by the amount of 165,923,129.50 RON, through the partial incorporation of the undistributed carried forward result in the previous financial years. The capital increase was achieved by issuing a number of 663,692,518 new shares. Each shareholder registered in the Register of Shareholders of the Company on the registration date 21.07.2022 was allocated 2 (two) free shares for 5 (five) shares held. Following the increase of the share capital, the total value represents 580,730,953.25 RON, being divided into 2,322,923,813 shares, each having a nominal value of 0.25 RON.

On 19.08.2022, the subscription stage in private placement approved by the Decision of the Board of Directors of 17.08.2022 ended. Within it, 42,756,138 shares were subscribed.

Dividends

No dividends were distributed during the nine months period ended 30 September 2022.

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

13. OWN SHARES

	30 September 2022	31 December 2021
Balance at 1 January 2022/2021	**841**	**2,675**
Purchase of own shares	173	1,365
Own shares cancelled during the year	-	(2,500)
Share-based payments	(969)	(699)
Balance at 30 September 2022/31 December 2021	**45**	**841**

At the AGM dated 21.04.2021, the buy back of a maximum number of 30,000,000 (thirty million) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 1,90 % of the subscribed and paid in share capital on the date of the resolution.

The own shares reserve represents the cost of shares in IMPACT purchased in the market, to satisfy options and conditional share awards under the Company's share option plans.

As at 30 September 2022 the accounting value of own shares was 45 kRON (31 December 2021: 841 kRON).

In September 2022, the Company granted shares to employees and Board of Directors members.

14. LOANS AND BORROWINGS

This note shows information related to the contractual terms of the interest-bearing loans and borrowings of the Group, valued at amortised cost, Information related to the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is included in Note 23.

	30 September 2022	31 December 2021
Non-current liabilities		
Secured bank loans	253,240	117,555
Issued bonds	32,572	32,566
	285,812	**150,121**
Current liabilities		
Issued bonds	17,607	67,217
Short-term borrowings	63,464	119,695
	81,071	**186,912**

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

Terms and repayment schedules of loans and borrowings are as follows:

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30 September 2022*	Balance at 31 December 2021*
Credit Value Investments	EUR	11.01.2022	12,000		59,837
Bonds listed on Bucharest Stock Exchange SA	EUR	19.12.2022	12,525	61,986	59,858
Private placement bonds	EUR	24.12.2026	6,581	32,572	32,566
Total bonds				**94,558**	**152,261**
First Bank	EUR	05.08.2023	5,921	22,362	24,375
First Bank	RON	05.08.2023	4,500	2,762	1,731
CEC Bank	EUR	27.11.2023	9,880	36,378	17,958
CEC Bank	RON	27.01.2023	3,500	2,897	1,633
Garanti BBVA	EUR	15.06.2024	4,250	38,963	21,030
Garanti BBVA					
Libra Internet Bank	EUR	26.07.2024	12,562	30,318	46,615
Libra Internet Bank	EUR	22.09.2024	8,676	35,168	41,787
Libra Internet Bank	EUR	05.10.2024	4,000	12,521	13,470
OTP Bank	EUR	13.12.2024	5,000	18,662	14,312
TechVenturess Bank	EUR	01.06.2025	2,000	8,517	
Alpha Bank	EUR	06.08.2029	20,000	15,989	
Total bank loans				**224,537**	**182,911**
Interest				**147**	**1,861**
Total				**318,987**	**337,033**

The interest rate at which the company borrows is between 8.94% and 9.19% for loans in RON, between 2.85% and 4.6% for loans in EUR and between 5.75% and 6.40% for bonds issued.

	Bonds	Loans	Total
Balance on 1st of January 2022	**152,261**	**184,772**	**337,033**
Draws	-	175,889	175,889
Payments	(60,220)	(90,507)	(150,727)
FX differences	3,995	693	4,688
Balance on 30th of September 2022	**96,036**	**270,847**	**366,883**

During 2017, Bucharest Stock Exchange S.A. approved the application for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. of the bonds issued by the Company, unsecured at a fixed annual interest rate of 5,75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525 thousand.

The bonds were issued following the offer addressed to the Eligible Investors, as defined in the prospectus dated November 28, 2017 approved by the FSA by approval decision no. 1710 of November 28, 2017, amended by the amendment of December 8, 2017 approved by the FSA by approval decision no. 1766 of December 8, 2017 and by the amendment of December 13 approved by the FSA by approval decision no. 1816 of December 13, 2017.

In December 2020, the Group conducted a new issuance of Private Placement bonds worth EUR 6,580 thousand at a fixed interest rate of 6.4% p.a., due twice a year. The bonds were issued by the parent dated 24 December 2020, have a maturity of 6 years and were listed on the BSE regulated market in May 2021.

In February 2021, the Company contracted two loans denominated in EUR and RON from First Bank S.A., in order to develop the Panoramic project in the Greenfield Băneasa Residence residential complex in Bucharest. The first credit facility is worth 5,921 thousand EURO and represents investment credit with maturity of 30 months from the granting, and the second facility in the amount of RON 4,500 th represents VAT financing with a maturity of 30 months from the moment of granting.

In March 2021, Bergamot Developments contracted a loan denominated in EUR from Libra Internet Bank for the general financing of projects (working capital). The approved value of the loan is EUR 5,768 thousand, maturing within 36 months of granting.
In July 2021 the loan amount was increased from EUR 5,768 to EUR 12,562 and the maturity extended with till July 2024.

In May 2021, the Company contracted two loans denominated in EUR and RON from CEC Bank SA., In order to develop the Boreal Plus project in Constanța. The first credit facility is worth 9,880 thousand EURO and represents an investment loan with a maturity of 30 months from the granting, and the second facility in the amount of RON 3,500 thousand represents VAT financing with a maturity of 20 months from the granting time.

In October 2021, the company contracted a loan denominated in EUR from Libra Internet Bank for the general financing of projects (working capital). The approved value of the loan is EUR 4,000 thousand, maturing within 36 months of granting.

In November 2021, the company contracted a loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The approved value of the loan is EUR 4,250 thousand, maturing within 30 months of granting.

In December 2021, Bergamot Developments contracted a loan denominated in EUR from OTP Bank for the general financing of projects (working capital). The approved value of the loan is EUR 5,000 thousand, maturing within 36 months of granting.

In January 2022, the company contracted a loan denominated in EUR from Techventures Bank for the general financing of projects (working capital). The approved value of the loan is EUR 2,000 thousand, maturing within 36 months of granting.

In June 2022, the company contracted a 2nd loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The approved value of the loan is EUR 4,500 thousand, maturing within 25 months of granting.

In June 2022, the company contracted a loan denominated in EUR from Alpha Bank for the general financing of projects (working capital). The approved value of the loan is EUR 20,000 thousand, maturing within 84 months of granting.

All the covenants provided in the long-term bank loan agreements have been met at 30 September, 2022 and December 31st, 2021.

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

15. TRADE AND OTHER PAYABLES

	30 September 2022	31 December 2021
Non-current liabilities		
Guarantees	12,358	5,514
Lease payables	2,617	1,401
	14,975	**6,915**
Current liabilities		
Trade payables	46,799	25,062
Customer deposits	52,465	37,307
Lease payables	1,003	
Tax debts	4,408	2,468
Employees payables	1,685	862
Dividends payable	181	187
Other payables	7,504	7,946
	114,045	**73,832**
	129,020	**80,747**

Information related to the Group's exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 21.

Lease liabilities

	Vehicles	Land and buildings	Total
Balance January 1	**6,011**	**-**	**6,011**
Additions	5,181	-	5,181
Interest expense	67	-	67
Effect of modification to lease terms	-	-	-
Variable lease payment adjustment	-	-	-
Lease payments	(1,119)	-	(1,119)
Foreign exchange movements	-	-	-
Balance September 30	**10,140**	**-**	**10,140**

The market value of the liabilities related to leasing contracts approximates their book value.
In August 2021, the Company signed a framework leasing contract with Porsche Leasing Romania IFN SA for the delivery of 19 electric cars. In May 2022, the cars were delivered, and individual leasing contracts were concluded for each car.
Spatzioo Management purchased an electric car in October 2021 and a van in April 2022.
Following the acquisition of the RCTI Company, starting with September 2022 the lease liabilities also include the lease liabilities contracted by RCTI Company.

The interest rate is fixed. Fixed instalments are paid throughout the duration of the contract.

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

16. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance at 1 January 2022	**271**	**1,017**	**1,288**
Provisions made during the year	-	-	-
Provisions used during the year	-	(890)	(890)
Balance at 30 September 2022	**271**	**127**	**398**

	Provisions for litigation	Other provisions	Total
Balance at 1 January 2021	**271**	**396**	**667**
Provisions made during the year		890	890
Provisions used during the year		(269)	(269)
Balance at 31 December 2021	**271**	**1,017**	**1,288**

The provisions amounting to 398 kRON as of 30 September 2022 are represented by:

- 271 kRON for a litigation in connection with one of the houses sold in the Boreal neighbourhood of Constanța
- 127 kRON for untaken holidays

17. REVENUES

A disaggregation of the Group's revenues is as follows:

	30 September 2022	30 September 2021
Revenues from sales of residential properties	137,204	108,543
Others	19,074	933
	156,278	**109,536**

Sales per project analysis:

	30 September 2022	30 September 2021
Greenfield Baneasa Bucuresti	25,102	16,521
Luxuria Domenii Bucuresti	112,102	92,022
	137,204	**108,543**

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

18. GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2022	30 September 2021
Consumables	1,529	285
Third party expenses	11,718	6,736
Staff costs	13,159	9,220
	26,406	**16,241**

19. OTHER OPERATING EXPENSES/INCOME

	30 September 2022	30 September 2021
Other operating income	2,118	2,365
Rent expenses	(1,046)	(462)
(Profit) / Loss on disposal of property, plant and equipment	210	69
Fines and penalties (income)/expenses	1,016	(50)
Other operating expenses	(877)	(3,067)
Impairment of trade receivables, net	(1,364)	(3,854)
Impairment of property, plant and equipment, net	(2,739)	(4,150)
Impairment of inventories, net	(942)	4,929
	(3,624)	**(4,220)**

20. FINANCE COST/INCOME

	30 September 2022	30 September 2021
Interest expense	(3,329)	6,936
Interest income	199	(4)
Foreign exchange result	121	3,656
Other financial (income)/costs	(782)	(1,506)
	(3,791)	**9,082**

21. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk

Risk management framework

The Group's policies regarding the risk management are defined to ensure identification and analysis of the risks the Group is dealing with, setting limits and adequate controls, as well as risk monitoring and compliance with the set limits. The policies and system meant to manage risks are regularly reviewed to reflect the changes occurred in the market conditions and Group's operations. The Group, through its standards and procedures for coaching and managing, aims to develop an orderly and constructive control environment, where all and each employee understand his/her role and duties.

