IMPACT
Developing Sustainable Communities
Since 1991

REPORT
Board of Directors
2021

Dear shareholders and partners of the company,

The year 2021 was an anniversary year for IMPACT, with the marking of the 30 years since its establishment, 25 years of listing on the Bucharest Stock Exchange and obtaining a distinction of being among the top 3 companies listed on the Romanian stock exchange that have stood the test of time. These milestones have reconfirmed the strength of the business model and the preparation for a new stage, by launching a development strategy for the next 6 years, an ambitious financing plan and firm sustainability commitments for our communities. If 500,000 square meters have been built in the past years, the next 6 can total one million square meters by building long-term partnerships with shareholders, financial institutions, business partners and employees.

2021 marked the first year of a new production cycle, the capitalization and consolidation of the company, but also the preparation of the land for further developments. The challenge of the year was the increase of approximately 22% in the prices of construction materials, which we managed to manage agilely and prudently, both through partnerships with suppliers and in relation to customers.

At the end of the year, the company had construction permits for 1,800 apartments, with a growing demand for the homes we offer, with a high degree of comfort, with generous areas and located in areas with "green" neighborhoods.

Operationally, the year 2021 marked the beginning of construction for the expansion or start of new projects, which for the residential segment lasts about 3 years.

It was a year in which we optimized processes, invested, bought land and took concrete steps for expansion in the most important cities of the country.

We completed the first ensemble in Bucharest built to BREEAM Excellent standards, Luxuria Residence, the first in the area of the Bucharest Exhibition, with a total current value estimated at EUR 150 million.

Work has progressed on the current portfolio of projects, in particular for the Greenfield Băneasa complex through new project phases, including multi-store car parks and the use of geothermal water for the heating system, as well as the construction of the largest community center in a residential area, with fitness center, office building, shopping center, school and kindergarten. The works for the Boreal Plus project in Constanța were continued.

As a result, we have seen an increase in customer interest, as evidenced by the number of pre-sales.

The national expansion continued with the acquisition of a new land in Iași on which we will develop the Greenfield Copou ensemble. The new complex will be one of the largest sustainable projects in the region of Moldova, meeting the criteria of nZEB and BREEAM Excellent and will have over 1,000 apartments.

The operating result at group level totaled 98.5 million lei, a slight increase compared to 2020, in the context of lower sales revenues amid reduced stocks. In 2021 the gross margin was 36%, up from 31% last year. Starting with 2022, the previously signed pre-sales will be capitalized, as the projects will be completed, being fully reflected in revenues, while maintaining the gross margin. The company has also embarked on an extensive internal consolidation process, with preliminary group financial results indicating an increase in equity.

The share price at BVB registered an advance of 120% in 2021, amid higher trading volumes, the company crossing for the first time the threshold of 1 billion lei for market capitalization. The dialogue with local and international investors has been intensified, with the aim of increasing the attractiveness of the company's actions. The shares benefited from the market-making service provided by BRK Financial Group throughout the year. Thus, on December 31, 2021, IMPACT met the liquidity criteria to be included in the FTSE Global Micro Cap Index, effective with March 21, 2022. Meeting the FTSE Russell criteria is an important reconfirmation of the effectiveness of the company's chosen development strategy and implementation actions. best practices in corporate governance and investor communication.

The principles of sustainability and the green economy were assumed by the whole team and the whole medium and long term strategy was outlined around them. All IMPACT developments are designed to respect the principles of sustainability, using sustainable technologies, respectively using alternative energy sources, "smart city" solutions, electric mobility solutions.

In 2021 we set up an ESG department which, in addition to outlining and implementing environmental, social and corporate governance principles and objectives, will provide investors with a strategy in this direction and non-financial reporting, in accordance with the company's obligations to future issues of green bonds.

The company's development strategy for the next 6 years, with two complete development cycles, includes the completion of ongoing projects and the start of new projects, mainly on existing land in the portfolio.

All this will support the increase of the company's value through continuous expansion at national level and the diversification of the portfolio of products and services. The company aims to develop more than one million square meters and more than 10,000 homes in the middle segment - affordable, by 2027. This plan includes the construction of affordable housing, which integrates elements that promote both a healthy lifestyle in green areas, as well as an active social and cultural life for community members.

Looking to the future, **new stages of the financing program** will continue, as far as the financial markets allow, in order to achieve our proposed objectives and implement the strategy undertaken for the next 6 years.

We have all the prerequisites to achieve our ambitious medium-term goals and through our sustainable vision we aim to make a difference in the residential sector in Romania. The entire IMPACT management team is committed **to increasing the long-term value of the company**, along with shareholders, employees and all stakeholders, whom we thank for their continued trust and support over the past year.

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2021 HIGHLIGHTS

FINANCIAL AND OPERATIONAL

- **37% increase** in sales commitments (pre-sales) signed in 2021 vs. 2020 with new projects accounting for 75% of the sales commitments.
- **441** sales commitments and reservations as at 31 December 2021, with a package value of **EUR 46.65 million (RON 230 million)**, that will translate in sales, as apartments will be finalized in the following periods. 183 apartments sold in 2021 (368 in 2020) and revenues booked in the same period, of which 140 apartments in LUXURIA EXPOZITIEI REZIDENCE ("LUXURIA EXPOZITIEI"), 39 apartments in GREENFIELD BANEASA RESIDENCE ("GREENFIELD BANEASA"), 1 villa in BOREAL PLUS and 3 units in older projects developed by **IMPACT GROUP ("IMPACT")**.
- **RON 138 million** revenues and **RON 49.8 million** gross profit in 2021 (RON 204.3 million revenues and RON 63 million gross profit in 2020). This reflects the current stage of **IMPACT**'s activity, namely a new development cycle translating into low completed inventory for which sales and related revenues can be recorded. As at 31 December 2021, there were 1,605 permitted units located in Bucharest and Constanta (1,038 already with construction started) while additional 2,615 units located in Iasi, Bucharest and Constanta are in various stages of permitting.
- Acquisition of a plot of land of **2.6** ha in Iasi that completes the land acquired late 2020. The entire **5 ha** plot of land will used to develop GREENFIELD COPOU (1,062 apartments), in one of the city's prime locations near the botanical garden.

IFRS NAV

717 mRON

+ 76 mRON (2020: 641 mRON)

EPRA NRV

1,044 mRON

+ 127 mRON (2020: 917 mRON)

Sales

138 mRON

- 66 mRON (2020: 204 mRON)

Pre-sales for apartments as at 31 Dec 2021

230 mRON

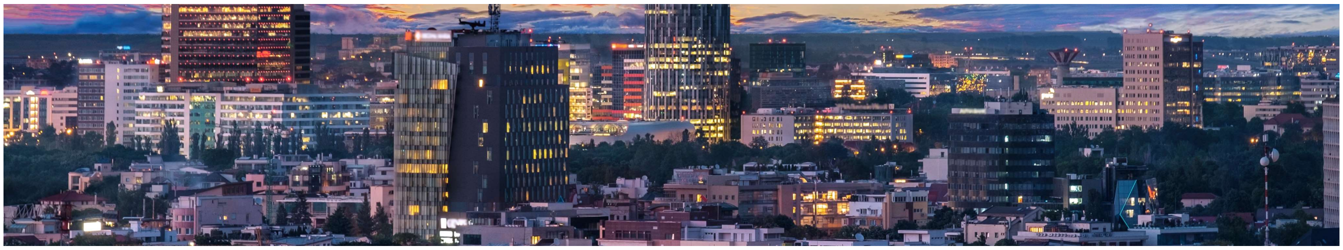
+ 112 mRON (2020: 118 mRON)

2021 HIGHLIGHTS

FINANCIAL AND OPERATIONAL

- The process of expanding **IMPACT**'s activity and its nationwide presence was secured through additional financing resulting in 32% increase in loans and borrowings balance, as well as through **IMPACT**'s own resources and 26% decrease in cash compared to 31 December 2020. As approved by the majority of the shareholders, **IMPACT** plans to secure further financing from share capital increase and bonds issuance.
- Loans and borrowings stood at **28%** of total assets as at 31 December 2021 (26% as at 31 December 2020). In 2021, **IMPACT** used bank loans for the financing of the last 130 apartments of LUXURIA EXPOZITIEI, the first 209 apartments developed in BOREAL PLUS and 138 apartments developed in GREENFIELD BANEASA, as well as a working capital line.
- GREENFIELD PLAZA BANEASA advanced stage of construction ads value to GREENFIELD BANEASA project. GREENFIELD PLAZA BANEASA is a community center with a strip-mall covering the communities' necessities and a wellness center.
- Strong land bank owned by **IMPACT** (approximately **73.5 ha**) with potential for development of other **6 projects** GREENFIELD BANEASA (new phases), BOREAL PLUS, GREENFIELD COPOU RESIDENCE ("GREENFIELD COPOU"), LUXURIA CITY CENTER and GREENFIELD WEST with an estimated market value of more than **2 billion euro**.
- Completion of **189 new units**, of which **41** apartments in GREENFIELD BANEASA, **18** villas in BOREAL PLUS and for the last **130** apartments in LUXURIA EXPOZITIEI (reception with the authorities completed and dismantling / registration estimated to take place at the beginning of 2022).
- Equity stood at **59%** of total assets as at 31 December 2021 and have recorded an increase of 11% compared to 31 December 2020, due to positive net results for 2021 (RON 706.3 million as at 31 December 2021 vs. RON 640.8 million as at 31 December 2021).

