

IMPACT DEVELOPER & CONTRACTOR

REPORT QUARTER 3 2024

IMPACT

www.impactsa.ro

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IMPACT'S PURPOSE

WHO WE ARE

The longest running real estate developer, 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 AND INTEGRATED 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 of large dimensions, 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 develop residential projects that prioritize quality, comfort and safety. We are motivated not only by building homes, but also to create spaces that people can call "home" since the first day and for generations.



FINANCIAL AND OPERATIONAL PERFORMANCE



FINANCIAL AND OPERATIONAL

- The Group sold 90 dwellings during the first 9 months of 2024, in total value of approximately EUR 15.4 million. Also, other revenue in total value of EUR 12.3 millions were recorded by the group companies.
- The gross margin of the group was maintained constant, to 27% during the first 9 months of 2024, while the gross profit registered at consolidated level was of EUR 7.4 million.
- Net assets value adjusted to market value as at 30.09.2024 was **EUR 259 millions**, while the estimated market value of the **pre-sold units and available for sale** was **EUR 130 millions**, which will be translated into revenues within the next periods.
- The leverage ratio as at 30.09.2024 was 28%.
- **IMPACT** holds a total land bank of 84.9 ha, part of which could be used for the development of 10.000 units, within 5 distinct projects: GREENFIELD Baneasa (new phases), BOREAL Plus (new phases), GREENFIELD Copou Iasi, ARIA VERDI and GREENFIELD West. As at reporting date, IMPACT has building permit for 1,961 units, with a market value estimated by management to EUR 284 million.
- As at 30.09.2024 the disassembly and tabulation process was finalized for the first 732 units of the fourth development phase in **GREENFIELD Baneasa**. Together with the district heating plant that will serve the entire phase, the infrastructure and 988 parking spaces located mainly in a multi-storey building, the apartments have a market value of over 100 million euro. The signing of sale-purchase agreements started in October 2024.

OUTLOOK FOR THE NEXT 12 MONTHS

- **EUR 35 million** from the signing the sale-purchase agreements for the pre-sold apartments in the newly commissioned phase in **GREENFIELD Baneasa**, apartments;
- **EUR 81 million** following the finalizing of the building permitting process for a new development stage within **GREENFIELD Baneasa**, which will include approximately 520 units;
- Finalizing the endeavours to add new access roads to **GREENFIELD Baneasa** neighborhood;
- Obtain the building permit for **ARIA Verdi** project from Bd. Barbu Vacarescu, currently in final stage of permitting;
- **EUR 175 million** after obtaining financing for the **GREENFIELD Copou Iasi** project, which will include 1,062 units;
- **EUR 25 million** following the sale of certain commercial spaces and corresponding land of the Group.



PROJECT PORTFOLIO

GREENFIELD BANEASA - BUCHAREST



+6,600 units

COMPLETED UNITS*	3,418
SOLD UNITS AS AT 30.09.2024	2,686
UNITS WITH BUILDING PERMIT OUT OF WHICH CONSTRUCTION STARTED FOR	435 250
PIPELINE UNITS**	2,796
GBA ³ building permit and pipeline (sqm)****	303,619

*732 of units have been finalized as at 30 of September 2024 and sales have been started in October 2024

**units estimated based on the last project concepts with zoning permits but without building permit.

***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 best meet the needs of the market and customer requirements, while ensuring efficient 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. Since 2007, the starting year of the works, until now, **GREENFIELD Baneasa** has experienced a sustainable development, bringing to the community new infrastructure and new facilities: two private parks, spacious 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 standards on the affordable housing segment and located in the vicinity of Baneasa and Tunari 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 over 1,000 m altitude.

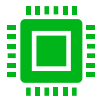
PROJECT PORTFOLIO

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, specific for a European capital.



FACILITIES

+8,700 sqm fitness and wellness spaces;

+5,000 sqm commercial spaces;

+180,000 sqm green spaces:

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

+8,000 parking places;

Public school and kindergarten under construction;

Secure access: security 24/7;

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

In the future, **church, nursery, medical clinic and other community functions** will be added. Also, a metro station is planned to be constructed in the vicinity.



PERMITS

Zonal Urban Plan (PUZ) for more than 3,900 units, of which:

- 1,167 dwellings with building permit, out of with 732 already commissioned and under dismantling process
- 598 dwellings in the last stage of obtaining the building permit.



ESG

Energy efficiency: apartments constructed to BREEAM Excellent and nZEB standards

The buildings in phase 4 of development are built according to the green certification criteria, BREEAM Excellent:

- Sustainable design
- Construction management for reduced environmental impact
- Large glazed spaces, according to sunshine studies
- Superior thermal and acoustic insulation
- District heating system
- Paints and materials with a low level of pollutants
- High-performance ventilation systems
- Eco-friendly electrical and lighting appliances
- Smart automation
- Ample green spaces
- Separate waste collection
- Water management

The new buildings authorized after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves energy-saving techniques and the use of renewable energy.

Renewable energy

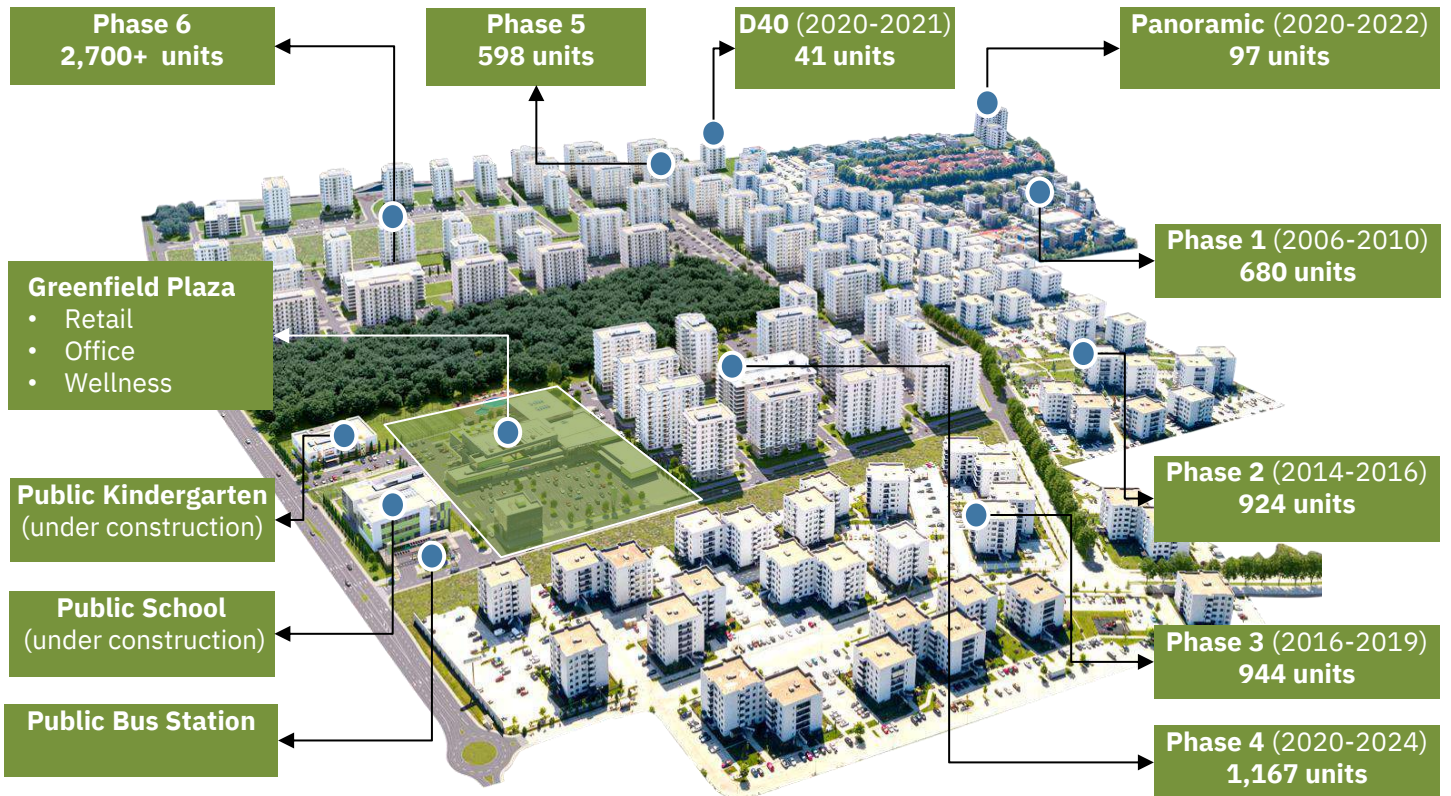
- Photovoltaic park
- Solar panels

Green mobility

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

PROJECT PORTFOLIO

GREENFIELD BANEASA - BUCHAREST



Awards

- **2021** – *The Residential Project of the Years at SEE Property Forum*
- **2019** – *“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 large neighborhood, 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 14,000 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
- Playgrounds
- Grocery shop
- Pet shop

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 30.09.2024	581
GBA (sqm)	66,400

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.

92% contracted as at 30 of September 2024, **LUXURIA Residence** 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 most attractive ones, 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.

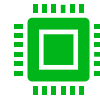
Located between Herastrau, Kiseleff and Bazilescu parks, **LUXURIA Residence** is a *park between parks*.



ESG

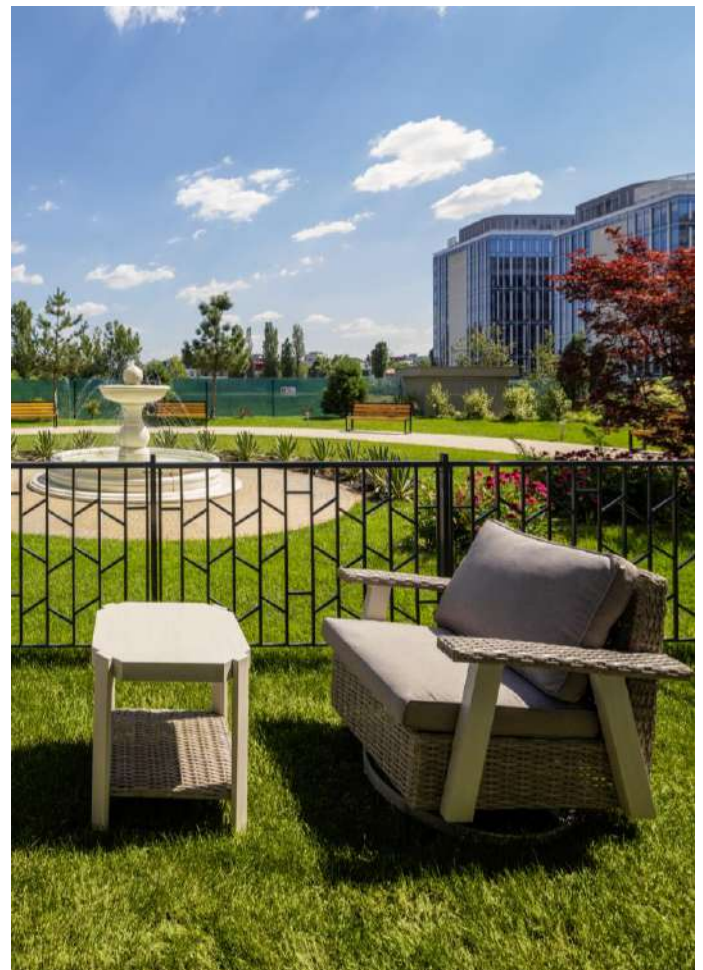
LUXURIA is the first residential complex in the country with BREEAM Excellent certificate, which certifies the quality and sustainability of buildings, as well as the reduced impact on the environment. With a focus on reducing pollution, increasing residents' well-being and minimizing energy consumption,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



FACILITIES

LUXURIA Residence brings together a mix of facilities difficult to find in the city, 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.