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

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Group's trade receivables and financial assets.

The net carrying value of the financial assets represent the maximum exposure to credit risk. The maximum exposure to the credit risk at reporting date was:

	Note	30 September 2022	31 December 2021
Trade and other receivables	10	88,314	36,135
Cash and cash equivalents	11	60,393	42,037
		148,707	**78,172**

Trade and other receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. All these considered, the management considers the demographic characteristics of the customer database, including the collection risk specific to the sector and to the country in which the customer activates, bearing in mind that all these factors influence the credit risk.

In order to monitor customer credit risk, the Company monitors monthly payment delays and takes the steps deemed necessary on a case-by-case basis.

The Company establishes an impairment adjustment that represents its estimate of losses from trade receivables, other receivables. (see Note 11)

The maximum exposure to credit risk related to trade and other receivables as at reporting date based on geographical region was:

	30 September 2022	31 December 2021
Romania	60,393	36,135
	60,393	**36,135**

Cash and cash equivalents

As at 30 September 2022, the Group held cash and cash equivalents in amount of 60,393 kRON (31 December 2021: 42,037 kRON), representing the maximum exposure to credit risk arising from these assets. The cash and cash equivalents are held at banks and financial institutions in Romania.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's obligations.

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

The following table illustrates the remaining contractual maturities of financial liabilities at the end of the reporting period, including estimated interest payments and excluding any impact of netting agreements:

(c) Market risk

The Group's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Group aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

(d) Currency risk

The Group is exposed to currency risk to the extent that sales, purchases and borrowings are denominated in different currencies than the Group's functional currency (Romanian Leu), foremost euro.

The summary quantitative data about the Group's exposure to the currency risk reported to the management if the Group based on the policy for managing the risk is as follows:

The Group did not conclude any hedging engagements related to the obligations denominated in foreign currencies or to the exposure to the interest rate risk.
The main exchange rates used during the year were:

	30 September 2022	Average for 9M 2022	31 December 2021	Average for 2021
EUR 1	4.9490	4.9347	4.9481	4.9204

22. CAPITAL COMMITMENTS

As at 30 September 2022, respectively 31 December 2021, the Group has no capital commitments contracted, except for those assumed in the constructions contracts signed for development of real estate projects.

23. CONTINGENCIES

As of the date of these Consolidated Financial Statements, the Group is involved in several ongoing lawsuits, both as plaintiff and defendant.

The management of the Group regularly assesses the status of all ongoing litigation and, following a consultation with the Board of Administration, decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the Consolidated Financial Statements.

Considering the information available, the management of the Group considers that the significant ongoing litigation is as follows:

a) Litigation initiated by IMPACT regarding the Lomb residential project in Cluj-Napoca

Impact Developer & Constructor SA and one of its affiliates, *i.e.* Clearline Development and Management SRL (the "Project Company") are parties in two cases against the Cluj City Council (the "CCC"). The disputes originated from a contractual relationship from 2007, when the company entered into an investment contract with the CCC, whereby the CCC and the Company would develop a residential project and the CCC would contribute the land (the "Lomb Project)". The Company and the Project Company request reimbursement of the amounts arising from investments in respect of the Lomb Project to which the CCC failed to observe its contractual obligations, *i.e.* has not contributed with the land, thus the Company being unable to finalize the project and being unable to obtain any revenues from it.

File No. 79/1285/2012 was registered on the dockets of the Cluj Commercial Court, in which the Company requested the termination of Framework-Contract No. 55423/04.07.2007 concluded between the CCC and the Company. In addition, the Company requested the court to compel the CCC to pay compensation of RON 4,630,914.13 plus the related interest, computed from the date of the damage up to the actual payment of the amounts.

In this file, on 23 December 2020, the Cluj Tribunal rejected the application specified by the Company as ungrounded.

The Company filed appeal, which is settled by the Cluj Court of Appeal. At this time, the Company cannot estimate the duration of the trial until it obtains a final decision. The next court hearing granted in the appeal phase is 13 September 2022, by which date the evidence is supplemented.

File No. 1032/1259/2012 was registered on the dockets of the Arges Commercial Court, in which the Project Company (Clearline Development and Management SRL) requested the court to compel the CCC to pay compensation provisionally estimated to RON 17,053,000.

On 08.06.2022, the Argeș Commercial Court issued Decision No. 277, as follows:

> *It admits the request, as amended, filed by Clearline Development and Management SRL, against the defendants, the Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality - through the Mayor. It compels the defendants, the Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality, jointly and severally, to pay the plaintiff RON 24,532,741.65 as damages and RON 13,862,967.16 representing default interest calculated for the period comprised between the date of the payments made by the plaintiff (established according to the report of the forensic accounting expert appraisal report carried out in the case) and until 01.04.2021.*

The Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality filed appeal.

Based on the first expert appraisal report prepared, both the Company and its subsidiary have recognized impairment losses to the respective inventories down to the values determined by the expert appraisal reports already performed, without recognizing any contingent liabilities.

b) The dispute regarding the land in Blvd. Ghencea - Blvd. Timişoara

In 2018, the Company filed a legal action against the Romanian State and the Bucharest City Hall in order to reconfirm its ownership right having as its object the land located in the Bucharest Municipality, Prelungirea Ghencea No. 402-412, Sector 6 (the "Land"), as identified in Cadastral Documentation No. 6515/2/6/1, which formed the basis of the registration with Land Book No. 59472, opened with the Sector 6 Cadastre and Real Estate Publicity Office.

The Company considered that it is necessary to file such an action in order to consolidate its Title over the Land in the context in which the title of the original owner, respectively Title No. 68,401 issued by the Ilfov County Commission for the Establishment of the Property Right over Land on 5 February 2004 in favor of the Pasteur S.A. Institute, was annulled by the Bucharest Sector 6 Court.

The legal action is the subject of File No. 5737/3/2018 registered on the dockets of the Bucharest Tribunal.

On 22.11.2019, the Bucharest Court ruled and admitted the action filed by the Company against the Romanian State through the Ministry of Public Finance and the Bucharest Municipality. Thus, by Ruling No. 2651, the Bucharest Court established that the Company has ownership rights over the Land. The decision of the Bucharest Court could have been subject to appeal.

During 2020, the Romanian State and the Bucharest City Hall filed appeal against Ruling No. 2651 of 22.11.2019 of the Bucharest Tribunal. The appeal was settled by the Bucharest Court of Appeal, which by Ruling No. 1246 of 06.10.2020, rejected the appeals as ungrounded. Consequently, Ruling No. 2651 of 22.11.2019 of the Bucharest Tribunal remained grounded and legal. Ruling No. 2651 dated 22.11.2019 issued by the Bucharest Court of Appeal was communicated to the Company on 04.10.2021.

On 06.10.2022, the High Court of Cassation and Justice issued Ruling No. 1775, whereby it rejected, as ungrounded, the recourse filed by defendant Romanian State – through the Ministry of Public Finance against Civil Ruling No. 1246 A of 06.10.2020 of the Bucharest Court of Appeal, IV Civil Section. The ruling is final.

Thus, the High Court of Cassation and Justice confirmed the rulings of the Bucharest Tribunal and of the Bucharest Court of Appeal, two courts that recognized the validity of the ownership title of the Company over the Impact Plot of Land.

c) Litigation initiated by the "EcoCivica Association"

File No. 4122/3/2022 was registered on the dockets of the Bucharest Tribunal, Administrative and Fiscal Dispute Department, in which Impact is the Defendant, the Claimants being the Eco Civica Association and three natural persons from outside the Greenfield Baneasa neighborhood.

The object of the file is the suspension and annulment of administrative act HCGMB 705/18.12.2019 approving the Zonal Urbanism Plan Aleea Teișani - Drumul Pădurea Neagra No. 56-64, the suspension and cancellation of Construction Authorizations No. 434/35/P/2020 and No. 435/36/P/2020, canceling some preliminary endorsements, canceling works.

Currently, the challenged acts are valid, they produce full effects, no decision has been made regarding their suspension or cancellation.

The next court hearing was scheduled for 25.11.2022.

24. RELATED PARTIES

Transactions with key management personnel

Remuneration of key management personnel comprises salaries and related contributions (social and medical contributions, unemployment contributions and other similar contributions). The Group's management is employed contractual based.

The remuneration of the directors for the nine months period ended 30 September 2022 are approved by General Meeting of Shareholders.

Transactions with shareholders

In the first nine months of 2022, the Group did not declare and pay dividends to its shareholders.

25. ACQUISITION OF A SUBSIDIARY

On July 13, 2022, the sale-purchase agreement regarding R.C.T.I Company SRL was signed, concluded between Toția Radu-Mihail and Tudor Emil Victor, as shareholders of R.C.T.I Company SRL (company acquired in the transaction) and sellers and Impact Developer&Contractor SA (acquiring company), as the buyer.