2021 HIGHLIGHTS



OUTLOOK FOR 2022

- **Start Pre-Sales** for project phases for which construction is estimated to start in 2022.
- Continuing sales for apartments that were completed at the end of 2021 – LUXURIA EXPOZITIEI, completed phases of GREENFIELD BANEASA and BOREAL PLUS.
- Completion of 829 apartments in GREENFIELD BANEASA and 209 apartments in BOREAL PLUS (sales estimated to start in Q4 2022).
- Completion of GREENFIELD PLAZA BANEASA and the HQ building of **IMPACT**.
- Operating GREENFIELD PLAZA BANEASA and earning related revenues.
- Obtaining building permits and starting the works for related phases in GREENFIELD BANEASA and GREENFIELD COPOU.
- Obtaining financing for the ongoing projects, inclusive through bond issuance and share capital increase.
- Potential acquisition of new plots of land, in line with **IMPACT**'s strategy to complete land bank.

RELEVANT ASPECTS

- Election of the members of the Board of Directors of **IMPACT** for a term of four years (28 April 2021 – 28 April 2025), namely: Iuliana Mihaela Urdă (Chairman of the Board of Directors), Ruxandra- Alina Scarlat, Daniel Pandele, Intrepid Gem SRL (Petru Văduva) and Sorin Apostol.
- Appointment of Constantin Sebeşanu as General Manager for a term of four years, starting with 28 April 2021. He replaced Mr. Sorin Apostol, who holds the position of Executive Director, starting with the same date. In order to accommodate its ambitious development strategy, the Company's management team was strengthen through appointment of a HR manager (July 2021), ESG & Compliance Officer (July 2021) and Head of Development Department (October 2021).
- Increase of **IMPACT Developer & Contractor** share capital, by contribution in cash, with a cumulative number of shares not exceeding 775,000,000 was decided by the Extraordinary General Meeting of Shareholders held on 20 August 2021.

2021 HIGHLIGHTS

OTHER ASPECTS

- In 2021, **IMPACT** established the **ESG (Environmental, Social and Governance)** department, responsible with drawing and implementing the principles and objectives of environment, social and corporate governance, in line with the values assumed by the company in its real estate development activity – integrity, transparency, innovate and lead, respect the environment and build sustainably, responsibility and motivation. The ESG department manages the application of the **Green Bond Framework**, on the basis of which **IMPACT** intends to issue green bonds to finance and refinance existing projects, built using green, sustainable technologies and contributing to the environmental objective of climate change mitigation and to the achievement of the United Nations Sustainable Development Goals.
- On 3 January 2022, there were subscribed 84,231,295 new shares with a subscription value of RON 58,961,906.50. Therefore, in January 2022, the share capital of **IMPACT Developer & Contractor** was increased from RON 393,750,000 to RON 414,807,823.75, the new number of shares being 1,659,231,295.
- Starting with IMPACT's shares are included in FTSE Global Micro Cap indices, starting 21 March 2022.

IMPACT GROUP OVERVIEW

- 31 years of leadership, innovation and excellence in real estate
- Since its establishment in 1991, **IMPACT Developer & Contractor ("IMPACT D&C")** ranked on the Romanian real estate market as an innovative company
- **IMPACT D&C** is the first real estate developer after the communist era, established with 100% Romanian capital
- In 1996 **IMPACT D&C** was listed on the Bucharest Stock Exchange ("BSE"), whereby **IMPACT D&C** has become the first representative of the real estate development and construction sector listed on the Stock Exchange
- In 2006 the shares of **IMPACT D&C** were promoted to Category I of the Stock Exchange and in 2015 to the Premium category

Expansion
at national level

17
residential compounds

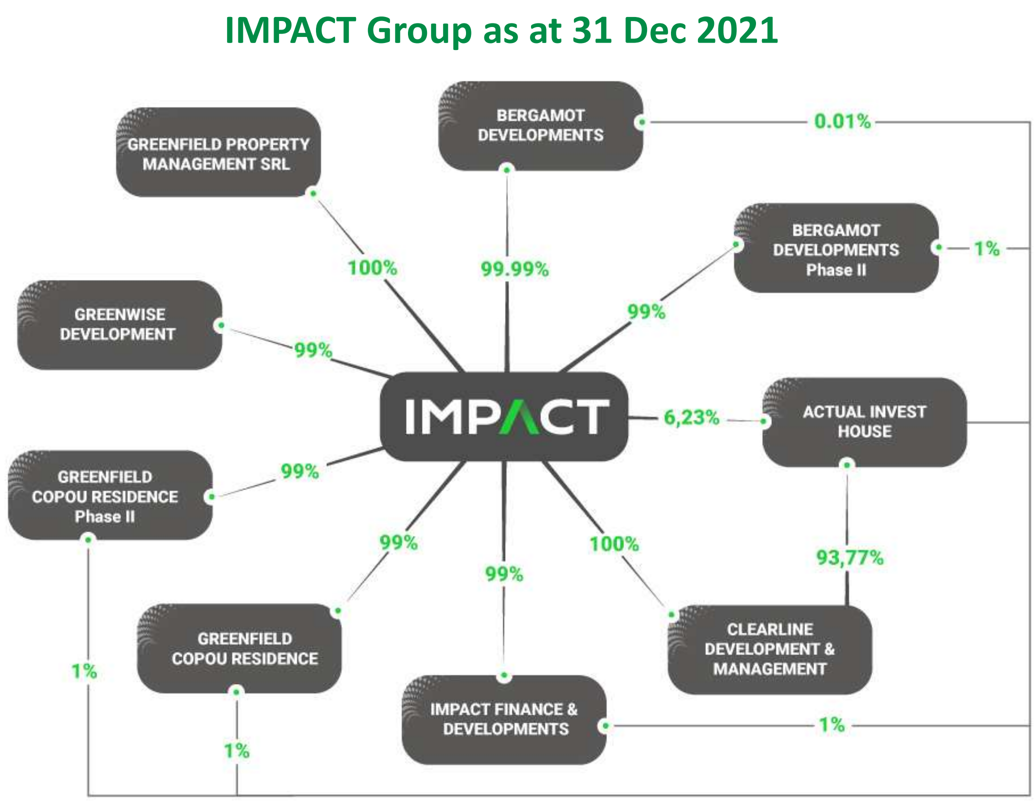
4,500+
units built

+11.500
inhabitants

500k+
sqm built

EUR 650+ Mn
investments

IMPACT GROUP OVERVIEW



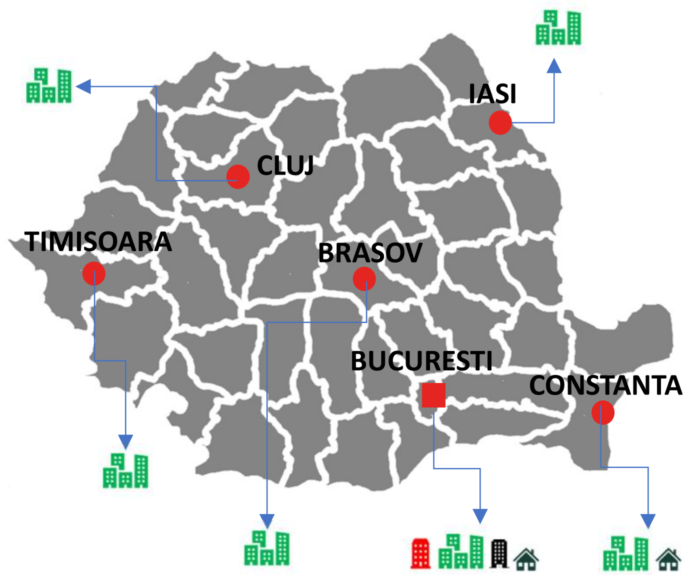
- **IMPACT D&C**, parent company, which develops the following projects: GREENFIELD BANEASA RESIDENCE, BOREAL PLUS, LUXURIA CITY CENTER and GREENFIELD WEST
- **Bergamot Developments SRL** and **Bergamot Developments Phase II SRL** with real estate development as main object of activity; they have developed the LUXURIA EXPOZITIEI project
- **Greenfield Copou Residence SRL** with real estate development as main object of activity, was established in December 2019 and develops the GREENFIELD COPOU RESIDENCE project
- **Greenfield Copou Residence Phase II SRL** with real estate development as main object of activity; established in February 2021
- **Greenwise Development SRL** with real estate development as main object of activity; established in February 2021
- **Actual Invest House SRL**, the company that provides management services for new residential, retail and commercial developments
- **Impact Finance & Developments SRL** has a role in diversifying the range of services related to residential sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings
- **Greenfield Property Management SRL** with the real estate development as main object of activity; established in May 2021
- **Clearline Development and Management SRL**, a project company through which **IMPACT** was about to develop a residential project in Cluj-Napoca, in partnership with the local authority.

