IMPACT DEVELOPER & CONTRACTOR

2023

ANNUAL REPORT

IMPACT

www.impactsa.ro

SUMMARY

IMPACT

2023

ANNUAL REPORT

CHAPTER 1

Dear shareholders and partners of the company,

IMPACT Developer & Contractor, with 32 years of experience in the development of large-scale sustainable projects and the first real estate company listed on the Bucharest Stock Exchange more than 26 years ago, has distinguished itself throughout its history as the most innovative real estate company. We are the promoter of the residential complex concept and the largest local real estate developer, with over 500 thousand square meters built.

In 2023, we focused both on the development of projects under construction and on obtaining the necessary permits for new developments in the next two years. We have achieved 3 key stages, with short and medium term impact for the company's activity. Thus, in April we completed and started sales for the first 209 apartments that make up Phase I of the development of the Boreal Plus residential complex in Constanța. In April, we obtained the urbanistic certificate for the Aria Verdi project in Bucharest, which will include over 850 premium homes, commercial galleries, kindergarten, green spaces and community services, with an estimated market value of over 1.9 billion lei. Also, in June we obtained the building permit for Greenfield Copou in Iași, which will include 1,062 apartments, a community center with a kindergarten, commercial galleries, a gym & wellness center, a restaurant, over 15,000 square meters of green spaces, bike paths and charging stations for electric vehicles, with an estimated market value of 870 million lei. Greenfield Copou will be one of the largest sustainable residential complexes in the region of Moldova.

For the real estate sector, 2023 was a challenging year. In 2023, IMPACT sold 157 units that generated revenues of 120 million lei, to which are added presales of 377 homes with a total value of 216 million lei, which will turn into revenues in 2023.

As at 31 of December 2023, the company had a building permit for 2,693 units with a market value of 1.9 billion lei.

Total revenues exceed 171 million lei, with a gross profit of 57 million lei and a growing gross margin of 33% (32% in 2022). IMPACT maintained a constant liquidity position, with 51.3 million lei in cash equivalent and a debt ratio of 28%. As at December 31, 2023, the EPRA Net Reinstatement Value (NRV) was worth 1.4 million lei, while the total value of assets adjusted in accordance with EPRA standards was 1.9 million lei.

The growth strategy of the IMPACT group is based on three pillars: sustainability, innovation and vertical integration, to achieve national expansion and portfolio diversification. We propose, for this year, to advance with the announced projects, maintain a positive cash-flow, which can support the basic activity of the company, and continue the expansion at the national level.

Regarding the activity in the capital market, the share price on the BVB on the last trading day of 2023 was 0.26 lei, compared to 0.36 lei at the end of the previous year, in the context of the general decline of the sector in which we operate . The stock market capitalization was 622 million lei as of December 31, 2023. We maintained dialogue with local and international investors by participating in local and international investor conferences and more than 30 investor discussions. Since September, we also benefit from Market Maker services from Raiffeisen Bank International.

We maintain our commitment to the implementation of the best practices in the field of sustainability, translated into the developed projects that are planned to be "green": BREEAM Excellent certification, nZEB construction standard applicable to all projects authorized from January 2021, use of renewable energy sources , with low emissions, electric and human mobility, extensive green areas, parks and playgrounds. In 2023 we obtained the BREEAM Excellent certification for GREENFIELD Plaza as well, and in 2024 the apartment buildings from the IVth phase of the development of the GREENFIELD Băneasa neighborhood will follow. Another important step towards sustainability was the completion of the new photovoltaic park in GREENFIELD Baneasa which will provide 80% of the energy requirements for the Wellness Club by Greenfield, 90% of the energy requirements for the IMPACT office building and 30% of the energy requirements for the buildings of the fourth phase of neighborhood development, including public lighting.

We are involved in the process of renewing the housing stock in Romania, which is currently the oldest in Europe, which is why we estimate an increase in interest in buying new homes in the coming years. We want our projects to contribute to this important process for increasing the quality of life in our communities.

The entire IMPACT management team thanks shareholders, employees and all stakeholders for their continued trust and support throughout 2023 and we invite you to join us in the future.

Sincerely,

Constantin Sebeșanu
CEO,
IMPACT Developer & Contractor

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IMPACT'S PURPOSE

WHO WE ARE

The longest running developer of residential real estate, with **33 years of activity on the Romanian market**. We have distinguished ourselves throughout our history as **an innovative company, trendsetter in real estate, promoter of the concept of residential complex** and **the first real estate company listed on the Bucharest Stock Exchange** 28 years ago.

CREATOR OF SUSTAINABLE COMMUNITIES

All our work is focused around a very specific goal: **to have a positive impact on people's lives, developing communities with a focus on sustainability, efficiency and well-being**. Thus, we generate added value for all parties involved through sound investments.

With the experience of over 17 residential compounds, we aim to become the most important residential real estate developer in the region by developing sustainable residential projects on a large scale.

OUR VALUES best reflect the company's DNA:

INTEGRITY. We are honest and promise to always follow and respect the law, take the best decisions and do the right thing for our team, our clients, our company and business partners, so achieving mutual success.

TRANSPARENCY. We observe openness and transparency, equal treatment of all our investors and ethical business conduct.

INNOVATE AND LEAD. We seek to be in the upfront of industry innovation, to motivate and thus inspiring all others.

RESPECT THE ENVIRONMENT AND BUILD SUSTAINABLY. We have a Commitment to Green. We apply and implement principles and technologies in order to achieve nZEB and BREEAM Excellent standards in our developments.

RESPONSIBILITY. We build the future for our clients. We are committed to always provide the most valuable propositions to our customers, since we are keen on finding a way to meet their needs and exceed their expectations.

MOTIVATION. We continuously strive to improve ourselves, to be beloved by our customers, trustworthy for our investors and respected by our competition.

2023 HIGHLIGHTS

FINANCIAL AND OPERATIONAL

- As at 31 December 2023, IMPACT had a balance of 377 pre-sale and reservation contracts, in total value of RON 216 million. Those contracts will translate into sales, as apartments will be finalized in the following periods.
- 157 sold units in 2023, represented by 27 dwellings in GREENFIELD Baneasa, 69 dwellings in LUXURIA Residence and 54 dwellings, 1 commercial space as well as 7 villas in BOREAL Plus (13,733 sqm built saleable area plus related parking spots, storage and court yards).
- **RON 171 million** revenues and **RON 71 million** gross profit in 2023, with a stable gross margin of 33%.
- As of 31 December 2023, there were **2,693** units with building permit located in Bucharest, Constanta and Iasi (out of which 982 already with construction started) while the vacant plots of land currently classified as investment property can accommodate the construction of another 7,700 units in the future.

IFRS NAV

918 mRON

+ 28 mRON (2022: 890 mRON)

EPRA NRV

1,368 mRON

+ 145 mRON (2022: 1,219 mRON)

Sales

171 mRON

+ 49 mRON (2022: 220 mRON)

Pre-sales for apartments as of 31 Dec 2023

216 mRON

- 19 mRON (2022: 235 mRON)

2023 FINANCIAL AND OPERATIONAL PERFORMANCE

FINANCIAL AND OPERATIONAL

- The total value of assets adjusted in accordance with EPRA standards was **RON 1,9 billion**, while the market value of the **dwellings available for sale and pre-sold** as at 31 December 2023 was approximately **RON 745 million** – this value will be converted into revenues within next periods.

- The leverage ratio as at 31 of December 2023 was 28%, the cash position remaining stable, at RON 51.3 mil.

- As at 31 of December 2023, IMPACT had **building permit for 2,693 units**, with a market value estimated by the management to **RON 1.9 billion;**

- **IMPACT** holds a valuable land bank (approximately **71 ha**) with potential of development minimum additional 5 projects: GREENFIELD BĂNEASA (new phases), BOREAL PLUS (new phases), GREENFIELD COPOU RESIDENCE ("GREENFIELD COPOU"),ARIA VERDI and GREENFIELD WEST, with total estimated market value of approximately **RON 7.4 billion.**

OTHER ASPECTS

In 2023, IMPACT published its second Sustainability Report. The report was developed following the GRI (Global Reporting Initiative) Standards, the most recognized international sustainability reporting framework (GRI Referenced) and was based on an internal analysis through which the material themes were identified, those themes where, through its activity, the IMPACT group contributes significantly to the environment, society and economy. The company also has an ESG risk score of 18.7 (low risk), provided by Sustainailitycs, following an ESG rating and analysis report.

OUTLOOK FOR 2024

- Commissioning of GREENFIELD Teilor project., of which 45% of units are pre-sold and continuing the sale of available units
- Continuing the building permit process for a new development stage within GREENFIELD Baneasa , which will include 598 units, with an estimated value of more than 81 million euro
- Finalizing the activities to extend the number of access roads to GREENFIELD Baneasa neighborhood.
- Obtain the building permit for ARIA Verdi project form Bd. Barbu Vacarescu, currently in final stage of permitting.
- Sale of certain assets of the Group, in total value of approximately 25 million euro
- Launching the Copou Iasi project, which will include 1,062 units , the total estimated value of the project being of EUR 175 million.

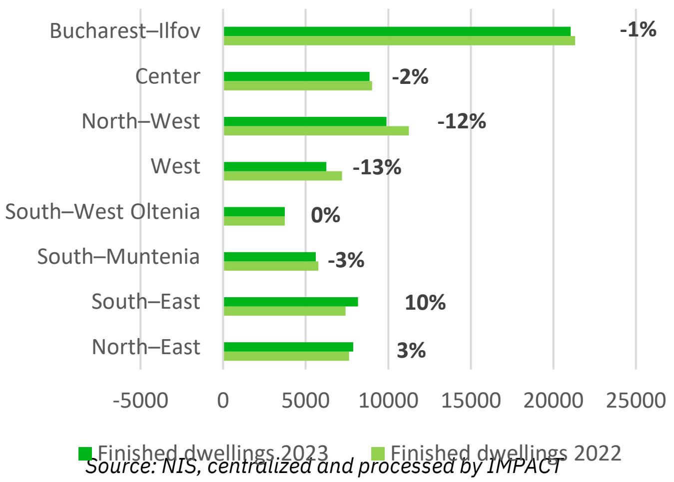
RESIDENTIAL MARKET

2023 was a year marked by uncertainty, rising inflation and borrowing costs, which led to fluctuations in transactions, price increases, but also a recovery towards the end of the year.

SUPPLY

2023 marked the beginning of the decline in new housing offers. Nationwide, 71,454 homes were delivered in 2023, 3% less compared to 2022. The only regions where the evolution was positive are the South-East and North-East Regions.

Finished dwellings by development region 2023 vs. 2022



Source: NIS, centralized and processed by IMPACT

According to data provided by NIS, 2023 was the first year of decline in the number of homes delivered in the last decade, with the largest decreases being in the West and North-West.

In Bucharest – Ilfov, 30% of the total housing delivered in 2023 is concentrated, with the area registering a slight decrease in housing deliveries compared to 2022 (-1%).

DEMAND

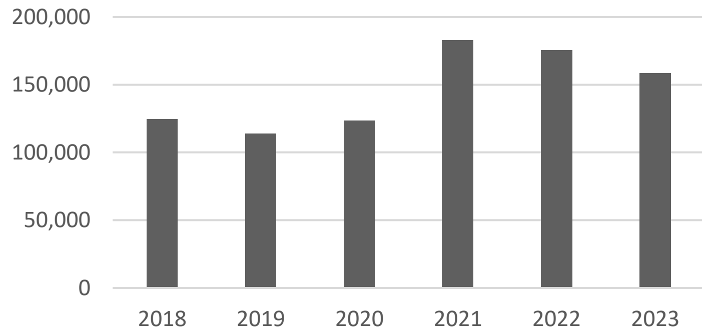
The year 2023 was dominated by high inflation, significant interest rate increases and uncertainties, which led to a 10% drop in housing transactions.

At national level, over 158,000 individual dwellings were sold, of which 31% in Bucharest, according to data provided by the National Agency for Real Estate Register and Advertising (ANCPI).

Compared to 2022, the volume of housing transactions in Bucharest in 2023 registered a decrease of 16%.

If the first 9 months of 2023 brought significant decreases in transactions, the last quarter of the year marked a recovery (+9.2% in transactions with individual units), as a result of the announcement of VAT increase in 2024.

Housing transactions Romania



Source: ANCPI, cetralized and processed by IMPACT

RESIDENTIAL MARKET

Sales (national level)

Demand for apartments and houses for sale

119,300 **potential buyers** Q4 2022 | **21.7%** evolution | **145,200** **potential buyers** Q4 2023

Offer for apartments and houses for sale

155,800 **units** Q4 2022 | **-25.2%** evolution | **116,600** **units** Q4 2023

Average asking price for housing units for sale

1,432 **EUR/sqm** Q4 2022 | **4.7%** evolution | **1,500** **EUR/sqm** Q4 2023

Individual units sold

45,500 **units** Q4 2022 | **9.2%** evolution | **49,700** **units** Q4 2023

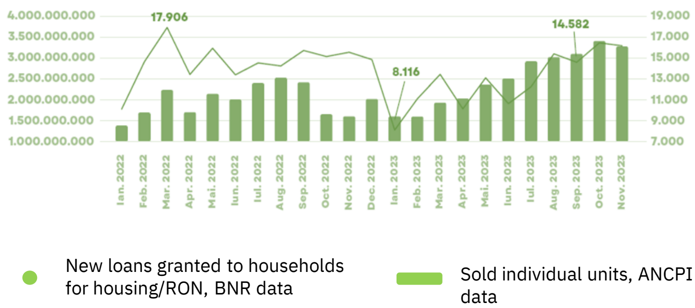
Source: Q4 Residential Market Report – Imobiliare.ro

According to analizeimobiliare.ro's "Romanian Residential Market Report Q4 2023", the last quarter of the year brought an increase in demand, while supply was on a downward trend.

The demand for home purchase increased considerably, nationwide, in the latter part of 2023, to over 145,000 potential buyers, almost 22% more than at the end of 2022.

In contrast, the supply of new homes listed for sale declined by 20% in 12 months across the six main residential markets. The number of houses and apartments available for buyers decreased by 39% in Cluj-Napoca and by 30% in Brasov.

The value of new loans granted to households for housing approached the threshold of RON 7 billion in the first two months of the fourth quarter, according to data published by the National Bank of Romania (BNR). Thus, a spectacular positive evolution can be observed compared to the same period last year.



The last two years have brought multiple challenges to the residential sector, which have affected all players involved, from real estate developers to final buyers. From the developers' perspective, the difficulties have reached three main pillars: the challenge of obtaining sustainable financing, the uncertainty given by the suspension of Zonal Urban Plans and the development of new General Urban Plan in the Capital and localities in the country and last but not least, the insolvency of buyers/tenants and their ineligibility for mortgages.

The rental market maintained the trend started in 2022 in 2023: in large university cities, rents increased and residential became attractive especially as rental investments, with better returns than in previous years.

Given the construction materials crisis that started in 2022, strong inflation, the evolution of interest rates over the last year, which influences financing costs throughout the economic chain, but also the new regulations on the construction sector (nZEB obligation, for example) that involve additional investments and higher costs, we are witnessing a medium and long-term increase in residential prices.

RESIDENTIAL MARKET

EVOLUTION OF ASKING PRICES IN 2023 IN MAJOR CITIES

The year 2023 came with small price increases in the main cities of the country monitored by imobiliare.ro. In Timisoara and Iasi, house prices increased by about 3%, while in Cluj-Napoca, Brasov and Constanta price increases stood at over 4%. The capital is an exception to the upward trend, experiencing a 2.8% decrease in prices.

Although in the last 3 months of 2023, price evolutions were negative in most major cities or insignificant (between 0.1% and 1.4%), the prices requested by sellers on the imobiliare.ro platform registered important increases in the last 2 years.

The most significant advance in 2 years took place in Cluj-Napoca (+19.5%), important margins being also recorded in Brasov (+17.7%), Iasi (+18.4%), Timișoara (+10.9%) and Constanta (+10.5%). In Bucharest, the evolution of prices slowed down, to 0.9%.

Housing prices increased by almost 6% nationwide, from December 2022 to December 2023, with the average price requested for a home reaching € 1,500 / useful sqm.

At the end of 2023, Cluj-Napoca with € 2,535 / sqm, Brasov with € 1,666 / sqm and Bucharest with € 1,542 / sqm were in the top 3 of average prices / sqm. The lowest housing price among the analysed cities is in Iasi, € 1,419 / sqm.

The year 2023 brought turbulence in the real estate market, mainly caused by high inflation and significant increases in mortgage interest rates, which led to a decrease in transaction volume. However, the market proved resilient, showing a recovery in the last quarter of the year. Demand has increased substantially, in contrast to the evolution of supply, and the period required for sale has decreased. Prices continued their upward trajectory, also expected for 2024. In the context of falling interest rates, which is expected to happen from the second half of 2024, we will see an increase in solvent demand.

IMPACT GROUP

IMPACT

IMPACT IN NUMBERS

33
Years of existence

28
Years of BVB listing

+ 50
Awards received

5
Cities covered

19
Residential compounds

500k+
Sqm built surface

+12,000
inhabitants

EUR 1.9 mld
Value of all projects

4,500+
Housing units built

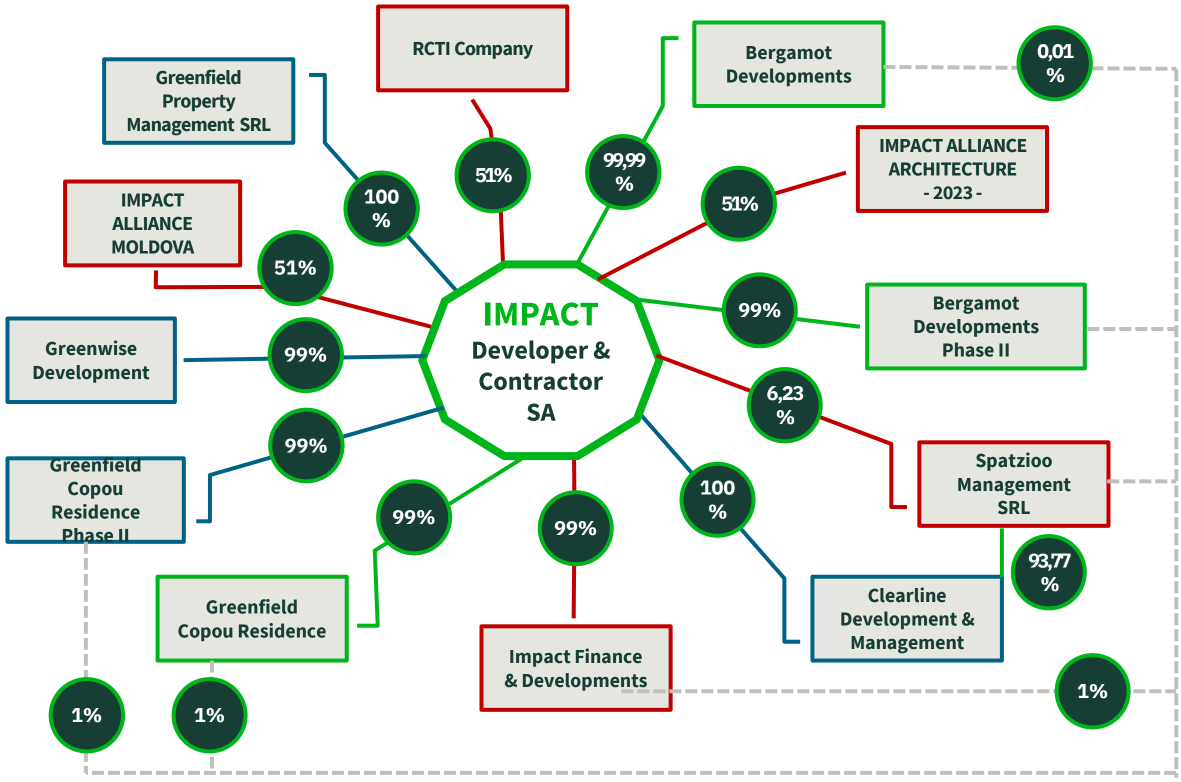
86.3 ha
Land in portfolio

2
BREEAM Excellent certified projects

EUR 650+ Mn
Value of built projects

IMPACT GROUP OVERVIEW

IMPACT GROUP



- **IMPACT Developer & Contractor**, parent company, which develops the following projects: GREENFIELD BANEASA RESIDENCE, BOREAL PLUS, ARIA VERDI and GREENFIELD WEST
- **Bergamot Developments SRL** and **Bergamot Developments Phase II SRL** with real estate development as main object of activity; they have developed the LUXURIA EXPOZITIEI project
- **Greenfield Copou Residence SRL** with real estate development as main object of activity, was established in December 2019 and develops the GREENFIELD COPOU RESIDENCE project
- **Greenfield Copou Residence Phase II SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2023.
- **Aria Verdi Development SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2023.
- **Spatzioo Management SRL (former Actual Invest House SRL)**, the company that provides management services for new residential, retail and commercial developments
- **Impact Finance & Developments SRL** has a role in diversifying the range of services related to residential sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings
- **Greenfield Property Management SRL** with the real estate development as main object of activity; established in May 2021. Without activity in 2023.
- **Clearline Development and Management SRL**, a project company through which **IMPACT** was about to develop a residential project in Cluj-Napoca, in partnership with the local authority.
- **RCTI Company SRL**, 51.01% owned subsidiary, real estate construction company involved in the construction IMPACT projects in particular GREENFIELD BĂNEASA RESIDENCE. The company joined IMPACT Group in 2022
- **Impact Alliance Arhitecture SRL**, 51% owned subsidiary, set-up in 2022, that has as core activity providing arhitecture services
- **IMPACT Alliance Moldova.** 51% owned subsidiary, set-up in 2023, having as activity the construction services

SUSTAINABILITY, THE DRIVING FORCE OF IMPACT DEVELOPMENTS

We value the environment and with each project developed, we create communities in harmony with it, putting the well-being and health of residents first. To achieve this goal, we use **sustainable technologies, renewable energy** and include **extensive green spaces**.

SUSTAINABILITY INITIATIVES

- We developed **the first residential compound in the country certified BREEAM Excellent**: LUXURIA RESIDENCE.

Internationally recognized, the BREEAM standard has a wider coverage than nZEB, recognizing project value throughout the lifecycle, starting from the design and construction phase. It is a very complex process that evaluates the energy performance of buildings, to what extent they provide a healthy environment for residents, innovation, land use, quality of materials used, construction management, pollution (reducing carbon emissions), transport, water and waste management. Therefore, BREEAM means buildings built with sustainable materials, which offer residents a high degree of comfort inside and outside, which resist well over time and climate change (a challenge of our time) and at the same time protect the environment and biodiversity from the construction phase.

- We are **the first developer in the country to set up an ESG department**, in 2021.

The main task of the department is to draw up and implement **environmental, social and corporate governance principles and objectives**, in line with the values assumed by the company in its real estate development activity – integrity, transparency, innovation and guidance, respect for the environment and sustainable building, responsibility and motivation.

The ESG department manages the implementation of the Green Bond Framework developed by the company, under which IMPACT intends to issue green bonds to finance and refinance existing projects, built using green, sustainable technologies and contributing to the environmental objective of climate change mitigation and the achievement of the United Nations Sustainable Development Goals. The framework defines eligibility criteria in four areas: green buildings, sustainable water and wastewater management, renewable energy and clean transport.

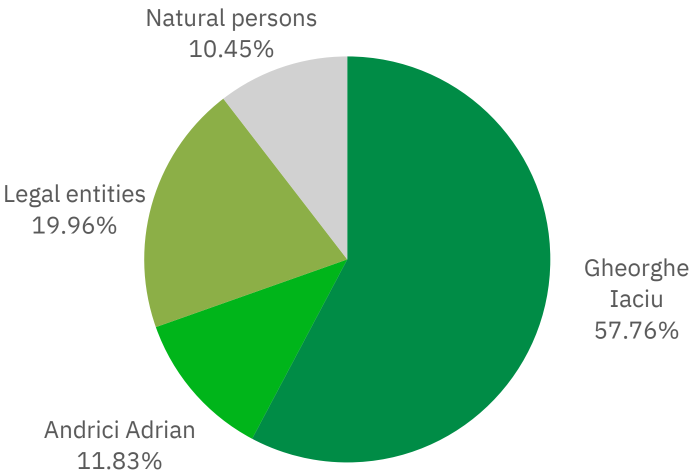
- We aim for **80% of the projects developed from 2021 onwards to be BREEAM certified**. Thus, the GREENFIELD COPOU and ARIA VERDI projects are designed to this standard, in addition to the nZEB standard.

- We have invested in **renewable energy solutions** in our completed projects as well as those under development:
  - **Solar panels in BOREAL PLUS and GREENFIELD PLAZA**
  - **Photovoltaic panels** in GREENFIELD PLAZA
  - **Photovoltaic park** with a capacity of 700 kWp in GREENFIELD BĂNEASA
  - **Photovoltaic and solar panels** in GREENFIELD COPOU

- **We have reduced and continue to reduce CO2 emissions by:**
  - **Central heating systems in residential compounds** – we have resorted to this solution since 2018, when it was not mandatory;
  - Replacing the company's traditional vehicle fleet with one consisting of **electric vehicles;**
  - Inclusion of micro-mobility solutions (bicycles, scooters and electric scooters) and charging stations for electric vehicles in GREENFIELD BĂNEASA, GREENFIELD COPOU and ARIA VERDI.

IMPACT ON THE CAPITAL MARKET

IMPACT D&C shareholders' structure as of 31 Dec 2023



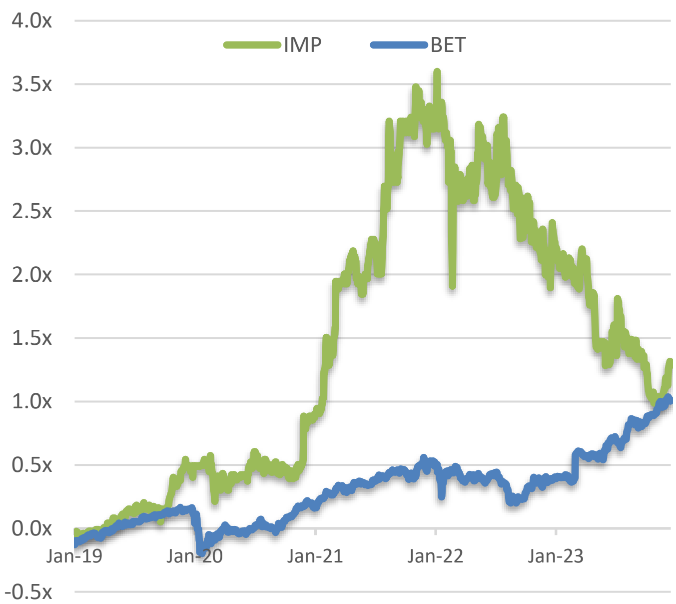
IMPACT Developer & Contractor is listed on the Bucharest Stock Exchange since 1996.

As of 2006, its shares, currently accounting to 2,365,679,951, are listed in the 1st category of the Bucharest Stock Exchange, and since January 2015, **IMPACT Developer & Contractor** shares are traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange.

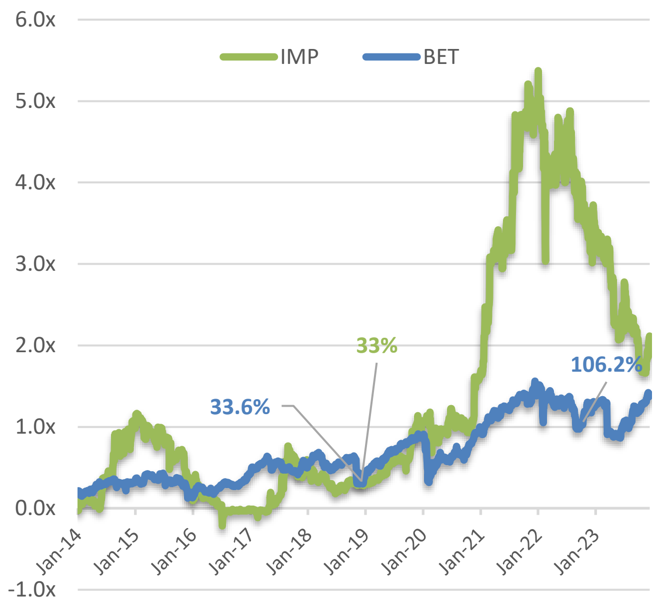
There are no restrictions for the security transfer, there are no restrictions for the voting rights, and there are no holders of securities with special control rights.

As per the information provided by the Central Repository, on 31 Dec 2023, 80.04% of the shares were held by natural persons and 19.96% of the shares were held by legal entities.

IMP vs BET – 5y performance (January'19-December'23)



IMP vs BET – 10y performance (January'14 – December '23)



Historically, IMPACT shares have outperformed the BET index over both the 5-year and 10-year periods.

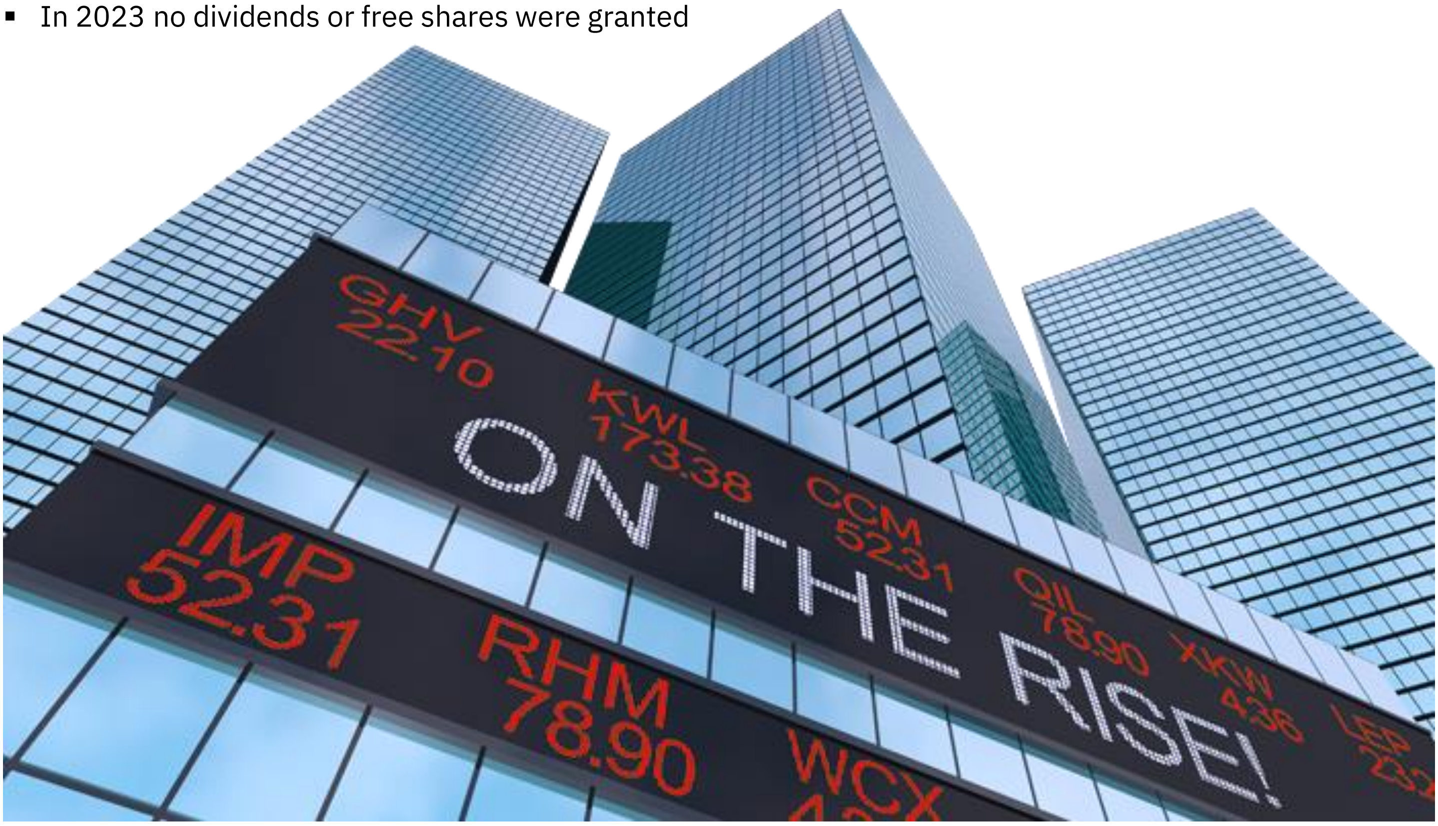
In 2023, Ipopema published an analysis report for IMPACT shares, with a "BUY" recommendation and a target price of 0.322 RON/share.