Through the sale-purchase contract, a package of 13,500 shares of R.C.T.I Company SRL representing 51.01% of the share capital is transferred to Impact Developer&Contractor SA.

Simultaneously with the signing of the sale-purchase agreement, the parties also signed an Associates Agreement that includes the commitments undertaken by the parties, including the increase in the share capital of R.C.T.I. Company SRL and the subscription by Impact of 24,500 newly issued social shares and their release in exchange for a cash contribution.

R.C.T.I. Company SRL operates in the field of civil and industrial constructions as a general and/or specialized contractor, having significant experience in the field, qualified and trained personnel, equipment and commercial relations with suppliers and customers.

26. SUBSEQUENT EVENTS

The Group's management presents the following subsequent events from September 30, 2022 to the date of approval of these consolidated financial statements that do not require adjustment:

In the context of the conflict between Russia and Ukraine, started on February 24, 2022, the EU, USA, UK and other countries imposed various sanctions against Russia, including financing restrictions on certain Russian banks and state-owned companies as well as personal sanctions against a number of individuals.

Considering the geopolitical tensions, since February 2022, there has been an increase in financial markets volatility and exchange rate depreciation pressure.

It is expected that these events may affect the activities in various sectors of the economy, could result in further increases in European energy prices and increased risk of supply chain disturbances.
The Company does not have direct exposures to related parties and/or key customers or suppliers from those countries.

The Company regards these events as non-adjusting events after the reporting period, the quantitative effect of which cannot be estimated at the moment with a sufficient degree of confidence. The Company's management is continuously analysing the developments of this event and any possible impact of changing micro- and macroeconomic conditions on the Company's financial position and results of operations.

In the 4rd quarter of 2022, a loan has been signed with OTP Bank for financing the project Teilor Greenfield Baneasa. The loan is in the amount of kEUR 34,440 for development and a VAT line in the amount of kEUR 6,000.

The consolidated financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebesanu Chief Executive Officer	**Claudiu Bistriceanu** Chief Financial Officer	**Iuliana Mihaela Urda** President BOD

IMPACT DEVELOPER & CONTRACTOR SA

INTERIM SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

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

This is a free translation from the original Romanian version.

CONTENT: **PAGE:**

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

	Note	30 September 2022	31 December 2021
ASSETS			
Non-current assets			
Tangible assets	8	20,273	14,162
Intangible assets		140	144
Right of use assets	8	1,807	-
Investment property	9	592,659	568,758
Financial assets	11	35,961	56,542
Total non-current assets		**650,840**	**639,606**
Current assets			
Inventories	10	389,124	268,290
Trade and other receivables	12	148,418	123,674
Cash and cash equivalents	13	42,491	36,171
Total current assets		**580,033**	**428,135**
Total assets		**1,230,873**	**1,067,741**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	598,884	401,214
Share premium		38,690	(4,475)
Revaluation reserve		3,001	3,001
Other reserves		34,514	12,389
Own shares	15	(45)	(841)
Retained earnings		93,865	289,279
Total equity		**768,909**	**700,567**
Non-current liabilities			
Loans and borrowings	16	232,856	88,830
Trade and other payables	17	10,770	5,514
Deferred tax liability	23	68,490	68,490
Total non-current liabilities		**312,116**	**162,834**

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Constantin Sebeşanu,	**Claudiu Bistriceanu,**	**Iuliana Mihaela Urdă,**
CEO	CFO	BoD President

	Note	30 September 2022	31 December 2021
Current liabilities			
Loans and borrowings	**16**	69,089	145,489
Trade and other payables	**17**	80,361	57,563
Provisions for risks and charges	**18**	398	1,288
Total current liabilities		**149,848**	**204,340**
Total liabilities		**461,964**	**367,174**
Total equities and liabilities		**1,230,873**	**1,067,741**

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Constantin Sebeşanu, CEO	**Claudiu Bistriceanu,** CFO	**Iuliana Mihaela Urdă,** BoD President

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

	Note	30 September 2022	30 September 2021
Revenue from real estate inventories	19	25,658	16,790
Costs of real estate inventories on stock		(17,935)	(7,196)
Gross profit		**7,723**	**9,594**
Net rental income	19	3,272	920
General and administrative expenses	20	(18,374)	(13,365)
Marketing expenses		(2,368)	(2,749)
Other operating income/expenses	21	2,008	(534)
Depreciation and amortization		(657)	(2,893)
Gains on investment property	9	(62)	8,413
Operating profit		**(8,458)**	**(614)**
Financial income		10,290	8,992
Financial cost		(6,762)	(6,879)
Finance costs, net	22	**3,528**	**2,114**
Profit before tax		**(4,930)**	**(2,728)**
Income tax expense	23	-	70
Profit of the period		**(4,930)**	**(2,658)**

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	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1, 2022		**401,214**	**(4,475)**	**3,001**	**12,389**	**(841)**	**289,278**	**700,567**
		-	-	-	-	-	-	-
Comprehensive income								
Profit for the year		-	-	-	-	-	(4,930)	(4,930)
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		-	-	-	-	-	**(4,930)**	**(4,930)**
Transactions with shareholders of the Company								
Own shares acquired during the year	15	-	-	-	-	(174)	-	(174)
Paid dividends		-	-	-	-	-	-	-
Share capital increase	14	197,670	45,985				(165,923)	77,732
Share capital reduction by cancelling shares	14	-	-	-	-	-	-	-
Share-based payments		-	(2,820)	-	-	969	-	(1,851)
Other changes in equity								
Set up of legal reserves					22,124	-	(22,124)	
Transfer of reserves								
revaluation reserves		-	-	-	-	-	(2,437)	(2,437)
Balance on September 30, 2022		**598,884**	**38,690**	**3,001**	**34,514**	**(45)**	**101,427**	**768,909**

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CEO

Claudiu Bistriceanu,
CFO

Iuliana Mihaela Urdă,
BoD President

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

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1, 2021		**272,464**	**65,711**	**3,001**	**12,389**	**(2,675)**	**286,193**	**637,083**
Comprehensive income								
Profit for the year		-	-	-	-	-	64,849	64,849
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**64,849**	**64,849**
Transactions with shareholders of the Company								
Own shares acquired during the year	15	-	-	-	-	(1,365)	-	(1,365)
Paid dividends		-	-	-	-	-	-	-
Share capital reduction by cancelling shares	14	131,250	(69,487)	-	-	-	(61,764)	-
Share-based payments	14	(2,500)	(699)	-	-	3,199	-	-
		-	-	-	-	-	-	-
Other changes in equity								
Set up of legal reserves								
Transfer of reserves		-	-	-	-	-	-	-
revaluation reserves		-	-	-	-	-	-	-
Balance on December 31, 2021		**401,214**	**(4,475)**	**3,001**	**12,389**	**(841)**	**289,278**	**700,567**

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Constantin Sebeşanu,	**Claudiu Bistriceanu,**	**Iuliana Mihaela Urdă,**
CEO	CFO	BoD President

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

	Note	30 SEPTEMBER 2022	30 SEPTEMBER 2021
Profit for the period		**(4,930)**	**(8,575)**
Adjustments to reconcile profit for the period to net cash flows:		**(8,710)**	**3,145**
Valuation gains on investment property	9	-	-
Gain on disposal of investment property	9	-	-
Reversal of impairment loss for PPE/IP	8	(689)	-
Depreciation of property, plant and equipment	8	764	374
Share based payments	28	(2,820)	-
Finance income	22	(4,584)	(3,420)
Finance cost	22	1,056	6,261
Other adjustments from non-cash transactions		(2,437)	-
(Decrease) / deferred tax increase	23	-	(70)
Working capital adjustments		**(45,447)**	**(36,353)**
Decrease/(increase) in trade receivables and other receivables	12	(5,981)	(17,535)
Decrease in prepayments	12	(1,317)	499
Decrease in inventory property	9	(72,015)	(42,636)
(Decrease)/increase in trade, other payables, and contract liabilities	17	34,756	25,375
(Decrease)/increase in provisions	18	(890)	733
Income tax paid		-	(2,789)
Net cash flows from operating activities		**(59,087)**	**(41,783)**
Investing activities			
Loans granted to subsidiaries		(42,919)	(13,450)
Loan reimbursements collected from subsidiaries	27	25,333	25,231
Investments in subsidiaries	27	20,581	(241)
Purchase of property, plant and equipment		(4,914)	(461)
Payments for own shares	8	795	(1,365)
Expenditure on investment property under development	15	(66,554)	(6,769)
Expenditure on PPE under development	9	(285)	(283)
Proceeds from property, plant and equipment	8	501	5
Interest received	8	140	4,434
Net cash flows from investing activities		**(67,322)**	**7,101**

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CFO

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BoD President

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

	Note	30 SEPTEMBER 2022	30 SEPTEMBER 2021
Cash flows from financing activities:			
Proceeds from borrowings	16	153,876	18,389
Repayment of principal of borrowings	16	(91,222)	(3,306)
Proceeds from issue of share capital		77,732	
Dividends paid		(7)	(7)
Interest paid	16	(7,650)	(4,708)
Net cash used in financing activities		**132,729**	**10,368**
Net increase / (decrease) of cash and equivalents		**6,320**	**(35,988)**
Cash and equivalents on 1st of January	**13**	**36,171**	**52,065**
Cash and equivalents on 30 of September 2022	**13**	**42,491**	**16,077**

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CEO	CFO	BoD President

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

1. REPORTING ENTITY

Impact Developer & Contractor SA ("the Company") is a Company registered in Romania whose activity is the development of real estate.

Up to 07 July 2022 the registered office of the Company was Willbrook Platinum Business Convention Center, Building A, 1st Floor, 172-176 Bucuresti-Ploiesti Road, Bucharest, District 1. Going forward the new registered office of the Company is Impact Building, Drumul Padurea Mogosoaia Street, No.31-41, Bucharest, District 1.