PROJECT PORTFOLIO

STRONG PRESENCE IN KEY FIGURES

IMPACT is committed to develop sustainable communities, with a focus on medium affordable housing projects. The environmental and social aspects are top of mind for **IMPACT** and are translated into its developments that are planned to be GREEN projects (e.g., BREEAM Excellent certification, nZEB construction standard applicable to all new buildings with permit obtained starting January 2021), use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds.

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



Residential – block of flats | Residential - house | Office buildings | Hotel buildings

Projects in development on the owned landbank

Construction started

- GREENFIELD BANEASA RESIDENCE in Bucharest
- BOREAL PLUS in Constanta

Construction estimated to start in 2022 - 2023

- GREENFIELD COPOU RESIDENCE in Iasi
- LUXURIA CITY CENTER in Bucharest
- GREENFIELD WEST in Bucharest

Projects that will be developed on the land owned by IMPACT as at 21 Dec 2021

Project	Geo	Total Project		În construcție		În pregătire		Construcție	
Name, Location, Phase	City	GBA Sqm	Units	Units	Sqm	Units	Sqm	Start	Delivery
Greenfield Baneasa Fazele 1,2,3	București	**68.953**	732	732	68.953			2021	2023
Greenfield Baneasa Fazele 4,5	București	**38.404**	435	435	38.404			2022	2024
Greenfield Baneasa Fazele 6,7	București	**50.346**	598			598	50.346	2023	2026
Greenfield Baneasa Fazele 8,9,10	București	**228.025**	2.485			2.485	228.025	2024	2027
Luxuria City Center	București	**80.000**	596	-	-	596	80.000	2023	2027
Greenfield West	București	**494.040**	5.528	-	-	5.528	494.040	2023	2025
Greenfield Copou	Iași	**99.044**	1.062	-	-	1.062	99.044	2022	2025
Boreal Plus (exclusiv apartamente)	Constanța	**63.658**	673	341	34.225	332	29.433	2020	2026
Total		**1.122.470**	**12.109**	**1.508**	**141.582**	**10.601**	**980.888**		

The information presented in the table above are estimates. Estimates may change based on future events.
The Under construction figures refer to projects with building permit; The Pipeline figures refer to projects with land, without building permit
GBA represents the Gross Build Area of the Project, including common spaces and excluding parking

PROJECT PORTFOLIO

GREENFIELD BANEASA RESIDENCE

6,839 Units	
COMPLETED UNITS	2,580
SOLD UNITS[1]	2,541
UNDER CONSTRUCTION UNITS[2]	1,264
PIPELINE UNITS[2]	3,083
GBA[3] under construction and pipeline (sqm)	414,316
Start construction Deliver construction	2020 2030

[1] – as at 31 December 2021

[2] – **Under construction** refer to projects with building permit. **Pipeline** refer to projects with land, without building permit.

[3] – GBA represents the Gross Build Area of the Project, excluding parking.

UNIQUE LOCATION

The northern area of Bucharest (District 1), framed on two sides by 900 ha of woodland: Baneasa Forest and Tunari Forest

PHASED DEVELOPMENT

The first 3 phases have been completed by 2019. Phases 4 and 5 are to be developed by the end of 2030

MIX AND FACILITIES

Current: public transport, private school, parks and playgrounds, restaurant, medical centre and supermarket, RATB

Under construction: GREENFIELD PLAZA BANEASA a community center with a strip-mall and a wellness center

Future: public school, public kindergarten, ride-sharing options, **GREENFIELD PLAZA BANEASA**

PERMITS

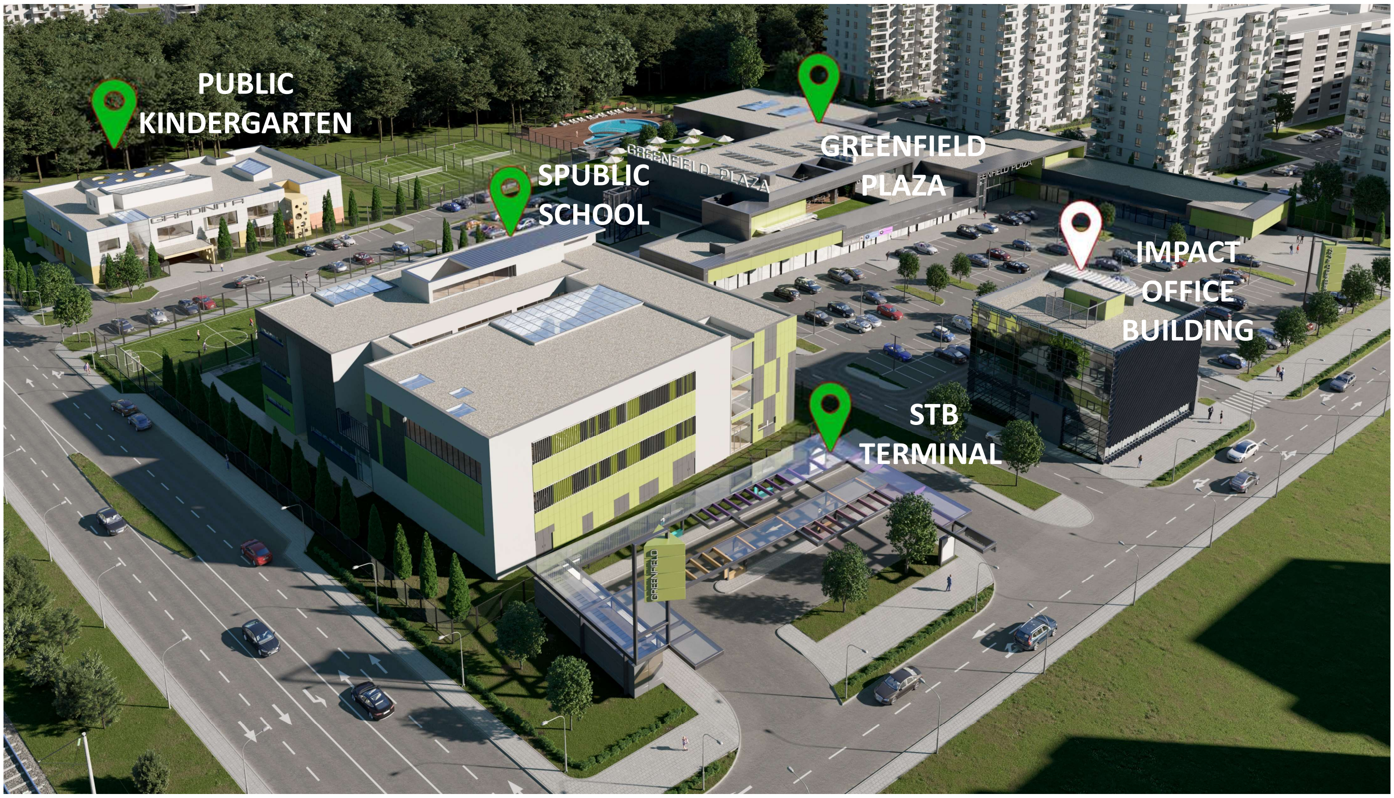
Zoning (PUZ) for more than 3,650 units related to under construction and pipeline phases, of which:

- for 1,264 units the building permit is in place
- for 598 units the building permit was initiated

Out of the 1,264 units with building permit, 829 units are under construction. In 2021 41 units have been completed.

PROJECT PORTFOLIO

GREENFIELD PLAZA BANEASA



Community area dedicated to **GREENFIELD BANEASA**, but with high potential to become a regular stopover for non-residents, thanks to strong anchors coming from the community center that includes a strip-mall (extensive stores network covering the communities necessities) and a wellness center (indoor swimming pools, outdoor swimming pool, tennis courts, squash facilities, dedicated spinning room and other gym facilities)

Long term contract with MEGA IMAGE, one of the strongest food anchors, already secured

Increased value of GREENFIELD BANEASA project by adding a community center. Also, **IMPACT** facilitates the development within the project of a public school (the first public school in a residential compound), of a kindergarten and of a public nursery and a church.

FEATURES	DESCRIPTION	LAND
GREENFIELD PLAZA	Office, Commercial, Services, SPA	21,496 sqm
PUBLIC SCHOOL	800 children capacity	6,000 sqm
PUBLIC KINDERGARTEN	150 children capacity	3,200 sqm
STB TERMINAL	The end line of the public transport network in Bucharest	1,375 sqm
SHUTTLE BUS STATION	Dedicated to the school and kindergarten	250 sqm*
PUBLIC NURSERY		3,933 sqm

**Included in the land surface of GREENFIELD PLAZA*

PROJECT PORTFOLIO

LUXURIA EXPOZITIEI RESIDENCE

630 Units

COMPLETED UNITS	**630**
SOLD UNITS[1]	**303**
GBA[2] (sqm)	**66,400**
Start construction **Delivery construction**	**2018** **2021**

[1] – as at 31 december 2021
[2] – GBA represents the Gross Build Area of the Project, excluding parking..