In December 2023, Raiffeisen initiated a coverage for IMPACT shares, with a "BUY" recommendation and a target price of 0.3 RON/share, representing a growth potential over the next 12 months of 22%.

IMPACT ON THE CAPITAL MARKET

DIVIDEND GRANTED IN THE LAST 5 YEARS

- In 2019 the granting of dividends for 2018 was decided, at 0.034 RON / share, amounting to a total of mRON 9.3 (according to the Decision of the General Meeting of Shareholders dated 24 April 2019)
- In 2020 the granting of dividends for 2019 was decided, at 0.04 RON / share, amounting to a total of mRON 10.7 (according to the Decision of the General Meeting of Shareholders dated 28 April 2020)
- In 2021, free shares were granted in a 1: 2 ratio following the changes in the share capital
- In 2022, free shares were granted in a 2:5 ratio following the changes in the share capital
- In 2023 no dividends or free shares were granted



SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS ON 31 DECEMBER 2023

Name	Percent (%)	No. of shares
Dna. Iuliana-Mihaela Urda	0.06	1,327,033
Intrepid Gem SRL	0.06	1.343.200
Dna. Ruxandra-Alina Scarlat	0.09	2.030.600
Dl. Daniel Pandele	2.14	50.550.000
Dl. Sorin Apostol	3.11	73.593.336

CORPORATE GOVERNANCE

Corporate governance complies with the Romanian legislation in force, aiming to ensure both accuracy and transparency in terms of **IMPACT**'s outcomes, and equal access of all shareholders to relevant information on **IMPACT**.

IMPACT Developer & Contractor is managed under unitary system, its management being provided by the Chief Executive Officer, Mr. Constantin Sebeşanu, along with the Chief Executive Officer.

Corporate governance elements are implemented within **IMPACT Developer & Contractor**, pursuant to the Code of Corporate Governance adopted by the Board of the Stock Exchange in 2016.

IMPACT Developer & Contractor has made and shall make all professional, legal and administrative endeavors required in order to ensure alignment with the provisions of the Code of Corporate Governance and the transparent presentation of such results.

IMPACT Developer & Contractor publishes in a dedicated section of its website details on the sessions of the General Meeting of Shareholders, specifically summons, materials/documents on the agenda, special power-of-attorney forms, correspondence voting forms, decision drafts.

Moreover, **IMPACT Developer & Contractor** informs all shareholders immediately after a session of the General Meeting of Shareholders, via its website dedicated section, about the decisions adopted in the General Meeting of Shareholders and the detailed result of the voting. **IMPACT Developer & Contractor** also makes available for the shareholders / investors current reports, releases, the financial schedule, annual, half-yearly, quarterly reports. Direct relation with the investors is ensured by an appointed person, dedicated to informing the shareholders depending on their questions addressed in writing or by telephone.

Information on corporate governance are reported from time to time in the corporative governance statement included in the annual report and permanently updated by current reports and the website.

Along the years, **IMPACT Developer & Contractor** complied with the provisions of Corporate Governance Code and currently carries out arrangements to comply with the provisions of the New Corporate Governance Code as well.

The Board of Directors met 27 times in 2023.
The Audit Committee met 2 times in 2023. The Risk Committee and the Remuneration Committee had no meetings in 2023.

Independent members of the Board of Directors

- Inrepid Gem SRL, through Petru Văduva
- Daniel Pandele

CORPORATE GOVERNANCE

CODES AND POLICIES

IMPACT has adopted the following documents on which corporate governance is based since 2014:

- Anticorruption code
- Code of conduct
- **IMPACT 's** ethical values
- Health and safety policy
- Reporting policy

IMPACT'S INTERNAL CONTROL IS PERFORMED:

- via the Procurement Department: the agreements shall be signed by the Legal Department, Development Manager, Chief Financial Officer and Chief Executive Officer;
- by the verification of the sale agreements by the Legal and Finance Departments; the agreements shall be signed by the Chief Executive Officer and the Chief Operational Officer, or by proxies with special power of attorney;
- by preventive financial control, whereby the agreements' compliance is checked;
- by following up the payments to be checked by Preventive Financial Control and approved by the Chief Financial Officer and the Chief Executive Officer;
- by the implementation of the codes of conduct and ethics that are required in business and specific procedures that are enforced and applicable to all directors, managers, administrators, persons having control or management roles, employees, auditors, business partners, collaborators. Thus, **IMPACT** applies the Anticorruption Policy, the Code of Conduct, the Essential Ethic Values Policy, the Health and Safety Policy, the Labor Law, the Environment Protection, the Reporting Policy.

AUDITOR OF IMPACT

Ernst & Young S.R.L. was appointed by the decision of the General Meeting of Shareholders dated 27 April 2023, to audit the financial statements for 2023, prepared under the responsibility of **IMPACT's** management according to the international standards – IFRS (including the consolidated financial statements). The auditors' liability towards **IMPACT** and the General Meeting of Shareholders shall be determined and limited according to the law and the agreement concluded with them.

In 2023 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 126,200 (2022: EUR 114,000) (for the statutory audit of the consolidated and standalone annual financial statements of the Company and of its Romanian subsidiaries, as well as for the financial statements in ESEF digital format). Services contracted with the statutory auditor other than audit services were of EUR 5,000 (2022: EUR 5,500), representing the other assurance servics in relation to certian reports issued by the Company that are not prohibited by article 5(1) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council.

Iuliana Mihaela Urdă
Chairman of the Board of Directors

COMMUNITY INVOLVEMENT

Our mission to have a positive impact on people's lives is complemented by social responsibility initiatives. We are with each community created, we listen and respect their needs and, through various actions, we try to build a better world.

OUR INVOLVEMENT IN THE PAST 10 YEARS

DONATIONS

- to the Bucharest City Hall, the land and the project necessary for the construction of **a state school and kindergarten in the GREENFIELD BANEASA neighbourhood**. The value of the donation is 1.75 million euro.
- a plot of land with an area of 1,400 sqm on which we built **the STB terminal** in the GREENFIELD BANEASA neighbourhood. The value of the donation and of the entire project carried out by the company amounts to 750,000 euro.
- a plot of 1,864 sqm to the Archdiocese of Bucharest for **the construction of a church** in the GREENFIELD Baneasa neighbourhood, which in 2023 obtained the urbanism certificate. The value of the donation amounts to 500,000 euro.
- 6,000 sqm to Bucharest City Hall, worth 1.8 million euro, **in compensation for the forest fund**, for Vadul Moldovei Street to return to the status of public road.

INFRASTRUCTURE AND FACILITIES

- We have completed all the utilities infrastructure and **built over 15 km of roads** in the GREENFIELD Baneasa neighbourhood.
- We have submitted **three proposals for new access roads** in the Baneasa GREENFIELD neighbourhood, pending authorization.
- we obtained from Constanta City Hall the urbanism certificate for **the construction of a kindergarten** within the BOREAL PLUS compound. The investment is 690,000 euro.
- **we built a roundabout in Constanta,** the beneficiary of this public infrastructure work being the National Company for Road Infrastructure Management (CNAIR) through the Regional Directorate for Roads and Bridges Constanta. The total investment in this public infrastructure project amounts to over 450,000 euro.
- We developed **GREENFIELD Plaza, which covers retail, wellness and office functions**. The shopping center offers both over 6,500 residents of the GREENFIELD neighborhood and nearby residents a new shopping and relaxation experience.

CSR

- **We planted over 3,500 trees** in Baneasa Forest and in the communities we formed.
- **Over 500 kg of waste collected** during the largest plogging event in Romania - "Clean&Run" and other greening events held in Baneasa Forest.

EVENTS

- We encourage outdoor movement, we support a healthy and active lifestyle and we proudly participated in sports competitions such as **Baneasa Forest Run, Baneasa Race, Bucharest Half Marathon**, in which GREENFIELD had a dedicated race, **Greenfield Relay** and **GREENFIELD DUO CHALLENGE**, a duathlon sports competition made together with Road Grand Tour. In 2022 and 2023, we supported 4 editions of the **Sports Festival**, sports event taking place in Iasi and Bucharest, in GREENFIELD Baneasa.
- From the desire to carry on Romanian customs, in a constantly changing society, we periodically organize activities to preserve and promote traditions, especially among young people. The most appreciated **events dedicated to communities are those during the winter holidays**, organized in GREENFIELD Baneasa and Luxuria Residence.

SATISFACTION SURVEYS

- We conduct studies among the created communities to find out **the degree of satisfaction of residents** and what we can improve.

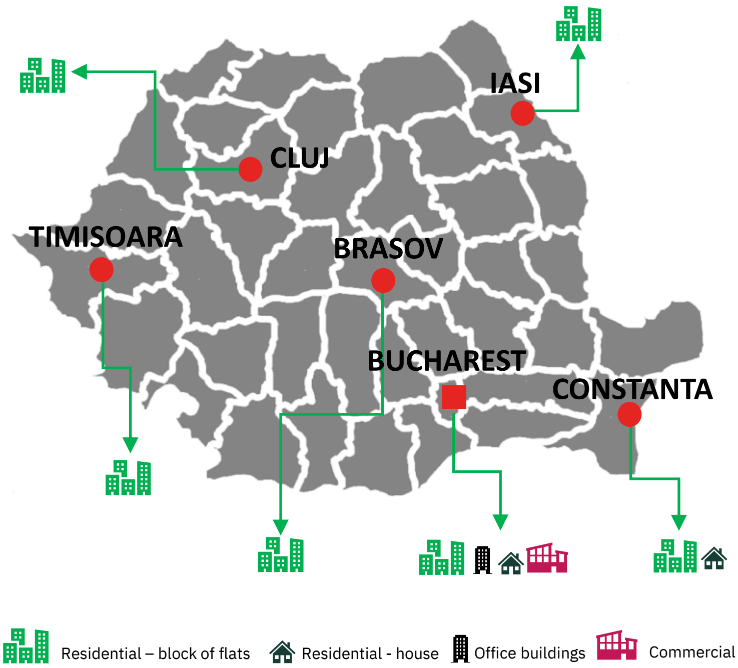
PROJECT PORTFOLIO

STRONG PRESENCE IN KEY CITIES

IMPACT is committed to develop sustainable communities, with a focus on medium affordable housing projects. We value the environment and want to give our communities a green future. That's why we're committed to developing a minimum of 80% of our future projects to BREEAM and nZEB sustainability standards. These include the use of renewable, low-emission energy sources, electric 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 Timișoara, Cluj, Brașov and is actively looking for land plots that are suitable for developing sustainable communities.

PROJECTS UNDER DEVELOPMENT ON THE OWNED LANDBANK



PROJECTS UNDER DEVELOPMENT

- **GREENFIELD BĂNEASA RESIDENCE** in Bucharest
- **GREENFIELD COPOU RESIDENCE** in Iași

PROJECT PORTFOLIO

GREENFIELD BANEASA - BUCHAREST

+6,600 units

COMPLETED UNITS	2,686
SOLD UNITS at 31.12.2023	2,686
UNDER CONSTRUCTION UNITS	1,167
PIPELINE UNITS	2,796
GBA[3] under construction and pipeline (sqm)	359,939

Under construction units refer to projects with building permit. **Pipeline units** include 2,796 units estimated based on the last project concepts with zoning permits but without building permit. **GBA** represents the Gross Built Area of the Project Above Ground, excluding parking and underground built area.

The concepts for projects for which the building permits have not been obtained, and thus also related GBA and number of units are regularly reviewed in order to secure the best use of the land.

GREENFIELD BANEASA is a large residential project, with over 6,600 homes and over 17,000 inhabitants at its completion in 2031, located in District 1 of the Capital, built sustainably for a better urban future. The project is in the fourth phase of development out of six planned. Since 2007, the starting year of the works for the first phase of development, until now, GREENFIELD BANEASA has experienced a sustainable development, bringing to the community new infrastructure and new facilities: two private parks, numerous green spaces, playgrounds, convenience stores, GREENFIELD PLAZA shopping center and Wellness Club by Greenfield sports center, public transportation. As the project progresses and approaches maturity, other new facilities such as state school and kindergarten, church, nursery, infrastructure and new access roads are added.

Developed to the highest standard on the affordable housing segment and located in Sector 1 of Bucharest, in the vicinity of Baneasa Forest, GREENFIELD BANEASA brings a unique combination of modern minimalist architecture, exceptional lifestyle and spectacular natural landscape. Its unique location, together with the quiet environment and good air quality, are features that make GREENFIELD BANEASA the ideal place for families with children, nature lovers or people looking for a healthy lifestyle, having the qualities of a mountain town located at 1,000 m altitude.

PROJECT PORTFOLIO

GREENFIELD BANEASA - BUCHAREST

UNIQUE LOCATION

Located in District 1, in Baneasa, probably in the most beautiful location in the northern area and embraced by 900 hectares of forest, GREENFIELD BANEASA offers residents a lot of facilities both inside the complex and in its immediate vicinity. Residents enjoy all the advantages of a secluded, unique location, but also the advantages of an urban life offered by a European capital.

FACILITIES

Over 8,700 sqm fitness and wellness spaces;
Over 5,000 sqm commercial spaces;
180,000 sqm green spaces:

- Private parks
- Promenade alleys
- Recreational spaces
- Playgrounds for children
- Pet playgrounds

Over 8,000 parking places in exterior and interior, above-ground and underground;

Public school and kindergarten in the following years;

Secure access: security 24/7;

STB terminal for line 203, which connects to Piata Victoriei metro station**;**

In the future**, church, nursery and medical clinic** will be added.

PERMITS

Zonal Urban Plan (PUZ) for more than 3,900 units related to the construction or development phases, of which

- 1,167 dwellings with building permit
- 598 dwellings in the last stage of obtaining the building permit.

PHASED DEVELOPMENT

The first 3 phases, including Panoramic, totalling 2,686 homes, have been completed by 2022. The remaining units are to be developed in stages by 2031. At the end of 2023, of the 1,167 units with building permit, 982 were under construction, of which 732 will be delivered in 2024 and the remaining 250 in 2025.

ESG

”The 15-minute city”

The urban concept "15-minute city" is based on the need to have all basic facilities and services within 15 minutes walk or bike from home. GREENFIELD BĂNEASA is designed to meet the requirements of this urban trend, offering residents the services they need in proximity.

Apartments designed to BREEAM Excellent and nZEB standards

The buildings in phase 4 of development are built according to the green certification criteria, BREEAM Excellent. The new buildings authorized after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy-saving techniques and the use of renewable energy.

Renewable energy

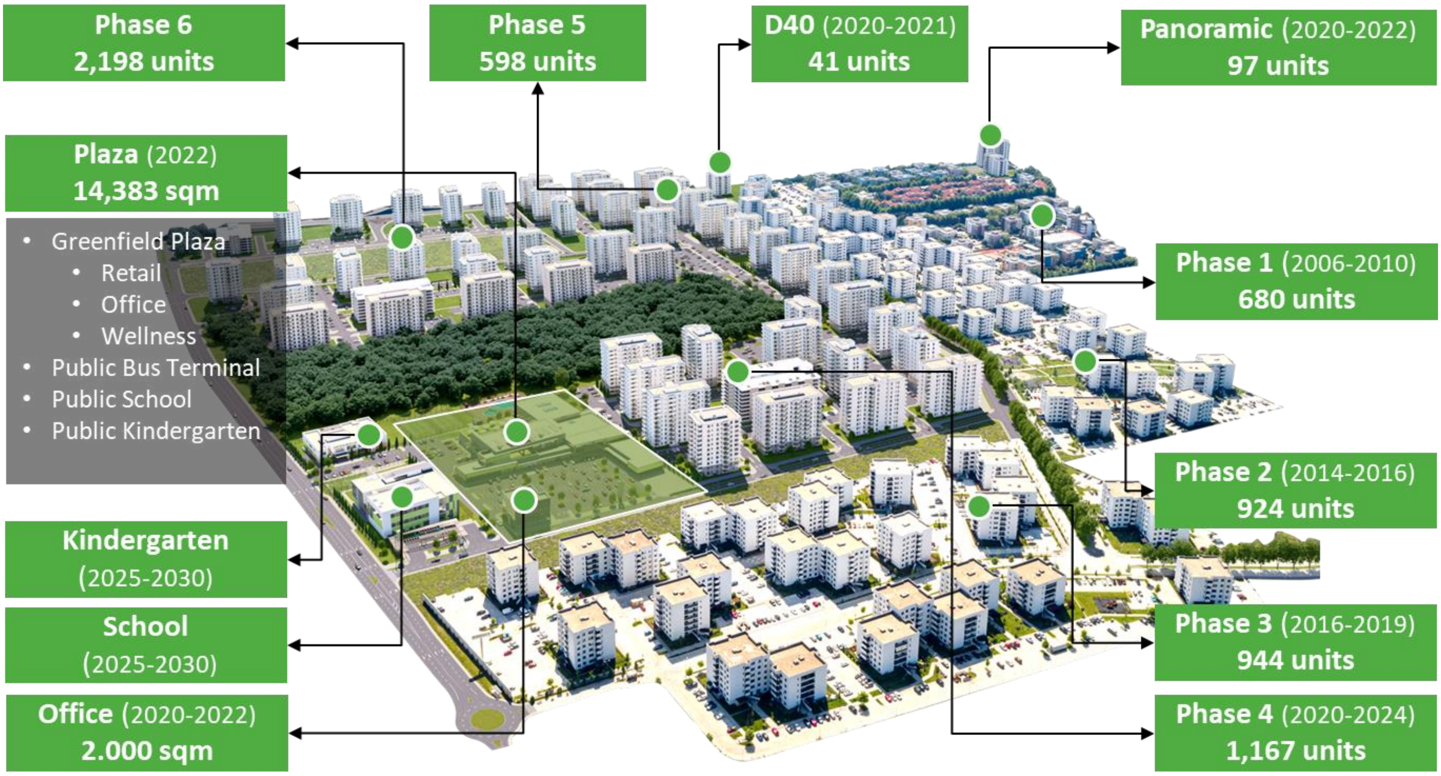
- Photovoltaic park
- Solar panels
- Geothermal waters

Green mobility

- EV charging stations
- Bicycle racks
- Micro-mobility solutions including bicycles, scooters and electric scooters

PROJECT PORTFOLIO

GREENFIELD BANEASA - BUCHAREST



Awards

- ***2021 –*** *GREENFIELD BĂNEASA, desgnated The Residential Project of the Years at SEE Property Forum*
- ***2019 –*** *GREENFIELD BĂNEASA ”Best Smart Green Project” at Smart Real Estate and Residential Category, awarded during Smart City Industry Awards*
- ***2016*** *–“The best residential compound that uses sustainable architecture and design” awarded at Smart City Industry Awards Gala*

PROJECT PORTFOLIO

GREENFIELD PLAZA BĂNEASA – BUCHAREST

GREENFIELD PLAZA, **the first shopping center developed by IMPACT**, completes the set of community facilities needed for a neighborhood of the magnitude of GREENFIELD BĂNEASA, with over 6,500 inhabitants at present. With **an estimated market value of over 25 million euro**, the mixed-use project has an area of **14,001 sqm**, covering retail, wellness and office functions, occupied in a proportion of over 90%.

Commercial gallery
- Supermarket
- Pharmacy
- Beauty salon
- Coffee shops
- Restaurants
- Laundry for clothes

Wellness Club by Greenfield
- Semy-Olimpic pool
- Children's indoor pool
- Outdoor pool
- Fitness center
- Spinning room
- Massage rooms
- Squash
- Wet sauna, infrared sauna, dry sauna, emotional showers
- Coffee shop, restaurant

Other functions
- Office building
- Car wash
- 264 parking places
- 4 EV charging stations
- Bicycle racks

ESG

BREEAM Excellent certification – we used responsible practices, durable materials, sustainable and intelligent systems and equipment, which translate into *pollution reduction, protecting the natural resources and reduced maintenance costs.*

Renewable energy: The roof of the wellness club is equipped with **solar panels**, which cover about 70% of the energy needed to heat domestic water and swimming pools, while 25% of the electricity needed for the commercial gallery is provided by **photovoltaic panels.**

PROJECT PORTFOLIO

LUXURIA RESIDENCE – BUCHAREST

630 units

COMPLETED UNITS	**630**
SOLD UNITS at 31.12.23	**533**
GBA (sqm)	**66,400**
CONSTRUCTION START **CONSTRUCTION DELIVERY (final phase)**	**2018** **2021**

GBA stands for the estimated Above Ground Built Area of the project, excluding car parks and underground built area.

Located in Expozitiei area, Bucharest's newest development hub, LUXURIA Residence offers a mix of quality housing, contemporary facilities and sustainable environment, promoting an urban lifestyle. Built to international standards of quality and sustainability, the residential compound is **the first in Romania with BREEAM Excellent certification**. The compound harmoniously combines buildings with modern architecture with ample green spaces and complex facilities to ensure the well-being of residents. These include two parks with urban furniture, a children's playground, gardens, secure access, video surveillance, 24/7 reception, underground parking, lounge for socializing and fitness center.

87% contracted on December 31, 2023, Luxuria brings together the first modern urban community in the Expozitiei area.

AWARDS

- ***2022:*** *"The Most Sustainable Residential Project - LUXURIA RESIDENCE" awarded during Realty Forum 2022, organized by Business Review*
- ***2020:*** *Architecture Multiple Residence, awarded by International Property Award*
- ***2020:*** *"Best Upscale Residential Project" awarded by THE TIMES – Investing in Property*
- ***2018:*** *"Architecture Multiple Residence" - awarded by International Property Award*

PROJECT PORTFOLIO

LUXURIA RESIDENCE – BUCHAREST

LOCATION

The Expozitiei - Domenii area (Bucharest, District 1) is among the best rated, combining a residential neighborhood full of history with a new business area. Expozitiei is Bucharest's new development pole, attracting office, hotel and commercial developments.

Located between Herastrau, Kiseleff and Bazilescu parks, LUXURIA RESIDENCE is a park between parks.

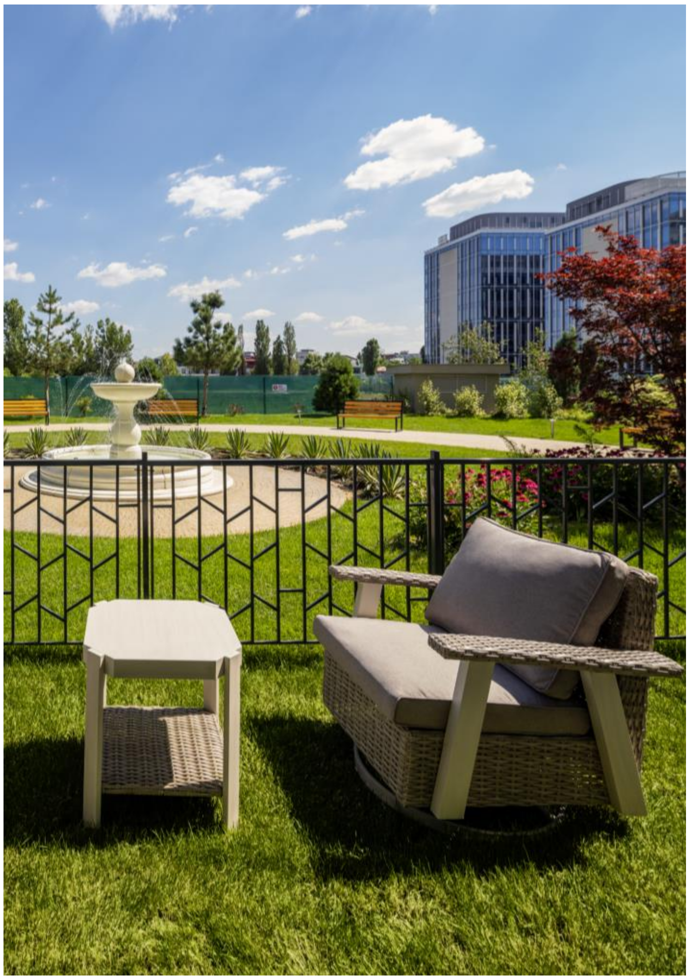
FACILITIES

LUXURIA RESIDENCE brings together a mix of facilities difficult to find in the city, both taken together and separately, which offer a harmonious lifestyle: secure access, 24/7 security and video surveillance, lounge area for socializing and relaxation, open 24/7, fitness center with modern Technogym equipment, 9,650 sqm of green spaces, private parks, playground for children, exclusively underground parking for residents, reception available 24/7.

ESG

LUXURIA is the first residential complex in the country with BREEAM Excellent certificate, which certifies the quality and sustainability of buildings, as well as the reduced impact on the environment. With a focus on reducing pollution, increasing residents' well-being and minimizing energy consumption, LUXURIA RESIDENCE sets a new standard for modern housing requirements.

- Sustainable design
- Construction management for reduced environmental impact
- Large glazed spaces, according to sunshine studies
- Superior thermal and acoustic insulation
- Building central heating systems
- Paints and materials with a low level of pollutants
- High-performance ventilation systems
- Ventilated facades
- Eco-friendly electrical and lighting appliances
- Smart automation
- Underground parking without car traffic inside the compound
- Ample green spaces
- Separate waste collection



PROJECT PORTFOLIO

BOREAL PLUS - CONSTANȚA

691 units	
COMPLETED UNITS	**227**
SOLD UNITS at 31.12.23	**71**
UNITS UNDER DEVELOPMENT	**464**
UNITS IN PIPELINE	**464**
Under construction and in pipeline GBA (sqm)	**36,294**

In the north of Constanta, away from the hustle and bustle of the city, Boreal was completed in 2010, the first residential complex in Constanta, where 150 families started a new life. In the immediate vicinity, BOREAL PLUS is now under development.

Every family needs a place to grow, dream and call HOME. This is exactly what Boreal Plus has to offer: a wonderful environment for families to develop, in perfect harmony with nature.

LOCATION

Located in the north of the city, BOREAL PLUS offers a balanced urban lifestyle, being in a quiet and airy area, overlooking Lake Siutghiol, but at the same time close to all city facilities. The compound has direct access to Tomis Boulevard, being 15 minutes from the city center and Mamaia beach.

PERMITS

- 359 units (341 apartments and 18 houses) were authorized for construction in 2020.
- The building permit for the remaining 332 units was obtained in 2022.
- Of the 691 units with a building permit, the 18 houses were completed in 2021 and 209 apartments were completed in December 2022.

PROJECT PORTFOLIO

BOREAL PLUS - CONSTANȚA

FACILITIES

With panoramic views of the Black Sea and Lake Siutghiol, the apartments in BOREAL PLUS are defined by the safety and durability of the construction, but also by the comfort they offer. The complex is located in the immediate vicinity of a Kaufland hypermarket and will benefit from parks, kindergarten and convenience stores.

12,000 sqm of green spaces
- Private park
- Promenade alleys
- Recreational places
- Playground for children
- Landscape

417 sqm of commercial spaces, which can accommodate a wide range of services, from convenience stores to medical offices.

826 parking spaces located above-ground outside and above-ground in interior.

Planned private kindergarten with an area of 1,990 sqm, the building can accommodate up to 150 children in 7 classes.

Sports field planned in the next stages of development.

ESG

Renewable energy: solar panels.

Protection of resources and the environment:
- Building central heating systems
- Superior thermal and acoustic insulation
- Smart automation

AWARDS

- 2020 - Residential Development, awarded by International Property Award.

PROJECT PORTFOLIO

GREENFIELD COPOU - IAȘI

In full harmony with the unique natural environment in which it will be built, GREENFIELD COPOU will replicate the Greenfield housing model, becoming one of the largest green residential building projects in Iasi, built to nZEB standards and BREEAM Excellent certified.

The apartments will benefit from premium finishes and will offer spectacular views over the city and the Botanical Garden, in low-height buildings, separated by generous green spaces. Excellent facilities and very good connectivity with the city's points of interest complete the mix of attributes that will make GREENFIELD COPOU the new landmark of residential developments in Iasi.

EXCELLENT LOCATION

GREENFIELD COPOU is located on Copou Hill, offering a panoramic view of the Botanical Garden and the city. Called "the green lung of Iasi", the Copou area offers an ideal natural setting, which attracts through tranquillity and fresh air. At the same time, it is an area full of history and a famous university district. The compound will integrate harmoniously, through blocks with low height regime and by including ample green spaces.

PERMITS

- The building permit was obtained in 2023.

PROJECT PORTFOLIO

GREENFIELD COPOU - IAȘI

FACILITIES

15,000 sqm green spaces:
- Private parks
- Promenade alleys
- Recreational spaces
- Playground for children
- Landscape

1,473 sqm commercial gallery

1,190 sqm sports and wellness club
- Fitness
- Pool
- Spa
- Restaurant

1,161 parking places

Private kindergarten – 945 sqm

Gated community:
- Barriers at every entrance to the neighborhood
- Access is based on card
- Security 24h/7
- Video surveillance

ESG

"15-minute city"
The urban concept "15-minute city" is based on the need to have all basic facilities and services within 15 minutes walk or bike from home. GREENFIELD COPOU is designed to meet the requirements of this urban trend, offering residents the services they need in proximity.

Apartments designed to BREEAM Excellent and nZEB standards
- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

Renewable energy
- Photovoltaic panels
- Solar panels

Green mobility
- EV charging stations
- Micro-mobility solutions including bicycles, scooters and electric scooters
- Cycle paths

PROJECT PORTFOLIO

ARIA VERDI – BUCHAREST

Located in Barbu Vacarescu, one of the most beautiful and desirable areas of the capital, Aria Verdi will offer a spectacular view of the city, surrounded by parks and lakes. The ensemble aims to raise the standard of living quality on the premium segment, including a series of modern facilities: luxury commercial galleries, office spaces, wellness area (swimming pool, spa, fitness), restaurant and ample green spaces.

The new residential compound encourages a harmonious lifestyle and provides a healthy environment for residents, being designed with care for the environment and including sustainability and well-being solutions at BREEAM Excellent and nZEB standards.

PREMIUM LOCATION

ARIA VERDI is located on Barbu Vacarescu Boulevard, near the central and business area of Bucharest, one of the main areas where real estate projects have been developed in recent years.

PERMITS

The project is in the process of obtaining the building permit, receiving the urbanism certificate in April 2023.

PROJECT PORTFOLIO

ARIA VERDI – BUCHAREST

FACILITIES

Over 7,000 sqm of green spaces:

- Private parks
- Promenade alleys
- Recreational spaces
- Landscape

Playground

Over 5,000 sqm luxury commercial gallery at every resident's disposal.

Over 3,800 sqm office spaces

Over 2,700 sports and wellness club

- Pool
- Fitness center
- Restaurant

Underground parking places

Gated community

ESG

Apartments designed to BREEAM Excellent and nZEB standards

- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

Renewable energy

- Photovoltaic panels

Green mobility

- EV charging stations

PROJECT PORTFOLIO

GREENFIELD WEST & PLAZA - BUCHAREST

Located in District 6 of Bucharest, GREENFIELD WEST is a mixed project – residential and commercial – that enjoys credibility from the perspective of the brand's history. Similar to the project in Baneasa area, GREENFIELD WEST approaches a modern, minimalist architecture and offers the highest standard of construction for the medium segment. The future project will integrate the two concepts already implemented in Baneasa, home wellbeing and the 15-minute city.