PROJECT PORTFOLIO

BOREAL PLUS - CONSTANȚA



691 units

COMPLETED UNITS	227
SOLD UNITS at 30.09.2024	97
UNITS WITH BUILDING PERMITT	464
With building permit and in pipeline GBA (sqm)	36,294

GBA represents the Gross Built Area of the project, excluding parking spots and underground construction

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, including commercial and logistic areas.

Having the A4 highway in the proximity facilitates travelling, saving time.

The compound has direct access to Tomis Boulevard, being 15 minutes from the city center and Mamaia beach.

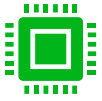


PERMITS AND CONSTRUCTION

- 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

1,062 units



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

Apartments designed to BREEAM Excellent and nZEB standards

- All buildings will be built following the green certification criteria, BREEAM Excellent;
- The new buildings 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, 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.

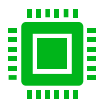


PERMITS

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 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 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** will be 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, logistic and commercial 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.

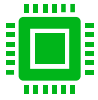


PERMITS

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 14,000 sqm community center

- Semy-Olimpic pool
- Children's indoor pool
- Outdoor pool
- Fitness center
- Spinning room
- Massage rooms
- Squash
- Coffee shop, restaurant

Education – over 9,600 sqm:

- Educational centres
- Nursery

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

Gated community:

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



ESG

.Apartments designed to BREEAM Excellent and nZEB standards

- All buildings are built following the green certification criteria, BREEAM Excellent;
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Renewable energy

- Photovoltaic panels

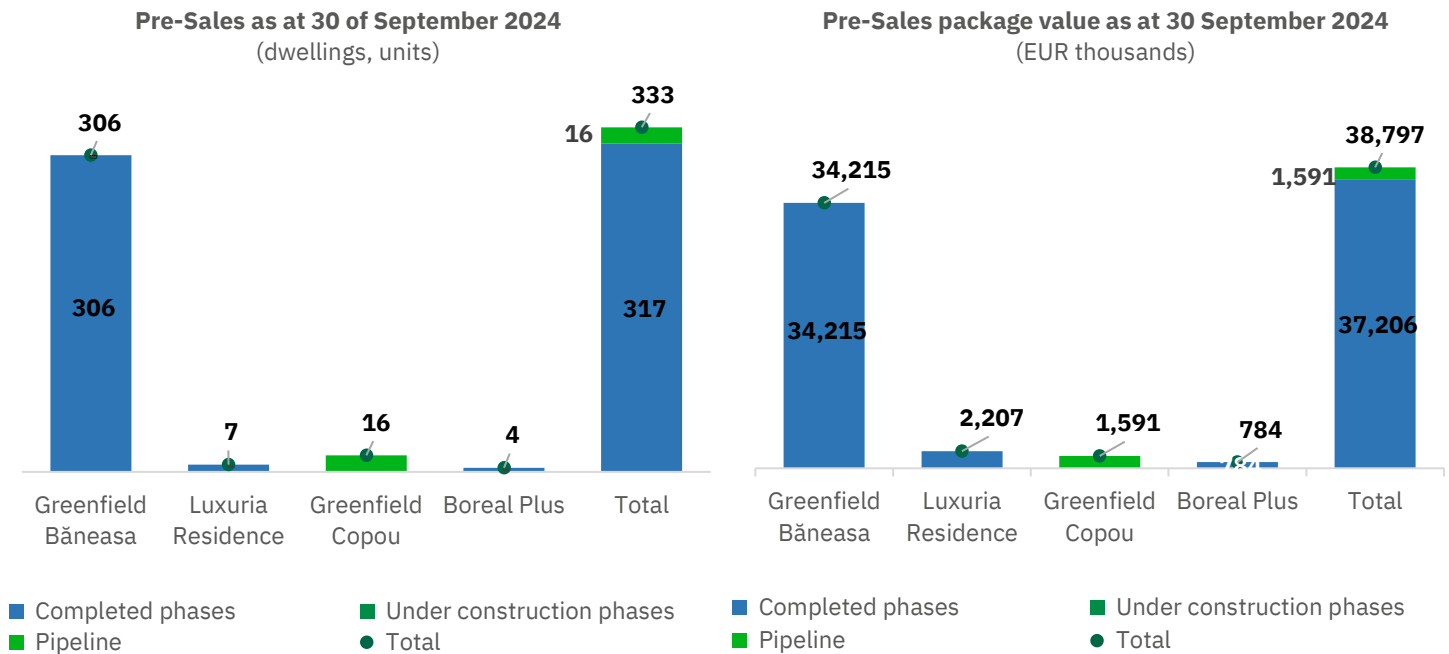
Green mobility

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



IMPACT'S ACTIVITY DURING FIRST 9 MONTHS 2024

PRE-SALES AS AT 30 OF SEPTEMBER 2024



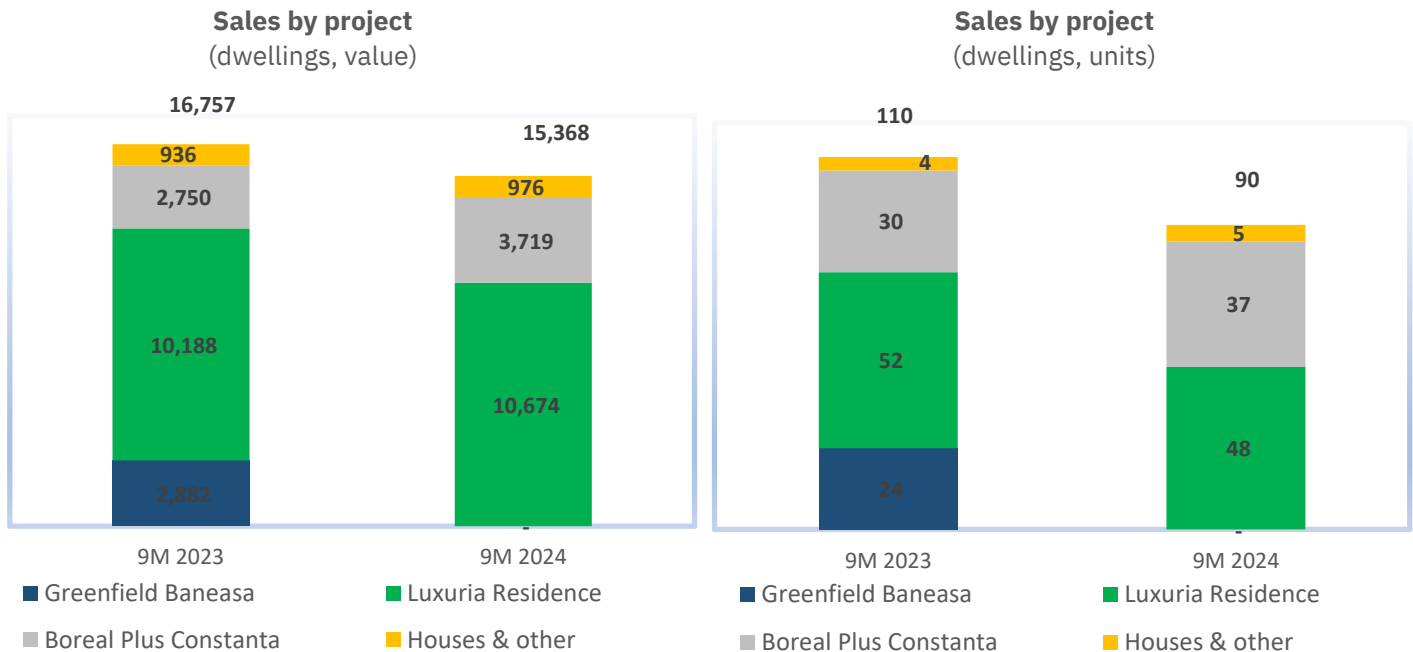
As at 30.09.2024, IMPACT had 333 dwellings pre-sold and reserved with a package value of EUR 38.8 million.

Of these, 95% refer to completed projects (317 dwellings, EUR 37.2 million package value), which are estimated to be translated into revenue within the next period, while 5% refer to projects in pipeline (16 dwellings, EUR 1.6 million).



ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

SALES



During the first 9 months of 2024 the group sold 90 units in total value of EUR 15.4 million. Out of these, 48 units were sold in **LUXURIA Residence**, with 4 units below compared with the same period of prior year, while in terms of value, with EUR 486 thousand more, due to the fact that penthouses with a higher unit value were sold. In **BOREAL Plus** a total of 37 units were sold, with 7 more compared with the same period of prior year, marking an increase in value of 35%. There was no inventory available for sale in **GREENFIELD Băneasa** during the first 9 months of 2024.

9M 2024: 90 units, out of which 48 dwellings in **LUXURIA Residence** and 37 dwellings, as well as 2 villas in **BOREAL Plus** and other commercial spaces (8,597 sqm built saleable area plus related parking spots, storage and court yards).

9M 2023: 110 units, out of which 24 dwellings in **GREENFIELD Băneasa**, 30 dwellings and 4 houses in **Boreal Plus** and 52 dwellings in **LUXURIA Residence** – 10,238 sqm built saleable area plus related parking spots, storage and court yards.



ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

COMPLETED DWELLINGS AS OF 30 OF SEPTEMBER 2024

Project	Total Apartments units	Sales & Pre-Sales		Available for sale units
		units	%	
Luxuria Residence	630	588	93%	42
Boreal Plus	209	100	48%	109
Boreal Plus Villas	18	14	78%	4
Greenfield Băneasa	732	306	42%	426
Total	1,589	1,008	63%	581

As at 30.09.2024, a total of 732 dwellings, part of the 4th development phase of GREENFIELD Baneasa were added to completed dwellings. As at **30.09.2024**, approximately **63%** of completed units were contracted (considering both sales and pre-sales).

PHASES WITH BUILDING PERMIT AS AT 30 OF SEPTEMBER 2024

Project	Total Apartments
	units
Construction started	250
Construction planned	185
Greenfield Băneasa	435
Construction planned	464
Boreal Plus	464
Total construction started	-
Total construction planned	1,062
Copou Iasi	1,062
Total construction started	250
Total construction planned	1,711
Total	1,961

As at 30.09.2024 **IMPACT** had building permits for 1.961 units, out of which **250** were under construction and 1,711 units are expected to begin construction in 2025.

ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

LAND OWNED AS AT 30 OF SEPTEMBER 2024

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	Market value (RONm)	Market value (EURm)
Băneasa	Bucharest	Greenfield Băneasa	36.5	331.5	66.6	390.5	83.8
Bldv. Timișoara - Ghencea	Bucharest	Greenfield West	25.9	161.0	32.4	161.0	32.4
Barbu Văcărescu	Bucharest	Aria Verdi	2.5	189.7	38.1	189.7	38.1
Zenit	Constanta	Boreal Plus	3.2	8.2	1.7	32.3	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	4.1	0.8	4.1	0.8
Total			84.9	736.1	148.0	841.6	174.5

Note 1: The market value as at 30.09.2024 was considered based on the revaluations performed by Colliers Valuation and Advisory as at 30 June 2024 (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 – 4.9756 RON/EUR

As at 30.09.2024, **IMPACT** owned **84.9** ha of land with a book value of **RON 736.1 million**, land mainly intended for the development of new projects and related to infrastructure.

In the first 9 months of 2024 the landbank has decreased with 1.4 ha or 1.67%, mainly following the commissioning of 732 of dwellings, part of the 4th development phase of GREENFIELD Baneasa project and the allocation of the corresponding land to the project.

NET ASSET VALUE

	RON thousands 30-Sept-24	RON thousands 31-Dec-23	RON thousands 31-Dec-22
IFRS net assets	893,674	917,590	889,620
Include*:			
a) Revaluation of other non-current assets	19,878	19,271	35,884
b) Revaluation of inventory	376,816	356,034	216,310
Net assets at fair value	1,290,368	1,292,895	1,141,813

The net asset value as at 30.09.2024 was RON 894 million, while the value adjusted to market value was RON 1,290 million. The value not reflected within the IFRS financial statements is in total amount of RON 396 million. The value comes from: revaluation of the dwellings available for sale as well as those units are in final stages of completion; revaluation of non-current properties such as the Wellness Club and Impact Office buildings and revaluation of land held in inventory. The revalued values were based on the revaluation performed by the external appraisal Colliers Valuation and Advisory, as at 30.06.2024.

ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

LEGAL ASPECTS

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

The company Impact Developer & Contractor 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.

On April 23, 2024, the Cluj Court of Appeal issued Decision 198, as follows:

"Admits the appeal declared by the appellant, the plaintiff Impact Developer & Contractor S.A. contrary to the respondents Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality, against civil sentence no. 2013/23.12.2020 and civil sentence no. 381/24.02.2021, both pronounced by the Cluj Specialized Court in file no. 79/1285/2012, which it changes in everything, in the sense that: Admits the request for summons, as stated, formulated by the appellant plaintiff Impact Developer & Contractor S.A. in contradiction with the defendants Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality and, consequently: Orders the termination of framework contract no. 55423/04.07.2007 concluded between the Local Council of the Municipality of Cluj-Napoca and the company Impact Developer & Contractor S.A. Obliges defendants to pay to the company Impact Developer & Contractor S.A. of the amount of 4,597,447.38 lei as compensation, as well as the payment of the related legal interest in the amount of 5,454,461.52 lei calculated for the period 01.09.2010-13.09.2022, with the related legal interest to be calculated further until the effective payment of the main debt."

It obliges the defendants to pay to the Company the amount of 291,675.57 lei as legal expenses incurred on the merits. It obliges the defendants to pay to the Company the sum of 58,089.79 lei as court costs on appeal.

The Decision is final and enforceable.

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

File no. 79/1285/2012 pending before the ÎCCJ had a first deadline of 19.09.2024 for judging the appeal.

ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

LEGAL ASPECTS

At the deadline 31.10.2024, the High Court of Cassation and Justice issued Decision 1966, as follows:

“Rejects the appeal declared by the appellants-defendants Local Council Of Cluj-Napoca Municipality And Cluj-Napoca Municipality against civil decision no. 198/2024 of April 23, 2024, pronounced by the Cluj Court of Appeal – Civil Section II, as unfounded. Rejects the appeal declared by the appellant-plaintiff Impact Developer & Contractor S.A. against the same decision, as inadmissible. Order the appellants-defendants Local Council Of The Cluj-Napoca Municipality And The Cluj-Napoca Municipality to pay the sum of 22,195.58 lei, as court costs, to the appellant-plaintiff Impact Developer & Contractor S.A. “

The decision is irrevocable.

File no. was registered on the Argeş 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 17,053,000 lei.

On 25.09.2024, the Pitesti Court of Appeal issued Decision 317/2024 as follows:

“Reject the appeal as unfounded. It obliges the appellants, jointly and severally, to pay 160,000 lei in court costs to the respondent. With appeal within 15 days of communication.”

The Local Council of the Municipality of Cluj - Napoca, the Municipality of Cluj - Napoca through the mayor filed an appeal.

The first deadline was set on 12.12.2024.

ACTIVITY OF IMPACT IN THE FIRST 9 MONTHS OF 2024

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, cancelling works.

At the trial from 31.05.2024, the court remained in judgment on the exceptions invoked by Impact.

On 14.08.2024, the Court ruled on a number of exceptions (defences in a civil action) raised by the Company and the defendants in the case.

The Court ruled that the claims filed by EcoCivica Foundation for the suspension and annulment of the Construction Permits were time-barred and were dismissed as time-barred, while the claims filed by the other plaintiffs for the suspension of the Construction Permits were dismissed as lacking object. Environmental Permit 01/16.05.20 remains valid and has full legal effects.

The Court set a date of 6.12.2024 for the resumption of the trial in order to consider the merits of the claims that remained unresolved.

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 and registered in the Land Registry. Therefore no provision has been registered in respect of the litigation, as at 30.09.2024.

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

On 19.01.2023, 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 in 2018 and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 28.01.2025.

FINANCIAL RESULTS

Statement of profit and loss

RON thousand	Consolidated			Standalone		
	9m 2024	9m 2023	Var %	9m 2024	9m 2023	Var %
Revenues	137,891	106,891	29%	31,528	32,737	(4%)
Gross profit	36,730	32,790	12%	11,773	4,986	136%
Gross margin %	27%	31%		37%	15%	
Other (expenses)/revenue net	(27,427)	33,004		(20,809)	44,634	
<i>Other (expenses)/revenue as % of revenue</i>	<i>(20%)</i>	<i>31%</i>		<i>(66%)</i>	<i>136%</i>	
EBITDA	12,066	68,973	(83%)	(7,327)	51,711	
<i>EBITDA margin %</i>	<i>9%</i>	<i>65%</i>		<i>n.a</i>	<i>158%</i>	
EBIT	9,303	65,794	(86%)	(9,036)	49,620	
<i>EBIT margin %</i>	<i>7%</i>	<i>62%</i>		<i>n.a</i>	<i>152%</i>	
Net result	(22,883)	63,848		7,330	56,509	(87%)
Net result margin %	n.a	60%		23%	173%	

Source: Non-audited IFRS consolidated and standalone financial statements as at 30 of September 2024

Compared with the same period of prior year, the Group recorded an increase in revenues by 29%, and on the same track an increase in gross profit of 12%, or RON 3.9 millions.

The increase in revenues is due to the sale of more expensive residential units of our portfolio, as well as to the extension of the activity of the Group companies.

The gross margin of the IMPACT group was maintained stable in the first 9 months of 2024, to 27%, compared with 31% in the same period of prior year.

The net consolidated result for the first 9 months of 2024 is negative – RON 22.9 million, due to increased financial costs, which were not capitalized in 2024.

Compared with the first 9 months of 2023, when the Group recorded gains from revaluation of investment property in total value of RON 45 million, in 2024 no such revenues were recorded.

At standalone level, the net profit of Impact SA is of RON 7.4 million, due to financial revenue of RON 43 million which are mainly represented by dividends granted by the companies within the group.



FINANCIAL RESULTS

Statement of financial position

RON thousand	Consolidated			Standalone		
	30-Sep-2024	31-Dec-2023	Var %	30-Sep-2024	31-Dec-2023	Var %
Non-current assets, of which	792,136	783,137	1%	884,455	862,591	3%
Investment property	677,640	676,297	0%	730,984	726,852	1%
Property, plant and equipment	108,193	99,365	9%	47,777	36,102	32%
Goodwill	3,543	3,543	n.a	-	-	n.a
Current assets, of which	655,364	695,182	(6%)	546,876	566,117	(3%)
Inventories	566,981	622,609	(9%)	475,682	499,039	(5%)
Trade and other receivables	19,733	14,212	39%	11,873	24,579	(52%)
Cash and cash equivalents	63,085	51,293	23%	53,797	35,778	50%
Total assets	1,447,500	1,478,319	(2%)	1,431,331	1,428,708	0%
Liabilities, of which	553,826	560,729	(1%)	540,326	545,033	(1%)
Loans and borrowings	406,138	413,634	(2%)	400,219	389,074	3%
Trade and other payables	68,309	67,710	1%	24,266	47,503	(49%)
Equity	893,674	917,590	(3%)	891,005	883,675	1%
Total equity and liabilities	1,447,500	1,478,319	(2%)	1,431,331	1,428,708	0%

Source: Non-audited IFRS consolidated and standalone financial statements as at 30 of September 2024

ASSETS

Regarding the assets as at 30.09.2024, the Group registered an increase of RON 5.5 million in trade receivables and other receivables, due to the extension of the activity of the group company RCTI, in relation to third parties. Also, the cash balance has increased with RON 11,792 thousand or with 23% as at 30.09.2024, compared with 31.12.2023. This is due to the acceleration in the collection of advances from clients (RON 10,265 thousand) for the 4th phase of development of GREENFIELD Baneasa project, of which the units pre-sold are in preparation for the signing of the final sales purchase agreements starting with October 2024. No other significant changes were registered.

LIABILITIES

Debt to assets ratio was kept stable, to 28% as at 30.09.2024 (the same as at 31.12.2023). No significant changes in liabilities balances occurred as at 30.09.2024, compared with 31.12.2023.



APPENDIX 1 - RATIOS

OTHER INFORMATION

FINANCIAL RATIOS (CONSOLIDATED AND SEPARATE, IFRS)

Impact - Individual

Ratio	30 of September 2024	Calculation method
Current ratio	2.26	Current assets/Current liabilities
Gearing ratio	44.92%	Borrowed capital/Equity x 100
Receivables turnover	34.29	Average balance for receivables/Revenues x 180
Non-Current assets turnover	0.04	Revenues/Non-current assets

Impact - Consolidated

Ratio	30 of September 2024	Calculation method
Current ratio	2.36	Current assets/Current liabilities
Gearing ratio	45.45%	Borrowed capital/Equity x 100
Receivables turnover	22.66	Average balance for receivables/Revenues x 180
Non-Current assets turnover	0.17	Revenues/Non-current assets

Impact - Individual & Consolidated

Ratio	30 of September 2024	Calculation method
Gearing ratio (individual)	33%	Borrowed capital/Net assets at fair value x 100
Gearing ratio (consolidated)	22%	Borrowed capital/Net assets at fair value x 100

Note: The financial ratios were calculated based on the unaudited individual and consolidated financial statements as at 30 of September 2024, both the ones calculated according to the ASF Regulation No. 5/2018 and the Gearing ratio calculated based on net assets at fair value.