PREMIUM LOCATION

The northern area of Bucharest (District 1), between Kiseleff Blvd. and Ion Mihalache Blvd. - at the intersection between Domenii and Expozitiei

SUSTAINABLE SOLUTIONS

LUXURIA is the first up-scale residential development that received the BREEAM Excellent certification, being from the beginning designed to fit into the Class A energy and the category of green buildings

FACILITIES

Lounge space for networking and relaxation open 24/24

Fitness center with modern equipment

Unique park in Bucharest, with thematic gardens

Supervised and well organized playgrounds

Exclusive underground parking

Multiple security solutions

AREA REPUTATION

The Expozitiei – Domenii area is a very well rated one, and the proximity to the Expozitiei area is a plus. Together, they form a representative area through the newly established shopping and business centers, which is why it is currently the most desirable residential area of the Capital

PROJECT PORTFOLIO

BOREAL PLUS

EXCELLENT LOCATION

The northern area of Constanta, with quick access to the highway, the city center, educational facilities (campus and university), Ovidius Hospital, close to shopping centers and overlooking Siutghiol Lake

AREA REPUTATION

Large shopping malls like Tom and Vivo, hypermarkets, supermarkets like Carrefour, Mega Image, Kaufland, Penny Market and Auchan, convenience stores

FACILITIES

Panoramic view of the lake and the sea

Well-dimensioned and compartmentalized units

Very good quality finishes (premium)

Contemporary architecture and design

Kindergarten, playground, a small park for residents

PERMITS

The building permit was obtained for 359 units (341 apartments and 18 villas)

The process for the building permit for the remaining 332 units was started

PROJECT PORTFOLIO

GREENFIELD COPOU RESIDENCE

EXCELLENT LOCATION

Located on Copou Hill, offering panoramic views of the Botanical Garden and of the city. Called the "green lung of Iasi", the Copou area offers an ideal natural setting, which attracts people with its' tranquillity and fresh air. It is also a historic area and a famous university district. The ensemble will integrate harmoniously into Copou, through low-height buildings and the inclusion of large green spaces

SUSTAINABLE SOLUTIONS

The project is developed according to the sustainability principles of the BREEAM Excellent certification. At the same time, the buildings of the compound will have a close to zero energy consumption, respecting the new standard in housing construction, nZEB - which involves a sustainable design, energy saving technologies and the use of renewable energy, such as photovoltaic panels

MIX AND FACILITIES

GREENFIELD PLAZA COPOU, a community center that includes a strip-mall, gym and wellness center

15,000 sqm of green spaces, ensuring relaxing areas and playgrounds

Kindergarten and after-school

Fitness center

PERMITS

Zoning (PUZ) in place

The process for obtaining the building permit is ongoing and it is estimated that the building permit will be obtained in the first quarter of 2022

PROJECT PORTFOLIO

GREENFIELD WEST

5.528 units

EXCELLENT LOCATION

Located in the western area of Bucharest, an area that is booming, being of interest to the developers of office buildings, which continue to build in order to meet the demand of multinationals

TRUSTED BRAND

GREENFIELD is a well-known brand, which enjoys credibility in the market, increasing the confidence of new buyers, regardless of the construction stage of GREENFIELD WEST project. Continuing the brand message, the new neighborhood will create a community responsible for the environment, interested in a healthy life

MIX AND FACILITIES

GREENFIELD WEST PLAZA, a community center that includes a strip-mall, gym and wellness center

Playgrounds

Storage

PERMITS

Zoning (PUD) in place

The process for obtaining the building permit was started

PROJECT PORTFOLIO

LUXURIA CITY CENTER

PREMIUM LOCATION

Located in Barbu Vacarescu, near the central and business areas of Bucharest, one of the hottest areas for real estate development in the recent years

TRUSTED BRAND

A future LUXURIA brand project, which will offer a spectacular view over the city, being surrounded by green spaces and lakes. With an architecture and a concept similar to LUXURIA EXPOZITIEI, which received international recognition, the new project aims to raise the quality standard of housing in the premium segment

MIX AND FACILITIES

Will include a 5* Hotel & Suits

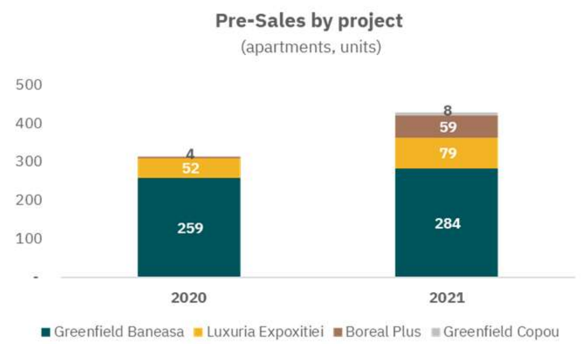
Commercial area of approximately 8,000 sqm GBA

PERMITS

The start of the process for obtaining the building permit is planned

ACTIVITY OF IMPACT IN 2021

PRE-SALES FOR 2021

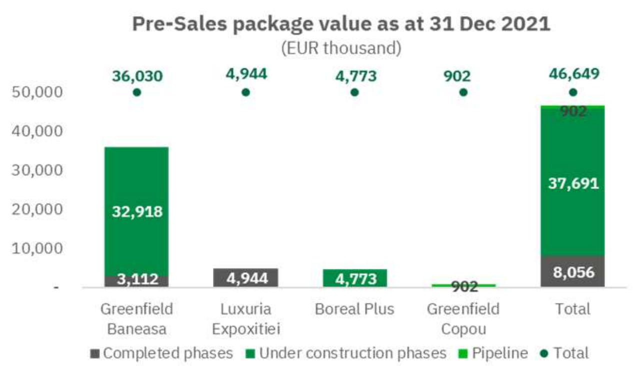


Pre-Sales recorded in 2021 were 37% higher compared 2020, namely 430 apartments pre-sold in 2021 (34,652 sqm, built saleable area) vs. 315 apartments pre-sold in 2020 (26,754 sqm, built saleable area).

The increase in Pre-Sales was driven by projects under development which account for 75% of the Pre-Sales made in 2021 (17% in 2020), as **IMPACT** managed to sell almost entirely the completed developments and entered a new development cycle.

Pre-Sales refer to pre-sale contracts and reservation and are not recorded as revenues until the apartments are sold, i.e. apartments are delivered to customers and the sale-purchase contracts are concluded.

PRE-SALES AS AT 31 DECEMBER 2021



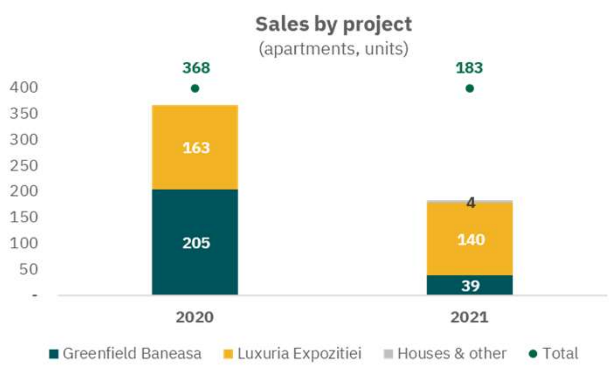
As at 31 December 2021, **IMPACT** had in place pre-sale contracts and reservations for 441 apartments with a built saleable area of 33,526 sqm and a package value of EUR 46.65 million (e.g. the value of the parking related to the apartments included in the value of the package).

Of these, 86% refer to projects under development (379 apartments, EUR 38.6 million package value) and 14% refer to completed projects (62 apartments, EUR 8.05 million package value).

Pre-Sales in place as at 31 December 2021 are estimated to be translated into revenues between 2022 and 2024, as the related project phases are completed.

ACTIVITY OF IMPACT IN 2021

2021 SALES



Sales recorded in 2021 reflect the new development cycle of **IMPACT's** projects. As such projects under development will contribute to revenues as they are completed and sales are made.

2021: 183 units, of which 179 apartments in GREENFIELD BANEASA and LUXURIA EXPOZITIEI (16,582 sqm built saleable area, plus related parking spots, storage and court yards), 1 villa in BOREAL PLUS and 3 units in older projects. Additionally, 81 individual parking spots were sold.

2020: 368 apartments in GREENFIELD BANEASA and LUXURIA EXPOZITIEI (30,864 sqm built saleable area, plus related parking spots, storage and court yards). Additionally, 16 individual parking spots were sold.