EXCELLENT LOCATION

GREENFIELD WEST will be developed in a booming area of the capital, where many office buildings are currently being built. The new complex developed by IMPACT comes to complete the area's offer on the residential segment, being the largest residential project developed in western Bucharest.

TRUSTED BRAND

GREENFIELD is the most famous residential brand in Bucharest, which enjoys credibility on the market, increasing the confidence of new buyers, regardless of the construction stage of the GREENFIELD WEST project. Continuing the brand message, the new neighborhood will create an environmentally responsible community, interested in a healthy life and social responsibility actions.

PERMITS

Existing Detailed Urban Plan (PUD), improvement in progress. The process for obtaining the building permit has begun. Based on the latest concept available, it is estimated that over 4,200 units will have building permit, with a GBA(Gross Built Area excluding parking and underground) of over 368,000 sqm including a community center of over 14,000 sqm.

PROJECT PORTFOLIO

GREENFIELD WEST & PLAZA - BUCHAREST

FACILITIES

Over 36,000 sqm of green spaces:
- Private parks
- Promenade alleys
- Recreational spaces

Playground for children

Pet playground

Outdoor fitness spaces

Multifunctional sports field

Over 4,000 sqm commercial spaces

Over 5,300 parking places - above-ground (outdoor and indoor) and underground

Over 2,550 sqm sports and wellness club
- Semy-Olimpic pool
- Children's indoor pool
- Outdoor pool
- Fitness center
- Spinning room
- Massage rooms
- Squash
- Wet sauna, infrared sauna, dry sauna, emotional showers
- Coffee shop, restaurant

Education – over 9,600 sqm:
- Public school
- Public kindergarten
- Nursery

Gated community:
- Barriers at every entrance to the neighborhood
- Accss based on card
- Security 24h/24h, 7 days out of 7

ESG

"15-minute city"

GREENFIELD WEST is designed to meet the requirements of this urban trend that is defined by the need to have all basic facilities and services within 15 minutes walk or bike from home.

Apartments designed to BREEAM Excellent and nZEB standards
- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

Renewable energy
- Photovoltaic panels

Green mobility
- EV charging stations
- Bicycle racks
- Micro-mobility solutions including bicycles, scooters and electric scooters

STRATEGY HIGHLIGHTS

DEVELOPING SUSTAINABLE COMMUNITIES

SUSTAINABILITY FOCUS

- At the forefront of sustainable practices and building GREEN communities through ecological solutions, quality of construction and efficiency of consumption
- Excellent nZEB construction standards applicable to all new buildings
- Projects designed and built with international certification BREEAM
- Use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds, community centres and convenience services
- Reduced mobility (inside and outside the community) and impact on the environment

GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION

- Focus on affordable residential developed in large communities on large land plots of 10-50 ha
- Geographic expansion in main regional cities
- Diversified portfolio with office, retail, hospitality
- Complement with premium projects
- Quality Property and Facility management services after completion inclusive of automatization & digitalization for increased efficiency

INNOVATION AND VERTICAL INTEGRATION

- Vertical integration (construction companies, architecture firm) to streamline group activities, to improve quality and control over productions (timeline & costs) and optimizes project development process
- Launch of SPATZIOO, the property & facility management company, that supports the rental and facility management of completed units
- Impact Finance services to customers as financing intermediary meets their needs of obtaining bank loans
- Research and development of innovative solutions for construction with prefabricated elements for standardized buildings with faster development and economy of scale. Standardization translated in optimized set of buildings witch embedded element of prefabricates as bath-pods, stairs, elevator shafts and others

STRATEGY HIGHLIGHTS

SUSTAINABILITY FOCUS - GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION- INNOVATION AND VERTICAL INTEGRATION

OBJECTIVES	PROGRESS 2023	PLAN 2024
GREENFIELD BANEASA RESIDENCE	▪ Reception with the constructor of the 732 units in **GREENFIELD Baneasa** and started the construction of another 250 units, as part of UTR3 project. ▪ Operating of, and revenue generation from **GREENFIELD PLAZA** continued in 2023, the community centre reaching as at 31.12.2023 an occupancy rate of 90%. ▪ A photovoltaic park was constructed in 2023 in **GREENFIELD Baneasa,** representing an investment of more than 2.7 million EUR. The new park consists of 1,297 panels and has a total capacity of 700 kWp.	▪ Completion of the construction works for the 250 units part of UTR3 project. ▪ Obtaining the building permit and launching the construction of Phase 5 (UTR4) within **GREENFIELD Baneasa**, through which 598 units with an gross development value of 97 million EUR will be delivered to clients. ▪ Proceeding with the authorization process for the 2,198.
LUXURIA Residence	▪ Sales continued throughout the year.	▪ Closing sales of the remaining 97 units in **LUXURIA Residence.**
BOREAL PLUS	▪ The sales have been started for the first Phase of the project, consisting of 209 units ▪ Sales for the remaining stock of villas continued.	▪ Closing sales for the remaining dewllings as well as villas within **BOREAL**. ▪ Starting construction for 132 units, with building permit, which represent phase 2.
GREENFIELD COPOU RESIDENCE	▪ The building permit for a total of 1,062 units has been obtained in July 2023.	▪ Securing financing of the project and start the construction of the first Module.

STRATEGY HIGHLIGHTS

SUSTAINABILITY FOCUS- GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION- INNOVATION AND VERTICAL INTEGRATION

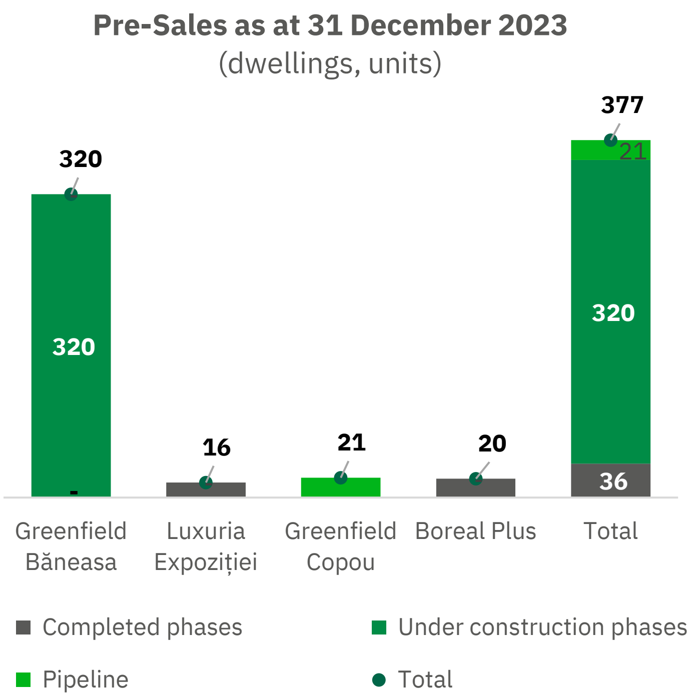
OBJECTIVES	PROGRESS 2023	PLAN 2024
GREENFIELD WEST	▪ Improvement of existing PUD ▪ Development concepts and design finalized ▪ Continuing the authorisation process	▪ Continuing the authorisation process
ARIA VERDI	▪ Improvement of existing PUD ▪ Finalizing the development concepts and design ▪ Preparation to start the authorization process	▪ Finalizing the authorisation process
Identifying new locations for developments	▪ Land acquisition for developments in Bucharest and other cities throughout the country	
Vertical integration	▪ Set-up of 51% owned subsidiary Impact Alliance Moldova SRL a construction company for IMPACT Iasi projects ▪ Further strenghening of the vertical structure of the Group potential new group companies and/ or new partnerships (i.e.for prefabricates including bath pods)	▪ Further strenghening of the vertical structure of the Group potential new group companies and/ or new partnerships (i.e.for prefabricates including bath pods)

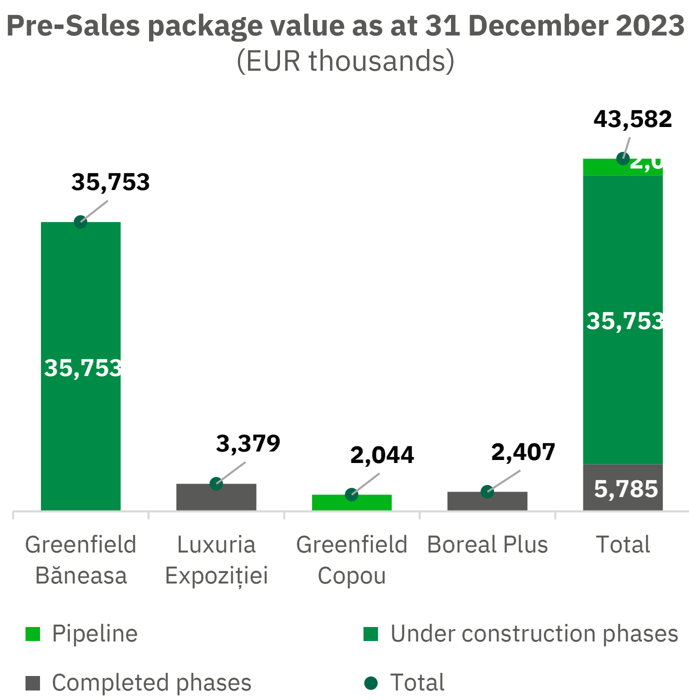
IMPACT's activity in 2023

IMPACT

ACTIVITY OF IMPACT IN 2023

PRE-SALES AS AT 31 DECEMBER 2023





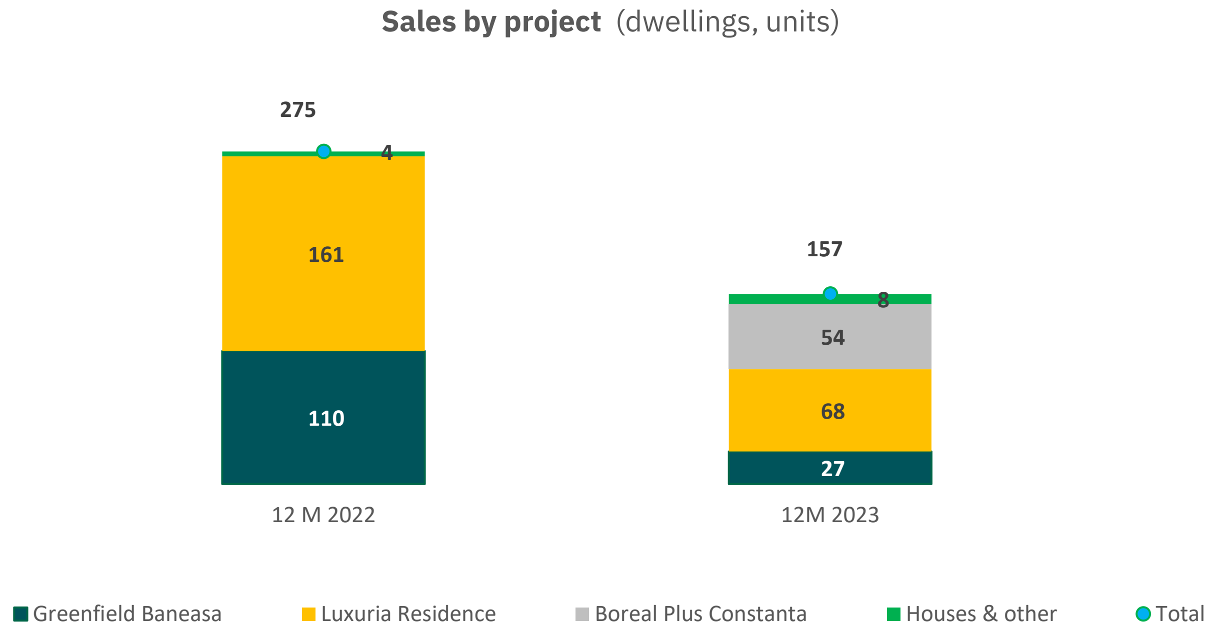
As at 31 December 2023, IMPACT had 377 apartments pre-sold and reserved with a package value of EUR 44 million.

Of these, 85% refer to projects under development (320 dwellings, EUR 35.5 million package value), 9% refer to completed projects (36 dwellings, EUR 5.8 million package value), while the remaining 6% refer to projects in pipeline (21 dwellings, EUR 2 million).

Out of total pre-sales, 356 contracts, or EUR 41.5 millions are expected to be translated into revenues within next period.

ACTIVITY OF IMPACT IN 2023

2023 SALES



The macroeconomic context exerted a certain influence on the revenues of IMPACT in 2023, including interest rates increase, inflation surge, as well as the postponment of the commissioning procedure for the newly finalized phases in **GREENFIELD Baneasa.**

2023: 157 units, represented by 27 dwellings in **GREENFIELD Baneasa**, 69 dwellings in **LUXURIA Residence** and 54 dwellings, 1 commercial space as well as 7 villas in **BOREAL Plus (**13,733 sqm built saleable area plus related parking spots, storage and court yards).

2022: 275 units, represented by 110 dwellings in GREENFIELD BĂNEASA, 161 dwellings and 1 commercial space in **LUXURIA Residence**, as well as 3 villas in **BOREAL PLUS (**23,466 sqm built saleable area plus related parking spots, storage and court yards).

The **157 units sold** throughout 2023 generated corresponding revenues of **EUR 23.96 mil.** (including revenue from parking spots, yards and storage units corresponding to the 157 dwellings) that were recognized in the same period.

ACTIVITY OF IMPACT IN 2023

2023 SALES

CONTRACTED APARTMENTS AS OF 31 DECEMBER 2023

Project	Total Apartments	Sales & Pre-Sales		Available for sale
	units	units	%	units
Luxuria Residence	630	549	87%	81
Boreal Plus	209	77	37%	132
Boreal Plus Villas	18	11	61%	7
Total	**857**	**637**	**74%**	**220**

As at **31 December 2023**, approximately **74%** of completed units were contracted (considering both sales and pre-sales). All completed phases in Greenfield Baneasa were sold as at 31 of December 2023.

UNDER CONSTRUCTION PHASE AS AT 31 DECEMBER 2023

Project	Total Apartments	Pre-Sales		Available for sale
	units	units	%	units
Construction started	982	320	33%	662
Construction planned	185	-	0%	185
Greenfield Băneasa	**1,167**	**320**	**27%**	**847**
Construction planned	464	-	0%	464
Boreal Plus	**464**	**-**	**0%**	**464**
Total construction started	-	-	0%	-
Total construction planned	1,062	21	2%	1,041
Copou Iasi	**1,062**	**21**	**2%**	**1,041**
Total construction started	982	320	33%	662
Total construction planned	1,711	-	0%	1,690
Total	**2,693**	**341**	**13%**	**2,352**

As at 31 December **2023 IMPACT** had building permits for 2,693 units, out of which **982** where under construction and 1,711 units are expected to begin construction in 2024-2025. Out of the 982 units under construction, 732 are expected to be delivered within H2 2024.

Approximately 33% of under construction units were pre-sold as of 31 December 2023.

ACTIVITY OF IMPACT IN 2023

LAND OWNED AS AT 31 DECEMBER 2023

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	EPRA value (RONm)	EPRA value (EURm)
Băneasa	Bucharest	Greenfield Băneasa	37.9	351.8	70.7	417.0	87.9
Blvd. Timișoara - Ghencea	Bucharest	Greenfield West	25.9	161.0	32.4	161.0	32.4
Barbu Văcarescu	Bucharest	Aria Verdi	2.5	189.7	38.1	189.7	38.1
Zenit	Constanta	Boreal Plus	3.2	8.2	1.7	32.2	6.5
Iași	Iași	Greenfield Copou	5.0	37.6	7.6	60.0	12.1
Oradea	Oradea	Lotus	2.9	4.0	0.8	4.0	0.8
Other	Neptun, Voluntari	n.a.	8.9	(2.0)	(0.4)	(2.2)	3.0
Total			**86.3**	**750.3**	**150.8**	**861.7**	**180.7**

Note 1: The EPRA value considers the market value based on the revaluations performed by Colliers Valuation and Advisory as at 31 December 2023 (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 - 4.9746 RON/EUR

As at 31 December 2023, **IMPACT** owned **86.3** ha of land with a book value of RON 750.3 million (3% higher than as at 31 December 2022), land mainly intended for the development of new projects and related to infrastructure. Of this, approximately **71 ha** represent the land bank on which new projects are to be developed.

In 2023 no material movement in total land surface was noted. The landbank has increased with 0.42 ha, due to acquisitions of small plots of land in Băneasa, for the purpose of developing new projects.

The EPRA value of the land was estimated based revaluations performed by Colliers Valuation and Advisory as at 31 December 2023 (the investment value and the market approach where the investment value has not been determined).

The EPRA value of land estimated as of 31 of December 2023 was of **RON 861.7 million**, 15% higher than the IFRS book valcreșterea minorăue at the same date and 3% higher than the EPRA value of land estimates as at 31 December 2022 (market approach), considering also the small increase in the landbank in 2023 with 0.42 ha, or 0.5%.

ACTIVITY OF IMPACT IN 2023

THE DEVELOPMENT ACTIVITY

In 2023, **IMPACT's** activity was focused 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 2024-2025, projects developed on the landbank already owned.

In 2023, the construction was in progress for project phases in **GREENFIELD Baneasa**.

The permitting process was started for future phases of **GREENFIELD Baneasa**, **ARIA VERDI** and **GREENFIELD WEST**. In April 2023, the urban certificate was obtained for **ARIA VERDI**.

An important milestone in 2023, was the obtaining of the building permit for 1,062 units under the concept of COPOU Iasi. Currently the company is in progress to secure financing in order to start the construction of the project.

In 2023 **IMPACT** concluded the registration of 209 units in **BOREAL Plus** and initiated the sales.

The projects are planned and developed in several phases and stages that can span for more than 3 - 10 years (including permitting, construction start), depending on the size of the project.

ACTIVITY OF IMPACT IN 2023

LEGAL ASPECTS

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

The company Impact Developer & Constructor SA and one of its subsidiaries, namely Clearline Development and Management SRL ("Project Company") are parties in two files in conflict with the Cluj Local Council ("CLC"). The disputes stemmed from a contractual relationship carried out in 2007, at which time the Company concluded an investment contract with CLC, a contract by which CLC and the Company were to develop a residential project, and CLC was to contribute the land - "The Lomb Project" . The Company and the Project Company request the reimbursement of the sums derived from the investments made for the Lomb project where CLC did not respect its contractual obligations, i.e. did not contribute with land, thus the Company being in a situation where the project and the revenues that could be acquired by after that, they can no longer be realized.

File 79/1285/2012 was registered before the Cluj Commercial Court, in which the Company requests the termination of framework contract no. 55423/04.07.2007 concluded between CLC and the Company. In addition, the Company requests that CLC be obliged to pay compensation in the amount of RON 4,630,914.13 and related interest, calculated from the date of the damage until the actual payment of the amounts.

In this case, on December 23, 2020, the Cluj Court rejected as unfounded the specified request made by the Company.

The company filed an appeal which is being judged by the Cluj Court of Appeal, at this moment the company cannot estimate the duration of the process until a final decision is obtained. The next deadline granted in the appeal phase is 31 January 2024, to analyse the findings.

File no. was registered on the Argeș Commercial Court. 1032/1259/2012 in which the Project Company (Clearline Development and Management SRL) requests the obligation of CLC to pay compensation provisionally estimated at the amount of RON 17,053,000.

On 08.06.2022, the Argeș Commercial 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 RON 24,532,741.65 as damages and the sum of RON 13,862,967.16 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 the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca declared an appeal.

On 15.03.2023, the Pitesti Court of Appeal issued Decision no. 94, as follows:

"Rejects the appeal filed against the conclusions of the meeting. Accept the appeal against the sentence. Changes the sentence in part, in the sense that it rejects the request, as amended, formulated by the plaintiff. Remove the reference to obliging the defendants to pay court costs to the plaintiff. Maintains the rest of the sentence, with the possibility of filling an appeal within 15 days from communication".

Clearline Development and Management S.R.L. filled an appeal against the decision issued by the Pitești Court of Appeal. On the 21 of March 2024 the Court admitted the appeal and ordered a retrial.

ACTIVITY OF IMPACT IN 2023

LEGAL ASPECTS

Litigation initiated by "EcoCivic Association"

File no. 4122/3/2022 was registered on the roll of the Bucharest Court, Administrative and Fiscal Litigation Section, in which Impact is the Defendant, the Claimants being the Eco Civic Association and three natural persons from outside the Greenfield Băneasa neighborhood.

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, cancelling some preliminary approvals, canceling works.

Currently, the challenged acts are valid, they produce full effects, no decision has been made regarding their suspension or cancellation. Furthermore, the management considers that all the legal proceedings for the promotion and admission of the Zonal Urban Plan have been fulfilled.

The arguments of the management are based on the fact that part of the buildings already constructed based on the building permit of which annulment is requested, have already been commissioned by the nominated local authorities – Bucharest City Council, and respectively Bucharest Building Inspectorate. Therefor no provision has been registered in respect of the litigation, as at 31 of December 2023.

The next court date was set for 10 of May 2025.

Litigation regarding access to Vadul Moldovei street, file 1820/3/2023

On January 19, 2023, Impact registered on the role of the Bucharest Court, Section II Administrative and Fiscal Litigation, against the City Hall of the City of Bucharest, the City Hall of Sector 1 Bucharest and the National Management of Romsilva Forests, the action in order to determine the mentioned institutions to comply with the obligations assumed by the decisions of the General Council of the Municipality of Bucharest, those of the Local Council of Sector 1 and those of the act of acceptance of the donation concluded with IMPACT and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 1 of April 2024.

A SUSTAINABLE IMPACT (ESG)

In 2023, we have been actively involved in several social responsibility projects, in various domains:

SOCIAL

The urban certificate was obtained for the construction of a church in the **GREENFIELD Băneasa** neighborhood, located in Destrict 1 of the Capital. The "Parohia Sfinții Arhangheli Mihail și Gavriil – GREENFIELD" will be built on a plot of 1,864 square meters, donated by IMPACT to the Archdiocese of Bucharest in July 2020. The value of the **donation amounts to 500,000 euros.**

EDUCATION

In June 2023, the City Hall of Sector 1 opened a public tender for the construction of **an educational complex in the GREENFIELD BĂNEASA neighborhood.** The land and the project for the construction of the school and the state kindergarten, worth **1.75 million euros**, were donated by IMPACT to the Bucharest City Hall.

COMMUNITY

IMPACT strengthened its commitment to community and social responsibility in 2023 by **supporting the two editions of the Sports Festival**. The event took place between June 3-4 in Iasi and September 16-17 in Bucharest, Baneasa forest and GREENFIELD BĂNEASA neighborhood.

In 2023, the Sports Festival gathered a record number of participants, who enjoyed individual or family sports trials. These consisted of trail running (5, 11 and 21 km), sport orientation, obstacle course, children's race and mountain biking.

CARING FOR THE ENVIRONMENT AND INCREASING THE QUALITY OF LIFE

In line with **the company's ESG strategy**, to combat climate change by reducing carbon monoxide emissions according to EU objectives, clearly defined by the European Green Pact, IMPACT decided to implement an innovative green mobility system inside **GREENFIELD Baneasa**.

Electric devices have been made available to the residents of GREENFIELD Baneasa to facilitate movement within and outside the complex and contribute to creating a more community-friendly environment.

In 2023, IMPACT completed a photovoltaic park in **GREENFIELD Baneasa** neighborhood, an investment of more than 2.7 million euro. The park is expected to produce approximately 785 MWh of renewable energy annually. The renewable energy produced will be destined to cover energy necessities of three locations within **GREENFIELD Baneasa,** as follows: 80% of the energy necessity of **Welleness Club by GREENFIELD**, 90% of the energy necessity of **IMPACT**'s office building, as well as 30% of the energy capacity of Phase 4 development project within **GREENFIELD Baneasa,** including public lightening.

This represents the third renewable energy solution developed by the **IMPACT** within **GREENFIELD BĂNEASA.** Within **GREENFIELD Plaza,** there are solar panels, which cover approximately 70% of the energy needed to heat domestic water and swimming pools, as well as photovoltaic panels, which provide 25% of the electricity needed for commercial gallery.

Furthermore, in 2023 **GREENFIELD BĂNEASA PLAZA** obtained BREEAM Excellent certification in 2023, follwoing the evaluation conducted by BuildGreen. Thus, the building covering retail and wellness functions meets the quality and sustainability standards required by this type of certification from the design phase in the following categories of management, health and well-being, energy, transport, water, materials used, waste, land use and ecology , pollution, innovation.

During 2023 the second Sustainability report was published. The report is aligned with GRI standards and we have received an ESG risk rating of 18.7 (low risk).

2023 financial results

IMPACT

FINANCIAL RESULTS

	Consolidated			Standalone		
RON thousand	**12M 2023**	**12M 2022**	**Var %**	**12M 2023**	**12M 2022**	**Var %**
Revenues	171,217	219,199	(22%)	61,535	75,027	(18%)
Gross profit	57,174	70,691	(19%)	16,634	24,461	(32%)
Gross margin %	***33%***	***32%***		***27%***	***33%***	
Other (expenses)/revenue net	(4,955)	38,379		*30,427*	*47,636*	
Other (expenses)/revenue as % of revenue from real estate	*(3%)*	*(18%)*		*(49%)*	*(63%)*	
EBITDA	56,224	111,393	(50%)	48,797	73,495	(34%)
EBITDA margin %	*33%*	*51%*		*79%*	*98%*	
EBIT	52,219	109,070	(52%)	47,061	72,097	(35%)
EBIT margin %	*30%*	*50%*		*76%*	*96%*	
Net result	**29,105**	**84,767**	**(66%)**	**42,492**	**63,329**	**(33%)**
Net result margin %	***17%***	***39%***		***69%***	***84%***	

Source: Audited IFRS consolidated and standalone financial statements as at 31 December 2023

The macroeconomic context exerted a certain influence on the revenues of IMPACT in 2023, including interest rates increase, inflation surge, as well as the postponment of the commissioning procedure for the newly finalized phases in GREENFIELD Băneasa.

The gross margin of the Group remained stable in 2023, to 33%.

The average selling price had a positive impact, increasing in 2023 compared with 2022, with 6% in **GREENFIELD BĂNEASA**, from 1,277 EUR/sqm to 1,357 EUR /sqm, and with 4% in **LUXURIA RESIDENCE**, from 1.751 EUR/sqm to 1,828 EUR/sqm.

In 2023 the group has sold **157 dwellings**, a downward trend compared with 2022: **GREENFIELD Baneasa** – 27 flats vs. 110 units; **LUXURIA Residence** - 161 flats vs. 68; **BOREAL Constanța** 8 houses and commercial spaces, as well as 54 flats, vs 4 houses.

FINANCIAL RESULTS
Statement of financial position

	Consolidated			Standalone		
RON thousand	**31-Dec-2023**	**31-Dec-2022**	**Var %**	**31-Dec-2023**	**31-Dec-2022**	**Var %**
Non-current assets, of which	**783,137**	**727,767**	***8%***	**862,591**	**805,226**	***7%***
Investment property	676,297	653,725	*3%*	726,852	678,669	*7%*
Property, plant and equipment	99,365	65,648	*51%*	36,102	21,545	*68%*
Goodwill	3,543	3,543	*n.a*	-	-	*n.a*
Current assets, of which	**695,182**	**715,595**	***(3%)***	**566,117**	**525,008**	***8%***
Inventories	622,609	617,698	*1%*	499,039	429,405	*16%*
Trade and other receivables	14,212	25,561	*(44%)*	24,579	33,892	*(27%)*
Cash and cash equivalents	51,293	55,108	*(7%)*	35,778	46,857	*(24%)*
Total assets	**1,478,319**	**1,443,362**	***2%***	**1,428,708**	**1,330,234**	***7%***
Liabilities, of which	**560,729**	**553,742**	***1%***	**545,033**	**489,051**	***11%***
Loans and borrowings	413,634	391,126	*6%*	389,074	330,351	*18%*
Trade and other payables	67,710	79,320	*(15%)*	81,877	77,414	*6%*
Equity	**917,590**	**889,620**	***3%***	**883,675**	**841,183**	***5%***
Total equity and liabilities	**1,478,319**	**1,443,362**	***2%***	**1,428,708**	**1,330,234**	***7%***

Source: Audited IFRS consolidated and standalone financial statements as at 31 December 2023

ASSETS

Property, plant, and equipment increased by 51% compared to 31 December 2022 following the commission of infrastructure works in **BOREAL PLUS** Constanța project, as well as due to investments in billboards of large dimensions, used in the promotion of projects in high traffic areas. Also, during 2023 modernization works were performed within RCTI COMPANY S.R.L. new head office.

The balance of trade and other receivables has decreased by 44%, following the VAT reimbursement of RON 10 million, occured in 2023.

LIABILITIES

Debt to assets ratio was kept stable, to 28% as at 31 of december 2023 (27% as at 31 of December 2022). Also, trade and other payables decreased by 15% correlated with completion of construction works in **GREENFIELD Baneasa.**

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

The Board of Directors represents the decision-making body with regard to all matters that are significant for **IMPACT Developer & Contractor** in its entirety. The Board of Directors shall delegate **IMPACT Developer & Contractor** management competences under the terms and to the extent provided for by law and by the Articles of Association.

The Board of Directors shall perform all acts that are necessary and useful in order to achieve **IMPACT Developer & Contractor**'s business object, except for the ones provided for by law in the competence area of the General Meeting of Shareholders and the ones delegated to the chief executive officer.

The Board of Directors is structured in such manner as to allow its duties to be fulfilled with due diligence. The Board of Directors shall meet on a regular basis in order to ensure the fulfilment of its duties in an efficient manner. There is a clear distribution of responsibilities between the Board of Directors and the executive management.

On 21 April 2021, in the General Shareholders' Meeting, the members of the Board of Directors of **IMPACT Developer & Contractor** were elected for a term of four years (28 April 2021 – 28 April 2025), namely: Iuliana Mihaela Urdă (Chairman of the Board of Directors), Alina Scarlat, Daniel Pandele, Intrepid Gem SRL (Petru Văduva) and Sorin Apostol. There were no changes regarding the members of the Board of Directors in 2022.

The Board of Directors has 5 members:

- **Iuliana-Mihaela Urdă,** Director, Chairmen of the Board of Directors
- **Intrepid Gem SRL** through Petru Văduva, Director
- **Ruxandra-Alina Scarlat**, Director
- **Sorin Apostol**, Director
- **Daniel Pandele**, Director

Nomination and remuneration committee

The Nomination and Remuneration Committee is a body subordinate to the Board of Directors constituted to issue qualified and independent opinions on nomination and remuneration policies and practices, to perform the attributions assigned by the Board of Directors in this sector of activity. Members: INTREPRID SRL (independent); Iuliana-Mihaela Urdă; Daniel Pandele (Independent); Sorin Apostol.

Audit committee

The Audit Committee has an advisory role being set up with the purpose of assisting the Board of Directors in carrying out its duties related to financial reporting, external audit, and internal control. Members: INTREPRID GEM SRL; Sorin Apostol; Daniel Pandele.

Risk committee

The Risk Committee has an advisory role being set up with the purpose of assisting the Board of Directors in carrying out its duties related to risk management policies and practices, capital adequacy to risks, risk appetite of the company. Members: Iuliana-Mihaela Urda; INTREPRID GEM SRL; Sorin Apostol; Daniel Pandele; Ruxandra-Alina Scarlat.

No member changes within the Board and committees occurred during 2023.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT

On 28th April 2021, the Board of Directors of **IMPACT Developer & Contractor** decided to appoint Mr. Constantin Sebeşanu as General Manager for a term of four years.

Mr. Constantin Sebeşanu will continue **IMPACT** development strategy at the level of existing projects, as well as the initiation of new projects to strengthen the top position **IMPACT** currently holds in the residential market.

On 1st January 2022, **IMPACT** has recruited Mr. Claudiu Bistriceanu for the position of Chief Financial Officer.