The shareholding structure on 30 September, 2022 and on 31 December , 2021 is disclosed within Note 14.

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

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

	Country of registration	Nature of activity	% of shareholding at 30 September 2022	% of shareholding at 31 December 2021
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzioo Management SRL (former Actual Invest House SRL)	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real Estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	100%	100%
Greenwise Development SRL	Romania	Real estate development	100%	100%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
R.C.T.I. Company	Romania	Constructor	51.01%	0%

The Company is one of the first companies active in real estate development sector in Romania, being constituted in 1991 through public subscription. In 1995, the Company introduced the **residential concept** on the Romanian market. Since 1996, the Company' securities are publicly traded in Bucharest Stock Exchange (BVB).

During 2022 the Company's activity revolved around the Greenfield Băneasa residential complex in Bucharest and Boreal Plus in Constanța.

2. THE BOARD OF ADMINISTRATION

The Board of Administration represents the decision-making body for all significant aspects for the Company as whole due to the strategical, financial, or reputational implications. The Board delegates the management powers of the Company, under the conditions and limits provided by the law and by the Articles of Incorporation.

On 21st April 2021, in the General Shareholders' Meeting, the members of the Board of Directors of the Company were elected for a four-year term (28th April 2021 – 28 April 2025). Mr. Laviniu Dumitru Beze was replaced by Mr. Sorin Apostol as Administrator.

The Board of Administration consists of 5 members:

- Iuliana Mihaela Urda, chairperson of the Board of Administration
- Intrepid Gem SRL, represented by Petru Vaduva
- Ruxandra-Alina Scarlat, Administrator
- Daniel Pandele, Administrator
- Sorin Apostol, Administrator

Executive Management of the Company

On 27th April 2021, the Board of Directors appointed Mr. Constantin Sebesanu as General Manager for a four-year term, starting with 28 April 2021. On the same date, Sorin Apostol took over as executive director.

From 1st of January 2022, Claudiu Bistriceanu was appointed as financial director (CFO).

3. BASIS OF PREPARATION

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

The financial statements have been prepared on an ongoing concern basis and under the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

The going concern principle

The Company has prepared forecasts, including certain sensitivities, considering the principal business risks, at the Company's and Impact Group level. Having considered these forecasts, the Directors remain of the view that the Company's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Company to conduct its business for at least the next 12 months. Accordingly, the financial statements have been prepared on a going concern basis.

The Company made an initial assessment of the risks and uncertainties. Therefore, management considered different scenarios, considering the following:
• Sales and pre-sales
• Prices
• Costs
• Evolution of real estate projects
• Cash and external financing

Regarding pre-sales, the Company expects a significant increase in the volume of transactions in 2022 due to existing inventory and the projects that the Company is currently running: Greenfield – Teilor District, Panoramic 1 and 2 and Boreal Plus Constanța.

The Company also considers that a major impetus in the Company's activity is the construction of Greenfield Plaza (a multifunctional complex that will include SPA areas (with relaxation areas and 2 swimming pools), fitness rooms and sports fields, commercial areas.

The Company agreed a partnership with the Sector 1 Bucharest City Hall for the construction of a public kindergarten and public school, as the Company transferred to the City Hall the land for these new constructions.

The separate financial statements have been prepared on a going concern principle.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in RON, this being also the functional currency of the Company. All financial information is presented in thousand RON.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been constantly applied by the Company, for all periods presented in these Financial Statements.
Below is presented the summary of the significant accounting policies.

(a) Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currency at the date of reporting are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rate prevailing at the date of the determination of fair value.
The exchange rate differences resulted from translation are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(b) Tangible assets

Lands and buildings held for use in production, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property's revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment.
Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

The estimated useful lives of property, plant and equipment are as follows

- buildings 40 years
- plant, equipment, and vehicles 3–5 years
- fixtures and fittings 3–12 years

The estimated useful lives, residual values and depreciation method are reviewed at each reporting period date.

(c) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(d) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including Property under construction for such purposes) and/or for which the scope has not been determined yet, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

All of the Company's property interests held to earn rentals or for capital appreciation purposes or for which the best use has not been determined yet are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

When the use of a property is changed, such that it is reclassified to property, plant and equipment or inventories, its fair value as of the date of reclassification becomes the cost of the property for the purpose of subsequent accounting.
An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Company's management is assessing on regular basis the best use of the land maintained in investment. Transfer from investment to inventory is done close to start construction date, after all required permitting has been finalized, a detailed concept of the project is finalized and significant steps have been done to identify construction companies and financing for the project.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The valuation of inventories upon entry into the company is done using the following techniques:

✓ Residential properties	specific identification
✓ Land	specific identification
✓ Other	first in-first out (FIFO)

(f) Trade and other receivables

Trade receivables on normal terms excluding derivative financial instruments do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. The carrying amount of trade and other receivables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(g) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

(i) Share capital

- **Ordinary shares**

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity at its value net of any fiscal effect

- **Repurchase and reissue of ordinary shares (treasury shares)**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares are classified as treasury shares and are presented in the treasury share reserves. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(j) Dividends

Dividends are recognized in the period when their allocation is approved.

(k) Own shares

Own shares consist of treasury shares and shares held within an employee benefit trust. The Company has an employee benefit trust to satisfy the exercise of share options that have vested under the Company's share option schemes.

Own shares are recognized at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognized in equity, with any difference between the sale proceeds from the original cost being taken to retained earnings. No gain or loss is recognized in the performance statements on transactions in own shares.

(l) Borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

- **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

For general purpose loans, the borrowing costs are capitalised in the value of the eligible assets using the weighted average rate as per requirements of IAS 23.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Trade payables and other payables

Trade payables on normal terms are not interest-bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs. The carrying amount of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the Present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(o) Revenues

Revenues are recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Company is expected to be entitled to receive in exchange of those goods or services. Revenues are recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Revenues comprises the fair value of the consideration received or receivable, net of value added tax, after eliminating sales within the Company. Revenue and profit are recognized as follows:

(i) Revenue from sale of residential properties

Revenue from sale of residential properties during the ordinary course of business are valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognised when the significant risks and rewards of ownership have been transferred to the customer, this is deemed to be when title of the property passes to the customer on legal completion, the associated costs and possible return of goods can be estimated reliably. This is the point at which all performance obligations are satisfied and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable for certain rebates to be granted, and their value can be measured reliably, then these are recognised as a reduction of the revenues when the sale revenues are recognised. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the payment is always less than one month.

(ii) Revenues from re-charging utilities

The revenues from recharge of utilities are recognised when they are realized, together with the utility's expenses invoiced by the suppliers The Company recharges the utilities at mark-up under the form of administrative costs. These revenues refer to the rented properties and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utility's suppliers in their own name.

(p) Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

- **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

- **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognized for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(q) Share-based payments

The Company has applied the requirements of IFRS 2 "Share-based payment". The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date they are granted. The fair value is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

(r) Financial instruments – fair values and risk management

The risk management function within the Company is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

(s) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Plant and machinery 3 to 15 years
• Motor vehicles and other equipment 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.
The Company's lease liabilities are included in Interest-bearing loans and borrowings

iii) Short-term leases and leases of low value

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(t) Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events that is not recognized because:

  i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Company's financial statements but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or on-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is not recognized in the Company's financial statements but disclosed when an inflow of economic benefits is probable.

(u) Subsequent events

Events occurring after the reporting date, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the financial statements.

Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(v) Segment reporting

The Company operates only in Romania. The single operating segment is considered to be the development of real estate.

(w) Investment in subsidiaries and associates

A subsidiary is an entity over which the Company has control.
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
Investments in subsidiaries and associates are accounted for using the historical cost model.
The Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or subsidiary. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or subsidiary and its carrying value, and then recognises the loss in the statement of profit or loss.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 5, the directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these forecasts. Estimates and hypothesis on which these are based on are under ongoing review. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

(i) Fair value measurements and valuation processes of investment property

Valuation of investment property and property, plant and equipment.

The Company has obtained a report from Colliers Valuation and Advisory SRL, setting out the estimated market values for the Company's investment property, property developed for sale and property, plant and equipment in their current state. The most recent real estate investment assessment took place on December 31, 2021. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

In the Romanian market actual transaction values for real estate deals are not publicly available and there is not a high volume of transactions in larger land plots. The sale price comparison method therefore has inherent limitations and a significant degree of judgement is required in its application.

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

For investment property assets are mainly valued using the sales comparison approach. The key assumptions underlying the market value of the Company's land assets are:

- the selection of comparable land plots resulting in order to determine the "offer price" which is taken as the basis to form an indicative price

- the quantum of adjustments to apply against the offer price to reflect deal prices, and differences in location and condition.

The key inputs are summarized in Note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation. A sensitivity analysis of the three key assets is presented below:

Asset	Impact on the valuation included in the balance sheet at 30 September 2022 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa Bucuresti land	- 11,422 thousand RON	+ 11,422 thousand RON
Bd. Barbu Vacarescu land	- 7,898 thousand RON	+ 7,898 thousand RON
Bd Ghencea land	- 6,405 thousand RON	+ 6,405 thousand RON

(j) Transfers of assets both from and to investment property

IAS 40 (investment property) requires that transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgemental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

If had different judgements been applied in determining a change in use, then the financial statements may have been significantly different because of the differing measurement approach of inventories and investment properties.

(k) Legal issues

The management of the Company analyses regularly the status of all ongoing litigations and following a consultation with the Board of Administration decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the separate financial statements. Key legal matters are summarized in Note 26 Contingencies.

(l) Cost allocation

In order to determine the profit that the Company should recognize on its developments in a specific period, the Company has to allocate site-wide development costs between units sold in the current year and to be sold in future years. Industry practice does vary in the methods used and in making these assessments there is a degree of inherent uncertainty. In the event that there is a change in future development plans from those currently anticipated then the result would be fluctuations in cost and profit recognition over different project phases.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2022:

• Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)
In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The amendments had no impact on the financial statements of the Company.