CONTRACTED APARTMENTS AS AT 31 DECEMBER 2021

Completed phases 2007 - 2021 as at 31 Dec 2021

Project	Total Apartments	Sales & Pre-Sales		Available for sale
	units	units	%	units
Greenfield Baneasa	2,589	2,572	99.3%	17
Luxuria Expozitiei*	630	339	53.8%	291
Boreal Plus**	18	1	5.6%	17
Total	**3,237**	**2,912**	**90.0%**	**325**

* 130 apartments for which the construction and reception with the authorities were completed in 2021, the dismantling / registration of the apartments is in progress and it is estimated that the process will be completed in February 2022

** 18 villas completed and registered in October 2021

Under construction phases as at 31 Dec 2021

Project	Total Apartments	Pre-Sales		Available for sale
	units	units	%	units
Construction started*	829	309	37.3%	520
Construction to be started**	435	-	0.0%	435
Greenfield Baneasa	**1,264**	**309**	**24.4%**	**955**
Construction started*	209	62	29.7%	147
Construction to be started**	132	-	0.0%	132
Boreal Plus	**341**	**62**	**18.2%**	**279**
Total construction started	1,038	371	35.7%	667
Total construction to be started	567	-	0.0%	567
Total	**1,605**	**371**	**23.1%**	**1,234**

* The building permit in place and under construction as at 31 December 2021

** The building permit in place and the construction estimated to start in 2022/2023

As at 31 December 2021, 90% of completed units during 2007-2021 were contracted, considering both Sales and Pre-Sales. Completed units for GREENFIELD BANEASA, the product addressed to the middle segment of the residential market, were 99% contracted as at 31 December 2021.

As at 31 December 2021. **IMPACT** had 1,605 units under construction, of which for 1,038 the construction was started and the construction for the remaining 567 units is expected to start in 2022/2023.

Approximately 36% of under construction units for which the construction was started were pre-sold as at 31 December 2021. On a project basis, these were 37.3% pre-sold units for GREENFIELD BANEASA and 29.7% pre-sold units for BOREAL PLUS.

ACTIVITY OF IMPACT IN 2021

LAND OWNED AS AT 31 DECEMBER 2021

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	EPRA value (RONm)	EPRA value (EURm)
Baneasa	Bucharest	Greenfield Baneasa	39.2	329.3	66.6	406.5	82.2
Blvd. Timisoara - Ghencea	Bucharest	Greenfield West	25.9	128.2	25.9	128.2	25.9
Barbu Vacarescu	Bucharest	Luxuria City Center	2.5	163.5	33.1	163.5	33.1
Zenit	Constanta	Boreal Plus	4.1	9.0	1.8	35.0	7.1
Iasi	Iasi	Greenfield Copou	5.0	37.6	7.6	42.3	8.5
Oradea	Oradea	Lotus	2.9	3.1	0.6	3.1	0.6
Blvd. Expozitiei	Bucharest	Luxuria Expozitiei	0.7	13.6	2.7	13.6	2.7
Other	Neptun, Voluntari	n.a.	9.0	5.5	1.1	5.5	1.1
Total			**89.4**	**689.8**	**139.4**	**797.7**	**161.2**

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

Note 2: 0.59 ha for Luxuria Expozitiei refer to 130 apartments for which the construction was completed and for which the dismantling will be done after 31 December 2021

Note 3: 12.45 ha represent infrastructure for the already developed projects, of which 7.8 ha for Greenfield Baneasa, 0.11 ha for Luxuria Expozitiei and 4.54 ha for other projects (Voluntari mainly). These were considered at net book value for EPRA calculation

Note 4: The FX rate used to translate the RON denominated amounts in EUR - 4.9481 RON/EUR

As at 31 December 2021, **IMPACT** owned 89.4 ha of land with a book value of RON 690 million (17% higher than as at 31 December 2020), land mainly intended for the development of new projects and related to infrastructure. Of this, approximately 73.5 ha represent the land bank on which new projects are to be developed.

Compared to 31 December 2020, except for the acquisition of a 2.6 ha plot of land in Iasi where the GREENFIELD COPOU project is developed and 0.99 ha included in the dismantling of apartments completed in 2021, there were no important changes for the land owned by **IMPACT**.

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

The EPRA value of land estimated as at 31 December 2021 was of RON 797.7 million, 16% higher than the IFRS book value at the same date and 23% higher than the EPRA value of land estimates as at 31 December 2020 (market approach).

ACTIVITY OF IMPACT IN 2021

THE DEVELOPMENT ACTIVITY

In 2021, **IMPACT**'s activity was focused on developing the projects that are currently under construction as well as on the process for obtaining the necessary permits for developments for which the construction is planned to start in 2022-2023, projects developed on the landbank already owned.

In 2021, the construction was in progress for project phases in GREENFIELD BANEASA and BOREAL PLUS (with building permits in place).

The permitting process was started for future phases of GREENFIELD BANEASA, GREENFIELD COPOU, LUXURIA CITY CENTER and GREENFIELD WEST.

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

In 2021, **IMPACT** completed the construction for 189 apartments:

- the last 130 apartments of LUXURIA EXPOZITIEI (the dismantling / registration is in progress and is estimated to be finalised in February 2022)
- 41 new apartments in GREENFIELD BANEASA
- 18 villas in BOREAL PLUS.

LEGAL ASPECTS

IMPACT is involved in several lawsuits, main being presented below:

➢ **The litigation regarding the land located in Blvd. Barbu Vacarescu**

In 2017, the **IMPACT D&C** initiated a lawsuit against Cefin Real Estate Development BV S.R.L. ("Cefin") requesting the cessation of the joint ownership having as object the land with an area of 78,970 sqm in Bucharest, Blvd. Barbu Văcărescu, land owned by **IMPACT D&C** and Cefin.

On 30 September 2021, the District 2 Court of Bucharest pronounced Decision no. 9923, by which it ordered the following:

a) Assignment to **IMPACT D&C** of a land area of 25,424 sqm - the lot from the North;
b) Assignment to Cefin of a land area of 50,848 sqm - the central lot and the South lot;
c) Obligation of **IMPACT D&C** to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision;
d) Obligation of Cefin to pay to **IMPACT D&C** the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and attorney's fees).

Cefin appealed against the Sentence no. 9923 pronounced on 30.09.2021 by the District 2 Court. The first term in the appeal has not been established. Cefin criticizes the solution of the first instance, as he would have ordered the exit from the indivision, without first ordering the approval of the expertise report in the topography specialty by the competent cadaster and real estate advertising office and does not request the change of the Sentence.

➢ **The litigation regarding the land located in Blvd. Prelungirea Ghencea**

In File No. 5737/3/2018 initiated by the **IMPACT D&C** having as its object a claim against the Romanian State and the Bucharest City Hall regarding the land situated in Blvd. Prelungirea Ghencea 402-412 ("Ghencea Land"), the Company obtained favorable decisions pronounced by the Bucharest Tribunal and the Bucharest Court of Appeal.

ACTIVITY OF IMPACT IN 2021

LEGAL ASPECTS

- **The litigation regarding the land located in Blvd. Prelungirea Ghencea**

According to Decision No. 2651 dated 22.11.2019, Bucharest Tribunal stated that **IMPACT D&C** has a valid property right over the Ghencea Land, and by Decision No. 1246 dated 06.10.2020, the Court of Appeal rejected the appeals filed by the adverse parties and upheld Decision No. 2651 dated 22.11.2019 of the Bucharest Tribunal as thorough and legal. Decision no. 1246 of 06.10.2020 of the Bucharest Court of Appeal may be appealed within 30 days from the communication.

Decision No. 2651 dated 04.10.2021 issued by Bucharest Court of Appeal was communicated to **IMPACT D&C** on 04.10.2021.

The Romanian state appealed. The appeal will be resolved by the ICCJ.

- **The litigation initiated by Asociatia Locuitorilor Cartier Greenfield**

In the file No. 5856/3/2021 registered with the Bucharest Tribunal, Administrative and Fiscal Litigation Section, **IMPACT D&C** was subpoenaed as Defendant.

The file was initiated by Asociația Locuitorilor Cartier Greenfield and has as its object the suspension and annulment of the administrative act HCGMB 705 / 18.12.2019 approving the Aleea Teisani Zonal Urban Plan - Black Forest Road no. 56-64, suspension and annulment of Building Permits no. 434/35 / P / 2020 and no. 435/36/ P / 2020, annulment of preliminary approvals, cancellation of works. The application for legal action was initially filed against the Municipality of Bucharest, CGMB, the Mayor of Sector 1 Bucharest, the Bucharest Environmental Protection Agency and **IMPACT D&C**.

The dispute is now closed.

ACTIVITY OF IMPACT IN 2021

LEGAL ASPECTS

- **Litigation initiated by IMPACT D&C regarding Lomb residential project in Cluj-Napoca**

IMPACT D&C and its subsidiary - 100% owned (Clearline Development & Management SRL - "Clearline") are involved in two litigation against the Municipality of Cluj-Napoca, in connection with an association agreement concluded in 2007 for the development of Lomb residential project in Cluj-Napoca .