Starting with 1st January 2022, the persons empowered to represent the company are the General Manager – Mr. Constantin Sebeșanu, together with the Executive Manager – Mr. Sorin Apostol.

MAIN RISKS AND UNCERTAINTIES THAT MAY AFFECT IMPACT's ACTIVITY

Risk	Management
Market risk	The global and local economic instability might have a negative effect upon **IMPACT**'s cash holdings. This issue is closely monitored and necessary actions are taken to ensure **IMPACT**'s stability. The slowdown of the economic growth and consumption in Romania might have a negative effect upon **IMPACT**'s activity. **IMPACT** takes necessary actions to make sure that its products remain attractive and are adjusted to the market requirements.
Legal environment	The legal changes, the amendments to the permit obtaining procedure might have negative effects upon **IMPACT**'s activity. Such changes and the effects upon **IMPACT**'s activity are constantly monitored by **IMPACT**.
Credit risk	As a real estate developer, **IMPACT** relies on equity and funding obtained from third parties for the project's development. The limitation of access to financing might have negative effects upon **IMPACT**'s capacity to develop new project. The management of **IMPACT** constantly monitors this issue and strives to diversify **IMPACT** 's financing sources. A significant share of **IMPACT**'s clients resort to bank loans for the acquisition of residences. Any strengthening of the conditions for the bank loans might have negative effects upon the apartment sales. **IMPACT** takes all necessary measures to mitigate the negative effects of such regulatory changes upon its activity.
Currency risk	A significant increase of the foreign exchange rate for EUR might result in higher payments for loans, bonds and acquisitions made in relation to the construction works expressed in EUR. The main liabilities expressed in EUR are the bonds, the loan obtained for project financing and the construction agreements with the general contractor.
Geographic risk	**IMPACT**'s activity is concentrated in Bucharest. The geographical risk will be mitigated by expanding developments in Constanta, Iasi and other important cities in the country.

EPRA NET ASSET VALUE

In October 2019, the European Public Real Estate Association ('EPRA') published new performance measures for EPRA Net Assets that are replacing the previous EPRA Net Assets measure.

Three new measures of net asset value were introduced: Net Reinvestment Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

The Net Asset Value as per the IFRS consolidated financial statements and EPRA

METRICS	31-Dec-2022	31-Dec-2023
Price per share (RON)	0.3600	0.2340
Number of shares (IMPACT D&C)	2,365,679,951	2,365,679,951
Market capitalization (RON thousand)	851,645	553,569
IFRS (consolidated)		
Net profit (RON thousand)	84,767	29,105
Net asset value ("NAV", RON thousand)	889,620	917,590
Profit per share (RON)	0.0364	0.0123
NAV/Share (RON)	0.3761	0.3879
EPRA Net Asset Value (consolidated)		
EPRA NRV (RON thousands)	1,219,328	1,368,927
EPRA NTA (RON thousands)	1,178,265	1,328,605
EPRA NDV (RON thousands)	1,138,270	1,289,352
EPRA NRV/Share (RON)	0.5154	0.5787
EPRA NTA/Share (RON)	0.4981	0.5616
EPRA NDV/Share (RON)	0.4812	0.5450

*European Public Real Estate Association

The EPRA value as at 31 December 2022-2023 was determined based on the valuations performed by Colliers Valuation and Advisory (the investment value and the market approach where the investment value has not been determined), except for the items specified below.

The reconciliation between the Net Book Assets according to the IFRS consolidated financial statements and the EPRA standard is presented below.

	RON thousands	*RON thousands*	*RON thousands*	*RON thousands*	*RON thousands*	*RON thousands*
		31-Dec-23			**31-Dec-22**	
EPRA Net Asset Value Metrics RON thousands	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	917,590	917,590	917,590	889,620	889,620	889,620
Include*:						
ii.c) Revaluation of other non-current investments	19,271	19,271	19,271	35,884	35,884	35,884
iv) Revaluation of trading properties	356,034	356,034	356,034	216,310	216,310	216,310
Diluted NAV at Fair Value	**1,292,895**	**1,292,895**	**1,292,895**	**1,141,813**	**1,141,813**	**1,141,813**
Exclude*:						-
v) Deferred tax in relation to fair value gains of IP	79,575	39,788	-	81,058	40,529	-
viii.a) Goodwill as per the IFRS balance sheet	(3,543)	(3,543)	(3,543)	(3,543)	(3,543)	(3,543)
viii.b) Intangibles as per the IFRS balance sheet	-	(534)	-	-	(534)	-
NAV	**1,368,927**	**1,328,605**	**1,289,352**	**1,219,328**	**1,178,265**	**1,138,270**
Fully diluted number of shares	**2,365,679,951**	**2,365,679,951**	**2,365,679,951**	**2,365,679,951**	**2,365,679,951**	**2,365,679,951**
NAV per share	**0.5787**	**0.5616**	**0.5450**	**0.5154**	**0.4981**	**0.4812**

EPRA NET ASSET VALUE

II).C) REVALUATION OF OTHER NON-CURRENT INVESTMENTS

Other non-current investments held at cost under IAS 16 and restated under EPRA NAV to fair value include the Office building and the Wellness Club from Greenfield Băneaza Plaza.

II) REVALUATION OF TRADING PROPERTIES

The trading properties/finished goods (e.g. dwellings) refer to completed phases of **GREENFIELD Baneasa**, **LUXURIA Residence** and **BOREAL Plus**.

The increase/difference between the market value 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 by using **a)** the value of the pre-sale agreements and reservations existing on 31 December 2023 and **b)** the revaluations made by Colliers (market approach) for the units for which no pre-sale and reservation contracts were concluded as at 31 December 2023.

The land held as inventory where **GREENFIELD Baneasa**, **GREENFIELD Copou** and **BOREAL Plus** are developed were revalued by Colliers by using the market comparison method as at 31 December 2023.

The adjustment was made to reflect the market value of the plots of land included in inventories, as they are held in the IFRS financial statements at the value from the date on which they were included in inventory. For the market value, the investment value determined by Colliers was mainly used.

IV) DEFERRED TAX IN RELATION TO FAIR VALUE GAINS OF IP

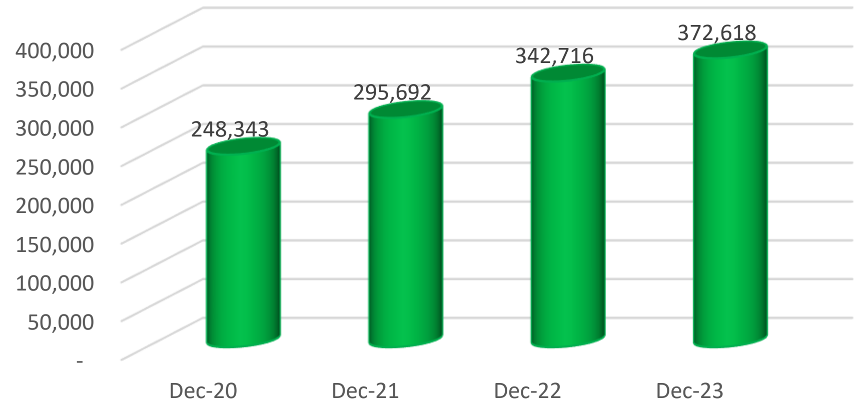
The deferred tax recorded in the IFRS financial statements mainly resulted from the difference between the book value and the tax value of investment properties (plots of land). This is fully adjusted for EPRA NRV, 50% adjusted for EPRA NTA and nil adjustment for EPRA NDV.

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.

KEY PERFORMANCE INDICATORS

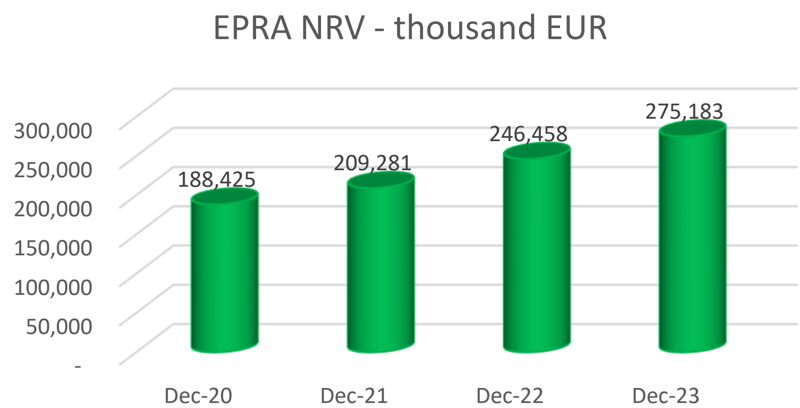
Total adjusted assets
(in EUR thousand)



Reconciliation IFRS total assets vs EPRA total assets

	31-Dec-23 (EUR)	31-Dec-22(EUR)
IFRS Total assets	297,173,441	291,741,521
add: revaluation of non-current assets and trading properties	75,444,213	50,974,957
EPRA Total Assets	372,617,654	342,716,478

EPRA Net Reinstatement Value
(in EUR thousand)



EPRA = European Public Real Estate Association
EPRA Net Reinstatement Value = EPRA NRV values are determined in accordance with the EPRA standards being disclosed in the Company's annual and quarterly reports.
Total Adjusted Assets = assets adjusted to Fair Value according to EPRA guidelines
The amounts are translated in EUR at the NBR average and closing RON/EUR foreign exchange rate for each period.

Total value of assets adjusted to fair value in accordance with EPRA standards increased to EUR 372,618 thousands as at 31 December 2023, or by 16% compared with 31 December 2022.

As of 31 December 2023, the EPRA Net Reinstatement Value (NRV) increase to EUR 275,183 thousands, or by 18% compared with the value as at 31 December 2022.

The taped value not reflected within the IFRS financial statements and captured within EPRA NAV is in total amount of EUR 91 milion. The value comes from: revaluation of the dwellings available for sale as well as those units in final stages of completion; revaluation of land held in inventory and reversal of deferred tax. The revalued values were based on the revaluation performed by the external appraisal Colliers Valluation and Advisory, as at 31 of December 2023.

Annexes

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
Section A – Responsibilities		
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES	
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES	
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice and according to the following criteria:	YES	
A.4.1. Not to be the CEO/executive officer of the company or of a company controlled by it and not have been in such position for the previous five years;	YES	
A.4.2. Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years;	YES	
A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director;	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
Section A – Responsibilities		
A.4.4. Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it;	YES	
A.4.5. Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity;	YES	
A.4.6. Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it;	YES	
A.4.7. Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director;	YES	
A.4.8. Not to have been a non-executive director of the company for more than twelve years;	YES	
A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.	YES	
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES	
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES	

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The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	NO	The Board of Directors manages the documents / activities with the support of the secretariat and the legal department, which provides logistical support for the organization and conduct of the Board meetings
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	NO	Members of the Board of Directors are assessed annually in accordance with performance indicators defined in their internal policies and mandate contracts. The Board will re-examine the A8 requirements in 2024, mainly with regard to the Board of Directors' assessment policy.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES	
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES	
Section B – Risk management and internal control system		
B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES	
B.2. The audit committee should be chaired by an independent non-executive member.	YES	

APPENDIX 1

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The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	Under implementation	The evaluation of the internal control system for 2023 is ongoing. In 2024, the evaluation committee will present the conclusion, recommendations and the related action plan (if the case).
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES	
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES	
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES	
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	

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B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	
Section C – Fair rewords and motivation		
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES	
Section D – Building value through investors' relations		
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES	
D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	YES	

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D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES	
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES	
D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2. A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES	

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STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

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D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES	
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES	
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	YES	
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	Partial	IMPACT supports and organizes various sport and environmental protection activities, both physically and educationally. These activities are presented on IMPACT Developer & Contractor website and IMPACT Developer & Contractor works to develop a related policy.

APPENDIX 2

OTHER INFORMATION

IMPACT's EMPLOYEES

At the end of 2023, **IMPACT Developer & Contractor** had a number of 55 employees, of which 1 was on maternity leave. Additionally, **IMPACT Developer & Contractor** has a 5-member Board of Directors.

At the same time, Spatzioo has a number of 28 employees and 2 administrators and Impact Finance had 2 employees and 1 Administrator.

Finally, RCTI Company, had a total of 122 employees as at 31 December 2023, and 2 Administrators.

There is no trade union in **IMPACT**. There is 1 employer representative and 2 employee representatives.

Labor relations are regulated by:

- labor contract
- job description
- the company's internal regulations
- the code of conduct within the company
- the essential ethical values within society

Remuneration of Company's management in 2023 was RON 2,841,177 (2022: RON 2,749,217). For more details please see Remuneration report, published on company's website.

FINANCIAL RATIOS (CONSOLIDATED, IFRS)

RON thousands		31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
Inventories	A	430,725	434,741	538,922	617,698	622,609
Current assets	B	509,071	520,337	617,094	715,595	695,182
Current liabilities	C	132,918	122,395	262,033	195,353	131,212
Total assets	D	901,972	987,889	1,204,412	1,443,362	1,478,319
Total liabilities	E	318,031	347,061	487,558	553,742	560,729
Equity	F	583,941	640,828	716,854	889,620	917,590
Loans and borrowings	G	197,635	255,836	337,033	387,765	413,634
Loans and borrowings, short term	*H*	*58,822*	*88,379*	*186,912*	*118,910*	*66,976*
Loans and borrowings, long term	*I*	*138,813*	*167,457*	*150,121*	*268,855*	*346,658*
Cash and cash equivalents	J	45,462	59,022	42,037	55,108	51,293
Net debt	K (G-J)	152,173	196,814	294,996	332,657	362,341
Turnover	L	156,681	204,397	137,585	219,199	171,217
Net profit	M	154,484	74,856	78,800	84,767	29,105
EBITDA	N	45,475	34,279	99,907	111,393	56,224
Interest paid	O	2,508	6,134	6,617	13,631	29,329
Ratios						
Loans and borrowings / EBITDA	G/N	4.35	7.46	3.37	3.48	7.36
Net debt / EBITDA	K/N	3.35	5.74	2.95	2.99	6.44
EBITDA / Interest paid	N/O	18.13	5.59	15.10	8.17	1.92
Return on Assets	M/D	17.13%	7.58%	6.54%	5.87%	1.97%
Return on Equity	M/F	26.46%	11.68%	10.99%	9.53%	3.17%
Gearing ratio	G/F	33.85%	39.92%	47.02%	43.59%	45.08%
Current ratio	B/C	3.83	4.25	2.36	3.66	5.30
Quick ratio	(B-A)/C	0.59	0.70	0.30	0.50	0.55

IMPACT

2023

ANNUAL REPORT

CHAPTER 2

IMPACT DEVELOPER & CONTRACTOR S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023

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	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	**7**	99,365	65,648
Intangible assets		632	534
Goodwill		3,543	3,543
Right of use assets	**7**	3,300	4,317
Investment property	**8**	676,297	653,725
Total non-current assets		**783,137**	**727,767**
Current assets			
Inventories	**9**	622,609	617,698
Trade and other receivables	**10**	14,212	25,561
Prepayments and other current assets	**10**	7,068	17,228
Cash and cash equivalents	**11**	51,293	55,108
Total current assets		**695,182**	**715,595**
Total assets		**1,478,319**	**1,443,362**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**12**	598,884	598,884
Share premium		41,462	40,493
Revaluation reserves		-	3,001
Other reserves	**12**	41,590	40,266
Own shares	**13**	(268)	(268)
Retained earnings		227,204	197,390
Equity attributable to equity holders of the parent		**908,872**	**879,766**
Non-controlling Interest		8,718	9,854
Total equity		**917,590**	**889,620**
Non-current liabilities			
Loans and borrowings	**14**	346,658	271,207
Trade and other payables	**15**	5,995	6,124
Deferred tax liability	**21**	76,864	81,058
Total non-current liabilities		**429,517**	**358,389**

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

	Note	31 December 2023	31 December 2022
Current liabilities			
Loans and borrowings	**14**	66,976	119,919
Trade and other payables	**15**	22,821	33,726
Income Tax Payables		2,234	1,885
Contract liabilities	**15**	38,894	39,470
Provisions for risk and charges	**16**	287	353
Total current liabilities		**131,212**	**195,353**
Total liabilities		**560,729**	**553,742**
Total shareholders' equity and liabilities		**1,478,319**	**1,443,362**

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

		12 months period ended as at	
	Note	**31-Dec-2023**	**31-Dec-2022**
Revenue	**17**	171,217	219,199
Cost of sales	**17**	(114,043)	(148,508)
Gross profit		**57,174**	***70,691***
Net income from other activities		-	7,306
General and administrative expenses	**18**	(35,309)	(30,182)
Marketing expenses		(3,702)	(5,515)
Other income/(expenses)	**19**	(5,076)	(8,567)
Depreciation and amortization	**7**	(4,005)	(2,323)
Gains from investment property	**8**	43,137	77,660
Operating profit		**52,219**	**109,070**
Finance income	**20**	10,979	11,626
Finance cost	**20**	(34,321)	(17,867)
Finance result net (loss)		**(23,342)**	**(6,241)**
Profit before income tax		**28,877**	***102,829***
Income tax credit/(charge)	**21**	228	(18,062)
Profit for the period		**29,105**	**84,767**
Non-controlling interest (NCI)		**2,294**	**(856)**
Equity holders of the parent		**26,811**	**85,623**
Earnings per share (EPS)	***27***	***0.0123***	***0.0364***

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

	Note	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 01 of January 2023		**598,884**	**40,493**	**3,001**	**40,266**	**(268)**	**197,390**	**879,765**	**9,854**	**889,620**
Other comprehensive income										
Profit for the period		-	-	-	-	-	26,811	26,811	2,294	29,105
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**26,811**	**26,811**	**2,294**	**29,105**
Own shares		-	969	-	-	-	(969)	-	-	-
Dividends granted to shareholders	**12**	-	-	-	-	-	-	-	(3,430)	(3,430)
Legal reserves	**12**	-	-	-	1,323	-	(1,323)	-	-	-
Revaluation reserves		-	-	(3,001)	-	-	3,001	-	-	-
Other changes in equity		-	-	-	1	-	2,294	2,295	-	2,295
Balance as of 31 December 2023		**598,884**	**41,462**	**-**	**41,590**	**(268)**	**227,204**	**908,872**	**8,718**	**917,590**

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

	Note	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	Non-Controlling Interests	Total equity
Balance on 1st of January 2022		**401,214**	**(4,475)**	**3,001**	**14,279**	**(841)**	**303,676**	**716,854**	**-**	**716,854**
Other comprehensive income										
Profit for the period		-	-	-	-	-	85,623	85,623	(856)	84,767
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**85,623**	**85,623**	**(856)**	**84,767**
Share Capital Increase	**12**	197,670	45,985				(165,923)	77,732	-	77,732
Purchase of own shares	**13**	-	-	-	-	(442)	-	(442)	-	(442)
Share-based payments	**13**	-	(1,017)	-	-	1,015	-	(2)	-	(2)
Legal reserves	**12**	-	-	-	25,986	-	(25,986)	-	-	-
Acquisition of a subsidiary	**26**	-	-	-	-	-	-	-	10,710	10,710
Other changes in equity		-	-	-	1	-		1	-	1
Balance on 31 of December 2022		**598,884**	**40,493**	**3,001**	**40,266**	**(268)**	**197,390**	**879,766**	**9,854**	**889,620**

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

	Note	12 months period ended as at 31-dec-2023	31-dec-2022
Net profit		**29,105**	**84,767**
Adjustments to reconcile profit for the period to net cash flows:		**(7,357)**	**(47,231)**
Valuation gains on investment property	8	(43,137)	(77,660)
Gain (loss) on disposal of property, plant and equipment	7	2,002	(660)
Reversal of impairment loss of property, plant and equipment	7	(5,037)	7,757
Depreciation and amortization	7	4,005	2,323
Share based payments	13	-	1,015
Inventory value adjustment	19	13,408	(3,582)
Receivables value adjustment	19	(1,711)	(727)
Finance income	20	(10,979)	(11,626)
Finance costs	20	34,321	17,867
Income tax	21	(228)	18,062
Working capital adjustments		**8,632**	**(86,849)**
Decrease/(increase) in trade receivables and other receivables	10	13,061	(11,254)
Decrease in prepayments	10	10,160	(220)
Increase in inventory property	9	2,246	(80,690)
(Decrease)/increase in trade, other payables, and contract liabilities	15	(13,151)	13,067
(Decrease)/increase in provisions	16	(66)	(935)
Income tax paid		(3,617)	(6,817)
Net cash flows from operating activities		**30,381**	**(49,313)**
Investing activities			
Acquisition of a subsidiary	26	-	(5,130)
Purchase of property, plant and equipment	7	(978)	(40,006)
Proceeds (expenditure) from Investment property	8	65	-
Payments for own shares	13	-	(1,459)
Expenditure on investment property under development	8	-	(9,749)
Expenditure on property, plant and equipment under development	7	(17,842)	(569)
Proceeds (expenditure) from sale of property, plant and equipment	7	(4,874)	816
Interest received		-	366
Net cash flows from investing activities		**(23,629)**	**(55,731)**

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

	Note	31-Dec-2023	31-Dec-2022
Cash flows from financing activities:			
Proceeds from borrowings	14	225,098	483,539
Repayment of principal of borrowings	14	(202,906)	(422,833)
Proceeds from issue of share capital	12	-	77,732
Dividends paid	12	(3,430)	(11)
Interest paid	14	(29,330)	(20,312)
Net cash used in financing activities		**(10,567)**	**118,115**
Net increase / (decrease) of cash and equivalents		**(3,815)**	**13,071**
Opening balance of Cash and equivalents	**11**	**55,108**	**42,037**
Closing balance of Cash and equivalents	**11**	**51,293**	**55,108**

(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 financial year 2023, shows the subsidiaries financial review of IMPACT business group as well.

The sharesholder structure as at 31 December 2022, and 31 December 2023 is disclosed within Note 12.

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

Company	Country of registration	Nature of activity	% Owned by the Group as at 31 December 2023	% Owned by the Group as at 31 December 2022
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%
Aria Verdi 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%	51.01%
Impact Alliance Architecture	Romania	Architecture services	51%	51%
IMPACT Alliance Moldova SRL	Romania	Construction works	51%	-

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

During 2023, the activity of the Group was the development of the residential projects in Greenfield Băneasa as well as the selling of the finalized projects in Luxuria Residence and Boreal Constanta.

2. BASIS OF PREPARATION

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

In accordance with IFRS, the Financial Statements present fairly the financial position, financial performance, and cash flow. Fair presentation means faithful representation of the effects of transactions, other events, and conditions in accordance with the definition and recognition criteria for assets, liabilities, income and expenses.

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.

In preparing the Consolidated Financial Statements, the management has considered the implications of climate change, and embedded such risks in the assumptions used for the determination of the fair value of the investment properties.

Furthermore, in order to tackle climate change risks the management has adopted an ESG strategy, to dictate its aim to value the environment and with each project developed, to create communities in harmony with it, putting the well-being and health of residents first. To achieve this goal, IMPACT uses sustainable technologies, renewable energy and extensive green spaces. Furthermore, IMPACT published for the second year in row, in 2023, a sustainability report, which summarizes the Group's efforts in regards to climate change risks. The report was developed following the GRI Standards (Global Reporting Initiative), the most well-known international sustainability reporting framework (GRI Referenced). At the same time, the report meets the national legal requirements set out in the Order of the Public Finance Minister No. 1,938/2016 and the Order of the Public Finance Minister No. 3,456/2018 on non-financial reporting.

Management is aware of potential climate change risks for its operations as well as for those of its partners and it regularly monitors and evaluates the impact of such risks in order to adopt appropriate measures, if the case.

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the company and the entities controlled by the Company (its subsidiaries) until December 31 of each year. Control is carried out when the Company:

• has control over the subsidiary.

• is exposed or has rights to variable profits from its involvement in the subsidiary; and

• has the capacity to use control to influence the profits of the subsidiary.

The Group reassess whether it controls an investee if 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 Company obtains control of the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the profit or loss account from the date the Company acquires control until the date the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income is attributable to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring the applied accounting policies in line with the Group's accounting policies. All assets and liabilities, equity, income, expenses and cash flows related to transactions between members of the Group are eliminated on consolidation.

(b) Going concern

The significant disruptions in the global markets driven by the Covid-19 pandemic then followed by war in Ukraine and Israel and current inflationary economic context had a broad effect on participants in a wide variety of industries, creating a widespread volatility. The Group has prepared forecasts based on the anticipated activity in the upcoming period, considering the pre-sales agreement in place, anticipated evolution of its real-estate projects as well as contractual and estimated cash outflows.

Regarding sales, the Group expects an increase in the volume of transactions during the financial year 2024 due to existing inventory and the projects that the Group is currently running: Greenfield – Teilor District, Luxuria Residence, Boreal Plus Constanța.

The Group has obtained the building permit for Greenfield Copou Iași, and currently it is in process of securing financing and negotiation of the general construction terms.

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.

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 thousands of RON (thousand RON), unless otherwise stated.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies used by the Group are compliant with the IFRS as endorsed by the EU.

The accounting policies described below have been constantly applied by all the Group's entities (a) for all periods presented in these Consolidated Financial Statements.

Disclosed below is the summary of the material accounting policies.

(a) Inventories

Inventories are assets held for sale in the normal course of business, or which are in the process of production for such sale or are in the form of materials or supplies to be consumed in the production process or in the rendering of services.

The basis for the valuation of the inventories is the lower of cost and net realizable value.

Cost is defined as the sum of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes direct materials and, where applicable, direct labor and indirect manufacturing costs 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.

As the production process is longer that one year, the borrowing costs incurred during the process are also capitalized in cost of inventories (IAS 23).

The cost of infrastructure works included in the real estate projects is reported as inventories and it is allocated to the cost of each apartment in the related project. The cost is transferred to cost of goods sold as the apartments are sold.

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)

(b) Property, plant, and equipment

Non-current non-financial assets are primarily operational in character (i.e. actively used in the business rather than being held as passive investments) and they may be classified into two basic types: tangible and intangible. Tangible assets have physical substances.

An item of property, plant and equipment is recognized only if two conditions are met:

- It is probable that future economic benefits associated with the item will flow to the entity.
- The cost of the item can be determined reliably.

Property, plant, and equipment are stated in the statement of financial position at their cost amounts less any accumulated depreciation and accumulated impairment losses.

The cost of the property, plant and equipment item include:

- The purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes.
- Any directly attributable costs incurred to bring the asset to the location and operating condition as expected by management, including site preparation, delivery and handling, installation, set-up and testing.
- Estimated costs of dismantling and removing the item and restoring the site.

The costs of property, plant and equipment are allocated through depreciation to the periods that will have benefited from the use of the asset. The depreciation method used is straight-line depreciation with no residual value.

The land is not depreciated.

The depreciation is charged to the statement of profit and loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of reporting.
The Group assesses on each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value, less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An item of property, plant and equipment is derecognized at disposal or when no future economic benefits are expected from its use or disposal. In such cases, the asset is removed from the statement of financial position, both the asset and the related contra asset – accumulated depreciation. The difference between the net carrying amount and any proceeds received will be recognized through the statement of profit and loss.

(c) Borrowing costs.

Borrowing costs are represented by interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest expense calculated using the effective interest method, interest in respect of lease liabilities or exchange differences arising from foreign currency borrowings.
Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets is capitalized as part of the cost of the asset.
A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale (inventories, buildings).

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.

Capitalization of borrowing costs would cease when substantially all the activities to prepare the asset is completed.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

(d) Investment property

Investment property, which are properties (land and/or buildings) held with the intention of earning rental income or for capital appreciation (or both), including Investment Property under construction for such purposes, are initially valued at cost, including transaction costs. After initial recognition, investment property is measured at fair value model, with changes in the fair value being recognized in profit or loss.

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 a regular basis the best use of the land maintained in investments. The transfer from investment property to 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.

(e) Impairment of assets and non-current assets held for sale.

An impairment exists when the recoverable amount (the higher of fair value less costs to sell and value in use) is less than the carrying amount. The assessment is to be made on an asset-specific basis or on the smallest group of assets for which the entity has identifiable cash-flows (the cash-generating unit).

The Group assesses at the end of each reporting period whether there is any indication that an asset might be impaired. The carrying amount of the asset is compared with the recoverable amount. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized for the difference in profit or loss.

(f) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(g) Shareholder's equity

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 and are presented in the treasury share reserves. The treasury shares are subject of restriction as per Company law in Romania.
Any costs associated with equity transactions are to be accounted for as a reduction of equity.

Dividends

Dividends represent the pro-rata distribution of earnings to the owners of the entity. The approval date is the date when the shareholders vote to accept the dividends declared. This date governs the incurrence of a legal liability by the entity.
The Group do not declare dividends in excess of the amount of retained earnings.

(h) Current liabilities, provisions, contingencies, and events after the reporting period

Current liabilities are those that are payable within 12 months of the reporting date. Current liabilities include current portions of long-term debt and bank overdrafts, dividends declared, other obligations that are due on demand, trade credit, accrued expenses, deferred revenues, advances from customers. The offsetting of the current assets against related current liabilities is not allowed.

Accounts payable on normal terms are not interest-bearing and are stated at their nominal value.

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.

The Group derecognizes 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 derecognized and the consideration paid and payable is recognized in profit or loss.

Those liabilities for which amount, or timing of expenditure is uncertain are deemed to be provisions. A provision is recognized only if: the entity has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

Changes in provisions are considered at the end of each reporting period; provisions are adjusted to reflect the current best estimate. The amount of changes in estimate is accounted through profit or loss.

Contingent liabilities are not recognized in the statement of financial position. They are disclosed only in the notes.

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.

(i) Revenue from Contracts with Customers

Revenue is recognized when the performance obligation is satisfied by transferring a promised good or service to a customer. Revenue is recognized when 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 is valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognized 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 recognized as a reduction of the revenues when the sale revenues are recognized. 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 recharging of utilities are recognized when they are realized, together with the utilities

expenses invoiced by the suppliers. The Group recharges the utilities at mark-up in 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 utilities suppliers in their own name.

(iii) Revenue from construction services

The revenue from construction services is recognized when the significant risks and rewards of ownership have been transferred to the customer; this is deemed to be when work has been performed and accepted by the customer in line with the contractual provisions. 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.

(j) 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.

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 – Loans.

(k) Foreign currency

The functional currency used by the Group is RON (Romanian lei).

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 denominated in foreign currency are converted into the functional currency at the exchange rate as of the reporting 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 resulting from translation are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as financial expenses/revenues.

(l) Financial instruments

The financial assets whose business model is to hold to collect contractual cash flows are measured at amortized cost.

A financial asset or a financial liability is recognized in the statement of financial position when the Group becomes party to the contractual provision of the instrument.

For the financial instruments that are measured at amortized cost, transaction costs are subsequently included in the calculation of the amortized cost using the effective interest method and amortized through profit or loss over the life of the instrument.

The financial liabilities is classified as subsequently measured at amortized cost (trade payables, loan payables with standard interest rates, bank borrowings).

(m) Taxation

The tax charge represents the sum of the current tax 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 profit and loss 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 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, 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 profit and loss, 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.

(n) Segment reporting

The Group operates only in Romania. The main operating segment is related to real estate development. There is no segment reporting inside the Group as the operating activity is not segregated by activity or locations.

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 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 relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 of 31 December 2023 and 31 December 2022. 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 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.

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 in determining 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 including the status of any legal dispute as described in Note 24.

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.