• IFRS 4: Insurance Contracts (Amendments)
The amendments to IFRS 4 change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The amendments had no impact on the financial statements of the Company.

• IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)
The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 September 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendments had no impact on the financial statements of the Company.

B) Standards issued but not yet effective and not early adopted

• IFRS 17: Insurance Contracts
The standard is effective for annual periods beginning on or after 1 January 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. In its March 2020 meeting the Board decided to defer the effective date to 2023. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and

investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The Company has assessed that the amendments had no impact on the financial statements.

• IFRS 17: Insurance Contracts (Amendments)

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The Company has assessed that the amendments had no impact on the financial statements.

• IFRS 17: Insurance contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments)

The amendment is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted respectively with IFRS 17. For entities that first apply IFRS 17 and IFRS 9 at the same time, the amendment adds a transition option for a “classification overlay”, relating to comparative information of financial assets. An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. Also, in applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. These amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

• Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

• IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or

expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.
In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The Company has assessed that the amendments had no impact on the financial statements.

- IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 September 2022, provided the other conditions for applying the practical expedient are met. The Company has assessed that the amendments had no impact on the financial statements.

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

• IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

• IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The Company has assessed that the amendments had no impact on the financial statements.

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

8. PROPERTY, PLANT AND EQUIPMENT

Cost / valuation	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Balance at January 1,2022	**18,846**	**3,520**	**1,269**	**8,360**	**31,995**
Additions	2,527	1,224	840	285	4,876
Transfers	8,370	-	-	(6,095)	2,275
Disposals	(25)	(249)	(4)	(223)	(501)
Balance at September 30, 2022	**29,718**	**4,495**	**2,105**	**2,327**	**38,645**
Accumulated depreciation and impairment losses					
Balance at January 1,2022	**14,129**	**2,571**	**1,133**	**-**	**17,833**
Charge for the period	314	313	60	-	687
(Reversal of)/Impairment loss	102	-	-	-	102
Accumulated depreciation of disposals	-	(247)	(3)	-	(205)
Balance at September 30, 2022	**14,545**	**2,637**	**1,190**		**18,372**
Carrying amounts					
At January 1, 2022	**4,718**	**949**	**136**	**8,360**	**14,162**
At September 30, 2022	**15,173**	**1,858**	**915**	**2,327**	**20,273**

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

Reconciliation of carrying amount

Cost / valuation	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Balance at January 1,2021	**17,295**	**3,051**	**1,214**	**286**	**21,846**
Additions	1,206	697	57	8,569	10,529
Transfers	495	-	-	(495)	-
Disposals	(150)	(228)	2	-	(380)
Change in fair value due to revaluation	-	-	-	-	-
Balance at 31 December 2021	**18,846**	**3,520**	**1,269**	**8,360**	**31,995**
Accumulated depreciation and impairment losses					
Balance at January 1,2021	**13,938**	**2,597**	**1,067**	**-**	**17,602**
Charge for the period	372	202	68	-	642
(Reversal of)/Impairment loss	(181)	-	-	-	(181)
Accumulated depreciation of disposals	-	(228)	(2)	-	(230)
Balance at 31 December 2021	**14,129**	**2,571**	**1,133**	**-**	**17,833**
Carrying amounts					
At 1 January 2021	**3,357**	**452**	**148**	**286**	**4,244**
At 31 December 2021	**4,718**	**949**	**136**	**8,360**	**14,162**

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

Lease contracts

30 September 2022	Lease Contracts no.	Fixed payments	Variable Payments	Sensitivity
Electric Cars	19	100%	-	-
Total	**19**	**100%**	**-**	**-**

Right of Use Assets

	Vehicles	Land and buildings	Total
Balance on January 1	-	-	-
Additions	1,699	-	1,699
Amortisation	(108)	-	(108)
Modification to lease terms	-	-	-
Variable lease payment adjustment	-	-	-
Foreign exchange movements	-	-	-
Balance on 30 September2	**1,591**	**-**	**1,591**

The right-of-use assets are depreciated on a straight-line basis over the lease term.

In 2021 the Company did not hold significant assets under lease agreements.

Land and buildings:

During first nine months of 2022, assets worth 2,527 thousand RON were purchased, represented by a plot of land in the Greenfield.

The depreciation recorded in the first semester of 2022 for the owned buildings is 314 thousand RON, the depreciation method used was the straight-line method.

During September 2022 the formal reception of the buildings community centre was done: Office Building, strip mall and wellness club – Greenfield Plaza.

The Company recorded adjustments for the loss of value of the fixed assets owned (electrical networks, sewage networks, roads) because the estimates showed that their recoverable value is lower than the book value (cost - depreciation).

Machinery, equipment and means of transport:

During 9M of 2022, the purchases of cars, equipment and means of transport were worth 1.224 thousand RON, represented by office equipment (laptops, phones, servers, equipment for the wellness centre etc.), the disposals representing 249 thousand RON.

Furniture and installations:

During the first 9M of 2022, furniture, and installations worth 840 thousand RON were purchased. Depreciation in the amount of 60 thousand RON was calculated using the straight-line method.

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

Assets under construction:

The value of fixed assets under construction increased in the first quarter of 2022 by 285 thousand RON, representing the investment in the building for the Company's offices. In September 2022 the building was commissioned and the corresponding carrying amount was reclassified from work in progress to buildings.

Financial costs in the amount of 26 thousand RON were capitalized in the value of tangible assets under construction.

The value of the land and buildings was compared with the evaluations made by an independent appraiser - Colliers Valuation and Advisory SRL - and it turned out that there are no significant changes in the values that require value adjustments or the recording of increases from the revaluation.

9. INVESTMENT PROPERTY

Reconciliation of carrying amount of property investments

	30 September 2022	31 December 2021
Balance on January 1	**568,758**	**456,768**
Additions through subsequent expenditures	74,204	28,901
Transfers from inventories	-	-
Transfers to inventories	(51,094)	(2,899)
Adjustments	791	2,548
Disposals	-	(5,321)
Changes in fair value during the year	-	86,761
Balance on September 30	**592,659**	**568,758**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties or for which the use has not been determined yet

Main real estate investments in land

	30 September 2022		31 December 2021	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	200,719	228,431	200,719	228,431
Blvd. Barbu Vacarescu land (Bucharest)	25,424	157,961	25,424	157,961
Blvd. Ghencea land (Bucharest)	258,895	128,106	258,895	128,106
Total	**485,038**	**514,498**	**485,038**	**514,498**

Details on the legal issues related to land are found in Note 26.

The additions through subsequent expenditures are mainly construction works for Greenfield Plaza in amount of RON 25,446 thousand and capitalisation of interest and foreign exchange differences in accordance with IAS 23 in amount of RON 1,531 thousand.

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

Valuation processes

The Company's investment properties were valued at December 31, 2021 by independent professionally Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having experience regarding the location and nature of the properties evaluated.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valuation technique used in determination of the fair value of investment property.

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorized as Level 3 fair value at December 31, 2021. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments. These adjustments are based on location and condition and are not directly observable. There were no transfers from level 2 to level 3 during the year.

Valuation techniques

The following table presents the valuation techniques used in the determination of the fair value of buildings and lands:

Asset	**Main parameters at 31 December 2021**
Greenfield Băneasa land	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 450 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location and condition: from -47% discount to + 18% premium
Barbu Văcarescu land	• Price offer per square meter for land used as comparable: from 814 EUR/sqm to 2.348 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -40% to -55% •
Blvd Ghencea- Timișoara land	• Price offer per square meter for land used as comparable: from 90 EUR/sqm to 150 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -25%

The carrying value as at 30 September 2022 of the land plots pledged is of RON 185,152 thousand (31 December 2021: RON 156,709 thousand).

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

10. INVENTORIES

	30 September 2022	31 December 2021
Finished goods and goods for resale	55,638	28,208
Residential developments:		
- Land	89,397	92,742
- Development and construction costs	244,089	142,631
	389,124	**268,291**

Inventories are represented by:

	30 September 2022	31 December 2021
Residential project Greenfield	269,443	193,011
Land and development expenses Constanta	103,137	60,834
Other inventories	16,544	14,446
	389,124	**268,291**

Lands with a carrying amount of RON 89,397 thousand as at 30 September 2022 (31 December 2021 : RON 143,075 thousand) consist of lands held by the Company for development of new residential properties and infrastructure, mainly in Bucharest and Constanta, as well as lands which the Company intends to realize value through direct sale.

Completed residential properties with a carrying value of RON 55,638 thousand as at 30 September 2022 (31 December 2021 : RON 28,208 thousand) refer entirely to apartments held for sale by the Company.

The carrying value as at 30 September 2022 of the finished goods inventories pledged is of RON 233,561 thousand (RON 12,404 thousand as at 31 December 2021). Further details are set out in Note 16.

The Boreal Plus project in Constanta is financed by CEC Bank; therefore the loan interest was capitalized in the construction value of the stock. The value of the capitalized interest during the first semester of 2022 is RON 995 thousand.

Part of the Greenfield project (construction of Panoramic) is financed by First Bank. The interest capitalized during the first semester of 2022 in the value of the project is RON 362 thousand.

As per IAS 23 – Borrowing costs, the borrowing costs of general loans were capitalised in the value of eligible assets using the weighted average interest rate. The value of the borrowing cost (inclusive exchange rate differences) capitalised is RON 1.025 thousand as of 30 September 2022.

Further details on the Company's loans are set out in Note 16.