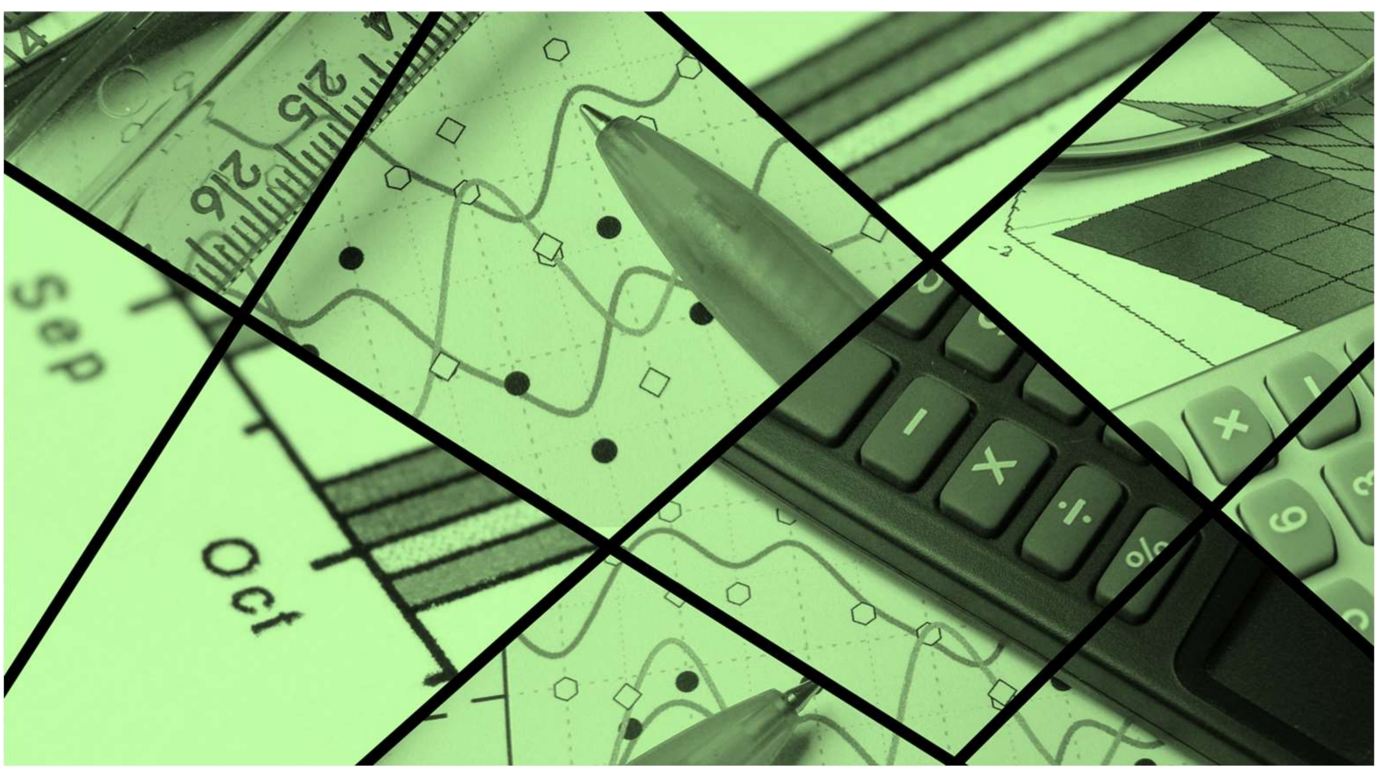
In both cases, **IMPACT D&C** and respectively, Clearline, requested the recovery from Municipality of Cluj-Napoca the funds invested to carry out the real estate project.

In the File No. 79/1285/2012, **IMPACT D&C** requested the recovery of the amount of 4,786,324 lei principal plus penalties of 2,238,738 lei. The application for legal action was rejected by Cluj Tribunal. The litigation is currently in the appeal stage before the Cluj Court of Appeal.

The next court hearing is scheduled for 01 February 2021, date by which the accounting expertise report must be submitted.

The litigation initiated by Clearline, by which it requested the recovery of the amount of approx. 17 million lei is registered with Argeș Tribunal, in the first procedural phase, in the stage of administration of evidence.

The next term in this case is 20 January 2022. Clearline has filed a claim for an increase of the amount of the subject of the lawsuit to the amount of 24,532,741.65 LEI (VAT included) as damage caused to Clearline (Lomb) by defendant resulting from the execution of the "Dealul Lomb District" project, to which is added the penalizing legal interest calculated until 01.04.2021 in a total amount of 13,862,967.16 LEI. The increased amount resulted from the administration of the sample with accounting expertise.



A SUSTAINABLE IMPACT (ESG)

In 2021, we have been actively involved in several social responsibility projects, in various domains:

EDUCATION

The Bucharest General Council approved the project for **public school and kindergarten** in GREENFIELD BANEASA, the first ones in a new residential compound. **IMPACT** donated to the Bucharest City Hall a plot of land of 9,620 sq m, together with the building project of a public school and kindergarten in GREENFIELD BANEASA, in order to ensure easy schooling access to children who live in the northern part of the capital. The total value of the land and the project amounts to **EUR 1.75 million**. The project will be developed in 24 months and it will be a complete educational center, with school, kindergarten, gym, library, arts/music workshops, pedestrian alleys, green spaces, playgrounds, parking places and all the things necessary for an ultramodern educational center. The building permit was issued in September 2021. In addition a plot of land of 3,933 sqm was donated for public nursery.

We believe that a green future can be ensured by a collective awareness of the need to implement sustainability standards. In this respect, **IMPACT** was present at the conference dedicated to sustainability, organized by Business Review, where the Company talked about building sustainable residential compounds, at BREEAM Excellent and nZEB standards. IMPACT was also a partner of **"Non-Financial Sustainability Reporting – ESG 2021"** conference organized by Govnet and published a series of articles in the press regarding the benefits of housing units built at BREEAM Excellent and nZEB standards.

PUBLIC TRANSPORT

This year, a second STB line to **GREENFIELD BANEASA** neighborhood was introduced, the 203 route.

At the same time, according to the approved urban planning for **GREENFIELD BANEASA, IMPACT** made available to the municipality, free of charge, near the school and kindergarten, plots of land for a modern **STB terminal** and for mixed public functions. For the implementation of these functions and infrastructure elements, **IMPACT** allocated a budget of more than **EUR 3 million** (excluding VAT).

CARING FOR THE ENVIRONMENT

IMPACT sponsored the **Great Cleaning**, the annual event organized by the residents of Greenfield. Being at the third edition, **210 people** participated in the event this year, cleaning **80 ha of forest** and collecting approximately **2 tons** of garbage.

Given its strong commitment to reducing the impact on the environment, **IMPACT took the decision to replace the current fleet of 'traditional' automobiles (internal combustion engines) with one of electric cars.** The specialists of the ESG department have calculated that just by replacing the current fleet of cars **IMPACT** contributes to **reducing carbon emissions by about 125 tons** in the next 5 years.

A SUSTAINABLE IMPACT (ESG)

COMMUNITY INVOLVMENT

IMPACT supported the **Romanian Creative Week festival in Iasi**, the first big event with audiences organized this year in Romania. During the festival, the Iasi community was able to participate to concerts, fashion festivals, film, visual arts and architecture, as well as contests, fairs, exhibitions, conferences, workshops and parties, between 02.06.2021 – 06.06.2021.

On the occasion of the 1st of June, **IMPACT** organized **a contest** among the children from GREENFIELD BANEASA. The participants prepared and distributed on social media a video with the theme "**Childhood in Greenfield"**. The three winners of the contest were rewarded with a voucher for the purchase of sporting goods.

We are concerned about the quality of life in developed communities, which is why we periodically ask for feedback from residents so as to provide them with a pleasant living environment. This year we conducted **a study** on 619 Bucharest residents, divided into residents of various neighborhoods and **GREENFIELD BANEASA** residents, to see the perspectives on the quality of life during the pandemic and the aspects that contribute to the well-being of the inhabitants. The study shows that during the pandemic, GREENFIELD BANEASA residents considered as main advantages of the neighborhood the possibility to get outside to fresh air, the quietness, the lifestyle and the communication with neighbors. Due to the district's location, the residents have felt less exposed to the COVID-19 risks, less limited in terms of options to get outside to fresh air, and less bored. Alongside these benefits, the quality of the house, together with the outdoor green space, including the view from the home, represented the most important housing criterion for a third of GREENFIELD BANEASA residents.

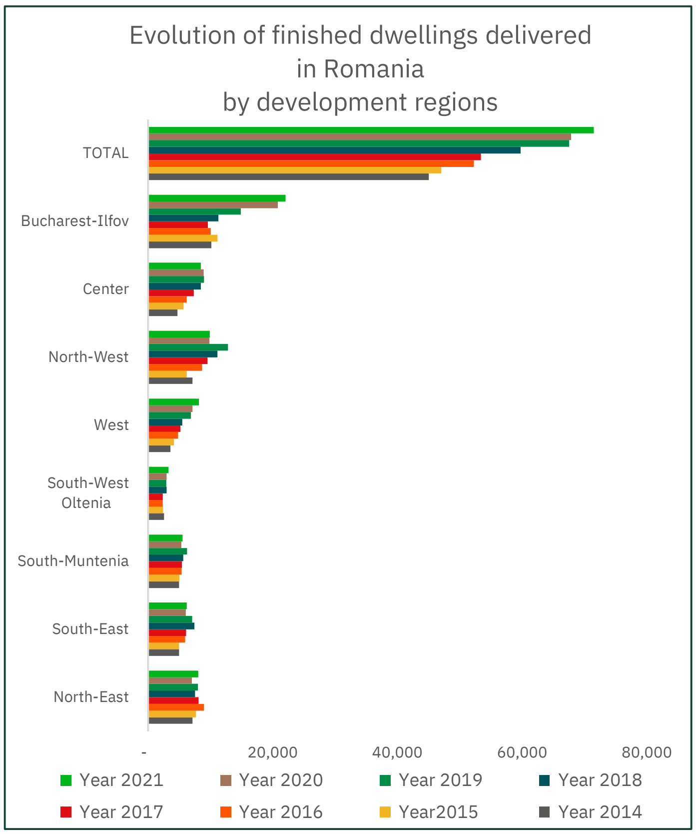
The study is available on the company's website.