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

A sensitivity analysis of the three key assets is presented below:

Asset	Impact on the valuation included in the balance sheet on 31 December 2023 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa Bucuresti land	+14,522 thousand RON	(14,522) thousand RON
Bd. Barbu Vacarescu land	+9,486 thousand RON	(9,486) thousand RON
Bd Ghencea land	+8,049 thousand RON	(8,049) thousand RON

Asset	Impact on the valuation included in the balance sheet on 31 December 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	+14,076 thousand RON	(14,076) thousand RON
Bd. Barbu Vacarescu land	+8,804 thousand RON	(8,804) thousand RON
Bd Ghencea land	+8,005 thousand RON	(8,005) thousand RON

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

IAS 40 (investment property) requires the transfers from and to investment property to be evidenced by a change in use. Conditions which are indications of a change in use are judgmental 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 plots of land, Management has assessed the recognition and classification criteria under IAS40 and concluded that the respective plots of land should remain classified as investment property until a decision to change the use will be taken. Currently there are various initiatives undertaken in order to enhance the value of those assets, but as of 31 December 2023 and up to the approval date of the present financial statements no firm and formal decision had been taken by the Company as to the actual use of those lands; consequently, these assets are classified as investment properties as of 31 December 2023 (same at 31 December 2022) and continued to be recorded at fair value as at the balance sheet date.

- For a portion of the Greenfield land consisting in vacant plots of land Management has assessed the recognition and classification criteria under IAS40 and concluded that the respective plots of land should remain classified as investment property until a decision to change the use will be taken. Management has not planned any potential development in the following 3-4 years from the balance sheet date and there are multiple scenarios available. As such, considering that there is still an undetermined use and that the Company continues to hold the respective plots of land for future appreciation, in line with the provisions of IAS40 they continue to be accounted for at fair value within investment property.

- The Company has concluded lease agreements for certain apartments. Management has assessed the classification criteria under IAS40 and IAS2 and concluded that those apartments should continue to be classified as inventories, given that units are available for sale and the rental activity is carried out in order to optimize cash-flows on the near-term.

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 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 25.

(iv) Cost allocation

To determine the profit that the Group should recognize 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.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A) Amendments to accounting policies and to information to be disclosed.

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 as of 1 January 2023:

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. 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 Group evaluated its accounting policies and adapted the presentation of information according to the new requirements.

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. Management has assessed that the amendments did not have any material 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. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. Management has assessed that the amendments did not have any material impact on the financial statements of the Group.

IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The amendments do not have a significant impact on the financial statements of the Group as the quantitative criteria for applicability of such standard are not met.

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

B.1) The standards/amendments that are not yet effective, but they have been endorsed by the European Union

• IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. Management has assessed that the amendments will have no material impact on the financial statements of the Group.

• IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)
The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed that the amendments will have no material impact on the financial statements of the Group.

B.2) The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

• IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed that the amendments will have no material impact on the financial statements of the Group.

• IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)
The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Management has assessed that the amendments will have no material 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.
Management has assessed that the amendments will have 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

	Land and buildings	Machinery, equipment, and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 January 2023	83,906	4,523	2,363	1,922	92,714
Additions	-	209	412	4,873	5,494
Transfers	25,330	1,819	524	(3,504)	24,169
Disposals	(7,585)	(1,617)	(178)	5	(9,375)
Balance as at 31 December 2023	**101,651**	**4,934**	**3,121**	**3,296**	**113,002**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2023	**23,288**	**2,749**	**1,029**	**-**	**27,066**
Charge for the period	1,830	254	417	-	2,501
Transfers	(11,530)	1,896	59	-	(9,575)
Impairment loss	2,514	-	-	-	2,514
Accumulated depreciation of disposals	(7,574)	(1,118)	(177)	-	(8,869)
Balance as at 31 December 2023	**8,528**	**3,781**	**1,328**	**-**	**13,637**
Carrying amounts					
On 1st of January 2023	**60,618**	**1,774**	**1,334**	**1,922**	**65,648**
On 31st of December 2023	**93,123**	**1,153**	**1,793**	**3,296**	**99,365**

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

	Land and buildings	Machinery, equipment, and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance on 1st of January 2022	**20,601**	**3,801**	**1,703**	**8,674**	**34,779**
				-	
Additions	42,241	869	1,280	569	44,959
Business combination	8,409	221	318	-	8,948
Transfers	12,655	-	-	(7,150)	5,505
Value adjustments	-	-	-	(18)	(18)
Disposals	-	(368)	(938)	(153)	(1,459)
Balance on 31st of December 2022	**83,906**	**4,523**	**2,363**	**1,922**	**92,714**
Accumulated depreciation and impairment losses					
Balance on 1st of January 2022	**15,430**	**2,733**	**1,401**	**-**	**19,564**
Charge for the period	1,111	382	565	-	2,058
(Reversal of)/Impairment loss	6,747	-	-	-	6,747
Accumulated depreciation of disposals		(366)	(937)	-	- 1,303
Balance on 31st of December 2022	**23,288**	**2,749**	**1,029**	**-**	**27,066**
Carrying amounts					
On 1st of January 2022	**5,171**	**1,068**	**302**	**8,674**	**15,215**
On 31st of December 2022	**60,618**	**1,774**	**1,334**	**1,922**	**65,648**

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

Lease contracts

	31-Dec-2023		31-Dec-2022	
	Contracts No	Fixed payments	Contracts No	Fixed payments
Vehicles	26	100%	26	100%
Machinery	5	100%	5	100%
Total	**31**	**100%**	**31**	**100%**

Right of Use Assets

	31-Dec-2023	31-Dec-2022
	Vehicles &Machinery	Vehicles &Machinery
Opening Balance as of 1 January	**4,317**	-
Additions	-	1,871
Business combinations	-	3,310
Depreciation	(1,245)	(864)
FX movements	228	
Closing Balance as of 31 December	**3,300**	**4,317**

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.

Land and buildings:

The changes in land and buildings mainly consist of the following:

- Disposal of infrastructure works which related to a residential project which had been finalized in the past years. The respective assets had a gross book value of RON 7,574 thousand and was fully depreciated, so there was a nil impact in the financial statements
- Amount of RON 3,504 thousand transferred from work in progress to finalized building during 2023

Transfers with other balance sheet positions are mainly explained by the following:

- Transfer out of infrastructure works to inventories with a net book value of RON 1,853 thousand (Gross book value of RON 12,452 thousand and accumulated depreciation value of RON 10,599 thousand).
- Transfer in of a land plot from Investment Property of RON 13,331 thousand as there was technical documentation finalized in 2023 which resulted in additional land being allocated to the Company's photovoltaic park located in Greenfield project.
- Transfer in of a plot of land from Investment Property of RON 20,947 thousand as there was technical documentation finalized in 2023 which resulted in additional land being allocated to the Company's wellness property located in Greenfield project.
-

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:

During 2023, the purchases of cars, equipment and means of transport were worth RON 209 thousand, represented mainly by machinery for construction purposes in RCTI Company in value of RON 169 thousand and machinery for Impact Alliance Architecture in value of RON 31 thousand.

Furniture and installations:

During 2023, furniture and installations worth RON 412 thousand were purchased, out of which 401 refers to furnishing for the new office of RCTI Company in Brasov city. Depreciation in the amount of RON 417 thousand was calculated using the straight-line method.

Assets under construction:

The value of fixed assets under construction increased during 2023 by RON 4,873 thousand, representing mostly improvement works for the office building of RCTI Company in value of RON 2,354 thousand, the investment in Greenfield-photovoltaic Park in amount of RON 2,023 thousand, as well as investment in the billboards located in Dragalina and Baicoi, in total value of RON 473 thousand.

The transfers registered during the period refer to the commissioning of the panels in Dragalina and Băicoi, in a total value of RON 1,037 thousand, as well as the completion of the RCTI office building works, in the value of RON 2,467 thousand.

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

8. INVESTMENT PROPERTY

	2023	2022
Balance at 1 of January	**653,725**	**571,882**
Additions	17,842	9,887
Transfers from/to PPE/Inventories	(38,342)	(5,505)
Value adjustments	(65)	(197)
Changes in fair value during the year	43,137	77,660
Balance at 31 of December	**676,297**	**653,725**

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

	31-Dec-2023		31-Dec-2022	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Băneasa land (Bucharest)	211,631	290,441	217,852	281,511
Barbu Vacarescu land (Bucharest)	25,424	189,711	25,424	176,078
Blvd. Ghencea – Timișoara land (Bucharest)	258,895	160,978	258,895	160,098
Total	**495,950**	**641,130**	**502,171**	**617,687**

Additions in investment property mainly consist of:

- the purchase of a 2,895 square meter plot of land in Greenfield worth RON 3,785 thousand.
- other ongoing investment works worth RON 1,590 thousand
- RON 12,466 thousand represent additional works done for Plaza and the land fence for the Ghencea land

Transfers into or from property, plant and equipment of RON 38,342 thousand comprises:

- Transfer of land from investment property to PP&E of RON 13,331 thousand (10,364 square meter) related to the photovoltaic park and RON 20,947 thousand related to Wellness property, both in Greenfield project (See also note 7)
- Transfer in amount of RON 518 thousand of two apartments from investment property to Inventories as the units were made available for sale during the current year.

The fair value of land presented as investment property increased at the end of 2023, by RON 43,137 thousand, following the revaluation carried out by the external evaluator, Colliers Valuation and Advisory S.R.L.

Considering the classification criteria under IAS40 and as detailed in note 5 ii – Critical accounting judgements (transfer of assets both from and to investment property), the Group concluded that as of December 2023 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”.

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

Details on the legal matters related to land are presented in Note 24.

Valuation processes
The Group's investment properties were valued at 31 December 2023 and 31 December 2022 by independent professionals 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 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 31 December 2023 and 31 December 2022. 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 table below presents a summary of the most significant assets and key assumptions used:

Asset	**Main parameters on 31st of December 2023**	**Main parameters on 31st of December 2022**
Greenfield Băneasa land	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 500 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -36% discount to +27% Premium	• 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 -26% discount to +37% Premium
Barbu Văcarescu land	• Price offer per square meter for land used as comparable: from 1,000 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -35% to +60% Premium	• Price offer per square meter for land used as comparable: from 1,254 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -40% to +20% Premium
Blvd. Ghencea land	• Price offer per square meter for land used as comparable: from 179 EUR/sqm to 254 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -48%	• Price offer per square meter for land used as comparable: from 80 EUR/sqm to 165 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -5% to +75%

The carrying value as at 31 December 2023 of the land plots pledged is RON 235,353 thousands (31 December 2022: RON 251,812 thousands).

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

9. INVENTORIES

	31-Dec-23	31-Dec-22
Finished goods and other goods for sale	160,739	227,707
Ongoing residential developments:		
Land for development	124,109	134,161
Development and construction costs	337,761	255,830
	622,609	**617,698**

Inventories are represented by:

	31-Dec-23	31-Dec-22
Greenfield residential project	399,414	313,333
Luxuria residential project	79,989	123,519
Constanta land and project	89,887	107,927
Iasi land and project	47,193	44,877
Others inventory	6,126	28,042
	622,609	**617,698**

Lands with a carrying amount of RON 124,109 thousand as of 31 December 2023 (31 December 2022: RON 134,161 thousand) consist of land owned by the Group for the development of new residential properties and infrastructure, in Bucharest, Constanta or Iasi, as well as land the Group intends to sell directly.

Real estate completed with an accounting value of RON 160,739 thousand on 31 December 2023 (31 December 2022: RON 227,707 thousand) refers entirely to apartments held for sale by the Group.

Cost of inventories recognized during the period is RON 85,509 thousand (2022: RON 140,327 thousand).

The book value as of 31 December 2023 of the pledged stocks is RON 234,437 thousand (31 December 2022: RON 189,387 thousand) (see Note 15).

The Boreal Plus project in Constanta 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 2022 is RON 1,020 thousand. During 2023 the project was completed and available for sale, therefore no interest was capitalized.

Part of the Greenfield project (construction of the Teilor complex) is financed by OTP Bank. The capitalized interest during 2022 in the value of the projects is RON 1,230 thousand. The capitalized interest during 2023 in the value of the projects is RON 9,664 thousand.

A provision of RON 17,037 thousand is registered as at 31 of December 2023 (31 December 2022: RON 4,141 thousand), in development and construction costs performed by Clearline Development & Management S.R.L. in Cluj, for which a litigation with the Cluj Local Council is undergoing (for more details about the litigation please see Note 24 – Contingencies). Based on legal advise, the winning chances are rather probable, but no reliable estimate can be derived, therefore the investment has been fully provisioned.

According to the provision of IAS23 – Borrowing costs, the costs related to general loans were capitalized in the value of eligible assets using a weighted average rate.

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

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

10. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	Short term	
	31-Dec-23	**31-Dec-22**
Trade receivables	11,604	13,448
Sundry debtors	2,210	1,406
Receivables from authorities	397	10,707
	14,212	**25,561**

Prepayments and other current assets	**31-Dec-23**	**31-Dec-22**
Prepaid expenses	6,219	6,529
Advance payments to services suppliers	849	10,699
	7,068	**17,228**

Prepayments include advance payments to IT software suppliers, taxes on land and buildings.

An allowance has been made for expected credit losses from trade receivables of RON 4,078 thousand (31 December 2022: 5,790 thousand RON).

Reconciliation of the provision for expected credit losses:

	31-Dec-23	**31-Dec-22**
Balance as at 1st of January	5,790	2,151
Reversal of provision (receivables)	(3,429)	(2,085)
New provision	1,717	5,724
Balance as at 31 of December 2023	**4,078**	**5,790**

As at 31 of December 2023, did not have any pledge receivables, except for the rental income which is mortgaged in favor of First Bank.

11. CASH AND CASH EQUIVALENTS

	31-Dec-23	**31-Dec-22**
Current accounts	51,196	55,052
Petty cash	51	11
Cash advances	46	45
	51,293	**55,108**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, RON 9 thousand (31 December 2022: 102 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.)

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

12. SHARE CAPITAL

	31-Dec-23	31-Dec-22
Paid Share capital	591,420	591,420
Adjustments of the share capital (hyperinflation)	7,464	7,464
	598,884	**598,884**
Number of shares in issue at period end	**2,365,679,961**	**2,365,679,961**

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

	31-Dec-23	31-Dec-22
	%	%
Gheorghe Iaciu	57.76%	57.76%
Andrici Adrian	11.83%	12.73%
Companies	19.96%	19.70%
Other shareholders	10.45%	9.82%
	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 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. This share capital increase generated a share premium in amount of RON 37,904,170.

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. Under the Private Placement 42,756,138 shares were subscribed, and the subscription price was 0.439 RON per new share (the "Subscription Price"). This share capital increase generated a share premium in amount of RON 8,080,910.

No share capital increase was registered in 2023.

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

The Other reserves constituted for the Group are detailed below:

	2023	**2022**
Legal Reserves	46,383	45,060
Statutory reserves	(4,871)	(4,871)
Other reserves	78	77
Balance as at 31 December	**41,590**	**40,266**

The legal reserve is set in accordance with the provisions of the Romanian Company Law, which requires that at least 5% of the annual accounting profit before tax is transferred to "legal reserve" until the balance of this reserve reaches 20% of the share capital of the Company.

Legal reserves in the amount of RON 22,124 thousand represent the legal reserve approved for distribution in 2021 but transferred to the reserve account in 2022. The amount of RON 3,805 thousand represents the legal reserve established in 2022.

Dividends

During 2023 no dividends were granted and paid to shareholders of the Group. RCTI Company, one of the Group subsidiaries granted and paid dividends in the amount of RON 3,430 to its non-controlling interest shareholders.

No dividends were distributed during the year ending 31 December 2022.

Capital management.

For the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and adjusts in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt to assets ratio, which is loans and borrowings less cash and cash equivalents, divided to total assets The Group's policy is to keep the debt to assets ratio to less than 40%.

To achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. In case of breaches in meeting the financial covenants the banks allow for remedy periods. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2023 and 2022. Debt to assets ratio as of 31 December 2023 and 31 December 2022 are disclosed below:

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

Debt to assets ratio	**31-Dec-2023**	**31-Dec-2022**
Loans and borrowings	413,634	391,126
Less: cash and cash equivalents	(51,293)	(55,108)
Net debt	**362,341**	**336,018**
Total assets	1,478,319	1,443,362
Net debt to assets	**25%**	**23%**

13. OWN SHARES

	2023	**2022**
Balance as at 1 of January	**268**	**841**
Purchase of own shares	-	442
Own shares cancelled during the year	-	-
Share-based payments	-	(1,015)
Balance as at 31 of December	**268**	**268**

	2023 (no. of shares)	**2022 (no. of shares)**
Balance as at 1 of January	**738,541**	**1,370,920**
Purchase of own shares	-	1,632,621
Own shares cancelled during the year	-	-
Share-based payments	-	(2,265,000)
Balance as at 31 of December	**738,541**	**738,541**

The reserve of own shares represents the cost of shares of the Parent Company purchased on the market, to satisfy the options and conditional quotas granted under the Group's share-based payment schemes.
On December 31, 2023, the Group has own shares with an accounting value of RON 268 thousand (December 2022: RON 268 thousand).

The Group may grant 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 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.

The total number of shares that may be granted to Eligible Persons under this Plan is a maximum of 3,060,000 registered shares ("Reserved Shares").

In 2022, the Group granted a number of 2,265 thousand shares to employees and members of the Board of Directors evaluated and recorded in the profit and loss account on the date of granting in the amount of 969 thousand lei (0.427 lei/share). The average cost borne by the parent company with the acquisition of these shares was 1,015 thousand lei (0.367 lei/share).

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

No shares were granted to employees during 2023.

LOANS AND BORROWINGS

This note shows information related to the contractual terms of the interest-bearing loans and borrowings of the Group, valued at amortized cost, Information related to the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is included in Note 22.

	31-Dec-2023	31-Dec-2022
Non-current liabilities		
Secured bank loans	273,191	236,294
Issued bonds	72,163	32,561
Leasing	1,304	2,352
Total non-current liabilities	**346,658**	**271,207**
Current liabilities		
Short-term borrowings	65,879	118,910
Issued bonds	46	46
Leasing	1,051	1,009
Total current liabilities	**66,976**	**119,919**

Starting with 2023 the Company presents leasing liabilities as part of Loans and borrowings, whereas in 2022 these were presented within trade and other liabilities.

(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 31-Dec-23 (thous. RON)	Balance at 31-Dec-22 (thous. RON)
Bonds					
Private placement bonds	EUR	24-Dec-26	6,581	32,740	32,561
Credit Investment Value	EUR	02-Oct-27	8,000	39,423	-
Total bonds				**72,163**	**32,561**
Loans					
CEC Bank	EUR	27-Nov-23	9,880	-	48,622
Garanti BBVA	EUR	15-Jun-24	4,250	3,210	5,936
Garanti BBVA	EUR	30-Jun-24	4,500	6,396	18,978
Libra Internet Bank	EUR	26-Jul-24	12,562	5,786	16,356
Libra Internet Bank	EUR	22-Sep-24	8,676	5,201	14,084
Libra Internet Bank	EUR	05-Oct-24	4,000	1,813	7,363
Libra Internet Bank	EUR	05-Dec-25	1,900	7,287	9,400
Libra Internet Bank	EUR	05-Dec-25	5,250	12,121	25,974
OTP Bank	EUR	31-Mar-25	21,161	105,268	51,444
OTP Bank	EUR	30-Jun-24	4,000	4,708	5,100
OTP Bank	EUR	31-Mar-25	13,279	65,239	44,388
OTP Bank	EUR	30-Jun-24	2,000	1,514	4,358
TechVentures Bank	EUR	06-Jan-25	2,000	3,592	6,871
Alpha Bank	EUR	08-Jun-29	20,000	81,068	95,283
First Bank	EUR	29-Mar-29	3,500	16,695	-
Libra Internet Bank	RON	15-Jun-26	14,000	1,778	-
Garanti BBVA	RON	31-Dec-26	17,395	17,394	-
Garanti BBVA	RON	31-Oct-23	14,000	-	1,000
Total bank loans				**339,070**	**355,157**
Leasing					
Leasing	EUR			2,355	3,361
Total leasing				**2,355**	**3,361**
Interest				**46**	**46**
Total				**413,634**	**391,125**

	Bonds	Loans	Leasing	Total
Balance as at 1 of January 2023	**32,607**	**355,157**	**3,361**	**391,125**
Drawings	39,346	185,752		225,098
Reimbursement	-	(201,870)	(1,036)	(202,906)
Interest paid	(3,324)	(25,954)	(51)	(29,329)
Interest charge	3,318	25,954	51	29,323
Foreign exchange differences	262	31	30	323
Balance as at 31 of December 2023	**72,209**	**339,070**	**2,355**	**413,634**

In December 2020, the Parent Company carried out a new issue of Private Placement bonds in the amount of EUR 6,580 thousand with a fixed interest rate of 6.4% p.a., payable semiannually. The bonds were issued by the Parent Company on 24 December 2020, they have a maturity of 6 years and were listed in May 2021 on the regulated market of BVB.

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 in the amount of 9,880 thousand EURO and represents investment credit with a maturity of 30 months from the granting, and the second facility in the amount of 3,500 thousand RON represents VAT financing with a maturity of 20 months from the time 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 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 in 36 months from 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, with maturity in 7 years from the granting.

In May 2022, the Company contracted a loan denominated in EUR from Garanti for the general financing of projects (working capital). The value of the credit is EUR 4,500 thousand, with a maturity of 2 years from the granting.

In September 2022, the Company contracted 4 loans denominated in EUR from OTP Bank to finance phases F1-F3 of the UTR3 project in Greenfield Băneasa. The cumulative value of the credits is EUR 40,440 thousand, of which two in a total amount of EUR 34,440 thousand are intended to finance the project, with a maturity of 3 years from the granting, and two in a total amount of EUR 6,000 thousand to cover VAT payments, with maturity of 2 years from granting.

In December 2022, the IMPACT SA contracted a loan denominated in EUR from Libra Bank for the general financing of projects (working capital). The value of the loan is EUR 1,900 thousand, with a maturity of 3 years from the granting.

In December 2022, Bergamot Developments Phase II SRL contracted another loan denominated in EUR from Libra for the general financing of projects (working capital). The value of the loan is EUR 5,250 thousand, with a maturity of 3 years from the granting.

In May 2023, the IMPACT SA contracted a loan denominated in EUR from First Bank for the refinancing of the Community centre Greenfield Plaza. The value of the credit is EUR 3,500 thousand, with a maturity of 70 months from the granting.

In June 2023, IMPACT SA contracted a loan denominated in EUR from Libra Internet Bank for the general financing of projects (working capital). The value of the loan is RON 14,000 thousand, with a maturity of 3 years from the granting. Credit facility drawings started in July 2023.

In October 2023 IMPACT SA offered for subscription 80 Series IMP27 bearer bonds (the "Bonds"), each with a nominal value of EUR 100,000.00 (one hundred thousand euros) and an aggregate nominal value of EUR 8,000,000.00 (eight million euros). The Bonds were allotted to institutional investors – consortium of several investment funds, of which assets are managed by CVI Dom Maklerski sp. z o.o. The Polish company under business name CVI Trust sp. z o.o., with its registered seat in Warsaw, Poland, is acting as a security administrator. Final maturity is 48 months from the issuance date.

In November 2023 IMPACT SA contracted a loan denominated in RON from Garanti Bank for the general financing of projects (working capital). The value of the loan is RON 17,395 thousand, with a maturity of 3 years from the granting. Credit facility drawings started in December 2023.

All the financial indicators provided for in the long-term bank loan contracts were met as at 31 December 2022 and as at 31 December 2023.

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

Debts related to leasing contracts.

	Vehicles	Total
Balance as at 1 January 2022	-	-
Additions	1,871	1,871
Business combinations	3,310	3,310
Interest expense	154	154
Lease payments	(2,239)	(2,239)
Foreign exchange movements	265	265
Balance as at 31 December 2022	**3,361**	**3,361**

	Vehicles	Total
Balance as at 1 January 2023	**3,361**	**3,361**
Interest expense	426	426
Lease payments	(1,480)	(1,480)
Foreign exchange movements	48	48
Balance as at 31 December 2023	**2,355**	**2,355**

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 leased 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.

No new leasing contracts were signed in 2023.

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

15. TRADE AND OTHER PAYABLES

	31-Dec-23	31-Dec-22
Non-current liabilities		
Guarantees	5,995	6,124
	5,995	**6,124**
Current liabilities		
Trade payables	15,532	30,384
Tax debts	4,097	733
Employees payables	1,530	1,658
Dividends payable	-	177
Other payables	1,662	774
	22,821	**33,726**
TOTAL	**28,816**	**39,850**
Advances from clients	**38,894**	**39,470**

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

Starting with 2023 current income tax liability is presented separately on the face of the consolidated statement of financial position, while up to 2022 this was presented within trade and other payables.

Information related to the Group's exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 22.

Please see Note 17 for details regarding advances from clients.

16. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance as at 1 of January 2023	**271**	**82**	**353**
Provisions made during the year	-	-	-
Provisions used during the year	-	(66)	(66)
Balance as at 31 of December 2023	**271**	**16**	**287**

	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	-	(935)	(935)
Balance at 31 December 2022	**271**	**82**	**353**

The provisions amounting to RON 287 thousand as of 31 December 2023 are represented by:

- RON 271 thousand for a litigation in connection with one of the houses sold in the Boreal neighborhood of Constanța
- RON 16 thousand for untaken holidays

17. REVENUES

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

	31-Dec-2023	31-Dec-2022
Revenues from sales of residential properties	120,675	210,134
Revenue form services	47,598	14,511
Revenue from rental	2,944	1,860
	171,217	**226,505**

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

As at 31 December 2023, the Group had a stock of 377 pre-sale agreements, in total value of RON 216,315 thousand. Of these, 85% refer to projects under development (320 dwellings, RON 177,856 thousand package value), 9% refer to completed projects (36 dwellings, RON 28,780 thousand package value), while the remaining 6% refer to projects in pipeline (21 dwellings, RON 10,167 thousand).

Out of total pre-sales, 356 contracts, or RON 206,636 thousand are expected to be translated into revenues within next period.

For these pre-sale agreements clients paid deposits in amount of RON 38,894 thousand which are shown under Contract liabilities in the statement of financial position.

As at 31 of December 2022, the Group had a stock of 450 pre-sale agreements, in total value of RON 235,487 thousand. Of these, 70% referred to projects under development (315 dwellings, RON 169,788 thousand package value), 25% refer to completed projects (111 dwellings, RON 51,695 thousand package value), while the remaining 5% refer to projects in pipeline (24 dwellings, RON 14,004 thousand).

During 2023 the Company started leasing part of its apartments for cash-flow purposes. The apartments remain available for sale, however given that this activity is expected to be recurring, the rental income generated is presented as part of Revenue starting with 2023, whereas in 2022 it was presented under 'Net income from other activities' line.

Sales per project analysis:

	31-Dec-2023	31-Dec-2022
Greenfield Baneasa București	17,172	70,696
Boreal Plus Constanta	35,176	3,720
Luxuria Residence	68,327	135,718
	120,675	**210,134**

Expenses related to revenues:

	31-Dec-2023	31-Dec-2022
Cost of goods sold	83,509	140,326
Services cost	29,705	7,556
Costs related to rental services	829	626
	114,043	**148,508**

In 2023 Impact sold 157 units, represented by 27 dwellings in GREENFIELD Baneasa, 68 dwellings in LUXURIA Residence and 54 dwellings, 1 commercial space as well as 7 villas in BOREAL Plus (13,733 sqm built saleable area plus related parking spots, storage, and court yards). The 157 units sold throughout 2023 generated corresponding revenues of RON 120,675 thousand.

Revenue from rental is obtained from renting the commercial spaces within Greenfield Plaza community centre (RON 2,318 thousand) as well as from renting the apartments (RON 626 thousand). The rented apartments are not held as investment property but sold. In 2022 the income revenue form rental was in amount of RON 1,860 thousand (RON 1,314 form commercial spaces and RON 546 thousand from apartments) and were disclosed within the "Net revenue from other activities" category.

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

The revenue from services represent the income from construction services performed by RCTI (RON 37,597 thousand in 2023 and RON 3,757 thousand in 2022) and other income (utility sales, furniture sales, property management performed by the group companies). In September 2022, the company RCTI was acquired, therefore, in 2022, only the revenues achieved in the period after the acquisition were presented in the financial statements of the Group. In 2023, the revenues from construction services were fully included. Also, considering the small share in total revenues in 2022, they were presented in the "net revenues from other activities" category.

18. GENERAL AND ADMINISTRATIVE EXPENSES

	31-Dec-2023	31-Dec-2022
Consumables	2,625	1,161
Third party expenses	15,441	14,380
Staff costs	17,243	14,641
	35,309	**30,182**

19. OTHER OPERATING (EXPENSES)/INCOME

	31-Dec-2023	31-Dec-2022
Other operating income	3,291	2,992
Other operating expenses	(253)	(1,727)
Other tax expenses	(2,914)	(1,803)
Profit / (Loss) on disposal of PPE	(2,002)	(660)
Fines and penalties income/(expenses)	3,537	1,156
Loss on disposal of PP&E	5,037	(3,173)
Value adjustment for inventories	(13,408)	(3,582)
Value adjustment of receivables	1,712	(727)
Sponsorships	(76)	(1,043)
	(5,076)	**(8,567)**

Value adjustment of inventories registered in 2023, are represented by:

- A loss of RON 12,896 thousand from an allowance for Clearline Development & Management S.R.L. in order to fully provision the investment in Cluj, subject to a litigation (for more details about the litigation please see Note 24 – Contingencies).
- A loss of RON 512 from other inventory provisions.

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

20. FINANCE (COST)/INCOME

	31-Dec-2023	31-Dec-2022
Interest expense	(22,032)	(5,129)
Foreign exchange loss	(10,662)	(9,921)
Other financial expenses	(1,627)	(2,817)
Total financial expenses	**(34,321)**	**(17,867)**
Interest income	275	366
Foreign exchange gains	10,676	10,058
Other financial income	28	1,202
Total financial income	**10,979**	**11,626**
Financial result, net	**(23,342)**	**(6,241)**

Compared with 2022, in 2023 the interest expense has increased by RON 16,903 thousand. This is due to increase of loans balance as at 31 December 2023 corroborated with interest rate increases, as well as due to the fact that interest of loans previously capitalized was charged to expenses during 2023. As regards to foreign exchange results, 2023 the Group has registered net gains from foreign exchange of RON 14 thousand due to increase in value of RON against EUR (2022: foreign exchange net gain of RON 137 thousand),

21. TAXES

(c) Taxes recognized in the profit and loss account

	31-Dec-2023	31-Dec-2022
Deferred income tax expense (revenues)	(4,194)	12,568
Current profit tax	3,962	5,494
Current income tax (small enterprises)	4	-
Total tax expense (revenues)	**(228)**	**18,062**

(d) Effective tax rate reconciliation

		31-Dec-2023		31-Dec-2022
Profit before tax		**28,877**		**102,829**
Income tax calculated using the entity's local tax rate	16%	(4,346)	16%	(16,453)
Non-deductible expenses and adjustments	16%	3,070	16%	13,601
Non-taxable income	16%	(2,690)	16%	(15,221)
Changes in deferred tax	-	(5,425)	-	218
	(15%)	**(1,459)**	**18%**	**18,062**

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

(e) Cumulative temporary differences that generate deferred tax

	31-Dec-23		31-Dec-22	
	Taxable base	**Deferred tax asset/(liability)**	**Taxable base**	**Deferred tax asset/(liability)**
Tangible asset	-	-	(1,394)	(223)
Godwill	3,543	567	-	-
Investment property	497,346	79,575	530,266	84,843
Inventories	-	-	(13,756)	(2,201)
Trade receivables and other receivables	(4,078)	(652)	(8,506)	(1,361)
Other reserves	-	-	-	-
	496,811	**(79,490)**	**506,610**	**81,058**
Tax losses that generated deferred tax	(24,103)	(3,856)	-	-
	(472,708)	**(75,633)**	**506,610**	**81,058**

(f) Movements in deferred tax balances

	Balance at 01.01.2023	Recognized in the current result	Recognized in other elements of comprehensive income	Net	Assets	Liability
2023						
Tangible assets	(223)	1,454	-	1,231	-	
Godwill	-	567		567		567
Investment property	84,843	(5,475)	-	79,575	-	79,575
Trade receivables and other receivables	(1,361)	709	-	(652)	(652)	-
Inventories	(2,201)	2,201	-	-	-	-
The effect of tax losses that generated deferred tax	-	(3,649)	-	(3,856)	(3,856)	-
(Receivables)/ net tax liabilities	**81,058**	**(4,194)**	**-**	**76,864**	**(4,509)**	**81.373**

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

	Balance at 01.01.2022	Recognized in the current result	Recognized in other elements of comprehensive income	Net	Assets	Liability
2022						
Tangible asset	(223)	-	-	(223)	(223)	-
Investment property	72,486	12,426	-	84,843		84,843
Trade receivables and other receivables	(774)	(656)	-	(1,361)	(1,361)	-
Inventories	(2,343)	142	-	(2,201)	(2,201)	-
The effect of tax losses that generated deferred tax	(449)	449	-	-	-	-
(Receivables)/ net tax liabilities	**68,697**	**12,361**	-	**81,058**	**(3,785)**	**84,843**

22. 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
- financing risk

Risk management framework

The Group's policies regarding 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 management, aims to develop an orderly and constructive control environment, where all employees understand his/her role and duties.