Iuliana Mihaela Urda
 Chairman of the BoD

IMPACT DEVELOPER & CONTRACTOR S.A.

**CONSOLIDATED UNAUDITED AND SIMPLIFIED FINANCIAL STATEMENTS
AS OF AND FOR THE 9 MONTHS PERIOD ENDED AS AT 30 SEPTEMBER 2024**

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

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	<u>Note</u>	<u>30-Sep-2024</u>	<u>31-Dec-2023</u>
ASSETS			
Non-current assets			
Property, plant, and equipment	7	108,193	99,365
Intangible assets		570	632
Goodwill		3,543	3,543
Right of use assets		2,190	3,300
Investment property		677,640	676,297
Total non-current assets		792,136	783,137
Current assets			
Inventories	8	566,981	622,609
Trade and other receivables		19,733	14,212
Prepayments and other current assets		5,565	7,068
Cash and cash equivalents	9	63,085	51,293
Total current assets		655,364	695,182
		1,447,500	1,478,319
Total assets			
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	10	598,884	598,884
Share premium		41,462	41,462
Other reserves		41,629	41,590
Own shares		(268)	(268)
Retained earnings		206,235	227,204
Equity attributable to equity holders of the parent		887,942	908,872
Non-controlling Interest		5,732	8,718
Total equity		893,674	917,590
Non-current liabilities			
Loans and borrowings	11	193,992	346,658
Trade and other payables	12	5,691	5,995
Deferred tax liability		76,864	76,864
Total non-current liabilities		276,547	429,517

	Note	30-Sep-2024	31-Dec-2023
Current liabilities			
Loans and borrowings	11	212,146	66,976
Trade and other payables	12	15,846	22,821
Income Tax Payables		2,228	2,234
Contract liabilities		46,772	38,894
Provisions for risk and charges		287	287
Total current liabilities		277,279	131,212
Total liabilities		553,826	560,729
Total shareholders' equity and liabilities		1,447,500	1,478,319

The consolidated financial statements have been authorized for issue by the management on 15 of November 2024 and signed on its behalf by:

Iuliana Mihaela Urda
Chairman of the BoD

Dan Sebastian Campeanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED UNAUDITED AND SIMPLIFIED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE 9 MONTHS
PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are expressed in thousand RON, unless stated otherwise)



	Note	9 months period ended as at	
		30-Sep-2024	30-Sep-2023
Revenue	13	137,891	106,891
Cost of sales	13	(101,161)	(74,101)
Gross profit		36,730	32,790
Net income from other activities		-	5,683
Gains from investment properties		-	44,654
General and administrative expenses	14	(20,470)	(22,586)
Marketing expenses		(1,604)	(2,769)
Other income/(expenses)	15	(2,590)	11,201
Depreciation and amortization		(2,763)	(3,179)
Operating profit		9,303	65,794
Finance income	16	1,250	9,520
Finance cost	16	(27,303)	(22,770)
Finance result net (loss)		(26,053)	(13,250)
Profit before income tax		(16,750)	52,544
Income tax credit/(charge)		(6,133)	11,304
Profit for the period		(22,883)	63,848
Non-controlling interest (NCI)		(1,953)	979
Equity holders of the parent		(20,930)	62,869

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IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED UNAUDITED AND SIMPLIFIED STATEMENT OF CHANGES IN EQUITY FOR
THE 9 MONTHS PERIOD ENDED AT 30 SEPTEMBER 2024
(All amounts are expressed in thousand RON, unless stated otherwise)



Note	Share capital	Share premium	Revaluati on 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 2024	598,884	41,462	-	41,590	(268)	227,204	908,872	8,718	917,590
Other comprehensive income									
Profit for the period	-	-	-	-	-	(20,930)	(20,930)	(1,953)	(22,883)
Total other comprehensive income	-	-	-	-	-	(20,930)	(20,930)	(1,953)	(22,883)
Dividends granted to shareholders	-	-	-	-	-	-	-	(1,033)	(1,033)
Legal reserves	-	-	-	39	-	(39)	-	-	-
Balance as of 30 September 2024	598,884	41,462	-	41,590	(268)	206,235	887,942	5,732	893,674

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This is a free translation from the original Romanian version.

IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED UNAUDITED AND SIMPLIFIED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024
(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	879,766	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	-	-	-	-	-	-	-	(3,430)	(3,430)
Legal reserves	-	-	-	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

The consolidated financial statements have been authorized for issue by the management on 15 of November 2024 and signed on its behalf by:

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IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED UNAUDITED AND SIMPLIFIED STATEMENT OF CASH FLOW
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024



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

	Note	9 months period ended as at	
		30-Sep-2024	30-Sep-2023
Net profit		(22,883)	34,363
Adjustments to reconcile profit for the period to net cash flows:		34,328	(25,650)
Loss (Gain) from revaluation of Investment property		-	(44,637)
Gains from disposal of PPE		(1,668)	(326)
Reversal of impairment loss of PPE		1,054	511
Depreciation and amortization		2,763	3,179
Inventory value adjustment		(7)	-
Finance income	16	(1,250)	(9,520)
Finance costs	16	27,303	22,770
Income tax		6,133	(11,304)
Other non cash adjustments		-	(13)
Working capital adjustments		42,379	(47,989)
Decrease/(increase) in trade receivables and other receivables		(5,521)	1,082
Decrease in prepayments		1,503	3,354
Increase in inventory property		55,635	(38,975)
(Decrease)/increase in trade, other payables, and contract liabilities		(3,099)	(10,541)
Income tax paid		(6,139)	(2,909)
Net cash flows from operating activities		53,824	(23,481)
Investing activities			
Purchase of property, plant and equipment		(10,698)	(3,645)
Proceeds (expenditure) from Investment property		(1,343)	(1,687)
Expenditure on investment property under development		-	-
Expenditure on PPE under development		1,334	-
Proceeds from sale of non-current assets		607	1,947
Net cash flows from investing activities		(10,100)	(3,385)
Cash flows from financing activities:			
Proceeds from borrowings	11	87,344	120,267
Repayment of principal of borrowings	11	(96,746)	(81,326)
Dividends paid		(1,033)	(177)
Interest paid	11	(21,500)	(18,808)
Net cash used in financing activities		(31,935)	19,956
Net increase / (decrease) of cash and equivalents		11,792	(6,910)
Opening balance of Cash and equivalents	9	51,293	55,108
Closing balance of Cash and equivalents	9	63,085	48,197

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Chief Financial Officer

1. REPORTING ENTITY

The Impact Developer & Contractor S.A financial statements (“the Company” or “the Parent”) reported in consolidated version for 9 months period ended as at 30 September 2024, shows the subsidiaries financial review of IMPACT business group as well.

The shareholders structure as at 30 of September 2024, and 31 December 2023 is disclosed within Note 9.

The Consolidated Financial Statements for the period ended 30 September 2024 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 30 September 2024	% Owned by the Group as at 31 December 2023
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzoo 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 & Sales 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%	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 the first 9 months of 2024, the activity of the Group was the development of the residential projects in Greenfield Baneasa as well as the selling of the finalized projects in Luxuria Residence from Bucharest and Boreal Plus from 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) by the end of the reporting period (30 September 2024). 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 by the end of 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 with banking institutions as well as, in negotiation process with the general entrepreneurs and architects for the optimization of costs and timing of the construction.

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 than 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, as at 30 June 2024, setting out the estimated market values for the Group's investment property and property developed for sale in their current state. 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 18.

The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.

(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 30 June 2024 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 30 June 2024 (same at 31 December 2023) 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 17.

(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.

This is a free translation from the original Romanian version.
The attached notes are part of these financial statements

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, PLAND AND EQUIPMENT

	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 of January 2024	101,651	4,934	3,121	3,296	113,002
Additions	-	881	433	312	1,627
Transfers	3,684	8,674	-	-	12,358
Disposals	(78)	(105)	-	-	(183)
Balance as at 30 of September 2024	105,257	14,384	3,554	3,608	126,802
Accumulated depreciation and impairment losses					
Balance as at 1 of January 2024	8,528	3,781	1,328	-	13,638
Charge for the period	4,267	980	362	-	5,608
Transfers	-	(353)	-	-	(353)
Accumulated depreciation of disposals	(36)	(248)	-	-	(283)
Balance as at 30 of September 2024	12,760	4,160	1,690	-	18,610
Carrying amounts					
On 1st of January 2024	93,123	1,153	1,793	3,296	99,365
On 30th of September 2024	93,123	1,153	1,793	3,296	99,365

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

Reconciliation of carrying amount

	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 of 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 of December 2023	101,651	4,934	3,121	3,296	113,002
Accumulated depreciation and impairment losses					
Balance as at 1 of 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)
(Reversal of)/Impairment losses	2,514	-	-	-	2,514
Accumulated depreciation of disposals	(7,574)	(1,118)	(177)	-	(8,869)
Balance as at 31 of December 2023	8,528	3,781	1,328	-	13,638
Carrying amounts					
On 1st of January 2023	60,618	1,774	1,334	1,922	65,648
On 31th of December 2023	93,123	1,153	1,793	3,296	99,365

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Lands and buildings:

The movements of land and buildings are mainly represented by the transfer from work in progress of the land related to the IMPACT Office building in amount of RON 1,132 thousand, as well as the technical rooms related to the thermal power plant serving the Greenfield Baneasa (Teilor) project in the amount of RON 2,560 thousand.

The depreciation method used was the straight-line method.

Machines, equipment and means of transport:

As at 30 September 2024, the thermal power plant serving the Baneasa Teilor Greenfield project (UTR3) was commissioned at a value of RON 8,674 thousand. Also, 7 cars were purchased by RCTI, worth RON 881 thousand.

8. INVENTORIES

	<u>30-Sep-24</u>	<u>31-Dec-23</u>
Finished goods and other goods for sale	363,309	160,739
Work in progress residential developments:		
Land for development	108,325	124,109
Development and construction costs	95,346	337,761
	<u>566,980</u>	<u>622,609</u>

Inventories are represented by:

	<u>30-Sep-24</u>	<u>31-Dec-23</u>
Greenfield residential project	400,686	399,414
Luxuria residential project	48,570	79,989
Constanta land and project	66,822	89,887
Iasi land and project	47,219	47,193
Others inventory	3,683	6,126
	<u>566,980</u>	<u>622,609</u>

Lands with a carrying amount of RON 108,325 thousand as of 30 September 2024 (31 December 2023: RON 124,109 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.

Completed real estate with an accounting value of RON 363,309 thousand on 30 September 2024 (31 December 2023: RON 160,739 thousand) refers entirely to apartments held for sale by the Group.

Following the reception of the Greenfield Teilor project, which includes 732 apartments, 988 parking spaces, infrastructure and a thermal power plant, as at 30 September 2024, the project worth RON 248,311 thousand was moved from work in progress to finished products.