REAL ESTATE RESIDENTIAL MARKET

2021 – the second year of pandemic brought new records for real estate deliveries and transactions

OFFER

At national level, in 2021, the residential developers delivered 71,420 housing units, a 5% increase as compared to 2020, the North-East region registering the biggest increase of +15%. The Bucharest – Ilfov region has significantly reduced its annual growth, from 40% to 6%, with 22,000 housing units delivered.



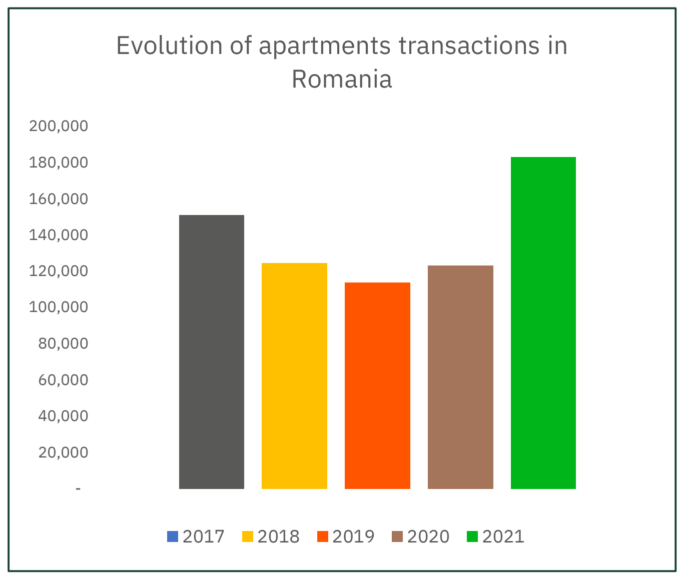
Data Source: NIS, centralized and processed by IMPACT

According to the data provided by NIS (National Institute of Statistics), even if 2021 was the second pandemic year, one in which the effects on the economy began to be significantly felt, at national level, this was the eight year in a row when the real estate developers built more and more houses and apartments. The increase of developers number, the growing appetite for new homes and the homeworking have driven the residential market, for the third year in a row, to over 65,000 dwellings delivered.

DEMAND

The year of 2021 marked a new record on the Romanian residential market, after over 183,000 apartments worth over 12 billion euro were traded, this being the highest level in the last five years.

Thus, residential sales in 2021 knew a 50% increase compared to the previous year. The last record is dating from 2017, the year in which over 150,000 apartments were traded. Out of the total number of apartments sold last year, 52,004 units, ie 28%, were traded only in Bucharest, according to the data provided by the National Agency for Cadastre and Real Estate Advertising (ANCPI).



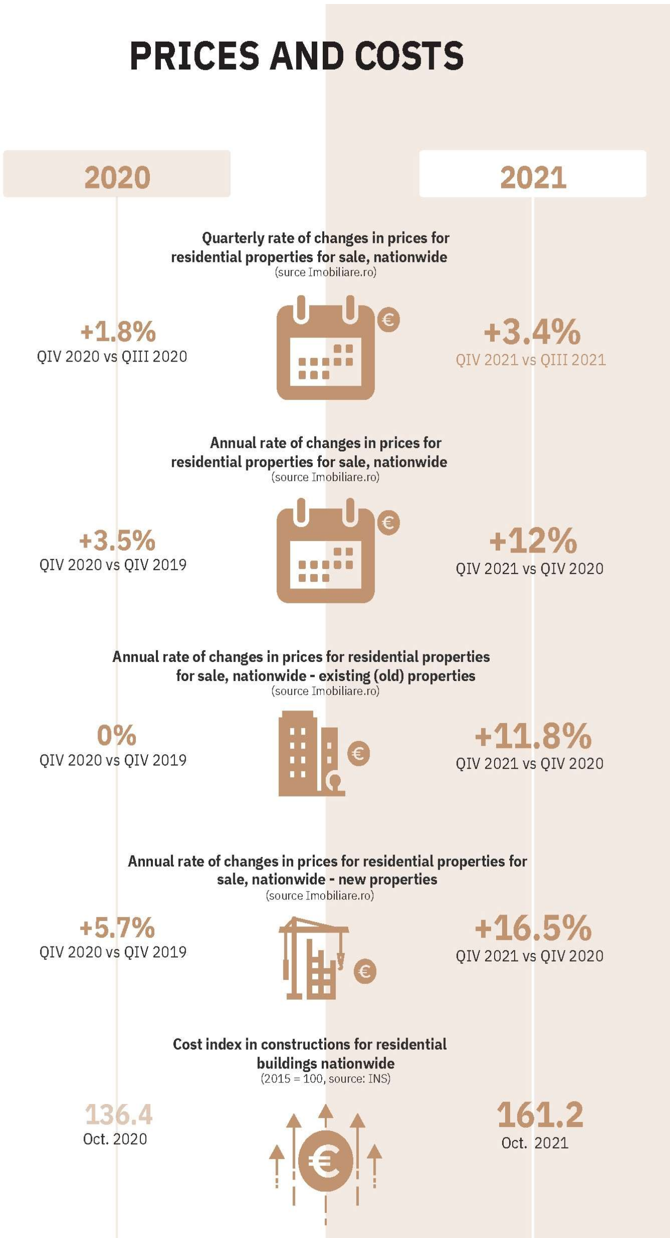
Data Source: ANCPI, centralized and processed by IMPACT

For Bucharest, the most active trading month in 2021 was December, when 5,792 transactions were registered.

The record results registered in 2021 were supported by the easy access to loans and wage increases, despite the price increases caused by the sustained raises of construction materials costs.

In terms of trading values, the latest official data published by Eurostat mention for the third quarter of last year, an annual increase of 9.2% for EU housing units. At the same time, the statistics for Romania are showing an increase of 5.9% for the same period, below the European average growth.

REAL ESTATE RESIDENTIAL MARKET

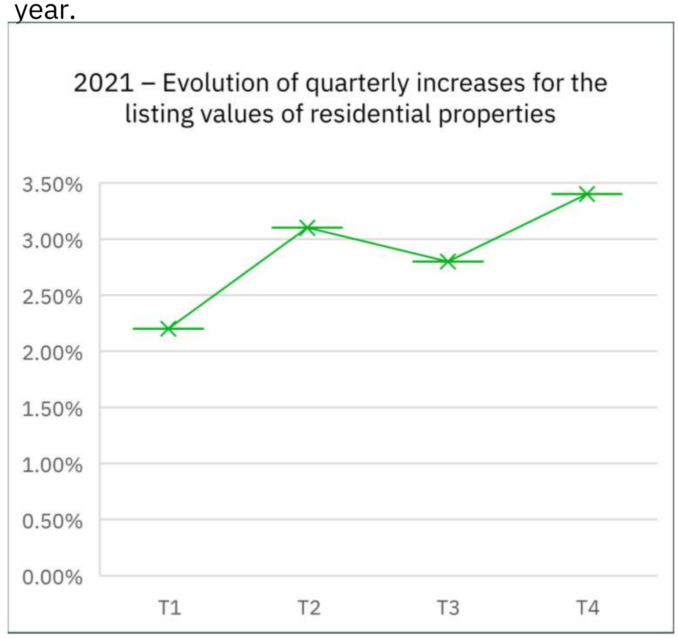


Source: Romanian Residential Market Report Q4 2021 – Analize Imobiliare, Imobiliare.ro

According to the "Romanian Residential Market Report Q4 2021" of *analizeimobiliare.ro,* the annual growth of asking prices for properties available for sale, at national level, in Q4 2021 has been 12%, as compared to Q4 2020 when a modest annual increase was registered, of only 3.5%.

For the newly built housing units, the recorded price increase was even higher, of 16.5%.

Due to maintaining of housing demand at a high levels, despite the pandemic situation, the residential market in Romania continued its upward trend, throughout the past year. According to imobiliare.ro, in the fourth quarter, the average listing value of residential properties recorded an increase of 3.4% as compared to the previous quarter, this being the highest during whole last year.



Source: Romanian Residential Market Report Q4 2021 – Analize Imobiliare, Imobiliare.ro

The rising trend of residential prices will continue even faster than before, if we take into account the crisis of construction materials started last year, the sharp inflation, but also the new regulations on the construction sector (the obligation of nZEB, for example) which involve additional investments, higher costs, thus higher selling prices.