(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 represents the maximum exposure to credit risk. The maximum exposure to the credit risk at reporting date was:

	Note	31-Dec-2023	31-Dec-2022
Trade and other receivables	10	14,213	14,853
Cash and cash equivalents	11	51,293	55,108
		65,506	**69,961**

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

Trade receivables and other receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, management also considers the demographic characteristics of the Company's customer base, including the non-payment risk characteristic of the field of activity and that of the country in which the customer operates, given that all these factors influence credit risk.
To monitor the credit risk related to customers, the Group monitors payment delays monthly and takes measures deemed necessary, on a case-by-case basis.
The Group establishes an allowance for impairment which represents its estimates of losses on trade receivables and other receivables (see Note 10).
The maximum credit risk exposure related to trade receivables and other receivables at the reporting date by geographic region was:

	31-Dec-2023	31-Dec-2022
România	14,213	14,853
	14,213	**14,853**

Impairment losses

The debt aging situation at the reporting date was:

	31-Dec-23			31-Dec-22		
	Gross amount	Adjustment for impairment	Net amount	Gross amount	Adjustment for impairment	Net amount
Did not reach the maturity date	2,206	-	2,206	4,409	-	4,409
Remaining between 1-30 days	2,436	-	2,436	4,237	-	4,237
Remaining between 31–90 days	1,948	-	1,948	3,592	-	3,592
Remaining between 91–120 days	2,495	-	2,495	2,615	-	2,615
Remaining between 121–365 days	4,730	-	4,730	-	-	-
Arrears of more than one year	4,078	(4,078)	-	5,790	(5,790)	-
	17,893	**(4,078)**	**13,815**	**20,643**	**(5,790)**	**14,853**

Impairment losses as at 31 December 2023, relate to a number of customers who have indicated that they do not anticipate having the ability to pay the amounts owed primarily due to economic conditions.

The Group believes that amounts for which provisions have not been established and which are overdue by more than 30 days will be collected, based on historical payment behavior and a thorough analysis of the credit rating of the customers in question.

Cash and cash equivalents.

As at 31 of December 2023, the Group held cash and cash equivalents in the amount of RON 51,293 thousand (31 December 2022: RON 55,108 thousand), representing the maximum exposure to credit risk related to these assets. Cash and cash equivalents are maintained with banks and financial institutions in Romania.

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

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with financial debts that are settled in cash or through the transfer of another financial asset. The Group's approach to liquidity risk is to ensure, to the extent possible, that it holds sufficient liquidity at all times to meet liabilities as they fall due, both under normal and stressed conditions, without incur unacceptable losses or jeopardize the Group's reputation.

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

31-Dec-22	Accounting value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans	387,765	387,765	117,863	62,431	199,095	7,329
Trade debts and other debts	45,096	45,096	36,620	8,476	-	-
	432,861	**432,861**	**154,483**	**70,907**	**199,095**	**7,329**
Estimates of future interest rates	33,074	33,074	17,312	10,527	5,098	137
	465,935	**465,935**	**171,795**	**81,434**	**204,193**	**7,466**

31-Dec-23	Accounting value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans	411,233	411,279	65,881	202,929	141,460	1,009
Trade debts and other debts	63,615	63,613	57,618	5,995	-	-
	474,848	**474,892**	**123,499**	**208,924**	**141,460**	**1,009**
Estimates of future interest	64,413	64,413	31,152	17,534	15,714	13
Total	**539,259**	**539,259**	**154,651**	**226,458**	**157,174**	**1,022**

(c) Market risk

The Group's activities expose it to the financial risk of changes in currency exchange rates and interest rates. The Group aims to manage its exposure to these risks using a mix of fixed or floating rate loans and, foreign currency loans.

(d) Currency risk

The Group is exposed to currency risk due to sales, purchases and other loans that are denominated in a currency other than the functional currency of the Group's entities (the Romanian leu), primarily the euro.

The summary of quantitative data regarding the Group's exposure to currency risk reported to the Group's management based on the risk management policy is as follows:

	31-Dec-23	31-Dec-22
Monetary assets		
Trade receivables and other receivables	6,600	-
Cash and cash equivalents	14,393	18,957
	20,993	**18,957**

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

Monetary debts		
Loans	394,462	386,718
Trade debts and other debts	407	152
	394,869	**386,870**
Net exposure	**(373,876)**	**(367,913)**

The Group has not entered hedging contracts with respect to foreign currency obligations or exposure to interest rate risk.

The main exchange rates used during the year were:

	31 December 2023	Medium for 2023	31 December 2022	Medium for 2022
EUR	4.9746	4.9464	4.9474	4.9313

Sensitivity analysis

A 10% appreciation / depreciation of the leu against the following foreign currencies on December 31, 2023 and December 31, 2022 would have increased the profit by the amounts indicated below. This analysis is based on the variations in exchange rates that the Company considers reasonably possible at the end of the reporting period. This analysis assumes that all other variables, especially interest rates, remain constant and ignores any impact of expected sales and purchases.

			31-Dec-23			31-Dec-22
	Accounting value	**Effect of depreciation**	**Effect of appreciation**	**Accounting value**	**Effect of depreciation**	**Effect of appreciation**
Monetary assets and liabilities	(373,876)	(37,388)	37,388	(367,913)	(36,791)	36,791

Interest rate risk

				31-Dec-23				31-Dec-22
	Accounting value	**Variable rate**	**Fixed rate**	**Non-interest bearing**	**Accounting value**	**Variable rate**	**Fixed rate**	**Non-interest bearing**
Monetary assets								
Trade receivables and other receivables	6,600	-	-	6,600	-	-	-	-
Cash and cash equivalents	14,393	-	14,393	-	18,957	-	18,957	-
	20,993	**-**	**14,393**	**6,600**	**18,957**	**-**	**18,957**	**-**
Monetary debts								
Loans	394,462	361,722	32,740	-	386,718	354,157	32,561	-
Trade debts and other debts	407	-	-	407	40,820	-	-	40,820
	394,869	**361,722**	**32,740**	**407**	**427,538**	**354,157**	**32,561**	**40,820**

At the reporting date, the interest rate risk exposure profile related to interest-bearing financial instruments reported to the Group's management was as follows:

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

	Accounting value	
Fixed rate instruments	**31-Dec-23**	**31-Dec-22**
Financial assets	14,393	18,957
Financial debts	(32,740)	(32,607)
Closing balance fixed rate instruments	**(18,347)**	**(13,650)**
Variable rate instruments		
Financial debts	(361,722)	(354,157)
Closing balance variable rate instruments	**(361,722)**	**(354,157)**
Total balance	**(380,069)**	**(367,807)**

The Group does not record financial assets or fixed-rate financial liabilities at fair value through profit and loss and does not designate derivatives (interest rate swaps) as hedging instruments within a hedge accounting model at value. Therefore, a change in interest rates at the reporting date would not affect the result.

Cash flow sensitivity analysis for variable rate instruments

A possible change of 100 basis points at the reporting date would have increased or decreased equity and profit or loss by 3,617 (2022: 3,878). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain unchanged.

	Profit / (Loss)	
31 December 2023	**100 bp increase**	**100 bp decrease**
Variable rate instruments	3,617	(3,617)

	Profit / (Loss)	
31 December 2022	**100 bp increase**	**100 bp decrease**
Variable rate instruments	3,542	(3,542)

Compared with 2022, the exposure to changes in interest rate in 2023 increase by RON 76 thousand. This is due to increase of the balance of debt with variable rate instrument by RON 7,565 thousand.

23. CAPITAL COMMITMENTS

As at 31 of December 2023, the Group had no capital commitments. However, the Group is engaged in contractual commitments through the pre-sale agreements it concludes with its clients for the sale of developed dwellings (please see Note 17 – Revenues, for more details on pre-sale agreements).

24. CONTINGENCIES

At the date of these consolidated financial statements, the Group is involved in ongoing litigation, both as plaintiff and defendant.

The Group's management regularly analyzes the status of all ongoing litigation and, following a consultation with the Board of Directors, decides on the need to recognize provisions related to committed amounts and to include them in the financial statements.

Considering the existing information, the Group's management believes that the significant disputes are the following:

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

The company Impact Developer & Constructor SA and one of its subsidiaries, namely Clearline Development and Management SRL ("Project Company") are parties in two files in conflict with the Cluj Local Council ("CLC"). The disputes stemmed from a contractual relationship carried out in 2007, at which time the Company concluded an investment contract with CLC, a contract by which CLC and the Company were to develop a residential project, and CLC was to contribute the land - "The Lomb Project" . The Company and the Project Company request the reimbursement of the sums derived from the investments made for the Lomb project where CLC did not respect its contractual obligations, i.e. did not contribute with land, thus the Company being in a situation where the project and the revenues that could be acquired by after that, they can no longer be realized.

File 79/1285/2012 was registered before the Cluj Commercial Court, in which the Company requests the termination of framework contract no. 55423/04.07.2007 concluded between CLC and the Company. In addition, the Company requests that CLC be obliged to pay compensation in the amount of RON 4,630,914.13 and related interest, calculated from the date of the damage until the actual payment of the amounts.

In this case, on December 23, 2020, the Cluj Court rejected as unfounded the specified request made by the Company.

The company filed an appeal which is being judged by the Cluj Court of Appeal, at this moment the company cannot estimate the duration of the process until a final decision is obtained.

File no. was registered on the Argeș Commercial Court. 1032/1259/2012 in which the Project Company (Clearline Development and Management SRL) requests the obligation of CLC to pay compensation provisionally estimated at the amount of RON 17,053,000.

On 08.06.2022, the Argeș Commercial 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 RON 24,532,741.65 as damages and the sum of RON 13,862,967.16 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 the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca declared an appeal.

On 15.03.2023, the Pitesti Court of Appeal issued Decision no. 94, as follows:

"Rejects the appeal filed against the conclusions of the meeting. Accept the appeal against the sentence. Changes the sentence in part, in the sense that it rejects the request, as amended, formulated by the plaintiff. Remove the reference to obliging the defendants to pay court costs to the plaintiff. Maintains the rest of the sentence, with the possibility of filling an appeal within 15 days from communication".

Clearline Development and Management S.R.L. filled an appeal against the decision issued by the Pitești Court of Appeal. The file is currently in regularization procedure. On the 21 of March 2024 the Court admitted the appeal and ordered a retrial.

A provision of RON 17,037 thousand was registered as at 31 of December 2023, in development and construction costs performed by Clearline Development & Management S.R.L. in Clujproject. Based on legal advise, the winning chances are rather probable, but no reliable estimate can be derived, therefore the investment has been fully provisioned. The investment is disclosed in Note 9 – Inventories.

b) Litigation initiated by "EcoCivic Association"

File no. 4122/3/2022 was registered on the roll of the Bucharest Court, Administrative and Fiscal Litigation Section, in which Impact is the Defendant, the Claimants being the Eco Civic Association and three natural persons from outside the Greenfield Băneasa neighborhood.

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, cancelling some preliminary approvals, canceling works.

Furthermore, the management considers that all the legal proceedings for the promotion and admission of the Zonal Urban Plan have been fulfilled. The arguments of the management are based on the fact that part of the buildings already constructed based on the building permit of which annulment is requested, have already been commissioned by the nominated local authorities – Bucharest City Council, and respectively Bucharest Building Inspectorate. Therefor no provision has been registered in respect of the litigation, as at 31 of December 2023.

The next court date was set for 10 of May 2025.

c) Litigation regarding access to Vadul Moldovei street, file 1820/3/2023

On January 19, 2023, Impact registered on the role of the Bucharest Court, Section II Administrative and Fiscal Litigation, against the City Hall of the City of Bucharest, the City Hall of Sector 1 Bucharest and the National Management of Romsilva Forests, the action in order to determine the mentioned institutions to comply with the obligations assumed by the decisions of the General Council of the Municipality of Bucharest, those of the Local Council of Sector 1 and those of the act of acceptance of the donation concluded with IMPACT and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 1 of April 2024.

25. AFFILIATED ENTITIES

Transactions with Key Management Members

Remuneration of key management personnel comprises salaries and related benefits, including share n (share based payments, social and medical contributions, unemployment, and other similar contributions). The Group's management is employed on a contract basis.

The remuneration of the administrators, for the period ending as at 31 December 2023, is approved by the General Meeting of Shareholders.

Remuneration of Company's management in 2023 was RON 2,841,177 (2022: RON 2,749,217). For more details please see Remuneration report which is part of the Group's annual report.

Bergamot Developments Phase II sold to Mr. Constantin Sebesanu an apartment and two parking lots at a value of EUR 236.283 and as a result the Company recorded a receivable of RON 1,168,164 as of 31 December 2023, due to be collected in June 2024.

Transactions with shareholders

In 2023, the Group did not declare or pay dividends to its shareholders. RCTI, one of the companies within the Group, has distributed and paid dividends to its shareholders with minority interest, in total value of RON 3.429.

Please see Note 12 – Share capital for details regarding the ultimate controlling party.

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

26. BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTEREST

The development strategy of the Group is based on vertical integration (construction companies, architecture firm) to streamline group activities, to improve quality and control over productions (timeline & costs) and optimizes project development process.

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 27.5% 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, and through this transaction the Group acquired 51.01% in the share capital of R.C.T.I. Company SRL.

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.

REFERENCE DATE FOR THE TRANSACTION 31.08.2022
Evaluation of the net asset for the allocation of the purchase price - Colliers (Amount in RON)

Net asset value as of 31.08.2022			**9,164,402**		
Adjustments			2,888,677		
Adjusted Net Asset			12,053,079		
	of which	Assets at fair value	51,785,890		NCI
		Liabilities	- 39,732,810		
Add cash acquired			9,310,000		
Net asset acquired			21,363,079		
Purchased participation				51.01%	48.99%
Purchase price			14,440,000		
	split as:				
		share payments	5,130,000		
		Share capital increase	245,000		
		Share Increase Premium	9,065,000		
Net Asset Purchased participation			**10,897,307**		
Net Assets non-controlling participation					**10,465,772**

As a result of the above, Goodwill of RON 3,543 thousand was generated which the Company recorded and presented in the Consolidated Statement of Financial Position in the non-current assets section.

Adjusted Net Asset	**Accounting Value**	**Adjustment**	**Net Adjusted Value**
-Amounts in RON-	- The reference date 31.08.2022-		
TOTAL ASSETS	***47,168,489***	***4,617,400***	***51,785,890***
Non-current Assets	***6,232,724***	***8,023,984***	***14,245,708***
Intangible assets	117,689	227,414	345,103
Tangible assets, of which:	6,115,035	7,796,570	13,911,605
- Lands and landscaping	321,498	3,223,524	3,545,022
- Buildings	2,469,476	2,742,862	5,212,338
- Equipment	6,466,451	(1,312,206)	5,154,245
- Depreciation of buildings and equipment	(3,142,389	3,142,389	-
Current Assets	***40,615,783***	***(3,406,584)***	***37,209,199***
Inventories	5,942,950	-	5,942,950
Trade receivables	23,536,616	(1,100,811)	22,435,805
Other receivables	11,136,217	(2,305,772)	8,830,444
Cash	***319,982***	***-***	***319,982***
TOTAL LIABILITIES	***(38,004,087)***	***(1,728,723)***	***(39,732,810)***
Trade liabilities, of which	(13,789,112)	-	(13,789,112)
- Advances from clients	(6,221,146)	-	(6,221,146)
- Liabilities related to employees	(759,301)	-	(759,301)
Liabilities related to taxes, of which:	(1,862,129)	(1,728,723))	(3,590,851)
Adjusted Net Asset	**Accounting Value**	**Adjustment**	**Net Adjusted Value**
-Amounts in RON-	- The reference date 31,08,2022-		
- VAT	(1,594,892)	-	(1,594,892)
- Deferred tax	-	(1,728,723)	(1,728,723)
Financial Liabilities, of which	(15,372,400)	-	(15,372,400)
- Bank	(11,267,040)	-	(11,267,040)
- Leasing	(4,105,360)	-	(4,105,360)
Net asset	**9,164,402**	**2,888,677**	**12,053,080**

27. THE RESULT PER SHARE (EPS)

	2023	**2022**
Profit attributable to ordinary equity holders of the parent	29,105	84,767
Average number of ordinary shares during the year (thousands)	2,365,680	2,319,038
Basic result per share (lei/share)	**0.0123**	**0.0364**

28. AUDITOR'S EXPENSE

Ernst & Young S.R.L. was appointed by the decision of the General Meeting of Shareholders dated 27 April 2023, to audit the financial statements for 2023, prepared under the responsibility of IMPACT D&C's management according to the international standards – IFRS (including the consolidated financial statements). The auditors' liability towards IMPACT D&C and the General Meeting of Shareholders shall be determined and limited according to the law and the agreement concluded with them.

In 2023 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 126,200 (2022: EUR 114,000) (for the statutory audit of the consolidated and standalone annual financial statements of the Company and of its Romanian subsidiaries, as well as for the financial statements in ESEF digital format). Other services, related to inter-company transactions review, were contracted in 2023, those services were valued at EUR 5,500. In 2022 other services in total value of EUR 5,000 were contracted with the auditor, representing the other assurance services in relation to certain reports issued by the Company that are not prohibited by article 5(1) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council.

29. SUBSEQUENT EVENTS

a) Issuing of Bonds in total value of EUR 3,000,000

On 12 of February 2024, IMPACT Developer & Contractor launched a public offering for the subscription of 30,000 bonds, at a nominal value of 100 EUR/ bond. The offering period was from 12 of February to 23 of February 2024. The offer was brokered by SSIF Tradeville SA. The issued bonds were registered, dematerialized, unconditional, non-guaranteed and nonconvertible bonds, having a nominal value of up to 3,000,000 EUR. The offering was fully subscribed, IMPACT being able to raise 3,000,0000 EUR in bonds, with a fixed interest rate of 9%, payable on a half-yearly basis. The issued bonds are to be admitted to trading on the regulated market administered by BVB.

b) Loan facility of RON 19,500,000, granted by Vista Bank to RCTI Company

On 28 of February 2024, RCTI Company obtained a loan facility in total amount of EUR 19,500,000, from Vista Bank. The loan is to be used for working capital financing and for issuing of bank guarantee letters. The maturity period is 12 months from the signing date.

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Impact Developer and Contractor SA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Impact Developer and Contractor SA (the Company) and its subsidiaries (together referred to as "the Group") with official head office in Romania, Bucharest, 1st District, 31-41 Mogosoaia Forrest Road Greenfield Baneasa, identified by sole fiscal registration number 1553483, which comprise the consolidated statement of financial position as at December 31, 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property (RON 676,297 thousand)	
The Group holds a portfolio of investment property which accounted for 46% of the Group's total assets as of 31 December 2023. The valuation of investment property is one of the key drivers of the Group's net asset value and total return and is subject to increased sensitivity due to current volatility in the markets. The fair values were assessed by the Group based on valuations prepared by an independent qualified valuation specialist and required expertise and use of significant judgements, estimates and assumptions, giving rise to a higher risk of misstatement. Due to the significance of investment property as of 31 December 2023 and significant judgements, estimates and assumptions used in the valuation, we consider the valuation of investment property a key audit matter. The Group's disclosures regarding its accounting policy, fair value measurement and related judgments, estimates and assumptions used for investment property are presented in notes 4 (d), 5 (i) and 8 of the consolidated financial statements.	The audit procedures performed on the valuation of investment property included among others the following: ▪ We obtained a detailed understanding of the Group's internal processes, policies and methodologies used by management for valuation of investment property and related documentation flow; specific attention was given to the current macro-economic context impact to understand how this was factored and considered in the valuation assumptions, through discussions held with management independent specialist and further discussions with our internal valuation specialists; ▪ We agreed the fair values recorded in consolidated financial statements to the values reported by the Group's independent specialist; ▪ We involved our internal valuation specialists to assist us to: o evaluate, using their knowledge of the market, and corroborate the market related judgements and valuation inputs used by the Group's external valuation specialist for the investment properties presented in the consolidated statement of financial position; o assess the conformity of the valuation methods applied with the applicable valuation standards; and o evaluate the competence, capability and objectivity of the external valuation specialists.

	We further assessed the adequacy of disclosures included in the notes to the consolidated financial statements of the Group in relation to the investment property valuation.

Other information

The other information comprises the Board of Directors Report, which includes the Corporate Governance Statement, as well as Remuneration Report, but does not include the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Consolidated Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Board of Directors Report and Remuneration Report, we have read these reports and report that:

a) in the Board of Directors Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying consolidated financial statements as at December 31, 2023;
b) the Board of Directors Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, Annex 1 articles 15 - 19 and articles 26-27;
c) based on our knowledge and understanding concerning the entity and its environment gained during our audit of the consolidated financial statements as at December 31, 2023, we have not identified information included in the Board of Directors Report that contains a material misstatement of fact;
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Group by the General Meeting of Shareholders on 27 April 2023 to audit the consolidated financial statements for the financial year end December 31, 2023. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for three years, covering the financial periods ended December 31, 2021, December 31, 2022 and December 31, 2023.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Group and we remain independent from the Group in conducting the audit.
In addition to statutory audit services and services disclosed in the Board of Directors Report and in the consolidated financial statements, no other services were provided by us to the Group, and its controlled undertakings.

Report on the compliance of the electronic format of the consolidated financial statements, included in the Board of Directors Report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of Impact Developer & Contractor SA (the Company) and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2023, included in the attached electronic file „315700KVJODVH5IBI827-2023-12-31-en.zip "(identified with the key 81e55797c6dc6190e49f43de6a7ecadb005986ec0eb45178a6ef5b63ea8c01a2) with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation). Our opinion is expressed only in relation to the electronic format of the consolidated financial statements and does not extend to the other information included in the Board of Directors Report.

Description of the subject matter and the applicable criteria

The Management has prepared electronic format of consolidated financial statements of the Group for the year ended 31 December 2023 in accordance and to comply with ESEF Regulation requirements.
The requirements for the preparation of the consolidated financial statements in ESEF format are specified in the ESEF Regulation and represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

Responsibilities of the Management and Those Charged with Governance

The Management of the Group is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the consolidated financial statements in XHTML format. Such responsibility includes the selection and application of appropriate iXBRL tags using the taxonomy specified in the ESEF Regulation, ensuring consistency between the human-readable layer of electronic format of the consolidated financial statements and the audited consolidated financial statements. The responsibility of Group's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of consolidated financial statements of the Group, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the consolidated financial statements of the Group is prepared, in all material respects, in accordance with the applicable criteria, specified above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the consolidated financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic (XHTML) reporting format of the consolidated financial statements of the Group, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the consolidated financial statements of the Group, including the preparation of the consolidated financial statements of the Group in XHTML format and its tagging in machine readable language (iXBR);
- tested the validity of the applied XHTML format;
- checked whether the human-readable layer of electronic format of the consolidated financial statements (XHTML) corresponds to the audited consolidated financial statements;
- assessed the completeness of the tagging of information in the consolidated financial statements while using the machine-readable language (iXBRL) under the requirements of the ESEF Regulation;
- assessed the appropriateness of the applied iXBRL tags selected from the core taxonomy and the creation of extensions to the elements in the extended taxonomy specified in the ESEF Regulation when there were no suitable elements in the core taxonomy;
- evaluated the anchoring of the taxonomy extensions to the elements in the extended taxonomy specified by the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, in our opinion, the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2023 is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: Dimitriu Alina
Registrul Public Electronic: AF1272

Alina Dimitriu

Name of the Auditor/ Partner: Alina Dimitriu
Registered in the electronic Public Register under No. AF1272

Bucharest, Romania
29 March 2024

Translation from Romanian

STATEMENT

pursuant to provisions under art.31 in Accounting Law no.82/1991

the annual financial statements had been drafted on 31/12/2023 for :

Entity: IMPACT DEVELOPER&CONTRACTOR SA

County: 40--BUCHAREST

Address: Drumul Padurea Mogosoaia,31-41,Bucharest, 1st District, phone no. 0212307570

Trade Registry order number: J40/7228/2018

Ownership: 34—Stock company

Main activity (NACE code and class denomination): 4110—Real Estate Development(promotion)

Sole Registration Code: 1553483

The undersigned, Mihaela Iuliana Urda,

pursuant to art.10 par.(1)in Accounting Law no.82/1991, holding the position of President of the Board of Directors of SC Impact Developer & Contractor hereby take responsibility for the preparation of the annual consolidated financial statements as of 31/12/2023 and hereby confirm the following:

a) The accounting policies used in the preparation of the annual financial statements are compliant with the applicable accounting regulations.

b) The annual financial statements provide an accurate overview on the financial position, financial performance and the other information relating to the carried out activity.

c) The legal entity carries out its activity under continuity conditions.

Signature

IMPACT

2023

ANNUAL REPORT

CHAPTER 3

IMPACT DEVELOPER & CONTRACTOR SA

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

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

CONTENT: **PAGE:**

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

	Note	31-Dec-23	31-Dec-22
ASSETS			
Non-current assets			
Tangible assets	**8**	36,102	21,545
Intangible assets		217	114
Noncurrent receivables	**12**	62,143	67,197
Right of use assets	**8**	1,061	1,485
Investment property	**9**	726,852	678,669
Investments in subsidiaries	**11**	36,216	36,216
Total non-current assets		**862,591**	**805,226**
Current assets			
Inventories	**10**	499,039	429,405
Trade and other receivables	**12**	24,579	33,892
Other current assets	**12**	6,721	14,854
Cash and cash equivalents	**13**	35,778	46,857
Total current assets		**566,117**	**525,008**
Total assets		**1,428,708**	**1,330,234**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**14**	598,884	598,884
Share premium	**14**	41,462	40,493
Revaluation reserve		-	3,001
Other reserves	**14**	39,642	38,318
Own shares	**15**	(268)	(268)
Retained earnings		203,955	160,755
Total equity		**883,675**	**841,183**
			-
Non-current liabilities			
Loans and borrowings	**16**	337,546	232,860
Trade and other payables	**17**	6,203	12,260
Deferred tax liability	**23**	73,920	81,058
Total non-current liabilities		**417,669**	**326,178**

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

	Note	31-Dec-23	31-Dec-22
Current liabilities			
Loans and borrowings	**16**	51,528	97,491
Trade and other payables	**17**	41,300	29,208
Income tax payable	**17**	(125)	(125)
Contract liabilities	**17**	34,374	35,946
Provisions for risks and charges	**18**	287	353
Total current liabilities		**127,364**	**162,873**
Total liabilities		**545,033**	**489,051**
Total equities and liabilities		**1,428,708**	**1,330,234**

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

		12 months period ended as at	
	Note	**31-Dec-2023**	**31-Dec-2022**
Revenue	**19**	61,535	75,027
Cost of sales	**19**	(44,901)	(50,566)
Gross profit		**16,634**	**24,461**
Net income from other activities	**19**	-	1,361
General and administrative expenses	**20**	(22,037)	(25,609)
Marketing expenses		(2,346)	(3,771)
Other operating income/(expenses)	**21**	7,043	(607)
Depreciation and amortization	**8**	(1,736)	(1,398)
Fair value gains on investment property	**9**	49,503	77,660
Operating profit		**47,061**	**72,097**
Financial income	**22**	16,644	13,751
Financial cost	**22**	(28,144)	(9,951)
Finance costs, net		**(11,500)**	**3,800**
Profit before tax		**35,561**	**75,897**
Income tax (expense)	**23**	6,931	(12,568)
Profit of the period		**42,492**	**63,329**

(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 as at 1 January 2023		**598,884**	**40,493**	**3,001**	**38,318**	**(268)**	**160,755**	**841,183**
Other comprehensive income								
Profit for the period		-	-	-	-	-	42,492	42,492
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**42,492**	**42,492**
								-
Own shares acquired or cancelled during the year	14	-	969	-	-	-	(969)	-
Legal reserves		-	-	-	1,323	-	(1,323)	-
Revaluation reserves		-	-	(3,001)	-	-	3,001	-
Other changes in equity		-	-	-	1	-	(1)	-
Balance as at 31 December 2023		**598,884**	**41,462**	**-**	**39,642**	**(268)**	**203,955**	**883,675**

(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 as at 1 January 2022		**401,214**	**(4,475)**	**3,001**	**12,389**	**(841)**	**289,279**	**700,567**
Other comprehensive income								
Profit for the period		-	-	-	-	-	63,329	63,329
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**63,329**	**63,329**
Share Capital Increase	14	197,670	45,985				(165,923)	**77,732**
Own shares acquired	14	-	-	-	-	(442)	-	(442)
Share based payments	29	-	(1,017)	-	-	1,015	-	(2)
Legal reserves		-	-	-	25,929	-	(25,929)	-
Balance as at 31 December 2022		**598,884**	**40,493**	**3,001**	**38,318**	**(268)**	**160,755**	**841,183**

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

	Note	31-Dec-23	31-Dec-22
Profit net		**42,492**	**63,329**
Adjustments to reconcile profit for the period to net cash flows:		**(40,438)**	**(67,482)**
Valuation gains on investment property	9	(49,503)	(77,660)
(Gain)/ loss on sale PPE		2,023	(626)
Reversal of impairment loss PPE		(1,194)	251
Depreciation	8	1,736	1,398
Share based payments	29	-	1,015
Impairment of inventories	10	(1,341)	(142)
Impairment of receivables	12	(530)	(486)
Financial income	22	(16,644)	(13,751)
Finance cost	22	28,144	9,951
Other adjustments from non-cash transactions		3,803	-
Deferred tax expense	23	(6,931)	12,568
Working capital adjustments		**(30,162)**	**(114,336)**
Decrease/(increase) in trade receivables and other receivables	12	9,843	26,822
Decrease in prepayments	12	8,133	(976)
Decrease in inventory	10	(52,536)	(167,795)
(Decrease)/increase in trade, other payables, and contract liabilities	17	4,463	28,548
(Decrease)/increase in provisions	18	(66)	(935)
Net cash flows used in operating activities		**(28,108)**	**(118,489)**
Investing activities			
Loans granted to subsidiaries	27	(1,927)	(43,894)
Loan reimbursements collected from subsidiaries	27	2,810	30,874
Investments in subsidiaries	27	-	(14,695)
Return of the amounts invested in subsidiaries	27	1,513	31,154
Purchase of property, plant and equipment	8	(530)	(1,864)
Expenditure on investment property under development	9	(17,966)	(32,987)
Expenditure on PPE under development	8	(2,853)	(14,978)
Proceeds from property, plant and equipment	8	213	1,538
Dividends received	27	3,770	1,041
Interest received	27	2,590	3,640
Net cash flows from investing activities		**(12,380)**	**(40,171)**

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

	Note	31-Dec-23	31-Dec-22
Cash flows from financing activities:			
Proceeds from borrowings	16	174,884	291,137
Repayment of principal of borrowings	16	(119,581)	(184,682)
Proceeds from issue of share capital	14	-	77,732
Acquisition of own shares	15	-	(1,459)
Dividends paid	14	-	(11)
Interest paid	16	(25,894)	(13,372)
Net cash from financing activities		**29,409**	**169,345**
Net increase / (decrease) of cash and equivalents		**(11,079)**	**10,685**
Cash and equivalents on 1st of January	**13**	**46,857**	**36,171**
Cash and equivalents on 31 of December	**13**	**35,778**	**46,857**

(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.