Cost of inventories recognized during the first 9 months of 2024 is RON 101,161 thousand (first 9 months 2023: RON 74,101 thousand).

The book value as of 30 September 2024 of the pledged stocks is RON 331,012 thousand (31 December 2023: RON 234,437 thousand) (see Note 11).

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

commissioned, therefore no interest was capitalized in 2024.

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 12*.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	Pe termen scurt	
	30-Sep-24	31-Dec-23
Trade receivables	17,360	11,604
Other receivables	1,294	2,210
Receivables from authorities	1,078	397
	19,733	14,212

As at 30 of September 2024, the Company did not have any pledge receivables, except for the rental income which is mortgaged in favor of First Bank. The average monthly value of these receivables is RON 424 thousand (approximately EUR 85 thousand).

10. CASH AND CASH EQUIVALENTS

	30-Sept-2024	31-Dec-23
Current accounts	63,050	51,196
Petty cash	24	51
Cash advances	11	46
	63,085	51,293

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, RON 9 thousand (31 December 2023: 9 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.). The cash balance has increased with RON 11,792 thousand or with 23% as at 30 of September 2024, compared with 31 of December 2023. This is due to the acceleration in the collection of advances from clients (RON 10,265 thousand) for the Greenfield Teilor project, which is in preparation for the signing of the final sales purchase agreements.

11. SHARE CAPITAL

	30-Sept-24	31-Dec-23
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	2,365,679,951	2,365,679,951

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

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	30-Sept-24	31-Dec-23
	%	%
Gheorghe Iaciu	58.02%	57.76%
Andrici Adrian	10.28%	11.83%
Companies	20.65%	19.96%
Other shareholders	11.06%	10.45%
	100.00%	100.00%

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.

No share capital increase was registered as at 30 of September 2024 or as at 31 of December 2023.

Dividends

No dividends were granted to the shareholders of the Group during the first 9 months of 2024, nor in 2023. However, dividends in total amount of RON 1,658 thousand were granted to non-controlling interest shareholders of RCTI Company, of which RON 714 thousand were already paid, for the first 9 months of 2024. Also, RCTI Company granted and paid dividends in the amount of RON 3,430 to its non-controlling interest shareholders in 2023.

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 as at 30 of September 2024 and as at 31 of December 2023. Debt to assets ratio as of 30 of September 2024 and 31 December 2023 are disclosed below:

	30-Sep-2024	31-Dec-2023
Debt to assets ratio		
Loans and borrowings	406,138	413,634
Less: cash and cash equivalents	(63,085)	(51,293)
Net debt	343,053	362,341
Total assets	1,447,500	1,478,319
Net debt to assets	24%	25%

12. 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.

	<u>30-Sep-24</u>	<u>31-Dec-2023</u>
Non-current liabilities		
Secured bank loans	106,463	273,191
Issued bonds	87,186	72,163
Leasing	343	1,304
Total non-current liabilities	<u>193,992</u>	<u>346,658</u>
Current liabilities		
Short-term borrowings	209,274	65,879
Issued bonds	1,902	46
Leasing	970	1,051
Total current liabilities	<u>212,146</u>	<u>66,976</u>

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

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30-Sep-24 (thous. RON)	Balance at 31-Dec-23 (thous. RON)
Bonds					
Private placement bonds	EUR	24-Dec-26	6,581	32,750	32,740
Credit Investment Value	EUR	02-Oct-27	8,000	39,808	39,423
Private placement bonds	EUR	12-Feb-27	3,000	14,628	-
Total bonds				87,186	72,163
Loans					
Garanti BBVA	EUR	15-Jun-24	4,250	-	3,210
Garanti BBVA	EUR	30-Jun-24	4,500	-	6,396
Libra Internet Bank	EUR	26-Jul-24	12,562	-	5,786
Libra Internet Bank	EUR	22-Sep-24	8,676	-	5,201
Libra Internet Bank	EUR	05-Oct-24	4,000	-	1,813
Libra Internet Bank	EUR	05-Dec-25	1,900	-	7,287
Libra Internet Bank	EUR	05-Dec-25	5,250	-	12,121
OTP Bank	EUR	31-Mar-25	21,161	105,297	105,268
OTP Bank	EUR	30-Jun-24	4,000	-	4,708
OTP Bank	EUR	31-Mar-25	13,279	65,257	65,239
OTP Bank	EUR	30-Jun-24	2,000	-	1,514
TechVentures Bank	EUR	06-Jan-25	2,000	1,106	3,592
Alpha Bank	EUR	08-Jun-29	20,000	70,033	81,068
First Bank	EUR	29-Mar-29	3,500	13,923	16,695
First Bank	EUR	19-Apr-27	4,000	16,423	-
Libra Internet Bank	RON	15-Jun-26	14,000	-	1,778
Garanti BBVA	RON	31-Dec-26	17,395	7,235	17,394
Garanti BBVA	EUR	31-Dec-27	6,910	31,464	-
Vista	RON			5,000	-
Total bank loans				315,737	339,070
Leasing	EUR			1,313	2,355
Total leasing				1,313	2,355
Interest				1,902	46
Total				406,138	413,634

	Bonds	Loans	Leasing	Total
Balance as at 1 of January 2024	72,209	339,070	2,355	413,634
Drawings	14,910	72,434	-	87,344
Reimbursement	-	(95,708)	(1,037)	(96,745)
Interest paid	(4,108)	(17,393)	-	(21,500)
Interest charge	6,191	17,393	-	23,583
Foreign exchange differences	(114)	(60)	(5)	(179)
Balance as at 30 of September 2024	89,088	315,737	1,313	406,138

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 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, IMPACT SA 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, IMPACT SA 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, IMPACT SA 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, IMPACT SA 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. The loan was fully repaid at the current report.

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.

In February 2024, the following liabilities were contracted by the Group:

- IMPACT SA contracted a loan denominated in RON from First Bank for the general financing of projects (working capital). The value of the loan is EUR 4 million, with a maturity of 3 years from the granting. Credit facility drawings started in April 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 3,000,000 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.
- 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.

In June 2024 IMPACT SA contracted a loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The value of the loan is EUR 6.9 million, with a maturity of 3 years from the granting. Credit facility drawings started in July 2024.

All the financial indicators provided for in the long-term bank loan contracts were met as at 30 September 2024 and as at 31 December 2023.

13. TRADE AND OTHER PAYABLES

	<u>30-Sep-24</u>	<u>31-Dec-23</u>
Non-current liabilities		
Guarantees	5,691	5,995
	5,691	5,995
Current liabilities		
Trade payables	9,726	15,532
Tax debts	3,801	4,097
Other payables	144	-
Employees payables	1,549	1,530
Dividends payable	626	-
	15,846	21,159
TOTAL	21,537	27,154
Advances from clients	45,486	38,894
Deferred income	1,286	1,662
TOTAL	46,772	40,556

Please see Note 14 for details on advances from clients.

14. REVENUES

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

	<u>9M 2024</u>	<u>9M 2023</u>
Revenues from sales of residential properties	77,474	83,164
Revenue from services	56,183	21,620
Revenue from rental	4,234	2,107
	<u>137,891</u>	<u>106,891</u>

As at 30 of September 2024, IMPACT had 333 dwellings pre-sold and reserved with a package value of RON 193,039 thousand. Of these, 95% refer to finalized projects (317 dwellings, RON 185,076 thousand package value) and are expected to be translated into revenue within the next period, while 5% refer to pipeline projects (16 dwellings, RON 7,914 thousand package value).

For these pre-sale agreements clients paid deposits in amount of RON 45,486 thousand which are shown under Contract liabilities in the statement of financial position.

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.

Sales per project analysis:

	<u>9M 2024</u>	<u>9M 2023</u>
Greenfield Baneasa	2,007	14,514
Boreal Plus	21,120	16,911
Luxuria Residence	54,073	50,549
Others	274	1,190
	<u>77,474</u>	<u>83,164</u>

Expenses related to revenues:

	<u>9M 2024</u>	<u>9M 2023</u>
Cost of goods sold	49,812	62,992
Services cost	50,151	10,762
Costs related to rental services	1,198	347
	<u>101,161</u>	<u>74,101</u>

During the first 9 months of 2024, the Group sold 90 units, out of which 48 dwellings in LUXURIA Residence and 37 dwellings, as well as 2 villas in BOREAL Plus and other commercial spaces (8,597 sqm built saleable area plus related parking spots, storage and court yards). The 90 units sold throughout the first 9 months of 2024 generated corresponding revenues of approximately RON 77,474 thousand.

During the first 9 months of 2023, the Group sold 110 units, out of which 24 apartments in GREENFIELD BĂNEASA, 30 apartments and 2 houses in BOREAL CONSTANȚA, as well as 52 in LUXURIA RESIDENCE (10,238 sqm built area plus related parking spots, storage and court yards). The 110 units sold generated revenue in total amount of RON 83,164 thousand.

Revenue from rental is obtained from renting the commercial spaces within Greenfield Plaza community as well as from renting the apartments. The rented apartments are not held as investment property but sold.

The revenue from services represent the income from construction services performed by RCTI and other income (utility sales, furniture sales, property management performed by the group companies).

15. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>9M 2024</u>	<u>9M 2023</u>
Consumables	2,501	405
Third party expenses	6,534	9,867
Staff costs	11,435	12,314
	<u>20,470</u>	<u>22,586</u>

16. OTHER OPERATING (EXPENSES)/INCOME

	<u>9M 2024</u>	<u>9M 2023</u>
Other operating income	295	6,833
Other operating expenses	(267)	2,860
Other tax expenses	(3,221)	(2,278)
Profit / (Loss) on disposal of PPE	1,668	326
Fines and penalties income/(expenses)	(18)	3,527
Value adjustment for inventories	7	(1,423)
Value adjustment of receivables	(1,054)	1,356
	<u>(2,590)</u>	<u>11,201</u>

17. FINANCE (COST)/INCOME

	<u>9M 2024</u>	<u>9M 2023</u>
Interest expense	(23.755)	(13.088)
Foreign exchange loss	(1.299)	(8.553)
Other financial expenses	(2.249)	(1.129)
Total financial expenses	<u>(27.303)</u>	<u>(22.770)</u>
Interest income	263	254
Foreign exchange gains	987	9,238
Other financial income	-	28
Total financial income	<u>1,250</u>	<u>9,520</u>
Financial result, net	<u>(26,053)</u>	<u>(13,250)</u>

Compared with the first 9 months of 2023, in 2024 the interest expense has increased by RON 10,667 thousand. This is due to the fact that interest of loans previously capitalized was charged to expenses during 2024 (there were no projects eligible for capitalization).

18. CAPITAL COMMITMENTS

As at 30 of September 2024, 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 14 – Revenues*, for more details on pre-sale agreements).

19. 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 & Contractor 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.