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

11. FINANCIAL ASSETS

	30 September 2022	31 December 2021
Interests in subsidiaries and associates	43,984	64,565
Impairment of interest in subsidiaries and associates	(8,023)	(8,023)
	35,961	**56,542**

The Company holds interests in the following subsidiaries:

	30 September 2022			
	Percentage	**Gross value**	**Impairment**	**Book value**
Spatzioo Management SRL (former Actual Invest House SRL)	6.23%	110	-	110
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	6,770	-	41,791
Bergamot Developments Phase II	99%	49	-	49
Impact Finance	99%	1	-	1
Greenfield Copou Residence	99%	49	-	49
Greenfield Copou Residence Phase II	99%	49	-	49
Greenwise Development	99%	49	-	49
Greenfield Property Management	99%	49	-	49
R.C.T.I Company	51.01%	14,440	-	14,440
Total subsidiaries		**43,984**	**(8,023)**	**35,961**

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

	31 December 2021			
	Percentage	**Gross value**	**Impairment**	**Book value**
Spatzioo Management SRL (former Actual Invest House SRL)	6.23%	110	-	110
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	49	-	49
Impact Finance	99%	1	-	1
Greenfield Copou Residence	99%	49	-	49
Greenfield Copou Residence Phase II	99%	49	-	49
Greenwise Development	99%	49	-	49
Greenfield Property Management	99%	49	-	49
Total subsidiaries		**64.565**	**(8.023)**	**56.542**

Clearline Development and Management SRL holds 93,77% in Spatzioo Management SRL (former Actual Invest House SRL)

a) Spatzioo Management SRL (former Actual Invest House SRL), a company that provides management services for new residential developments.
b) Clearline Development and Management S.R.L. (former Lomb SA) is the project company through which IMPACT was to develop a residential project in Cluj-Napoca, in partnership with the local authority. For investments made by Clearline Development & Management SRL in the realization of the Lomb project in Cluj, the project company has a litigation (see Note 26) amounting to 17,053 thousand RON, plus legal interest, a file that is currently pending at the Court in Arges and is currently carrying out the expertise in the file.
c) Bergamot Developments S.R.L., company within the group with main object of activity real estate development, which starting with 2018 developed a residential ensemble of approx. 51,382 square meters, 500 apartments, on a land of approximately 17,213 sqm, respectively the first phase of the residential complex Luxuria Domenii Residence.
d) Bergamot Developments Phase II S.R.L., a company within the group having as main object of activity the real estate development, which is to develop the Phase II (130 apartments) of the residential complex Luxuria Domenii Residence, consisting of 13,618 square meters built on a plot of 5,769 sqm.
e) Impact Finance & Developments S.R.L. has a role in diversifying the range of services related to home sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings.
f) Greenfield Copou Residence S.R.L., a company within the group having as main object of activity the lease and sublease of its own or of rented property has been incorporated in December 2019. Its object is to develop the Greenfiled Copou project in Iasi.

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

g) Greenfield Copou Residence Phase II SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
h) Greenfield Property Management SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
i) Greenwise Property SRL, a company within the group, having as main object of activity the real estate development, has been incorporated in 2021.
j) RCTI Company, a company within the group having as main object of activity the real estate constructions.

12. TRADE AND OTHER RECEIVABLES

	Short term		Long term	
	30-Sep-22	**31-Dec-21**	**30-Sep-22**	**31-Dec-21**
Trade receivables	5,526	6,063	-	-
Sundry debtors	4,623	3,288	-	-
Prepayments	5,852	4,486		
Receivables from authorities	8,350	7,008	-	-
Advance payments to suppliers	8,712	10,817	-	-
Receivables from affiliates	115,355	92,012	-	-
	148,418	**123,674**	**-**	**-**

An allowance has been made for estimated irrecoverable amounts from trade receivables of 2,052 thousand RON (31 December 2021: 2,151 thousand RON).

Reconciliation of the provision for uncollected receivables:	
Balance on January 1	2,151
Provision reversal (receivables)	(99)
Establish new provision	
Balance on September 30	2.052

As at 30 September, 2022 the Company did not have any trade receivables and/or other pledged receivables.

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

13. CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Current accounts	42,432	36,162
Petty Cash	14	9
Cash advances	45	-
	42,491	**36,171**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 240 thousand RON (31 December 2021: 553 thousand RON) is restricted cash. The restricted cash is subject to commercial or legal restrictions (cash collateral for letters of guarantee, cash collateral for the payment of uncollected dividends, etc.)

14. SHARE CAPITAL

	30 September 2022	31 December 2021
Share capital paid in	591,420	393,750
Adjustments of the share capital (hyperinflation)	7,464	7,464
	598,884	**401,214**

The shareholding structure at the end of each reported period was as follows:

	30 September 2022	31 December 2021
	%	**%**
Gheorghe Iaciu	57.76%	59.97%
Andrici Adrian	12.73%	15.98%
Legal persons	19.70%	12.45%
Other shareholders	9.82%	11.60%
	100.00%	**100%**

All shares are ordinary and have equal ranking related to the Group's residual assets. The nominal value of one share is 0.25 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 1 share during the meetings of the Group.

On 20.08.2021, the Extraordinary General Meeting of the Company's shareholders approved the delegation and authorization of the Board of Directors to decide and implement the increase of the Company's share capital, through a cash contribution, through one or more issues of new ordinary shares, whose value nominal value not to exceed 193,750,000 RON. Also, the Board of Directors was authorized to, for each of the increases made up to the level of the authorized share capital, decide to restrict or lift the existing shareholders' pre-emptive right to subscribe to the new shares. Later, on 20.09.2021, the Company's Board of Directors decided to offer the newly issued shares for subscription in a private placement.

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

On 01.02.2022, the share capital increase was registered, through the issuance of new shares, through private placement. As a result of the increase, 84,231,295 new shares were issued and the share capital was increased with the value of 21,057,823.75 RON. Following the increase of the share capital through private placement, the share capital of the Company increased from 393,750,000 RON to 414,807,823.75 RON, the new total number of shares being 1,659,231,295.

On 30.06.2022, the Company's share capital was increased by the amount of 165,923,129.50 RON, through the partial incorporation of the undistributed carried forward result in the previous financial years. The capital increase was achieved by issuing a number of 663,692,518 new shares. Each shareholder registered in the Register of Shareholders of the Company on the registration date 21.07.2022 was allocated 2 (two) free shares for 5 (five) shares held. Following the increase of the share capital, the total value represents 580,730,953.25 RON, being divided into 2,322,923,813 shares, each having a nominal value of 0.25 RON.

On 19.08.2022, 42,756,183 new shares were subscribed following a private placement approved by Board of Directors on 17.08.2022.

Dividends

During the nine months period ended 30 September 2022, the Company has not declared dividends to its shareholders.

During the financial year ended on December 31, 2021, the Company has not declared dividends to its shareholders.

15. OWN SHARES

	30 September 2022	31 December 2021
Balance at 1 January 2022/2021	**841**	**2,675**
Purchase of own shares	173	1,365
Own shares cancelled during the year		(2,500)
Share-based payments	(969)	(699)
Balance at 30 September 2022/31 December 2021	**45**	**841**

At the AGM dated 21.04.2021, the buy back of a maximum number of 30,000,000 (thirty million) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 1,90 % of the subscribed and paid in share capital on the date of the resolution.

The own shares reserve represents the cost of shares in IMPACT purchased in the market, to satisfy options and conditional share awards under the Company’s share option plans.

As at 30 September 2022 the Company has in balance 1,370,920 thousand own shares, with an accounting value of RON 841 thousand (31 December 2021: RON 841 thousand).

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

In September 2022, the Company granted shares to employees and members of the Board of Directors according to the decision to implement the "Stock Option Plan" program (the "Plan"), with the objective of granting option rights for the acquisition of shares free of charge by employees and the members of the Company's management, respectively the members of the Board of Directors and the directors of the Company, in order to maintain and motivate them as well as to reward them for the activity carried out within the Company.

16. LOANS AND BORROWINGS

This note discloses information related to the contractual terms of the interest-bearing loans and borrowings of the Company, valued at amortized cost. Information related to the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is included in Note 24.

	30 September 2022	31 December 2021
Non-current liabilities		
Secured bank loans	200,284	56,264
Debenture loans	32,572	32,566
	232,856	**88,830**
Current liabilities		
Short-term borrowings	5,625	23,933
Bonds issued	63,464	121,556
	69,089	**145,489**

Terms and repayment schedules of loans and borrowings in balance are as follows:

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30 September 2022*	Balance at 31 December 2021*
Credit Value Investments	EUR	1/11/2022	12,000	-	61,535
Bonds listed on Bucharest Stock Exchange S.A	EUR	12/19/2022	12,525	61,755	59,975
Private placement bonds	EUR	12/24/2026	6,581	32,548	32,612
Total bonds				**94,303**	**154,122**
First Bank	EUR	8/5/2023	5,921	20,511	24,375
First Bank	RON	8/5/2023	4,500	2,145	1,731
CEC Bank	EUR	11/27/2023	9,880	45,035	17,958
CEC Bank	RON	1/27/2023	3,500	3,480	1,633
Garanti BBVA	EUR	6/15/2024	4,250	31,622	21,030
Libra Internet Bank	EUR	10/5/2024	4,000	9,765	13,470
Alpha Bank	EUR	6/8/2029	20,000	85,653	-
TechVentures Bank	EUR	1/6/2025	2,000	7,698	-
Total bank loans				**205,909**	**80,197**
Interest				**1,478**	**147**
Total				**301,945**	**234,319**

During 2017, Bucharest Stock Exchange S.A. approved the application for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. of the bonds issued by the Company, unsecured at a fixed annual interest rate of 5,75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525 thousand.

The bonds were issued following the offer addressed to the Eligible Investors, as defined in the prospectus dated November 28, 2017 approved by the FSA by approval decision no. 1710 of November 28, 2017, amended by the amendment of December 8, 2017 approved by the FSA by approval decision no. 1766 of December 8, 2017 and by the amendment of December 13 approved by the FSA by approval decision no. 1816 of December 13, 2017.