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	% Owned by the Company as at 31 December 2023	% Owned by the Company as at 31 December 2022
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzioo Management 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%
Aria Verdi Development SRL	Romania	Real estate development	100%	100%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
Impact Alliance Architecture SRL	Romania	Architecture services	51%	51%
R.C.T.I. Company	Romania	Constructor	51.01%	51.01%
Impact Alliance Moldova SRL	Romania	Constructor	51%	-

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 2023 the Company's activity revolved around the Greenfield Baneasa 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 of the Company 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 Văduva
- 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 the position of executive director (COO).

Starting from 1 of January 2022, Claudiu Bistriceanu was appointed as financial director (CFO) with a 4 (four) years mandate.

3. BASIS OF PREPARATION

a) Declaration of conformity

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 Company, 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 on 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.

b) Going concern

The significant disruptions in the global markets driven by the Covid-19 pandemic then followed by war in Ukraine and Israel and current inflationary economic context had a broad effect on participants in a wide variety of industries, creating a widespread volatility. The Company has prepared forecasts based on the anticipated activity in the upcoming period, considering the pre-sales agreement in place, anticipated evolution of its real-estate projects as well as contractual and estimated cash outflows. 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. Consequently, the financial statements were prepared on a going concern basis.

The Company made an initial assessment of the risks and uncertainties.

Regarding sales, the Company expects an increase in the volume of transactions during the financial year 2024 due to existing inventory and the projects that the Group is currently running: Greenfield – Teilor District, Boreal Plus Constanța.

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

In preparing the Separate Financial Statements, the management has considered the implications of climate change, and embedded such risks in the assumptions used for the determination of the fair value of the investment properties.

Furthermore, in order to tackle climate change risks the management has adopted an ESG strategy, to dictate its aim to value the environment and with each project developed, to create communities in harmony with it, putting the well-being and health of residents first. To achieve this goal, IMPACT uses sustainable technologies, renewable energy and extensive green spaces. Furthermore, IMPACT published for the second year in row, in 2023, a sustainability report, which summarizes the Company's efforts in regards to climate change risks. The report was developed following the GRI Standards (Global Reporting Initiative), the most well-known international sustainability reporting framework (GRI Referenced). At the same time, the report meets the national legal requirements set out in the Order of the Public Finance Minister No. 1,938/2016 and the Order of the Public Finance Minister No. 3,456/2018 on non-financial reporting.

Management is aware of potential climate change risks for its operations as well as for those of its partners and it regularly monitors and evaluates the impact of such risks in order to adopt appropriate measures, if the case.

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

5. MATERIAL ACCOUNTING POLICIES

The accounting policies used by the Company are compliant with the IFRS as endorsed by the EU.

The accounting policies described below have been constantly applied by all the Company's entities for all periods presented in these Separate Financial Statements.

Disclosed below is the summary of the material accounting policies.

(a) Inventories

Inventories are assets held for sale in the normal course of business, or which are in the process of production for such sale or are in the form of materials or supplies to be consumed in the production process or in the rendering of services.

The basis for the valuation of the inventories is the lower of cost and net realizable value.

Cost is defined as the sum of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes direct materials and, where applicable, direct labor and indirect manufacturing costs 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.

As the production process is longer that one year, the borrowing costs incurred during the process are also capitalized in cost of inventories (IAS 23).

The cost of infrastructure works included in the real estate projects is reported as inventories and it is allocated to the cost of each apartment in the related project. The cost is transferred to the cost of goods sold as the apartments are sold.

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)

(b) Property, plant, and equipment

Non-current non-financial assets are primarily operational in character (i.e. actively used in the business rather than being held as passive investments) and they may be classified into two basic types: tangible and intangible. Tangible assets have physical substances.

An item of property, plant and equipment is recognized only if two conditions are met:

- It is probable that future economic benefits associated with the item will flow to the entity.
- The cost of the item can be determined reliably.

Property, plant, and equipment are stated in the statement of financial position at their cost amounts less any accumulated depreciation and accumulated impairment losses.

The cost of the property, plant and equipment item include:

- The purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes.
- Any directly attributable costs incurred to bring the asset to the location and operating condition as expected by management, including site preparation, delivery and handling, installation, set-up and testing.
- Estimated costs of dismantling and removing the item and restoring the site.

The costs of property, plant and equipment are allocated through depreciation to the periods that will have benefited from the use of the asset. The depreciation method used is straight-line depreciation with no residual value.

The land is not depreciated.

The depreciation is charged to the statement of profit and loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of reporting.
The Company assesses on each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value, less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An item of property, plant and equipment is derecognized at disposal or when no future economic benefits are expected from its use or disposal. In such cases, the asset is removed from the statement of financial position, both the asset and the related contra asset – accumulated depreciation. The difference between the net carrying amount and any proceeds received will be recognized through the statement of profit and loss.

(c) Borrowing costs.

Borrowing costs are represented by interest and other costs incurred by the Company in connection with the borrowing of the funds. Borrowing costs include interest expense calculated using the effective interest method, interest in respect of lease liabilities or exchange differences arising from foreign currency borrowings.
Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets is capitalized as part of the cost of the asset.
A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale (inventories, buildings).

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 Company.

Capitalization of borrowing costs would cease when substantially all the activities to prepare the asset is completed.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

(d) Investment property

Investment property, which are properties (land and/or buildings) held with the intention of earning rental income or for capital appreciation (or both), including Investment Property under construction for such purposes, are initially valued at cost, including transaction costs. After initial recognition, investment property is measured at fair value model, with changes in the fair value being recognized in profit or loss.

All the Company'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 a regular basis the best use of the land maintained in investments. The transfer from investment property to 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.

(e) Shareholder's equity

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 and are presented in the treasury share reserves. The treasury shares are subject of restriction as per Company law in Romania.
Any costs associated with equity transactions are to be accounted for as a reduction of equity.

Dividends

Dividends represent the pro-rata distribution of earnings to the owners of the entity. The approval date is the date when the shareholders vote to accept the dividends declared. This date governs the incurrence of a legal liability by the entity.
The Company does not declare dividends in excess of the amount of retained earnings.

(f) Current liabilities, provisions, contingencies, and events after the reporting period

Current liabilities are those that are payable within 12 months of the reporting date. Current liabilities include current portions of long-term debt and bank overdrafts, dividends declared, other obligations that are due on demand, trade credit, accrued expenses, deferred revenues, advances from customers.
The offsetting of the current assets against related current liabilities is not allowed.

Accounts payable on normal terms are not interest-bearing and are stated at their nominal value.

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.

The Company derecognizes 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 derecognized and the consideration paid and payable is recognized in profit or loss.

Those liabilities for which amount, or timing of expenditure is uncertain are deemed to be provisions. A provision is recognized only if: the entity has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of

the amount of obligation.
Changes in provisions are considered at the end of each reporting period; provisions are adjusted to reflect the current best estimate. The amount of changes in estimate is accounted through profit or loss.

Contingent liabilities are not recognized in the statement of financial position. They are disclosed only in the notes.

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.

(g) Revenue from Contracts with Customers

Revenue is recognized when the performance obligation is satisfied by transferring a promised good or service to a customer. Revenue is recognized when the customer acquires control over the goods or services rendered, at an amount which reflects the price at which the Company 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 Company. Revenue and profit are recognized as follows:

(i) Revenue from sale of residential properties
Revenue from the sale of residential properties during the ordinary course of business is valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognized 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 recognized as a reduction of the revenues when the sale revenues are recognized. 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 recharging of utilities are recognized when they are realized, together with the utility's expenses invoiced by the suppliers. The Company recharges the utilities at mark-up in 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.

(h) Leases

The Company 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 Company applies a single recognition and measurement approach to all leases, except for short-term leases and low-value assets. The Company 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 Company 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.

If ownership of a leased asset is transferred to the Company 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 Company recognizes the lease payables measured at the current value of the lease payments to be made throughout the lease. Lease payments include fixed payment, including fixed payments as a substance and exclude 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 Company and penalty payments for the termination of the lease, if the lease term reflects the Company'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 Company 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.

(i) Foreign currency

The functional currency used by the Company is RON (Romanian lei).

Transactions in foreign currency are converted into the functional currency of the Company at the exchange rates of the transaction dates. Monetary assets and liabilities that at the reporting date denominated in foreign currency are converted into the functional currency at the exchange rate as of the reporting 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 resulting from translation are recognized in the Statement of Profit or Loss and Other Comprehensive Income as financial expenses/revenues.

(j) Financial instruments

The financial assets whose business model is to hold to collect contractual cash flows are measured at amortized cost.

A financial asset or a financial liability is recognized in the statement of financial position when the Company becomes party to the contractual provision of the instrument.

For the financial instruments that are measured at amortized cost, transaction costs are subsequently included in the calculation of the amortized cost using the effective interest method and amortized through profit or loss over the life of the instrument.

The financial liabilities are classified as subsequently measured at amortized cost (trade payables, loan payables with standard interest rates, bank borrowings).

(k) Taxation

The tax charge represents the sum of the current tax and deferred tax.

Current income tax

The current income tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss 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 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 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, 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 assets to be recovered. Deferred tax is charged or credited to the profit and loss, 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.

(l) Segment reporting.

The Company operates only in Romania. The main operating segment is related to real estate development. There is no segment reporting inside the Company as the operating activity is not segregated by activity or locations.

6. MATERIAL 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 judgements (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 relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 Company has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Company's investment property and property developed for sale in their current state as of 31 December 2022 and 31 December 2023. 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 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.

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

- the selection of comparable land plots resulting in determining 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 including the status of any legal dispute as described in Note 26.

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

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 on 31 December 2023 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa Bucuresti land	+14,522 thousand RON	(14,522) thousand RON
Bd. Barbu Vacarescu land	+9,486 thousand RON	(9,486) thousand RON
Bd Ghencea land	+8,049 thousand RON	(8,049) thousand RON

Asset	Impact on the valuation included in the balance sheet on 31 December 2022 and gains on investment property registered to profit or loss of a 5% weakening/(strengthening) of the price per sqm	
Greenfield Baneasa București land	+14,076 thousand RON	(14,076) thousand RON
Bd. Barbu Vacarescu land	+8,804 thousand RON	(8,804) thousand RON
Bd Ghencea land	+8,005 thousand RON	(8,005) thousand RON

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

IAS 40 (investment property) requires the transfers from and to investment property to be evidenced by a change in use. Conditions which are indications of a change in use are judgmental 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 plots of land, Management has assessed the recognition and classification criteria under IAS40 and concluded that the respective plots of land should remain classified as investment property until a decision to change the use will be taken. Currently there are various initiatives undertaken in order to enhance the value of those assets, but as of 31 December 2023 and up to the approval date of the present financial statements no firm and formal decision had been taken by the Company as to the actual use of those lands; consequently, these assets are classified as investment properties as of 31 December 2023 (same at 31 December 2022) and continued to be recorded at fair value as at the balance sheet date.

- For a portion of the Greenfield land consisting in vacant plots of land Management has assessed the recognition and classification criteria under IAS40 and concluded that the respective plots of land should remain classified as investment property until a decision to change the use will be taken. Management has not planned any potential development in the following 3-4 years from the balance sheet date and there are multiple scenarios available. As such, considering that there is still an undetermined use and that the Company continues to hold the respective plots of land for future appreciation, in line with the provisions of IAS40 they continue to be accounted for at fair value within investment property.

- The Company has concluded lease agreements for certain apartments. Management has assessed the classification criteria under IAS40 and IAS2 and concluded that those apartments should continue to be classified as inventories, given that units are available for sale and the rental activity is carried out in order to optimize cash-flows on the near-term.

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 inventory and investment properties.

(iii) Legal issues

The management of the Company 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 26.

(iv) Cost allocation

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. 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.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A) Amendments to accounting policies and to information to be disclosed.

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 2023:

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. 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 Company evaluated its accounting policies and adapted the presentation of information according to the new requirements.

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. Management has assessed that the amendments did not have any material impact on the financial statements of the Company.

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. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. Management has assessed that the amendments did not have any material impact on the financial statements of the Company.

IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)
The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organization for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The amendments do not have a material impact on the financial statements of the Company as the quantitative criteria for applicability of such standard are not met.

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

B.1) The standards/amendments that are not yet effective, but they have been endorsed by the European Union

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. Management has assessed that the amendments will have no material impact on the financial statements of the Company.

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed that the amendments will have no material impact on the financial statements of the Company.

B.2) The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Management has assessed that the amendments will have no material impact on the financial statements of the Company.

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Management has assessed that the amendments will have no material impact on the financial statements of the Company.

- 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

Management has assessed that the amendments will have no impact on the financial statements of the Company.

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

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery, equipment, and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance on January 1, 2023	**32,469**	**4,072**	**1,312**	**1,785**	**39,638**
Additions	16	-	370	2,853	3,239
Transfers	10,934	(15)	94	(1,096)	9,917
Value adjustments	-	-	-	(274)	(274)
Disposals	(2,963)	(1,480)	(88)	-	(4,531)
Balance at 31 December 2023	**40,457**	**2,577**	**1,688**	**3,268**	**47,989**
Accumulated depreciation and impairment losses					
Balance at January 1, 2023	**14,999**	**2,663**	**431**	**-**	**18,093**
Charge for the period	717	100	237	-	1,054
Transfers	(2,023)	-	-	-	(2,023)
Impairment loss	(920)	-	-	-	(920)
Accumulated depreciation of disposals	(2,963)	(1,267)	(88)	-	(4,318)
Balance at 31 December 2023	**9,810**	**1,496**	**580**	**-**	**11,886**
	-		-		
Carrying amounts					
On January 1, 2023	**17,470**	**1,409**	**881**	**1,785**	**21,545**
On 31 December 2023	**30,646**	**1,081**	**1,108**	**3,268**	**36,102**

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

	Land and buildings	Machinery, equipment, and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as of 1 January 2022	**18,846**	**3,520**	**1,268**	**8,360**	**31,994**
Additions	6,971	920	862	446	9,199
Transfers	7,561	-	-	(7,017)	544
Value adjustments	-	-	-	(4)	(4)
Disposals	(909)	(368)	(818)	-	(2,095)
Balance on 31 December 2022	**32,469**	**4,072**	**1,312**	**1,785**	**39,638**
Accumulated depreciation and impairment losses					
Balance as of 1 January 2022	**14,128**	**2,571**	**1,133**	**-**	**17,832**
Charge for the period	713	459	115	-	1,287
Transfers	-	-	-	-	-
Impairment loss	158	-	-	-	158
Accumulated depreciation of disposals	-	(366)	(817)	-	(1,183)
Balance at 31 December 2022	**14,999**	**2,663**	**431**	**-**	**18,093**
	-	213	-		
Carrying amounts					
On January 1, 2022	**4,718**	**949**	**135**	**8,360**	**14,162**
On 31 December 2022	**17,470**	**1,409**	**881**	**1,785**	**21,545**

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

Lease contracts

	31-Dec-2023		31-Dec-2022	
	Contracts No	Fixed payments	Contracts No	Fixed payments
Vehicles	19	100%	19	100%
Total	**19**	**100%**	**19**	**100%**

Right of Use Assets

	2023	2022
	Vehicles	Vehicles
Opening Balance as at 1 January	**1,485**	-
Additions	-	1,699
Depreciation	(638)	(214)
FX movements	214	
Closing Balance as at 31 December	**1,061**	**1,485**

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's sales agents and managers.

Land and buildings:

The changes in land and buildings mainly consist of the following:

- Disposal of infrastructure works which related to a residential project which had been finalized in the past years. The respective assets had a gross book value of RON 2,963 thousand and was fully depreciated.
- Amount of RON 1,096 thousand transferred from work in progress to finalized building during 2023
- Transfer in of a plot of land from Investment Property of RON 13,331 thousand as there was technical documentation finalized in 2023 which resulted in additional land being allocated to the Company's photovoltaic park located in Greenfield project.
- Transfer out of infrastructure works to inventories with a net book value of RON 1,853 thousand (Gross book value of RON 12,452 thousand and accumulated depreciation value of RON 10,599 thousand).

The depreciation method used was the straight-line method.

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).

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

Assets under construction:

The transfers from assets under construction recorded in the period relate to commissioning of the billboards in Dragalina and Baicoi, and the photovoltaic park in Greenfield.

9. INVESTMENT PROPERTY

Reconciliation of carrying amount of property investments

	2023	2022
Balance on January 1	**678,669**	**568,758**
Additions	17,966	32,987
Transfers from/to PP&E and Inventories	(19,286)	(544)
Value adjustments	-	(191)
Changes in fair value during the year	49,503	77,660
Balance on December 31	**726,852**	**678,669**

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

	31-Dec-23		31-Dec-22	
Activ	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	211,631	290,441	217,852	281,511
Blvd. Barbu Vacarescu land (Bucharest)	25,424	189,711	25,424	176,078
Blvd. Ghencea land (Bucharest)	258,895	160,978	258,895	160,098
Total	**495,950**	**641,130**	**502,171**	**617,687**

Additions in investment property mainly consist of:

- the purchase of a 2,895 square meter plot of land in Greenfield worth RON 3,785 thousand.
- other ongoing investment works worth RON 1,590 thousand
- RON 12,466 thousand represent additional works done for Plaza and the land fence for the Ghencea land

Transfers into or from property, plant and equipment of RON 19,286 thousand comprises:

- Transfer of land from investment property to PP&E of RON 13,331 thousand (10,364 square meter) related to the photovoltaic park
- Transfer in amount of RON 518 thousand of two apartments from investment property to Inventories as the units were made available for sale during the current year.

The value of land registered as investment property increased at the end of 2023, by RON 49,503 thousand, following the revaluation carried out by the external evaluator, Colliers Valuation and Advisory S.R.L.

The Company's management analyzes annually, at the 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 build to sell or to build to rent.

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

Considering the above, the Company considers that in December 2023 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 issues related to land are found in Note 26.

Valuation processes

The Company's investment properties were valued at as at 31 of December 2023 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, 2023. 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 on 31st of December 2023**	**Main parameters on 31st of December 2022**
Greenfield Băneasa land	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 500 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -36% discount to +27% Premium	• 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 -26% discount to +37% Premium
Barbu Văcarescu land	• Price offer per square meter for land used as comparable: from 1,000 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -35% to +60% Premium	• Price offer per square meter for land used as comparable: from 1,254 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -40% to +20% Premium
Blvd. Ghencea land	• Price offer per square meter for land used as comparable: from 179 EUR/sqm to 254 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -48%	• Price offer per square meter for land used as comparable: from 80 EUR/sqm to 165 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -5% to +75%

The carrying value as at 31 December 2023 of the land plots pledged is RON 251,812 thousands (31 December 2022: RON 235,353 thousands).

10. INVENTORIES

	31-Dec-23	31-Dec-22
Finished goods and other goods for sale	80,812	101,029
Ongoing residential developments:		
Land for development	86,468	88,926
Development and construction costs	331,759	239,450
	499,039	**429,405**

Inventories are represented by:

	31-Dec-23	31-Dec-22
Residential project Greenfield	399,414	311,201
Land and development expenses Constanta	89,887	107,927
Other inventories	9,738	10,277
	499,039	**429,405**

Lands with a carrying amount of RON 86,468 thousand as at 31 December 2023 (31 December 2022: RON 88,926 thousand) consist of lands held by the Company for development of new residential properties and infrastructure, mainly in Bucharest, as well as lands through which the Company intends to realize value through direct sale.

Completed residential properties with a carrying value of RON 80,812 thousand as at 31 December 2023 (31 December 2022: RON 101,029 thousand) refer entirely to apartments held for sale by the Company. Cost of goods sold recognized during the period is 37,181 RON thousand (2022: RON 50,566 thousand).

The carrying value as at 31 December 2023 of the finished goods inventories pledged is of RON 234,437 thousand (RON 189,387 thousand as at 31 December 2022). 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 2022 is RON 1,020 thousand. During 2023 the project was commissioned and available for sale, therefore no interest was capitalized.

Part of the Greenfield project (construction of the Teilor complex) is financed by OTP Bank. The capitalized interest during 2022 in the value of the projects is RON 1,230 thousand. The capitalized interest during 2023 in the value of the projects is RON 9,664 thousand.

According to the provision of IAS23 – Borrowing costs, the costs related to general loans were capitalized in the value of eligible assets using a weighted average rate.

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

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

11. INVESTMENTS IN SUBSIDIARIES

	31-Dec-23	31-Dec-22
Investments in subsidiaries	44,239	44,239
Impairment of investments in subsidiaries	(8,023)	(8,023)
	36,216	**36,216**

The Company holds interests in the following subsidiaries:

				31-Dec-23
	Percentage	Gross value	Impairment	Book value
Spatzioo Management	6,23%	110	-	110
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	100%	6,770	-	6,770
Bergamot Developments Phase II	100%	49	-	49
Impact Finance	100%	1	-	1
Greenfield Copou Residence	100%	49	-	49
Greenfield Copou Residence Phase II	100%	48	-	48
Aria Verdi Development	100%	48	-	48
Greenfield Property Management	100%	49	-	49
RCTI	51,01%	14,440	-	14,440
Impact Alliance Moldova	51%	-	-	-
Impact Alliance Arhitecture	51%	255	-	255
Total subsidiaries		**44,239**	**(8,023)**	**36,216**

				31-Dec-22
	Percentage	Gross value	Impairment	Book value
Spatzioo Management	6,23%	110	-	110
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	100%	6,770	-	6,770
Bergamot Developments Phase II	100%	49	-	49
Impact Finance	100%	1	-	1
Greenfield Copou Residence	100%	49	-	49
Greenfield Copou Residence Phase II	100%	48	-	48
Aria Verdi Development	100%	48	-	48
Greenfield Property Management	100%	49	-	49
RCTI	51,01%	14,440	-	14,440
Impact Alliance Arhitecture	51%	255	-	255
Total subsidiaries		**44,239**	**(8,023)**	**36,216**

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

a) Spatzioo Management 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).
c) Bergamot Developments S.R.L., company within the Company 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 Company 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 Company 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.
g) Greenfield Copou Residence Phase II SRL, a company within the Company, having as main object of activity the real estate development, has been incorporated in 2021.
h) Greenfield Property Management SRL, a company within the Company, having as main object of activity the real estate development, has been incorporated in 2021.
i) Aria Verdi Property SRL, a company within the Company, having as main object of activity the real estate development, has been incorporated in 2021.
j) Impact Alliance Arhitecture SRL, a company within the Company having as main object of activity architecture services, has been incorporated in 2022
k) RCTI Company, a company within the Company having as main object of activity the real estate constructions, has been acquired by the Company in 2022 (refer to Note 28).
l) Impact Alliance Moldova c company having as main activity construction services. The company was set-up in 2023 but no share capital was paid in yet.

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

12. TRADE AND OTHER RECEIVABLES

	Short term		Long term	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Trade receivables	1,335	3,932	-	-
Receivables from related parties	20,280	12,058	62,143	67,197
Sundry debtors	2,857	8,433	-	-
Receivables from authorities	106	9,469	-	-
	24,579	**33,892**	**62,143**	**67,197**

An allowance has been made for expected credit losses on trade receivables of 2,806 thousand RON (31 December 2022: 2,276 thousand RON).

Reconciliation of the provision for expected credit losses:	**2023**	**2022**
Balance as at 1st of January	2,276	1,790
Provision reversal	(535)	(491)
Establish new provision	1,065	977
Balance as at 31 of December	**2,806**	**2,276**

Long-term receivables represent the balance of loans and their related interest granted by the Company to its subsidiaries. Details about the breakdown of the amount is included in note 27 - regarding transactions with related parties.

As at 31 of December 2023, did not have any pledge receivables, except for the rental income which is mortgaged in favor of First Bank

Other current assets	**31-Dec-23**	**31-Dec-22**
Prepaid expenses	5,656	5,512
Advances to suppliers	1,065	9,342
	6,721	**14,854**

Prepayments include advance payments to IT software suppliers, taxes on land and buildings as well as advance payments for construction services.

13. CASH AND CASH EQUIVALENTS

	31-Dec-23	**31-Dec-22**
Current accounts	35,726	46,797
Petty Cash	6	9
Cash advances	46	51
	35,778	**46,857**

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

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 9 thousand RON (31 December 2022: 102 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

	31-Dec-23	31-Dec-22
Share capital paid in	591,420	591,420
Adjustments of the share capital (hyperinflation)	7,464	7,464
	598,884	**598,884**
Number of shares in issue at period end	**2,365,679,951**	**2,365,679,951**

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

	31-Dec-23	31-Dec-22
	%	%
Gheorghe Iaciu	57.76%	57.76%
Andrici Adrian	11.83%	12.72%
Legal persons	19.96%	19.70%
Other shareholders	10.45%	9.82%
	100.00%	**100.00%**

All shares are ordinary and have equal ranking related to the Company'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 Company.

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. This share capital increase generated a share premium in amount of RON 37,904,170.

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. Under the Private Placement 42,756,138 shares were subscribed, and the subscription price was 0.439 RON per new share (the "Subscription Price").. This share capital increase generated a share premium in amount of RON 8,080,910.

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

The Other reserves constituted for the Company are detailed below:

	31-Dec-23	31-Dec-22
Legal reserves	44,513	43,190
Statutory reserves	(4,871)	(4,871)
Other reserves	-	(1)
	39,642	**38,318**

The legal reserve is set in accordance with the provisions of the Romanian Company Law, which requires that at least 5% of the annual accounting profit before tax is transferred to "legal reserve" until the balance of this reserve reaches 20% of the share capital of the Company.

Dividends

No dividends were distributed during the year ending 31 December 2023.

No dividends were distributed during the year ending 31 December 2022.

Capital management.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a debt to assets ratio, which is loans and borrowings less cash and cash equivalents, divided to total assets The Company's policy is to keep the debt to assets ratio to less than 40%.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. In case of breaches in meeting the financial covenants the banks allow for remedy periods. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2023 and 2022. Debt to assets ratio as of 31 December 2023 and 31 December 2022 are disclosed below:

Debt to assets ratio	**31-Dec-23**	**31-Dec-22**
Loans and borrowings	389,074	330,351
Less: cash and cash equivalents	(35,778)	(46,857)
Net debt	**353,296**	**283,494**
Total assets	1,428,708	1,330,234
Net debt to assets	**25%**	**21%**

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

15. OWN SHARES

	2023	31-Dec-22
Balance on January 1	**268**	**841**
Own shares acquired	-	442
Own shares acquired and cancelled during the year	-	-
Share based payments	-	(1,015)
Balance on December 31	**268**	**268**

	2023 (no. of shares)	2022 (no. of shares)
Balance at 1 January	**738,541**	**1,370,920**
Purchase of own shares	-	1,632,621
Own shares cancelled during the year	-	-
Share-based payments	-	(2,265,000)
Balance at 31 December	**738,541**	**738,541**

The reserve of own shares represents the cost of shares of the Parent Company purchased on the market, to satisfy the options and conditional quotas granted under the Company's share-based payment schemes.

On December 31, 2023, the Company has own shares with an accounting value of RON 268 thousand (December 2022: 268 thousand lei).

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 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.

The total number of shares that may be granted to Eligible Persons under this Plan is a maximum of 3,060,000 registered shares ("Reserved Shares").

In 2022, the Company granted a number of 2,265 thousand shares to employees and members of the Board of Directors evaluated and recorded in the profit and loss account on the date of grant in the amount of 969 thousand lei (0.427 lei/share). The average cost borne by the parent company with the purchase of these shares was 1,015 thousand lei (0.367 lei/share).

No shares were granted to employees in 2023.

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

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.

	31-Dec-23	31-Dec-22
Non-current liabilities		
Secured bank loans	264,485	200,299
Issued bonds	72,537	32,561
Leasing	524	908
Total non-current liabilities	**337,546**	**233,768**
Current liabilities		
Secured bank loans	51,103	97,446
Short-term borrowings	46	45
Leasing	379	342
Total current liabilities	**51,528**	**97,833**

Starting with 2023 the Company presents leasing liabilities as part of Loans and borrowings, whereas in 2022 these were presented within trade and other liabilities.

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 31-Dec-23	Balance at 31-Dec-22
Loans and borrowings					
Private placement bonds	EUR	24-Dec-26	6,581	32,740	32,561
Credit Value Investments	EUR	02-Oct-27	8,000	39,423	-
Total bonds				**72,163**	**32,561**
CEC Bank	EUR	27-Nov-23	9,880	-	48,622
Garanti BBVA	EUR	15-Jun-24	4,250	3,210	5,936
Garanti BBVA	EUR	30-Jun-24	4,500	6,396	18,978
Libra Internet Bank	EUR	05-Oct-24	4,000	1,813	7,363
Libra Internet Bank	EUR	05-Dec-25	1,900	7,287	9,400
OTP Bank	EUR	31-Mar-25	21,161	105,268	51,444
OTP Bank	EUR	30-Jun-24	4,000	4,708	5,100
OTP Bank	EUR	31-Mar-25	13,279	65,239	44,388
OTP Bank	EUR	30-Jun-24	2,000	1,514	4,358
TechVentures Bank	EUR	06-Jan-25	2,000	3,592	6,871
Alpha Bank	EUR	08-Jun-29	20,000	81,068	95,283
First Bank	EUR	29-Mar-29	3,500	16,695	-
Libra Internet Bank	RON	15-Jun-26	14,000	1,778	-
Garanti BBVA	RON	31-Dec-26	17,395	17,394	-
Total bank loans				**315,962**	**297,743**
Leasing					
Leasing	RON			903	1,250
Total Leasing				903	1,250
Interest				**46**	**46**
Total				**389,074**	**331,601**

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

	Bonds	Loans and borrowings	Leasing	Total
Balance at January 1, 2023	**32,606**	**297,744**	**1,250**	**331,600**
Draws	39,346	135,538		174,884
Payments	-	(119,213)	(368)	(119,581)
Interest paid	(3,324)	(22,534)	(51)	(25,909)
Interest paid	3,318	22,534	51	25,903
FX differences	262	1,894	21	2,177
Balance at 31 December 2023	**72,209**	**315,963**	**903**	**389,074**

In December 2020, the Company 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 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.

In September 2022, the Company contracted 4 loans denominated in EUR from OTP Bank for the financing of phases F1-F3 of the UTR3 project in Greenfield Băneasa. The cumulative value of the credits is EUR 40,440 thousand, of which two in the amount of EUR 34,440 thousand are intended to finance the project, with a maturity of 3 years from the granting, and two others in a total amount of EUR 6,000 thousand to cover VAT expenses, with maturity of 2 years from granting.

In December 2022, the Company contracted a loan denominated in EUR from Libra for the general financing of projects (working capital). The amount of the loan is 1,900 thousand EUR, with a maturity of 3 years from the granting.

In May 2023, the Company contracted a loan denominated in EUR from First Bank for the refinancing of the Community centre Greenfield Plaza. The value of the credit is EUR 3,500 thousand, with a maturity of 70 months from the granting.

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

In June 2023, the Company contracted a loan denominated in EUR from Libra Internet Bank for the general financing of projects (working capital). The value of the loan is RON 14,000 thousand, with a maturity of 3 years from the granting. Credit facility drawings started in July 2023.

In October 2023 the Company offered for subscription 80 Series IMP27E bearer bonds (the "Bonds"), each with a nominal value of EUR 100,000 and an aggregate nominal value of EUR 8,000,000 (eight million euros). The Bonds were allotted to institutional investors – consortium of several investment funds, of which assets are managed by CVI Dom Maklerski sp. z o.o. The Polish company under business name CVI Trust sp. z o.o., with its registered seat in Warsaw, Poland, is acting as a security administrator. Final maturity is 48 months from the issuance date.

In November 2023 the Company contracted a loan denominated in RON from Garanti Bank for the general financing of projects (working capital). The value of the loan is RON 17,395 thousand, with a maturity of 3 years from the granting. Credit facility drawings started in December 2023.