On April 23, 2024, the Cluj Court of Appeal issued Decision 198, as follows:

“Admits the appeal declared by the appellant, the plaintiff Impact Developer & Contractor S.A. contrary to the respondents Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality, against civil sentence no. 2013/23.12.2020 and civil sentence no. 381/24.02.2021, both pronounced by the Cluj Specialized Court in file no. 79/1285/2012, which it changes in everything, in the sense that: Admits the request for summons, as stated, formulated by the appellant plaintiff Impact Developer & Contractor S.A. in contradiction with the defendants Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality and, consequently: Orders the termination of framework contract no. 55423/04.07.2007 concluded between the Local Council of the Municipality of Cluj-Napoca and the company Impact Developer & Contractor S.A. Obliges defendants to pay to the company Impact Developer & Contractor S.A. of the amount of RON 4,597,447.38 as compensation, as well as the payment of the related legal interest in the amount of RON 5,454,461.52 calculated for the period 01.09.2010-13.09.2022, with the related legal interest to be

calculated further until the effective payment of the main debt. It obliges the defendants to pay to the Company the amount of RON 291,675.57 as legal expenses incurred on the merits. It obliges the defendants to pay to the Company the sum of RON 58,089.79 as court costs on appeal.”

The decision is final and enforceable.

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

At the deadline of October 31, 2024, the High Court of Cassation and Justice issued Decision 1966, as follows:

“Rejects the appeal declared by the appellants-defendants Local Council Of Cluj-Napoca Municipality And Cluj-Napoca Municipality against civil decision no. 198/2024 of April 23, 2024, pronounced by the Cluj Court of Appeal – Civil Section II, as unfounded. Rejects the appeal declared by the appellant-plaintiff Impact Developer & Contractor S.A. against the same decision, as inadmissible. Order the appellants-defendants Local Council of the Cluj-Napoca Municipality and the Cluj-Napoca Municipality to pay the sum of 22,195.58 lei, as court costs, to the appellant-plaintiff Impact Developer & Contractor S.A. “

The decision is irrevocable.

File no. was registered on the Argeş 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 17,053,000 lei.

On 08.06.2022, the Argeş 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 24,532,741.65 lei in the form of damages and the sum of 13,862,967.16 lei 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.”

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

“Rejects the appeal against the meeting's conclusions. Allow the appeal against the sentence. Changes the sentence in part, in the sense that it rejects the claim, as amended, formulated by the plaintiff. Removes the reference to obliging the defendants to pay court costs to the plaintiff. Maintain the rest of the sentence. With appeal within 15 days from communication”.

On December 31, 2023, a provision of 17,037 thousand lei was recorded for the development and construction works carried out by Clearline Development & Management S.R.L. in the project from Cluj. Based on the legal opinion, the chances of winning are rather likely, but a certain estimate cannot be made, therefore the investment has been fully provisioned. The investment is presented in Note 8 – Inventories.

Clearline Development and Management S.R.L. filed an appeal against the decision issued by the Pitesti Court of Appeal. On April 21, 2024, the court admitted the appeal and ordered a retrial. File 1032/1259/2012* was registered at the Pitesti Court of Appeal and the appeal filed by the defendants Cluj - Napoca Municipality and the Cluj Napoca Local Council against Sentence no. 277/2022 of 06/08/2022, pronounced by the Argeş Specialized Court, the next term being set for 09/10/2024.

On 25.09.2024, the Pitesti Court of Appeal issued Decision 317/2024 as follows:

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"Reject the appeal as unfounded. It obliges the appellants, jointly and severally, to pay 160,000 lei in court costs to the respondent. With appeal within 15 days of communication."

The Local Council of the Municipality of Cluj - Napoca, the Municipality of Cluj - Napoca through the mayor filed an appeal.

The first deadline was set on 12.12.2024.

b) Litigation initiated by EcoCivica Foundation

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, cancelling works.

At the trial from 31 of May 2024, the court remained in judgment on the exceptions invoked by Impact.

On 14 August 2024, the Court ruled on a number of exceptions (defences in a civil action) raised by the Company and the defendants in the case.

The Court ruled that the claims filed by EcoCivica Foundation for the suspension and annulment of the Construction Permits were time-barred and were dismissed as time-barred, while the claims filed by the other plaintiffs for the suspension of the Construction Permits were dismissed as lacking object. Environmental Permit 01/16.05.20 remains valid and has full legal effects.

The Court set a date of 6 December 2024 for the resumption of the trial in order to consider the merits of the claims that remained unresolved.

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 and registered in the Land Registry. Therefore no provision has been registered in respect of the litigation, as at 30 September 2024.

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 in 2018 and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 28 January 2025.

The consolidated financial statements have been authorized for issue by the management on 15 of November 2024 and signed on its behalf by:

Iuliana Mihaela Urda
Chairman of the BoD

Dan Sebastian Campeanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

IMPACT DEVELOPER & CONTRACTOR SA

**SEPARATE UNAUDITED AND SIMPLIFIED FINANCIAL STATEMENTS
AS OF AND FOR THE 9 MONTHS PERIOD ENDED AS AT 30 SEPTEMBER 2024**

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

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IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED STATEMENT OF FINANCIAL
POSITION AS AT 30 OF SEPTEMBER 2024



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

	<u>Note</u>	<u>30-Sep-24</u>	<u>31-Dec-23</u>
ASSETS			
Non-current assets			
Tangible assets	8	47,777	36,102
Intangible assets		187	217
Noncurrent receivables	10	68,814	62,143
Right of use assets		477	1,061
Investment property		730,984	726,852
Investments in subsidiaries	10	36,216	36,216
Total non-current assets		884,455	862,591
Current assets			
Inventories	9	475,682	499,039
Trade and other receivables	11	11,873	24,579
Other current assets	11	5,524	6,721
Cash and cash equivalents	12	53,797	35,778
Total current assets		546,876	566,117
Total assets		1,431,331	1,428,708
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	598,884	598,884
Share premium		41,462	41,462
Other reserves		39,642	39,642
Own shares		(268)	(268)
Retained earnings		211,285	203,955
Total equity		891,005	883,675
Non-current liabilities			
Loans and borrowings	14	193,649	337,546
Trade and other payables	15	6,703	6,203
Deferred tax liability		73,920	73,920
Total non-current liabilities		274,272	417,669

IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED STATEMENT OF FINANCIAL
POSITION AS AT 30 OF SEPTEMBER 2024



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

	<u>Note</u>	<u>30-Sep-24</u>	<u>31-Dec-23</u>
Current liabilities			
Loans and borrowings	14	206,570	51,528
Trade and other payables	15	17,563	41,300
Income tax payable		(125)	(125)
Contract liabilities	15	41,759	34,374
Provisions for risks and charges		287	287
Total current liabilities		266,054	127,364
Total liabilities		540,326	545,033
Total equities and liabilities		1,431,331	1,428,708

The standalone financial statements have been authorized for issue by the management on 15 of November 2024 and signed on its behalf by:

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Chairman of the BoD

Dan Sebastian Campeanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME AS AT 30 OF SEPTEMBER 2024
(All amounts are expressed in thousand RON, unless stated otherwise)



	Note	9 months period ended as at	
		30-Sep-24	30-Sep-23
Revenue	16	31,528	32,737
Cost of sales	16	(19,755)	(27,751)
Gross profit		11,773	4,986
Net income from other activities		-	6,173
General and administrative expenses	17	(14,956)	(15,182)
Marketing expenses		(1,183)	(1,742)
Other operating income/(expenses)	18	(2,961)	8,865
Depreciation and amortization		(1,709)	(2,091)
Gains on investment property		-	48,611
Operating profit		(9,036)	49,620
Financial income	19	46,086	11,196
Financial cost	19	(26,720)	(18,301)
Finance costs, net		16,366	(7,105)
Profit before tax		7,330	42,515
Income tax (expense)		-	(13,994)
Profit of the period		7,330	56,509

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IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED STATEMENT OF CHANGES IN EQUITY AS AT 30 OF SEPTEMBER 2024
 (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 2024		598,884	41,462	-	39,642	(268)	203,955	883,675
Other comprehensive income								
Profit for the period		-	-	-	-	-	7,330	7,330
Total other comprehensive income		-	-	-	-	-	7,330	7,330
Other changes in equity		-	-	-	-	-	-	-
Balance as at 30 September 2024		598,884	41,462	-	39,642	(268)	211,285	891,005

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 Chief Executive Officer

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 Chief Financial Officer

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IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED STATEMENT OF CHANGES IN EQUITY AS AT 30 OF SEPTEMBER 2024
(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	40,266	(268)	197,390	879,766
Other comprehensive income								
Profit for the period		-	-	-	-	-	26,811	26,811
Total other comprehensive income		-	-	-	-	-	26,811	26,811
Own shares acquired or cancelled during the year		-	969	-	-	-	(969)	-
Legal reserves		-	-	-	1,323	-	(1,323)	-
Revaluation reserves		-	-	(3,001)	-	-	3,001	-
Other changes in equity		-	-	-	1	-	2,294	2,295
Balance as at 31 December 2023		598,884	41,462	-	41,590	(268)	227,204	908,872

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Chief Executive Officer

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Chief Financial Officer

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IMPACT DEVELOPER & CONTRACTOR SA
SEPARATE UNAUDITED AND SIMPLIFIED CASH FLOW STATEMENT
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are expressed in thousand RON, unless stated otherwise)



	Note	30-Sep-24	30-Sep -23
Net profit		7,330	56,509
Adjustments to reconcile profit for the period to net cash flows:		(13,691)	(54,445)
Valuation gains on investment property		-	(48,611)
Gain on sale PPE		(825)	(4)
Reversal of impairment loss PPE		1,054	(1,033)
Depreciation		1,709	2,091
Financial income	19	(42,349)	(11,196)
Financial cost	19	26,720	18,301
Other non cash adjustments		-	1
Deferred tax expense		-	(13,994)
Working capital adjustments		10,948	(53,962)
Decrease/(increase) in trade receivables and other receivables		6,865	13,924
Decrease in prepayments		1,197	2,156
Decrease/(increase) in inventory		23,358	(81,806)
(Decrease)/increase in trade, other payables, and contract liabilities		(20,472)	11,764
Net cash flows used in operating activities		4,586	(51,898)
Cash flow from investing activities			
Loans granted to subsidiaries		(2,413)	(2,452)
Loan reimbursements collected from subsidiaries		4,683	6,088
Purchase of property, plant and equipment	8	(11,540)	(1,934)
Expenditure on PPE under development		(1,018)	(471)
Purchase from investment property	8	(4,132)	550
Proceeds from sale of property, plant and equipment		607	(1)
Dividends received		39,068	-
Net cash flows from investing activities		25,256	1,780
Cash flows from financing activities:			
Proceeds from borrowings	14	69,145	113,669
Repayment of principal of borrowings	14	(59,902)	(57,596)
Dividends paid		-	(3)
Interest paid		(21,066)	(17,411)
Net cash from financing activities		(11,823)	38,659
Net increase / (decrease) of cash and equivalents		18,019	(11,459)
Opening balance of Cash and equivalents		35,778	46,857
Closing balance of Cash and equivalents		53,797	35,397

The standalone financial statements have been authorized for issue by the management on 15 of November 2024 and signed on its behalf by:

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Chairman of the BoD

Dan Sebastian Campeanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

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 30 September 2024	% Owned by the Company as at 31 December 2023
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 & Sales 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%	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 the first 9 months of 2024, the Company’s activity revolved around the Greenfield Baneasa residential complex in Bucharest and Boreal Plus in Constanta.