In December 2020, the Group conducted a new issuance of Private Placement bonds worth EUR 6,580 thousand at a fixed interest rate of 6.4% p.a., due twice a year. The bonds were issued by the parent dated 24 December 2020, have a maturity of 6 years and were listed on the BSE regulated market in May 2021.

In February 2021, the Company contracted two loans denominated in EUR and RON from First Bank S.A., in order to develop the Panoramic project in the Greenfield Băneasa Residence residential complex in Bucharest. The first credit facility is worth 5,921 thousand EURO and represents investment credit with maturity of 30 months from the granting, and the second facility in the amount of RON 4,500 thousand represents VAT financing with a maturity of 30 months from the moment of granting.

In May 2021, the Company contracted two loans denominated in EUR and RON from CEC Bank SA., In order to develop the Boreal Plus project in Constanța. The first credit facility is worth 9,880 thousand EURO and represents an investment loan with a maturity of 30 months from the granting, and the second facility in the amount of RON 3,500 thousand represents VAT financing with a maturity of 20 months from the granting time.

In November 2021, the company contracted a loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The approved value of the loan is EUR 4,250 thousand, maturing within 30 months of granting.

In January 2022, the company contracted a loan denominated in EUR from Techventures Bank for the general financing of projects (working capital). The approved value of the loan is EUR 2,000 thousand, maturing within 36 months of granting.

In June 2022, the company contracted a 2nd loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The approved value of the loan is EUR 4,500 thousand, maturing within 25 months of granting.

In June 2022, the company contracted a loan denominated in EUR from Alpha Bank for the general financing of projects (working capital). The approved value of the loan is EUR 20,000 thousand, maturing within 84 months of granting.

All the covenants provided in the long-term bank loan agreements have been met at 30 September, 2022 and 31 December, 2021.

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

17. TRADE AND OTHER PAYABLES

	30 September 2022	31 December 2021
Non-current liabilities		
Guarantees	9,769	5,514
Lease payables	1,001	
	10,770	**5,514**
Current liabilities		
Trade payables	24,788	21,373
Customer deposits	42,813	28,149
Lease payables	340	-
Tax debts	58	
Employees payables	798	
Dividends payable	181	187
Related parties' payables	555	(145)
Other payables	10,828	7,998
	80,361	**57,562**
	91,131	**63,076**

Information related to the Company's exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 24.

Lease liabilities

	Vehicles	Land and buildings	Total
Balance January 1	**6,011**	**-**	**6,011**
Additions	1,699	-	1,699
Interest expense	18	-	18
Effect of modification to lease terms	-	-	-
Variable lease payment adjustment	-	-	-
Lease payments	(383)	-	(383)
Foreign exchange movements	-	-	-
Balance September 30	**7,345**	**-**	**7,345**

The market value of the liabilities related to leasing contracts approximates their book value.
In August 2021, the Company signed a framework leasing contract with Porsche Leasing Romania IFN SA for the delivery of 19 electric cars. In May 2022, the cars were delivered and individual leasing contracts were concluded for each car.

The interest rate is fixed. Fixed instalments are paid throughout the duration of the contract.

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

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2022	**271**	**1,017**	**1,288**
Provisions established during the period	-		
Provisions written back during the period		(890)	(890)
Balance on September 30, 2022			

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2021	**271**	**396**	**667**
Provisions established during the period	-	890	890
Provisions written back during the period	-	(269)	(269)
Balance on December 31, 2021	**271**	**1,017**	**1,288**

The provisions amounting to 398 thousand RON are represented by:
- 271 thousand RON for a litigation in connection with one of the houses sold in the Boreal district of Constanţa
- 127 thousand RON for untaken holidays.

19. REVENUES

Revenues of the Company:

	30 September 2022	30 September 2021
Revenue from sale of residential properties and land	25,102	16,521
Other revenues	556	269
	25,658	**16,790**

Sales breakdown by projects:

	30 September 2022	30 September 2021
Greenfield Baneasa Bucuresti	25,102	11,585
	25,102	**11,585**

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

20. GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2022	30 September 2021
Consumables	644	225
Services provided by third parties	7,945	5,303
Staff costs	9,785	7,836
	18,374	**13,365**

21. OTHER OPERATING EXPENSES/INCOME

	30 September 2022	30 September 2021
Other operating income	1,735	(1,181)
Rent expenses	(218)	331
(Profit) / Loss on disposal of property, plant and equipment	210	(69)
Fines and penalties (income)/expenses	1,021	(82)
Other operating expenses	(304)	3,894
Impairment of trade receivables, net	(918)	
Impairment of property, plant and equipment, net	(348)	
Impairment of inventories, net	830	
	2,008	**2,893**

22. FINANCE COST/INCOME

	30 September 2022	30 September 2021
Interest expense	(703)	7,025
Interest income	4,624	(5,103)
Foreign exchange result	(40)	1,967
Other financial (income)/costs	(353)	(1,776)
	3,528	**2,114**

23. INCOME TAX

(i) Taxes recognized in the profit and loss account

	30 September 2022	30 September 2021
Expense from-with the deferred profit, net	-	(70)
Current income tax	-	-
Income tax expenses	**-**	**(70)**

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

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial risk management

The Company is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

General risk management framework

The Company does not have any formal commitments to overcome the financial risks. Despite the inexistence of formal commitments, the financial risks are monitored by the Company's top management, emphasizing its needs to efficiently compensate opportunities and threats.

The Company's policies regarding the risk management are defined so as to ensure identification and analysis of the risks the Company is dealing with, setting limits and adequate controls, as well as risk monitoring and compliance with the set limits. The policies and system meant to manage risks are regularly reviewed to reflect the changes occurred in the market conditions and Company's operations. The Company, through its standards and procedures for coaching and managing, aims to develop an orderly and constructive control environment, where all and each employee understand his/her role and duties.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company's trade receivables and financial assets.

The net carrying value of the financial assets represent the maximum exposure to credit risk, the maximum exposure to the credit risk at reporting date was:

	Nota	30 September 2022	31 December 2021
Trade and other receivables	12	148,418	123,674
Cash and cash equivalents	13	42,491	36,171
		190,909	**155,378**

Trade receivables and other receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. All these considered, the management takes into account the demographic characteristics of the customer database, including the collection risk specific to the sector and to the country in which the customer activates, bearing in mind that all these factors influence the credit risk.

In order to monitor customer credit risk, the Company monitors monthly payment delays and takes the steps deemed necessary on a case-by-case basis.

The maximum exposure to credit risk related to trade and other receivables as at reporting date based on geographical region was:

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

	30 September 2022	31 December 2021
Romania	148,418	123,674
	148,418	**123,674**

Cash and cash equivalents

At 30 September 2022, the Company held cash and cash equivalents in amount of RON 42,491 thousand (31 December 2021: RON 37,901 thousand), representing the maximum exposure to credit risk arising from these assets. The cash and cash equivalents are held at banks and financial institutions in Romania.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's obligations.

The following table illustrates the remaining contractual maturities of financial liabilities at the end of the reporting period, including estimated interest payments and excluding any impact of netting agreements:

(c) Market risk

The Company's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Company aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that sales, purchases and borrowings are denominated in different currencies than the Company's functional currency (Romanian Leu), foremost Euro.

The main exchange rates used during the year were:

	30 September 2022	Average for 9M 2022	31 December 2021	Average for 2021
EUR	4.9490	4.9347	4.9481	4.9204

25. CAPITAL COMMITMENTS

As at 30 September 2022 respectively 31 December 2021, the Company has no capital commitments contracted.

26. CONTINGENCIES

As of the date of these Consolidated Financial Statements, the Group was involved in several ongoing lawsuits, both as plaintiff and defendant.

The management of the Group regularly assesses the status of all ongoing litigation and, following a consultation with the Board of Administration, decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the Consolidated Financial Statements.

Considering the information available, the management of the Group considers that there are no significant ongoing litigation, except the ones detailed below:

a) Litigation initiated by IMPACT regarding the Lomb residential project in Cluj-Napoca

Impact Developer & Constructor SA and one of its affiliates, *i.e.* Clearline Development and Management SRL (the "Project Company") are parties in two cases against the Cluj City Council (the "CCC"). The disputes originated from a contractual relationship from 2007, when the company entered into an investment contract with the CCC, whereby the CCC and the Company would develop a residential project and the CCC would contribute the land (the "Lomb Project)". The Company and the Project Company request reimbursement of the amounts arising from investments in respect of the Lomb Project to which the CCC failed to observe its contractual obligations, *i.e.* has not contributed with the land, thus the Company being unable to finalize the project and being unable to obtain any revenues from it.

File No. 79/1285/2012 was registered on the dockets of the Cluj Commercial Court, in which the Company requested the termination of Framework-Contract No. 55423/04.07.2007 concluded between the CCC and the Company. In addition, the Company requested the court to compel the CCC to pay compensation of RON 4,630,914.13 plus the related interest, computed from the date of the damage up to the actual payment of the amounts.

In this file, on 23 December 2020, the Cluj Tribunal rejected the application specified by the Company as ungrounded.

The Company filed appeal, which is settled by the Cluj Court of Appeal. At this time, the Company cannot estimate the duration of the trial until it obtains a final decision. The next court hearing granted in the appeal phase is 13 September 2022, by which date the evidence is supplemented.

File No. 1032/1259/2012 was registered on the dockets of the Arges Commercial Court, in which the Project Company (Clearline Development and Management SRL) requested the court to compel the CCC to pay compensation provisionally estimated to RON 17,053,000.

On 08.06.2022, the Argeș Commercial Court issued Decision No. 277, as follows:

> *It admits the request, as amended, filed by Clearline Development and Management SRL, against the defendants, the Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality - through the Mayor. It compels the defendants, the Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality, jointly and severally, to pay the plaintiff RON 24,532,741.65 as damages and RON 13,862,967.16 representing default interest calculated for the period comprised between the date of the payments made by the plaintiff (established according to the report of the forensic accounting expert appraisal report carried out in the case) and until 01.04.2021.*

The Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality filed appeal.