All the financial indicators provided for in the long-term bank loan contracts were met as at 31 December 2022 and as at 31 December 2023.

Lease liabilities

	Vehicles	Total
Balance as at 1 January 2022	**-**	**-**
Additions	1,699	1,699
Interest expense	148	148
Lease payments	(885)	(885)
Foreign exchange movements	288	288
Balance as at 31 December 2022	**1,250**	**1,250**

	Vehicles	Total
Balance as at 1 January 2023	**1,250**	**1,250**
Additions	-	-
Interest expense	51	51
Lease payments	(437)	(437)
Foreign exchange movements	39	39
Balance as at 31 December 2023	**903**	**903**

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.

No new leasing contracts were signed in 2023.

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)

17. TRADE AND OTHER PAYABLES

	31-Dec-23	31-Dec-22
Non-current liabilities		
Guarantees	6,203	11,352
	6,203	**11,352**
Current liabilities		
Trade payables	9,019	7,437
Tax debts	3,285	292
Employees payables	560	716
Related parties payables	28,435	20,057
Dividends payable	-	177
Other payables	1	62
	41,300	29,083
TOTAL	**47,378**	**40,435**

Advances from clients	**34,374**	**35,946**
Profit tax payable	**(125)**	**(125)**

Detailed information about Advances from clients are presented in Note 19.

Starting with 2023 current income tax liability is presented separately on the face of the statement of financial position, while up to 2022 this was presented within trade and other payables.

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.

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance as at 1 January 2022	**271**	**1,017**	**1,288**
Provisions established during the period	-	-	-
Provisions written back during the period	-	(935)	(935)
Balance at 31 December 2022	**271**	**82**	**353**

	Provisions for litigation	Other provisions	Total
Balance at January 1, 2023	**271**	**82**	**353**
Provisions established during the period	-		
Provisions written back during the period	-	(66)	(66)
Balance at 31 December 2023	**271**	**16**	**287**

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

The provisions amounting to 287 thousand RON are represented by:
- 271 thousand RON for a litigation in connection with one of the houses sold in the Boreal district of Constanta.
- 16 thousand RON for untaken holidays.

19. REVENUES

Revenues of the Company:

	31-Dec-2023	31-Dec-2022
Revenue from sale of residential properties and land	52,348	75,191
Revenue from services	5,134	4,205
Rental income	4,053	1,361
	61,534	**80,757**

	31-Dec-2023	31-Dec-2022
Cost of goods sold	37,181	50,566
Services cost	5,943	4,369
Costs related to rental services	1,207	658
	44,901	**55,593**

As at 31 December 2023, the Company had a stock of 340 pre-sale agreements, in total value of RON 188,694 thousand. Of these, 94% refer to projects under development (320 dwellings, RON 177,856 thousand package value) and 6% refer to completed projects (20 dwellings, RON 11,972 thousand package value).

These pre-sales are expected to be translated into revenues within next period.

For these pre-sale agreements clients paid deposits in amount of RON 34,374 thousand which are shown under Contract liabilities in the statement of financial position.

The company recorded a total of 419 pre-sales on as at 31 December 2022 with a package value of EUR 43.7 million (RON 215 million), which will be recognized as revenue as the apartments are completed in the next period. For these pre-sale agreements clients paid deposits in amount of RON 35,946 thousand which are shown under Contract liabilities in the statement of financial position.

Sales breakdown by projects:

	31-Dec-2023	31-Dec-2022
Greenfield Baneasa	17,172	71,471
Boreal Plus Constanta	35,176	3,720
	52,348	**75,191**

In 2023 Impact sold 89 units, represented by 27 dwellings in GREENFIELD Baneasa, 54 dwellings, 1 commercial space as well as 7 villas in BOREAL Plus Constanta (7,243 sqm built saleable area plus related parking spots, storage and court yards). The 89 units sold throughout 2023 generated corresponding revenues of RON 52,348 thousand.

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

During 2023 the Company started leasing part of its apartments for cash-flow purposes. The apartments remain available for sale, however given that this activity is expected to be recurring, the rental income generated is presented as part of Revenue starting with 2023, whereas in 2022 it was presented under 'Net income from other activities' line.

Revenue from rental is obtained from renting the commercial spaces within Greenfield Plaza community centre (RON 3,427 thousand) as well as from renting the apartments (RON 626 thousand). The rented apartments are not held as investment property but sold. In 2022 the income revenue form rental was in amount of RON 1,361 thousand (RON 815 form commercial spaces and RON 546 thousand from apartments) and were disclosed within the "Net revenue from other activities" category.

20. GENERAL AND ADMINISTRATIVE EXPENSES

	31-Dec-2023	31-Dec-2022
Consumables	681	381
Services provided by third parties	8,462	12,052
Staff costs	12,894	13,176
	22,037	**25,609**

21. OTHER OPERATING (EXPENSES)/INCOME

	31-Dec-2023	31-Dec-2022
Other operating income	4,573	2,522
Other operating expenses	(153)	(1,482)
Other tax expenses	(1,913)	(1,210)
Gain / (Loss) on disposal of PPE	(2,023)	(626)
Fines and penalties income/(expenses)	3,520	1,169
Value adjustment for PPE	1,194	(181)
Value adjustment for inventories	1,341	(142)
Value adjustment of receivables	530	(486)
Sponsorships	(26)	(171)
	7,043	**(607)**

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

22. FINANCE (COST)/INCOME

	31-Dec-2023	31-Dec-2022
Interest expense	(18,609)	(1,083)
Foreign exchange loss	(8,294)	(8,028)
Other financial expenses	(1,241)	(840)
Total financial expenses	**(28,144)**	**(9,951)**
Interest income	4,260	6,362
Foreign exchange gains	8,614	8,091
Other financial income	3,770	(702)
Total financial income	**16,644**	**13,751**
Financial result, net	**(11,500)**	**3,800**

Compared with 2022, in 2023 the interest expense has increased by RON 17,256 thousand. This is due to increase of loans balance as at 31 December 2023 with RON 57,473 thousand, corroborated with interest rate increases, as well as due to the fact that interest of loans previously capitalized was charged to expenses during 2023. As regards to foreign exchange results, 2023 the Group has registered net gains from foreign exchange of RON 320 thousand due to increase in value of RON against EUR (2022: foreign exchange net gain of RON 63 thousand).

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

23. INCOME TAX

(i) Taxes recognized in the profit and loss account

	2023	2022
Deferred income tax (expense)	6,931	(12,568)
Income tax (credit) / expense	-	-
Income tax expenses	**6,931**	**(12,568)**

(ii) Effective tax rate reconciliation

		2023		2022
Profit before tax		**35,561**		**75,897**
Income tax calculated using the entity's local tax rate (16%)	16%	(5,690)	16%	(12,144)
Non-deductible expenses and adjustments	16%	5,057	16%	405
Non-taxable income	16%	(9,804)	16%	(829)
Deferred tax differences	-	17,368	-	
	28%	**6,931**	**(16%)**	**(12,568)**

(iii) Cumulative temporary differences that generate deferred tax

	31-Dec-23		31-Dec-22	
	Taxable base	**Tax amount**	**Taxable base**	**Tax amount**
	Taxable base	Tax amount	Taxable base	Tax amount
Tangible assets	(7,691)	(1,231)	(1,394)	(223)
Real estate investments	495,456	79,273	530,266	84,843
Inventories	-	-	(13,756)	(2,201)
Trade receivables and other receivables	(1,665)	(266)	(8,506)	(1,361)
	486,100	**77,776**	**506,610**	**81,058**
Tax losses that generated deferred tax	(24,103)	(3,856)	-	-
	461,997	**73,920**	**506,610**	**81,058**

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

(iv) Movements in deferred tax balances

				Balance at 31 December 2022		
	Balance at 01.01.2022	**Recognized in the current result**	**Recognized in other elements of comprehensive income**	**Net**	**Assets**	**Debt**
2022						
Tangible assets	(223)	-	-	(223)	(223)	-
Investment property	72,486	12,426	-	84,912	-	84,912
Trade receivables and other receivables	(774)	-	-	(774)	(774)	-
Inventories	(2,343)	-	-	(2,343)	(2,343)	-
Fiscal losses that generate deferred tax	(656)	-	-	(656)	(656)	-
(Receivables)/ net tax liabilities	**68,490**	**12,426**	**-**	**81,058**	**(3,854)**	**84,912**

				Balance at 31 December 2023		
	Balance at 01.01.2023	**Recognized in the current result**	**Recognized in other elements of comprehensive income**	**Net**	**Assets**	**Debt**
2023						
Tangible assets	(223)	(1,008)	-	(1,231)	(1,231)	-
Investment property	84,912	(5,639)	-	79,273	-	79,273
Trade receivables and other receivables	(774)	573	-	(266)	(266)	-
Inventories	(2,343)	2,343	-	-	-	-
Fiscal losses that generate deferred tax	(656)	(3,200)	-	(3,856)	(3,856)	-
(Receivables)/ net tax liabilities	**81,058**	**(6,931)**	**-**	**73,920**	**(4,123)**	**79,273**

(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
- financing 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:

	Note	31-Dec-23	31-Dec-22
Trade receivables and other receivables	12	81,334	90,446
Cash and cash equivalents	13	35,778	46,857
		117,112	**137,303**

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.

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

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

	31-Dec-23	31-Dec-22
Romania	81,334	90,446
	81,334	**90,446**

Impairment losses

The debt aging situation at the reporting date was:

	31-Dec-23			31-Dec-22		
	Gross amount	**Adjustment for impairment**	**Net amount**	**Gross amount**	**Adjustment for impairment**	**Net amount**
Did not reach the maturity date	72,514	-	72,514	75,342	-	75,342
Remaining between 1-30 days	2,504	-	2,5804	6,737	-	6,737
Remaining between 31–90 days	2,252	-	2,252	4,789	-	4,789
Remaining between 91–120 days	2,661	-	2,661	3,578	-	3,578
Remaining between 121–365 days	1,403	-	1,403	1,221	(1,221)	-
Arrears of more than one year	2,806	(2,806)	-	2,106	(2,106)	-
	84,140	**(2,806)**	**81,334**	**93,773**	**(3,327)**	**90,446**

Impairment losses as of 31 December 2023 relate to a number of customers who have indicated that they do not anticipate having the ability to pay the amounts owed primarily due to economic conditions.

The Company believes that amounts for which provisions have not been established and which are overdue by more than 30 days will be collected, based on historical payment behavior and a thorough analysis of the credit rating of the customers in question.

Cash and cash equivalents

At 31 December 2023, the Company held cash and cash equivalents in amount of RON 35,778 thousand (31 December 2022: RON 46,857 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.

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

(b) Liquidity risk

31-Dec-22	Accounting value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans	330,351	330,351	97,492	35,093	190,437	7,329
Leasing	1,250	1,250	342	908		
Trade debts and other debts	40,435	40,435	28,741	11,352	-	-
	371,694	**371,694**	**126,575**	**47,353**	**190,437**	**7,329**
Estimates of future interest	28,258	28,258	14,351	9,178	4,592	137
Total	**399,952**	**399,952**	**140,926**	**56,531**	**195,029**	**7,466**

31-Dec-23	Accounting value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	388,125	388,125	51,102	194,223	141,790	1,009
Trade debts and other debts	47,378	47,378	41,175	6,203	-	-
Leasing	**903**	**903**	**379**	**524**	**-**	**-**
	436,406	**436,406**	**92,656**	**200,950**	**141,790**	**1,009**
Estimates of future interest	62,573	62,573	29,776	17,083	15,714	-
	499,988	**499,988**	**122,432**	**218,033**	**157,505**	**1,009**

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 a mix of fixed and variable rate borrowings, foreign currency borrowings.

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.

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

The summary of quantitative data regarding the Company's exposure to currency risk reported to the Company's management based on the risk management policy is as follows:

	31-Dec-23	31-Dec-22
Monetary assets		
Trade receivables and other receivables	-	-
Cash and cash equivalents	13,463	18,913
	13,463	**18,913**
Monetary debts		
Loans and borrowings	368,953	330,305
Trade debts and other debts	406	1,250
	369,359	**331,555**
Net exposure	**(355,896)**	**(312,642)**

The Company has not entered into hedging contracts with respect to foreign currency obligations or exposure to interest rate risk.

The main exchange rates used during the year were:

	31-Dec-23	12M 2023	31-Dec-22	12M 2022
EUR	4.9746	4.9464	4.9474	4.9313

Sensitivity analysis

A 10% appreciation / depreciation of the Romanian leu against the following foreign currencies as at 31 of December 2023 and as at 31 of December 2022 would have increased the profit by the amounts indicated below. This analysis is based on changes in exchange rates that the Company considers reasonably possible at the end of the reporting period. This analysis assumes all other variables, especially interest rates, to remain constant and ignores any impact of expected sales and purchases.

			31-Dec-23			31-Dec-22
	Book value	Effect of depreciation	Effect of appreciation	Book value	Effect of depreciation	Effect of appreciation
Monetary assets and liabilities	(355,896)	(35,590)	35,590	(312,642)	(31,264)	31,264

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

Interest rate risk

	31-Dec-23				31-Dec-22			
	Book value	Variable rate	Fixed rate	Non-interest bearing	Book value	Variable rate	Fixed rate	Non-interest bearing
Monetary assets								
Trade receivables and other receivables	81,334	-	55,796	25,538	90,446	-	56,681	33,765
Cash and cash equivalents	35,778	-	35,778	-	46,857	-	46,857	-
	117,112	**-**	**91,574**	**25,538**	**137,303**	**-**	**103,538**	**33,765**
Monetary debts								
Loans and borrowings	388,171	355,385	32,740	-	330,351	297,790	32,561	-
Leasing	903	-	903	-	1,250	-	1,250	-
Trade debts and other debts	47,378	-	-	47,378	41,343	-	-	41,343
	436,406	**355,385**	**33,643**	**47,378**	**372,898**	**297,790**	**33,811**	**41,343**

At the reporting date, the interest rate risk exposure profile related to interest-bearing financial instruments reported to the Company's management was as follows:

Fixed rate instruments	**31-Dec-23**	**31-Dec-22**
Assets	91,574	103,538
Debts	(33,643)	(33,811)
	57,931	**69,727**
Variable rate instruments		
Debts	(355,385)	(265,229)
	(355,385)	**(265,229)**

Fair value sensitivity analysis for fixed interest rate instruments

The company does not register financial assets or financial liabilities with a fixed rate at fair value through the profit and loss account, and does not designate derivatives (interest rate swaps) as hedging instruments within a hedging accounting model at value. Therefore, a change in interest rates at the reporting date would not affect the result.

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

Cash flow sensitivity analysis for variable rate instruments

A possible change of 100 basis points at the reporting date would have increased or decreased equity and profit or loss by 3,554 (2022: 2,652). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain unchanged.

	Profit / (Loss)	
31 December 2023	**100 bp increase**	**100 bp decrease**
Variable rate instruments	3,554	(3,554)

	Profit / (Loss)	
31 December 2022	**100 bp increase**	**100 bp decrease**
Variable rate instruments	2,652	(2,652)

25. CAPITAL COMMITMENTS

As at 31 December 2023 respectively 31 December 2022, the Company has no capital commitments contracted.

However, the Company is engaged in contractual commitments through the pre-sale agreements it concludes with its clients for the sale of developed dwellings (please see Note 19 – Revenues, for more details on pre-sale agreements).

26. CONTINGENCIES

Litigations

As of the date of these financial statements, the Company was involved in several ongoing lawsuits, both as plaintiff and defendant.

The management of the Company 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 financial statements.

Considering the information available, the management of the Company 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

The company Impact Developer & Constructor SA and one of its subsidiaries, namely Clearline Development and Management SRL ("Project Company") are parties in two files in conflict with the Cluj Local Council ("CLC"). The disputes stemmed from a contractual relationship carried out in 2007, at which time the Company concluded an investment contract with CLC, a contract by which CLC and the Company were to develop a residential project, and CLC was to contribute the land - "The Lomb Project" . The Company and the Project Company request the reimbursement of the sums derived from the investments made for the Lomb project where CLC did not respect its contractual obligations, i.e. did not contribute with land, thus the Company being in a situation where the project and the revenues that could be acquired by after that, they can no longer be realized.

File 79/1285/2012 was registered before the Cluj Commercial Court, in which the Company requests the termination of framework contract no. 55423/04.07.2007 concluded between CLC and the Company. In addition, the Company requests that CLC be obliged to pay compensation in the amount of RON 4,630,914.13 and related interest, calculated from the date of the damage until the actual payment of the amounts.

In this case, on December 23, 2020, the Cluj Court rejected as unfounded the specified request made by the Company.

The company filed an appeal which is being judged by the Cluj Court of Appeal, at this moment the company cannot estimate the duration of the process until a final decision is obtained. The next deadline granted in the appeal phase is 16 of April 2024, to analyse the findings.

File no. was registered on the Argeș Commercial Court. 1032/1259/2012 in which the Project Company (Clearline Development and Management SRL) requests the obligation of CLC to pay compensation provisionally estimated at the amount of RON 17,053,000.

On 08.06.2022, the Argeș Commercial 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 RON 24,532,741.65 as damages and the sum of RON 13,862,967.16 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 the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca declared an appeal.

On 15.03.2023, the Pitesti Court of Appeal issued Decision no. 94, as follows:

"Rejects the appeal filed against the conclusions of the meeting. Accept the appeal against the sentence. Changes the sentence in part, in the sense that it rejects the request, as amended, formulated by the plaintiff. Remove the reference to obliging the defendants to pay court costs to the plaintiff. Maintains the rest of the sentence, with the possibility of filling an appeal within 15 days from communication".

Clearline Development and Management S.R.L. filled an appeal against the decision issued by the Pitești Court of Appeal. The file is currently in regularization procedure. On the 21 of March 2024 the Court admitted the appeal and ordered a retrial.

b) Litigation initiated by "EcoCivic Association"

File no. 4122/3/2022 was registered on the roll of the Bucharest Court, Administrative and Fiscal Litigation Section, in which Impact is the Defendant, the Claimants being the Eco Civic Association and three natural persons from outside the Greenfield Băneasa neighborhood.

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, canceling works.

Furthermore, the management considers that all the legal proceedings for the promotion and admission of the Zonal Urban Plan have been fulfilled. The arguments of the management are based on the fact that part of the buildings already constructed based on the building permit of which annulment is requested, have already been commissioned by the nominated local authorities – Bucharest City Council, and respectively Bucharest Building Inspectorate. Therefor no provision has been registered in respect of the litigation, as at 31 of December 2023.

The next court date was set for 10 of May 2025.

c) Litigation regarding access to Vadul Moldovei street, file 1820/3/2023

On January 19, 2023, Impact registered on the role of the Bucharest Court, Section II Administrative and Fiscal Litigation, against the City Hall of the City of Bucharest, the City Hall of Sector 1 Bucharest and the National Management of Romsilva Forests, the action in order to determine the mentioned institutions to comply with the obligations assumed by the decisions of the General Council of the Municipality of Bucharest, those of the Local Council of Sector 1 and those of the act of acceptance of the donation concluded with IMPACT and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 1 of April 2024.

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

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	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
Aria Verdi Development SRL	Romania	Real estate development
Greenfield Property Management SRL	Romania	Real estate development
Impact Alliance Architecture SRL	Romania	Architecture services
Impact Alliance Moldova SRL	Romania	Constructions
R.C.T.I Company	Romania	Constructions

Transactions and balances with related parties during and for the year ended 31 December 2023, and year ended 31 of December 2022.

Impact is part of a VAT Group together with its subsidiaries.

The financing agreement signed between Libra Bank, Impact and its subsidiaries Bergamot Developments and Bergamot Developments Phase II generated receivables and liabilities intercompany because of the guarantee mechanism of the loan. The amount is RON 27,261 thousand as of 31 December 2023 and RON 3,885 thousand as of 31 December 2022.

Centralized balances	31-Dec-23	31-Dec-22
Trade receivables	1,342	397
Interest related to loans	12,188	-
Share capital decrease (Bergamot Developments)	-	7,860
VAT – fiscal group	6,750	3,801
Receivables - current	**20,280**	**12,058**
Trade liabilities	(1,174)	(16,172)
Other debts	(27,261)	(3,885)
Trade liabilities - current	**(28,435)**	**(20,057)**
Loans granted to subsidiaries	55,796	56,681
Interest related to loans	-	10,489
Share capital decrease (Bergamot Developments)	6,348	-
Receivables – long term	**62,144**	**67,170**
	53,989	**59,171**

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

Centralized transactions	2023	2022
Revenues from dividend	3,770	-
Revenues from services	2,553	303
Revenues from interest	4,209	5,185
Acquisition of goods and services	(90,074)	(70,574)
	79,542	**(65,086)**

	Transactions for the 12 months period ended 31 December		Balance as at 31 December	
Sales of goods and services	**2023**	**2022**	**2023**	**2023**
Subsidiaries				
Spatzioo Management S,R,L,	2,505	63	1,340	-
Clearline Development and Management	6	6	-	-
Bergamot Developments	6	6	-	3
Bergamot Developments Phase II	6	6	-	2
Impact Finance Developments	6	6	-	9
Greenfield Copou Residence	6	4	1	343
Greenfield Copou Residence Phase II	6	6	-	14
Greenfield Property Management	6	6	-	12
Aria Verdi Development	6	6	1	14
Impact Alliance&Arhitecture	-	-	-	-
R.C.T.I. Company	-	194	-	
	2,553	**303**	**1,342**	**397**

	Value of the transaction in the		Balance as at 31 December	
Acquisition of goods and services	**12M 2023**	**12M 2022**	**2023**	**2022**
Subsidiaries				
Spatzioo Management SRL	1,024	1,192	1,010	547
R.C.T.I. Company	90,074	69,382	164	15,625
	91,098	**70,574**	**1,174**	**16,172**

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

	Balance as at 31 December	
Granted loans	**31-Dec-23**	**31-Dec-22**
Subsidiaries		
Clearline Development and Management	462	185
Bergamot Developments Phase II	7,299	9,409
Greenfield Copou Residence	48,035	47,087
	55,796	**56,681**

In addition to the above the Company has a receivable of RON 6,348 thousand (2022:RON 7,860 thousand) at 31 December 2023 from Bergamont Developments subsidiary related to share capital reduction which was made by returning cash to shareholders.

The loans granted to subsidiaries are not secured. The interest rate is between 5%-7%. The loan agreements are concluded for periods between one year and three years for financing projects of the subsidiaries.

	Balance as at 31 December	
Interest receivables	**31-Dec-23**	**31-Dec-22**
Clearline Development and Management	40	17
Bergamot Developments Phase II	2,590	4,520
Greenfield Copou Residence	9,558	5,952
	12,188	**10,489**

	Value of the transaction in the period ended	
Interest income	**31-Dec-23**	**31-Dec-22**
Subsidiaries		
Clearline Development and Management	24	4
Bergamot Developments Phase II	579	2,615
Greenfield Copou Residence	3,606	2,566
	4,209	**5,185**

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) and share based payments. The Company's management is employed on a contractual basis.
Remuneration of Company's management in 2023 was RON 2,612,493 (2022: RON 2,614,483). For more details please see Remuneration report which is part of the Company's annual report.

28. ACQUISITION OF A SUBSIDIARY

In July 2022, the Company signed a sale-purchase agreement for the shares of R.C.T.I. Company SRL. Through this contract, a package of 13,500 shares is transferred to the Company for a price of RON 5,130,000. Simultaneously with the signing of the sale-purchase agreement, the parties signed an agreement that includes the assumed commitments, including the increase in the share capital of R.C.T.I. Company through the subscription by the Company of 24,500 newly issued shares in exchange for a cash contribution of RON 9,310,000.

The reference date of the transaction is August 31, 2022.

The total price paid by the Company is 14,440 thousand lei, and its ownership in R.C.T.I. Company SRL after the completion of the transaction is 51.01% of the shares.

29. SHARES BASED PAYMENTS

In August 2022, 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").

No share based payment was granted to employees in 2023.

30. Auditor of the Group

Ernst & Young S.R.L. was appointed by the decision of the General Meeting of Shareholders dated 27 April 2023, to audit the financial statements for 2023, prepared under the responsibility of IMPACT D&C's management according to the international standards – IFRS (including the consolidated financial statements). The auditors' liability towards IMPACT D&C and the General Meeting of Shareholders shall be determined and limited according to the law and the agreement concluded with them.

In 2023 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 126,200 (2022: EUR 114,000) (for the statutory audit of the consolidated and standalone annual financial statements of the Company and of its Romanian subsidiaries, as well as for the financial statements in ESEF digital format). Other services, related to inter-company transactions review, were contracted in 2023. Those services were valued at EUR 5,500. In 2022 other services in total value of EUR 5,000 were contracted with the auditor, representing the other assurance services in relation to certain reports issued by the Company that are not prohibited by article 5(1) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council.

31. SUBSEQUENT EVENTS

Issuing of Bonds in total value of EUR 3,000,000

On 12 of February 2024, IMPACT Developer & Contractor launched a public offering for the subscription of 30,000 bonds, at a nominal value of 100 EUR/ bond. The offering period was from 12 of February to 23 of February 2024. The offer was brokered by SSIF Tradeville SA. The issued bonds were registered, dematerialized, unconditional, non-guaranteed and nonconvertible bonds, having a nominal value of up to 3,000,000 EUR. The offering was fully subscribed, IMPACT being able to raise 3,000,0000 EUR in bonds, with a fixed interest rate of 9%, payable on a half-yearly basis. The issued bonds are to be admitted to trading on the regulated market administered by BVB.

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Impact Developer & Contractor SA

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Impact Developer & Contractor SA (the Company) with official head office in Romania, Bucharest, 1st District, 31-41 Mogosoaia Forrest Road Greenfield Baneasa, identified by sole fiscal registration number 1553483, which comprise the statement of financial position as at December 31, 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying separate financial statements.

<table>
<tr><td>Key audit matter</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td colspan="2">Valuation of investment properties (RON 726,852 thousand)</td></tr>
<tr><td>The Company holds a portfolio of investment property which accounted for 51% of the Company's total assets as of 31 December 2023.

The valuation of investment property is one of the key drivers of the Company's net asset value and total return and is subject to increased sensitivity due to current volatility in the markets.
The fair values were assessed by the Company based on valuations prepared by an independent qualified valuation specialist and required expertise and use of significant judgements, estimates and assumptions, giving rise to a higher risk of misstatement.

Due to the significance of investment property as of 31 December 2023 and significant judgements, estimates and assumptions used in the valuation we consider the valuation of investment property a key audit matter.

The Company's disclosures regarding its accounting policy, fair value measurement and related judgments, estimates and assumptions used for investment property are presented in notes 5 (d), 6 (i) and 9 of the separate financial statements.</td><td>The audit procedures performed on the valuation of investment property included among others the following:
▪ We obtained a detailed understanding of the Company's internal processes, policies and methodologies used by management for valuation of the investment property and the related documentation flow; specific attention was given to the current macro-economic context impact to understand how this was factored and considered in the valuation assumptions, through discussions held with management independent specialist and further discussions with our internal valuation specialists;
▪ We agreed the fair values recorded in the separate financial statements to the values reported by the Company's independent specialist;
▪ We involved our internal valuation specialists to assist us to:
o evaluate, using their knowledge of the market, and corroborate the market related judgements and valuation inputs used by the Company's external specialist, for the investment properties presented in the statement of financial position;
o assess the conformity of the valuation methods applied with the applicable valuation standards; and</td></tr>
</table>

	○ evaluate the competence, capability and objectivity of the external valuation specialists. We further assessed the adequacy of the Company's disclosures included in notes to the separate financial statements of the Company in relation to the investment property valuation.

Other information

The other information comprises the Board of Directors Report, which includes the Corporate Governance Statement, as well as Remuneration Report, but does not include the separate financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Separate Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Board of Directors Report and Remuneration Report, we have read these reports and report that:

a) in the Board of Directors Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying separate financial statements as at December 31, 2023;
b) the Board of Directors Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, Annex 1 articles 15 - 19 and articles 26 - 27;
c) based on our knowledge and understanding concerning the entity and its environment gained during our audit of the separate financial statements as at December 31, 2023, we have not identified information included in the Board of Directors Report that contains a material misstatement of fact;
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 27 April 2023 to audit the separate financial statements for the financial year end December 31, 2023. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for three years, covering the financial periods ended December 31, 2021, December 31, 2022 and December 31, 2023.

Consistency with Additional Report to the Audit Committee.

Our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the Board of Directors Report and in the separate financial statements, no other services were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the separate financial statements (XHTML), included in the Board of Directors Report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the separate financial statements presented in XHTML format of Impact Developer & Contractor SA (the Company) for the year ended 31 December 2023, with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation).

These procedures refer to testing the format and whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements and expressing an opinion on the compliance of the electronic format of the separate financial statements of the Company for the year ended 31 December 2023 with the requirements of the ESEF Regulation. In accordance with these requirements, the electronic format of the separate financial statements, included in the Board of Directors Report should be presented in XHTML format.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the separate financial statements in XHTML format and for ensuring consistency between the electronic format of the separate financial statements (XHTML) and the audited separate financial statements.

The responsibility of the Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the separate financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of separate financial statements, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the separate financial statements of the Company is prepared, in all material respects, in accordance ESEF regulation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic reporting format (XHTML) of the separate financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the separate financial statements of the Company, including the preparation of the separate financial statements of the Company in XHTML format;
- tested the validity of the applied XHTML format;
- checked whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, our opinion is that the electronic format of the separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Auditor financiar: Dimitriu Alina
Registrul Public Electronic: AF1272

Alina Dimitriu

Name of the Auditor/ Partner: Alina Dimitriu
Registered in the electronic Public Register under No. AF1272

Bucharest, Romania
29 March 2024

Translation from Romanian

STATEMENT

pursuant to provisions under art.30 in Accounting Law no.82/1991

the annual financial statements had been drafted on 31/12/2023 for :

Entity: IMPACT DEVELOPER CONTRACTOR SA

County: 40--BUCHAREST

Address: Drumul Padurea Mogosoaia 31-41, Bucharest, 1st District, phone no. 0212307570

Trade Registry order number: J40/7228/2018

Ownership: 34—Stock company

Main activity (NACE code and class denomination): 4110—Real Estate Development(promotion)

Sole Registration Code: 1553483

The undersigned, Mihaela Iuliana Urda,

pursuant to art.10 par.(1)in Accounting Law no.82/1991, holding the position of President of the Board of Directors of SC Impact Developer& Contractor hereby take responsibility for the preparation of the annual individual financial statements as of 31/12/2023 and hereby confirm the following:

a) The accounting policies used in the preparation of the annual financial statements are compliant with the applicable accounting regulations.

b) The annual financial statements provide an accurate overview on the financial position, financial performance and the other information relating to the carried out activity.

c) The legal entity carries out its activity under continuity conditions.

Signature

AFFIDAVIT

The undersigned, Mihaela Iuliana Urda, in capacity of Chairman of the Board of Directors, Constantin Sebesanu, in capacity of General Manager and Claudiu Bistriceanu, in capacity of Chief Financial Officer of Impact Developer & Contractor S.A. (hereinafter referred to as the „Company"), in consideration of the provisions of art. 63 of Law no. 24/2017 regarding issuers of financial instruments and market operations and art. 223 of the ASF Regulation no. 5/2018 regarding issuers and securities related operations,

hereby declare that, to the best of our knowledge, the annual (individual and consolidated) financial statements on December 31, 2023, prepared in compliance with the applicable accounting standards offer an accurate and true image of the assets, liabilities, financial standing, profit and loss account of the Company and, respectively, of its subsidiaries included in the process of consolidation of the financial statements, and the Reports of the Board of Directors (on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as laid down by the Order of the Ministry of Public Finance no. 2844/2016 with all subsequent amendments) comprise a correct analysis of the Company's and its subsidiaries development and performance, as well as a description of the main risks and uncertainties specific to the performed activity.

President of the Board of Directors
Mihaela Iulia Urda

General Manager
Constantin Sebesanu

Chief Financial Officer
Claudiu Bistriceanu