2. THE BOARD OF ADMINISTRATION

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The attached notes are part of these financial statements

The Board of Administration represents the decision-making body for all significant aspects of the Company due to the strategic, 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. Lavinu Dumitru Beze was replaced by Mr. Sorin Apostol as Administrator.

The Board of Administration was comprised of the following 5 members, until 28th of April 2024:

- 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

As of 29th of April 2024, Ms. Ruxandra-Alina Scarlat was replaced by Mr. Dan Octavian Voiculescu, on a 1 year term, until 28th of April 2025.

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.

On 31 of May 2024, the mandate of Mr. Constantin Sebesanu as General Manager ended, as well as the mandate of Mr. Sorin Apostol as executive director (COO) which ended on the same date. Starting with 1st of June 2024, Mr. Câmpeanu Richard Dan-Sebastian took over the position of Interim General Manager until 19 June 2025.

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). The separate Financial Statements are available on the company and Bucharest Stock Exchange website once they are approved by the Board of Directors.

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.

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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 by the end of 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

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The attached notes are part of these financial statements

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 than 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

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- 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

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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

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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

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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

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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 13 – Loans and borrowings.

(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

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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.

(I) 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

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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 21.

The key inputs are summarized in Note 9. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.

(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 30 June 2024 (same as at 31 December 2023) 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

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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 20.

(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.

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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)

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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 as at 1 of January 2024	40,457	2,577	1,688	3,268	47,989
Additions	-	-	382	312	694
Transfers	3,684	8,674	-	-	12,366
Disposals	(78)	(46)	-	-	(125)
Balance as at 30 of September 2024	44,070	11,204	2,070	3,580	60,924
Accumulated depreciation and impairment losses					
Balance as at 1 of January 2024	9,810	1,496	580	-	11,886
Charge for the period	959	179	205	-	1,342
Accumulated depreciation of disposals	(36)	(46)	-	-	(82)
Balance as at 30 of September 2024	10,734	1,628	785	-	13,147
Carrying amounts					
On January, 1st 2024	30,646	1,081	1,108	3,268	36,102
On September, 30th 2024	33,336	9,576	1,285	3,580	47,777

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

Reconciliation of carrying amount

	Land and buildings	Machinery, equipment, and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 of January 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
Adjustments value	-	-	-	(274)	(274)
Disposals	(2,963)	(1,480)	(88)	-	(4,531)
Balance as at 31 of December 2023	40,457	2,577	1,688	3,268	47,989
Accumulated depreciation and impairment losses					
Balance as at 1 of January 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 as at 31 of December 2023	9,810	1,496	580	-	11,886
Carrying amounts					
On January, 1st 2023	17,470	1,409	881	1,785	21,545
On December, 31th 2023	30,646	1,081	1,108	3,268	36,102

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Lands and buildings:

The movements of land and buildings are mainly represented by the transfer from work in progress of the land related to the IMPACT Office building in amount of RON 1,132 thousand, as well as the technical rooms related to the thermal power plant serving the Greenfield Baneasa (Teilor) project in the amount of RON 2,560 thousand.

The depreciation method used was the straight-line method.

The Group records 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).

Machines, equipment and means of transport:

As at 30 September 2024, the thermal power plant serving the Baneasa Teilor Greenfield project (UTR3) was commissioned at a value of RON 8,674 thousand.

9. INVENTORIES

	<u>30-Sep-2024</u>	<u>31-Dec-2023</u>
Finished goods and other goods for sale	315,424	80,812
Ongoing residential developments:		
Land for development	70,684	86,468
Development and construction costs	89,574	331,759
	<u>475,682</u>	<u>499,039</u>

Inventories are represented by:

	<u>30-Sep-2024</u>	<u>31-Dec-2023</u>
Residential project Greenfield	408,628	399,414
Land and development expenses Constanta	66,906	89,887
Other inventories	148	9,738
	<u>475,682</u>	<u>499,039</u>

Lands with a carrying amount of RON 70,684 thousand as at 30 September 2024 (31 December 2023: RON 86,468 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 315,424 thousand as at 30 September 2024 (31 December 2023: RON 80,812 thousand) refer entirely to apartments held for sale by the Company.

Following the reception of the Greenfield Teilor project, which includes 732 apartments, 988 parking spaces, infrastructure and a thermal power plant, as at 30 September 2024, the project worth RON 248,311 thousand was moved from work in progress to finished products.

Cost of goods sold recognized during the period is RON 15,509 thousand (2023: RON 23,499 thousand).

The carrying value as at 30 September 2024 of the finished goods inventories pledged is of RON 299,459

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thousand (RON 144,077 thousand as at 31 December 2023).

Part of the Greenfield project (construction of the Teilor complex) is financed by OTP Bank. The capitalized interest during 2023 in the value of the projects is RON 9,664 thousand. The project was finalized and commissioned, therefore no interest was capitalized in 2024.

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.

10. INVESTMENTS IN SUBSIDIARIES

	30-Sep-24	31-Dec-23
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:

				30-Sep-24
	Percentage	Gross value	Impairment	Book value
Spatzio 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 & Sales	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

	31-Dec-23			
	Percentage	Gross value	Impairment	Book value
Spatzoo 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 & Sales	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 Architecture	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 19 of the Consolidated Financial Statements).
- 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 & Sales S.R.L. has a role in diversifying the range of services related to home sales. Impact Finance & Sales 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 Greenfield 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.

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- j) Impact Alliance Architecture 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.
- l) Impact Alliance Moldova, a company having as main activity construction services. The company was set-up in 2023 but no share capital was paid in yet.

11. TRADE AND OTHER RECEIVABLES

	Short term		Long term	
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
Trade receivables	6,024	1,335	-	-
Receivables from related parties	5,632	20,280	68,814	62,143
Sundry debtors	88	2,857	-	-
Receivables from authorities	129	107	-	-
	11,873	24,579	68,814	62,143

Long-term receivables represent the balance of loans and their related interest granted by the Company to its subsidiaries. Details of the component of the amount in Note 22 – related party transactions.

As at 30 of September 2024, the Company did not have any pledge receivables, except for the rental income which is mortgaged in favor of First Bank. The average monthly value of these receivables is RON 424 thousand (approximately EUR 85 thousand).

12. CASH AND CASH EQUIVALENTS

	30-Sep-24	31-Dec-23
Current accounts	53,778	35,726
Petty Cash	13	6
Cash advances	6	46
	53,797	35,778

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, 9 thousand RON (31 December 2023: 9 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.). The cash balance has increased with RON 18,019 thousand or with 23% as at 30 of September 2024, compared with 30 of December 2023. This is due mainly to the acceleration in collection of advances from clients (RON 10,265 thousand) in relation to the Greenfield Baneasa Teilor (UTR3) project, which is in preparation for the signing of the final sale purchase agreements, as well as to the withdrawal of a loan facility from Garanti Bank (RON 7,188 thousand). For more details please see *Note 14 – Loans and Borrowings*.

13. SHARE CAPITAL

	<u>30-Sep-24</u>	<u>31-Dec-23</u>
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	<u>2,365,679,951</u>	<u>2,365,679,951</u>

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

	<u>30-Sept-24</u>	<u>31-Dec-23</u>
	%	%
Gheorghe Iaciu	58.02%	57.76%
Andrici Adrian	10.28%	11.83%
Legal persons	20.65%	19.96%
Other shareholders	11.06%	10.45%
	<u>100.00%</u>	<u>100.00%</u>

Dividends

No dividends were distributed during the 9 months of the 2024 year. No dividends were distributed during the year ending 31 December 2023. The company has not declared dividends.

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 as at 30 of September 2024 and as at 31 of December 2023. Debt to assets ratio as of 30 of September 2024 and 31 December 2023 are disclosed below:

	30-Sep-2024	31-Dec-2023
Debt to assets ratio		
Loans and borrowings	400,219	389,074
Less: cash and cash equivalents	(53,797)	(35,778)
Net debt	346,422	353,296
Total assets	1,431,331	1,428,708
Net debt to assets	24%	25%

14. 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.

	30-Sep-2024	31-Dec-2023
Non-current liabilities		
Secured bank loans	106,463	264,485
Issued bonds	87,186	72,537
Leasing	-	524
Total non-current liabilities	193,649	337,546
Current liabilities		
Secured bank loans	204,274	51,103
Short-term borrowings	1,902	46
Leasing	394	379
Total current liabilities	206,570	51,528

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

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30-Sep -24	Balance at 31-Dec-23
Loans and borrowings					
Private placement bonds	EUR	24-Dec-26	6,581	32,750	32,740
Credit Value Investments	EUR	02-Oct-27	8,000	39,808	39,423
Private placement bonds	EUR	12-Feb-27	3,000	14,628	-
Total bonds				87,186	72,163
Garanti BBVA	EUR	15-Jun-24	4,250	-	3,210
Garanti BBVA	EUR	30-Jun-24	4,500	-	6,396
Libra Internet Bank	EUR	05-Oct-24	4,000	-	1,813
Libra Internet Bank	EUR	05-Dec-25	1,900	-	7,287
OTP Bank	EUR	31-Mar-25	21,161	105,297	105,268
OTP Bank	EUR	30-Jun-24	4,000	-	4,708
OTP Bank	EUR	31-Mar-25	13,279	65,257	65,239
OTP Bank	EUR	30-Jun-24	2,000	-	1,514
TechVentures Bank	EUR	06-Jan-25	2,000	1,106	3,592
Alpha Bank	EUR	08-Jun-29	20,000	70,033	81,068
First Bank	EUR	29-Mar-29	3,500	13,923	16,695
First Bank	EUR	19-Apr-27	4,000	16,423	-
Libra Internet Bank	RON	15-Jun-26	14,000	-	1,778
Garanti BBVA	RON	31-Dec-26	17,395	7,235	17,394
Garanti BBVA	EUR	31-Dec-27	6,910	31,464	-
Total bank loans				310,737	315,962
Leasing					
Leasing	RON			394	903
Total Leasing				394	903
Interest				1,902	46
Total				400,219	389,075

	Bonds	Loans and borrowings	Leasing	Total
Balance at January 1, 2024	72,209	315,962	903	389,075
Draws	14,910	54,235	-	69,145
Payments	-	(59,398)	(503)	(59,902)
Interest paid	(4,108)	(16,958)	-	(21,066)
Interest paid	6,191	16,958	-	23,149
FX differences	(114)	(61)	(5)	(180)
Balance at 30 September 2024	88,088	310,738	396	400,219

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 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 center Greenfield Plaza. The value of the credit is EUR 3,500 thousand, with a maturity of 70 months from the granting.

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.