Based on the first expert appraisal report prepared, both the Company and its subsidiary have recognized impairment losses to the respective inventories down to the values determined by the expert appraisal reports already performed, without recognizing any contingent liabilities.

b) The dispute regarding the land in Blvd. Ghencea - Blvd. Timişoara

In 2018, the Company filed a legal action against the Romanian State and the Bucharest City Hall in order to reconfirm its ownership right having as its object the land located in the Bucharest Municipality, Prelungirea Ghencea No. 402-412, Sector 6 (the "Land"), as identified in Cadastral Documentation No. 6515/2/6/1, which formed the basis of the registration with Land Book No. 59472, opened with the Sector 6 Cadastre and Real Estate Publicity Office.

The Company considered that it is necessary to file such an action in order to consolidate its Title over the Land in the context in which the title of the original owner, respectively Title No. 68,401 issued by the Ilfov County Commission for the Establishment of the Property Right over Land on 5 February 2004 in favor of the Pasteur S.A. Institute, was annulled by the Bucharest Sector 6 Court.

The legal action is the subject of File No. 5737/3/2018 registered on the dockets of the Bucharest Tribunal.

On 22.11.2019, the Bucharest Court ruled and admitted the action filed by the Company against the Romanian State through the Ministry of Public Finance and the Bucharest Municipality. Thus, by Ruling No. 2651, the Bucharest Court established that the Company has ownership rights over the Land. The decision of the Bucharest Court could have been subject to appeal.

During 2020, the Romanian State and the Bucharest City Hall filed appeal against Ruling No. 2651 of 22.11.2019 of the Bucharest Tribunal. The appeal was settled by the Bucharest Court of Appeal, which by Ruling No. 1246 of 06.10.2020, rejected the appeals as ungrounded. Consequently, Ruling No. 2651 of 22.11.2019 of the Bucharest Tribunal remained grounded and legal. Ruling No. 2651 dated 22.11.2019 issued by the Bucharest Court of Appeal was communicated to the Company on 04.10.2021.

On 06.10.2022, the High Court of Cassation and Justice issued Ruling No. 1775, whereby it rejected, as ungrounded, the recourse filed by defendant Romanian State – through the Ministry of Public Finance against Civil Ruling No. 1246 A of 06.10.2020 of the Bucharest Court of Appeal, IV Civil Section. The ruling is final.

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

Thus, the High Court of Cassation and Justice confirmed the rulings of the Bucharest Tribunal and of the Bucharest Court of Appeal, two courts that recognized the validity of the ownership title of the Company over the Impact Plot of Land.

c) Litigation initiated by the "EcoCivica Association"

File No. 4122/3/2022 was registered on the dockets of the Bucharest Tribunal, Administrative and Fiscal Dispute Department, in which Impact is the Defendant, the Claimants being the Eco Civica Association and three natural persons from outside the Greenfield Băneasa neighborhood.

The object of the file is the suspension and annulment of administrative act HCGMB 705/18.12.2019 approving the Zonal Urbanism Plan Aleea Teișani - Drumul Pădurea Neagră No. 56-64, the suspension and cancellation of Construction Authorizations No. 434/35/P/2020 and No. 435/36/P/2020, canceling some preliminary endorsements, canceling works.

Currently, the challenged acts are valid, they produce full effects, no decision has been made regarding their suspension or cancellation.

The next court hearing was scheduled for 25.11.2022.

27. TRANSACTIONS WITH RELATED PARTIES

a) Subsidiaries

The Company's subsidiaries and the nature of their activity are as follows:

	Registration country	Scope of activity
Clearline Development and Management SRL	Romania	Real estate development
Spatzioo Management SRL (former Actual Invest House SRL)	Romania	Property management
Bergamot Developments SRL	Romania	Real estate development
Bergamot Developments Phase II SRL	Romania	Real estate development
Impact Finance Developments SRL	Romania	Ancillary activities to financial intermediations
Greenfield Copou Residence SRL	Romania	Real estate development
Greenfield Copou Residence Phase II SRL	Romania	Real estate development
Greenwise Development SRL	Romania	Real estate development
Greenfield Property Management SRL	Romania	Real estate development
R.C.T.I Company	Romania	Constructions

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

Transactions and balances with related parties during and for the nine months period ended 30 September 2022, and year ended December 31, 2021.

	Transactions for the period ended		Balance as at	
Sales of goods and services	**30 September 2022**	**30 September 2021**	**30 September 2022**	**31 December 2021**
Subsidiaries/associates				
Spatzioo Management S.R.L.(previously Actual Invest House S.R.L.)	19	38	42	21
Clearline Development and Management	3	4	77	124
Bergamot Developments	3	485	204	2,315
Bergamot Developments Phase II	3	307	365	360
Impact Finance Developments	3	15	6	-
Greenfield Copou Residence	3	4	339	230
Greenfield Copou Residence Phase II	3	4	10	3
Greenfield Property Management	3	4	8	3
Greenwise Development	3	3	10	-
	43	**864**	**1.061**	**3,061**

	Value of the transaction in the		Balance as at	
Acquisition of goods and services	**9m 2022**	**9m 2021**	**30 September 2022**	**31 December 2021**
Subsidiaries/associates				
Spatzioo Management SRL (former Actual Invest House SRL)	555	769	441	145
Clearline Development and Management				
Greenfield Copou Residence	-			1
	555	**769**	**441**	**146**

	Balance as at	
Granted loans	**30 September 2022**	**31 December 2021**
Subsidiaries/associates		
Clearline Development and Management	135	85
Bergamot Developments	-	-
Bergamot Developments Phase II	37,087	39,347
Impact Finance	-	-
GreenField Copou Residence	45,586	43,240
	82,808	**82,672**

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

Interest rate receivables	Balance as at	
	30 September 2022	31 December 2021
Subsidiaries		
Clearline Development and Management	16	13
Bergamot Developments	-	140
Bergamot Developments Phase II	6,705	5,406
GreenField Copou Residence	4,168	2,489
	10,889	**8,048**

Interest rate revenue	Value of the transaction in the period ended	
	30 September 2022	30 September 2021
Subsidiaries		
Clearline Development and Management	3	4
Bergamot Developments	-	2,068
Bergamot Developments Phase II	1,298	1,762
GreenField Copou Residence	1,680	1,265
	2,981	**5,099**

b) Transactions with key management personnel

Remuneration of key management personnel comprises salaries and related contributions (social and medical contributions, unemployment contributions and other similar contributions). The Company's management is employed on a contractual basis.

The remuneration of the directors for the nine months period ended 30 September 2022 are approved by General Meeting of Shareholders.

28. ACQUISITION OF A SUBSIDIARY

On July 13, 2022, the sale-purchase agreement regarding R.C.T.I Company SRL was signed. The agreement was concluded between Țoția Radu-Mihail and Tudor Emil Victor, as shareholders of R.C.T.I Company SRL (company acquired in the transaction) and sellers and Impact Developer & Contractor SA (acquiring company), as the buyer.

Through the sale-purchase contract, a package of 13,500 shares of R.C.T.I Company SRL was transferred to Impact Developer & Contractor SA, representing 51% of share capital.

Simultaneously with the signing of the sale-purchase contract, the parties also signed an Associates Agreement that includes the commitments assumed by the parties, including the increase in the share capital of R.C.T.I. Company SRL and the subscription by Impact of 24,500 unissued shares and their release in exchange for a cash contribution.

R.C.T.I. Company SRL operates in the field of civil and industrial constructions as a general and/or specialized contractor, having an important experience in the field, qualified and trained personnel, equipment and commercial relations with suppliers and customers.

29. SHARES BASED PAYMENTS

In August 2021, the Board of Directors decided to implement the Stock Option Plan for 2021-2022, in order to reward, maintain and motivate the employees and members of the Company's management, respectively the members of the Board of Directors and the Company's directors.

The total number of shares that may be granted to Eligible Persons under this Plan is a maximum of 3,060 thousand registered shares ("Reserved Shares").

In 2022, the Company granted a number of 2,265 thousand shares to the employees and members of the Board of Directors, valued and recorded in the profit and loss account at the grant date. The average cost borne by the parent company with the acquisition of these shares was 1,014 thousand RON (0.4476 / share).

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

30. SUBSEQUENT EVENTS

The Group’s management presents the following subsequent events from September 30, 2022 to the date of approval of these consolidated financial statements that do not require adjustment:

a) In the context of the conflict between Russia and Ukraine, started on February 24, 2022, the EU, USA, UK and other countries imposed various sanctions against Russia, including financing restrictions on certain Russian banks and state-owned companies as well as some personal sanctions.

Therefore, since February 2022, there has been an increase in financial markets volatility and exchange rate depreciation pressure.

It is expected that these events may affect the activities in various sectors of the economy, could result in further increases in European energy prices and increased risk of supply chain disturbances.
The Company does not have direct exposures to related parties and/or key customers or suppliers from affected countries.

The Company regards these events as non-adjusting events after the reporting period, the quantitative effect of which cannot be estimated at the moment with a sufficient degree of confidence. The Company's management is continuously analysing the developments of this event and any possible impact of changing micro- and macroeconomic conditions on the Company's financial position and results of operations.

b) In the 3rd quarter of 2022, a loan agreement was signed with OTP Bank for: a development loan in the amount of EUR 34,440 thousand and a credit line in the amount of EUR 6,000 thousand for the financing of the Teilor neighbourhood in Greenfield Băneasa.

The separate financial statements have been authorized for issue by the management on 15 November 2022 and signed on its behalf by:

Constantin Sebesanu, CEO	**Claudiu Bistriceanu,** CFO	**Iuliana Mihaela Urda,** BoD President