The following facilities were contracted in February 2024:

- a loan denominated in RON from First Bank for the general financing of projects (working capital). The value of the loan is EUR 4 million, with a maturity of 3 years from the granting. Credit facility drawings started in April 2024.
- IMPACT SA 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

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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.

In June 2024 the Company contracted a loan denominated in EUR from Garanti Bank for the general financing of projects (working capital). The value of the loan is EUR 6.9 million, with a maturity of 3 years from the granting. Credit facility drawings started in July 2024.

All the financial indicators provided for in the long-term bank loan contracts were met as at 30 September 2024 and as at 31 December 2023.

15. TRADE AND OTHER PAYABLES

	<u>30-Sep-24</u>	<u>31-Dec-23</u>
Non-current liabilities		
Guarantees	6,703	6,203
	<u>6,703</u>	<u>6,203</u>
Current liabilities		
Trade payables	3,442	9,019
Tax debts	1,628	3,285
Employees payables	452	560
Related parties payables	11,995	28,435
Other payables	46	1
	<u>17,563</u>	<u>41,300</u>
TOTAL	<u>24,266</u>	<u>47,503</u>
Advances from clients	41,704	34,374
Deferred income	55	-
Profit tax payable	(125)	(125)
TOTAL	<u>41,634</u>	<u>34,249</u>

Detailed information about Advances from clients are presented in Note 16.

16. REVENUES

Revenues of the Company:

	<u>9M 2024</u>	<u>9M 2023</u>
Revenue from sale of residential properties and land	23,401	32,615
Revenue from services	2,876	3,823
Rental income	5,251	2,704
	<u>31,528</u>	<u>39,142</u>

	<u>9M 2024</u>	<u>9M 2023</u>
Cost of goods sold	15,509	23,499
Services cost	3,047	4,576
Costs related to rental services	1,199	306
	<u>19,755</u>	<u>28,381</u>

As at 30 September 2024, the Company had a balance of 310 pre-sale agreements, in total value of RON 174,099 thousand. All these apartments are finalized as at 30 September 2024 and are expected to be translated into revenues within the next period.. For these pre-contracts, the clients have paid deposits in the amount of RON 41,704 thousand, which can be found under the liabilities related to the contracts, in the statement of financial position.

Sales breakdown by projects:

	<u>9M 2024</u>	<u>9M 2023</u>
Greenfield Baneasa	21,120	14,514
Boreal Plus Constanta	2,007	16,911
Other	274	1,190
	<u>23,401</u>	<u>32,615</u>

During the first 9 months of 2024, impact sold 42 units, represented by 37 dwellings and 2 houses in BOREAL Plus Constanta, as well as 3 other units. The sold units generated corresponding revenues of RON 23,401 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 year end reporting of 2023, meanwhile on 2022, there was disclosed within the “Net revenue from other activities” category.

17. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>9M 2024</u>	<u>9M 2023</u>
Consumables	1,120	211
Services provided by third parties	5,721	5,970
Staff costs	8,115	9,001
	<u>14,956</u>	<u>15,182</u>

18. OTHER OPERATING (EXPENSES)/INCOME

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	<u>9M 2024</u>	<u>9M 2023</u>
Other operating income	13	3,650
Other operating expenses	(27)	(421)
Other tax expenses	(2,710)	(1,674)
Gain / (Loss) on disposal of PPE	825	4
Fines and penalties income/(expenses)	(8)	3,508
Value adjustment of PPE	(1,054)	2,867
Value adjustment of inventories	-	1,018
	<u>(2,961)</u>	<u>8,865</u>

19. FINANCE (COST)/INCOME

	<u>9M 2024</u>	<u>9M 2023</u>
Interest expense	(23,445)	(10,432)
Foreign exchange loss	(1,122)	(7,046)
Other financial expenses	(2,153)	(823)
Total financial expenses	<u>(26,720)</u>	<u>(18,301)</u>
Interest income	3,281	3,291
Foreign exchange gains	736	7,905
Other financial income	39,069	-
Total financial income	<u>43,086</u>	<u>11,196</u>
Financial result, net	<u>16,366</u>	<u>(7,105)</u>

Compared with the first 9 months of 2023, in 2024 the interest expense has increased by RON 13,013 thousand. This is due to the fact that interest of loans previously capitalized was charged to expenses during 2024 (there were no projects eligible for capitalization). Also, Financial income increased by RON 31,890 thousand, compared to the same period last year, mostly due to dividends received from affiliated companies in the amount of RON 39,069 thousand.

20. CAPITAL COMMITMENTS

As at 30 September 2024 respectively 31 December 2023, 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 16 – Revenues, for more details on pre-sale agreements).

21. 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 & Contractor 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.

On April 23, 2024, the Cluj Court of Appeal issued Decision 198, as follows:

"Admits the appeal declared by the appellant, the plaintiff Impact Developer & Contractor S.A. contrary to the respondents Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality, against civil sentence no. 2013/23.12.2020 and civil sentence no. 381/24.02.2021, both pronounced by the Cluj Specialized Court in file no. 79/1285/2012, which it changes in everything, in the sense that: Admits the request for summons, as stated, formulated by the appellant plaintiff Impact Developer & Contractor S.A. in contradiction with the defendants Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality and, consequently: Orders the termination of framework contract no. 55423/04.07.2007 concluded between the Local Council of the Municipality of Cluj-Napoca and the company Impact Developer & Contractor S.A. Obliges defendants to pay to the company Impact Developer & Contractor S.A. of the amount of RON 4,597,447.38 as compensation, as well as the payment of the related legal interest in the amount of RON 5,454,461.52 calculated for the period 01.09.2010-13.09.2022, with the related legal interest to be calculated further until the effective payment of the main debt. It obliges the defendants to pay

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to the Company the amount of RON 291,675.57 as legal expenses incurred on the merits. It obliges the defendants to pay to the Company the sum of RON 58,089.79 as court costs on appeal.”

The decision is final and enforceable.

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

At the deadline of October 31, 2024, the High Court of Cassation and Justice issued Decision 1966, as follows:

“Rejects the appeal declared by the appellants-defendants Local Council Of Cluj-Napoca Municipality and Cluj-Napoca Municipality against civil decision no. 198/2024 of April 23, 2024, pronounced by the Cluj Court of Appeal – Civil Section II, as unfounded. Rejects the appeal declared by the appellant-plaintiff Impact Developer & Contractor S.A. against the same decision, as inadmissible. Order the appellants-defendants Local Council Of The Cluj-Napoca Municipality and the Cluj-Napoca Municipality to pay the sum of 22,195.58 lei, as court costs, to the appellant-plaintiff Impact Developer & Contractor S.A. “

The decision is irrevocable.

b) Litigation initiated by EcoCivica Foundation

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, cancelling works.

At the trial from 31 of May 2024, the court remained in judgment on the exceptions invoked by Impact.

On 14 August 2024, the Court ruled on a number of exceptions (defences in a civil action) raised by the Company and the defendants in the case.

The Court ruled that the claims filed by EcoCivica Foundation for the suspension and annulment of the Construction Permits were time-barred and were dismissed as time-barred, while the claims filed by the other plaintiffs for the suspension of the Construction Permits were dismissed as lacking object. Environmental Permit 01/16.05.20 remains valid and has full legal effects.

The Court set a date of 6 December 2024 for the resumption of the trial in order to consider the merits of the claims that remained unresolved.

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 and registered in the Land Registry. Therefore, no provision has been registered in respect of the litigation, as at 30 September 2024.

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 in 2018 and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu.

The next term is set for the 28 January 2025.

22. 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
Spatzoo Management SRL	Romania	Property management
Bergamot Developments SRL	Romania	Real estate development
Bergamot Developments Phase II SRL	Romania	Real estate development
Impact Finance & Sales 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 9 months period ended 30 of Septembrie 2024, as well as at year ended 31 of December 2023.

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. As at 30 of September 2024 the loan was fully reimbursed.

IMPACT DEVELOPER & CONTRACTOR SA
NOTES TO THE SEPARATE UNAUDITED AND SIMPLIFIED FINANCIAL
STATEMENTS FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are expressed in thousand RON, unless stated otherwise)



Centralized balances	30-Sep-24	31-Dec-23
Trade receivables	3,957	1,342
Interest related to loans	14,026	12,188
VAT – fiscal group	5,630	6,750
Dividends to be collected	-	-
Receivables - current	23,613	20,280
Trade liabilities	(777)	(1,174)
Other debts	(11,995)	(27,261)
Trade liabilities - current	(12,772)	(28,435)
Loans granted to subsidiaries	54,769	55,796
Share capital decrease (Bergamot Developments)	-	6,348
Receivables – long term	54,769	62,144
	60,241	53,989

Centralized transactions	9M 2024	9M 2023
Revenues from dividend	3,770	39,069
Revenues from services	2,012	1,723
Revenues from interest	3,101	2,209
Acquisition of goods and services	(1,254)	(82,065)
Interest costs	(369)	-
	7,259	(39,064)

Sales of goods and services	Transactions for the 9 months period ended			Balance as at
	30-Sep -24	30-Sep -23	30-Sep -24	31-Dec-23
Subsidiaries				
Spatzio Management S.R.L.	1,856	1,689	3,786	1,340
Clearline Development and Management	6	4	7	-
Bergamot Developments	6	4	1	-
Bergamot Developments Phase II	6		1	-
Impact Finance & Sales	6	4	7	-
Greenfield Copou Residence	6	6	7	1
Greenfield Copou Residence Phase II	6	4	7	-
Greenfield Property Management	6	4	7	-
Aria Verdi Development	6	4	7	1
Impact Alliance&Arhitecture	-	-	-	-
R.C.T.I. Company	111	-	128	-
	2,012	1,723	3,957	1,342

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	Value of the transaction for the 9 months period ended		Balance as at	
	30-Sep -24	30-Sep -23	30-Sep -24	31-Dec-23
Acquisition of goods and services				
Subsidiaries				
Spatzioo Management SRL	1,244	735	211	1,010
R.C.T.I. Company	10	81,330	567	164
	1,254	82,065	777	1,174

Granted loans	Balance as at	
	30-Sep -24	31-Dec-23
Subsidiaries		
Clearline Development and Management	652	462
Bergamot Developments Phase II	4,699	7,299
Greenfield Copou Residence	49,418	48,035
Greenfield Copou Residence Phase II	-	-
Aria Verdi Development	-	-
	54,769	55,796

Interest receivables	Balance as at	
	30-Sep -24	31-Dec-23
Clearline Development and Management	66	40
Bergamot Developments Phase II	1,640	2,590
Greenfield Copou Residence	12,320	9,558
	14,026	12,188

Interest income	Value of the transaction for the 9 months period ended	
	30-Sep -24	30-Sep -23
Subsidiaries		
Clearline Development and Management	25	11
Bergamot Developments Phase II	313	490
Greenfield Copou Residence	2,762	1,708
	3,101	2,209

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.

The standalone financial statements have been authorized for issue by the management on 15 November 2024 and signed on its behalf by:

Iuliana Mihaela Urda
Chairman of the BoD

Dan Sebastian Campeanu
Chief Executive Officer

Claudiu Bistriceanu
Chief Financial Officer

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