REAL ESTATE RESIDENTIAL MARKET

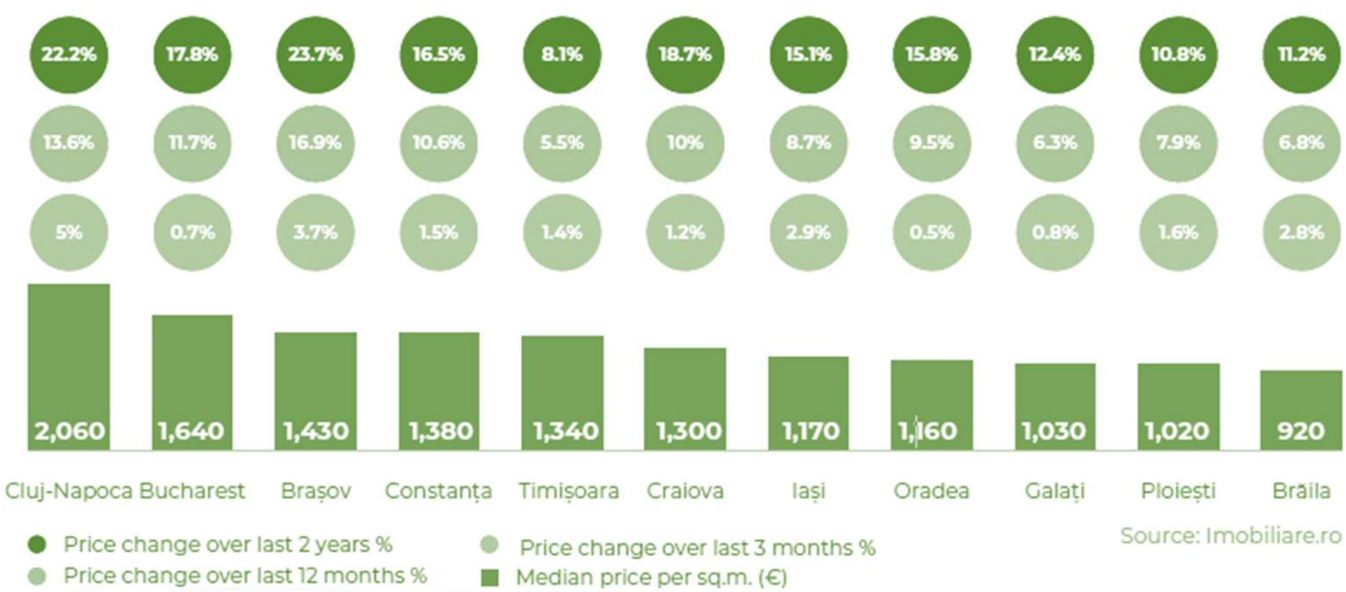
EVOLUTION OF ASKING PRICES IN 2021 IN MAJOR CITIES

Practically, the year 2021 marked for all the 11 big cities of the country, monitored by imobiliare.ro, annual increases of the asking prices for the residential properties, situated between 5.5% and 16.9%.

Worth mentioning, no quarter in 2021 reported price decreases.

Compared to the similar period of the previous year, the prices requested by the sellers on the imobiliare.ro platform registered only increases. The most significant advance took place in Brașov (+16.9%), other double-digit growth margins being recorded in Cluj-Napoca (+13.6%), Bucharest (+11.7%), Constanța (+10.6%) and, respectively, Craiova (+10%). The following positions on the top of price increases are occupied by: Oradea (+9.5%), Iași (+8.7%), Ploiești (+7.9%), Brăila (+6.8%), Galați (+6.3%) and, respectively, Timișoara (+5.5%).

As compared to two years ago, the biggest price difference, respectively +23.7%, can be noticed in Brașov, while Cluj-Napoca is situated on the second position of the top, with 22.2%, and the capital city occupying the fourth position with 17.8%, after Craiova (18.7%).



The residential market in Romania and especially in the major cities, could know a significant growth and, once the conflict in Ukraine is over, it can quickly recover. As long as the need for dwellings remains at a very high level (we are still registering a big number of people per housing unit, Romania being the European country with the highest percentage of overcrowding, three times higher than the European Union average), as long as certain fiscal facilities remain in force (the value for which VAT of 5% is applied), as long as some credit facilities are maintained (state-guaranteed real estate loans), there are premises for a rapid recovery and positive evolution.

STRATEGY HIGHLIGHTS

DEVELOPING SUSTAINABLE COMMUNITIES

GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION

- Market-aligned approach
- Focus on medium affordable housing projects and development of communities
- Continuing the developments in the cities in which **IMPACT** operates: Bucharest, Iasi, Constanta
- Geographic expansion to big cities like Timisoara, Brasov, ClujF
- Diversified portfolio to include residential projects, retail, office and commercial
- Large land plots of 10-50 ha in high-demand areas
- Complement with premium projects
- Quality Property and Facility management services after completion with increased automatization & digitalization for increased efficiency
- Minimization of production and sales cycles for the erected buildings in order to maximize the profitability of the invested capital and to minimize the investment payback period
- Identifying and analyzing new investment opportunities matching the models established by **IMPACT**

SUSTAINABILITY FOCUS

- Next generation development
- At the forefront of sustainable practices and built "GREEN" communities
- First residential project with international certification BREEAM Excellent and commitment for certification of all projects
- nZEB construction standard applicable to all new buildings with permit obtained starting January 2021
- Use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds
- Commitment to ESG best practices

FINANCING OPTIMIZATION

- Diversified financing approach
- Continue bond issuance, focus on new green instruments
- Proven history of successful share capital increase and diversification of shareholding structure
- Efficient use of bank financing for project development

STRATEGY HIGHLIGHTS

DEVELOPING SUSTAINABLE COMMUNITIES

OBJECTIVES	PROGRESS 2021	PLAN 2022
GREENFIELD BANEASA RESIDENCE	▪ Starting / continuing the construction works for 870 apartments ▪ Completion and start of sale for 41 apartments ▪ Continuing the construction works for GREENFIELD PLAZA BANEASA	▪ Completion and start of sales for 829 apartments ▪ Operating and generating revenues from GREENFIELD PLAZA BANEASA ▪ Obtaining the building permit for another 598 apartments ▪ Starting the construction works for 1,033 apartments
LUXURIA EXPOZITIEI	▪ Completion of the last 130 apartments of the project	▪ Continuing sales
BOREAL PLUS	▪ Continuing the construction works for the first 209 apartments and 18 villas ▪ Completion of the 18 villas of the project	▪ Completion and start of sale for 209 apartments ▪ Starting the construction works for 132 apartments ▪ Obtaining the building permit for 322 apartments
GREENFIELD COPOU RESIDENCE	▪ Acquisition of a plot of land of 2.6 ha that completes the plot of land of 2.4 acquired in 2020	▪ Obtaining the building permit for 1,062 apartments ▪ Starting the construction works for 300 apartments ▪ Starting the construction of GREENFIELD COPOU PLAZA
GREENFIELD CITY CENTER & GREENFIELD WEST	▪ Analysis and beginning to define development concepts ▪ Preparation to start the authorization process	▪ Defining the development concepts and design ▪ Continuing the authorisation process
Identifying new locations for developments	▪ Market research for lands located in Bucharest and throughout the country	▪ Land acquisition for developments in Bucharest and other cities throughout the country

FINANCIAL RESULTS

Financial performance

RON thousands	2021	2020	Var. %
Revenue from real estate inventories	137,585	204,397	(33%)
Costs of real estate inventories	(87,739)	(141,007)	(38%)
Gross profit	**49,846**	**63,390**	**(21%)**
Operating expenses/income, net	(36,590)	(29,111)	26%
Depreciation and amortization	(1,159)	(1,738)	(33%)
Gains on investment property and impairment of assets	86,651	64,328	35%
Operating profit	**98,748**	**96,869**	**2%**
Financial result	(3,452)	(5,426)	(36%)
Profit before income tax	**95,296**	**91,443**	**4%**
Income tax credit/(charge)	(16,496)	(16,587)	(1%)
Profit for the period	**78,800**	**74,856**	**5%**

Source: Audited IFRS consolidated financial statements as at 31 December 2021

Revenues and gross profit recorded in 2021 reflect the current stage of **IMPACT**'s activity, namely a new development cycle translating into low completed inventory for which sales and related revenues can be recorded, especially for GREENFIELD BANEASA (the product addressed to the middle segment of the residential market) that was the driver for **IMPACT**'s revenues in previous periods. At the beginning of 2021, there were 41 completed apartments in GREENFIELD BANEASA and, in 2021, were completely finalized 59 units in the new developments (41 apartments in GREENFIELD BANEASA and 18 villas in BOREAL PLUS).

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

In 2021, were sold 183 units (368 in 2020) in relation to which revenues were booked, of which 140 apartments in LUXURIA EXPOZITIE (163 in 2020) and 39 units in GREENFIELD BANEASA (205 in 2020). In terms of revenue structure, in 2021, the number of apartments sold for the upper-class segment LUXURIA EXPOZITIEI represents 77% (44% in 2020), while those in GREENFIELD BANEASA contributed 21% (56% in 2020).

The average selling price for LUXURIA EXPOZITIEI and GREENFIELD BANEASA had a positive impact recording a 24% increase, from EUR 1,157 / sqm built sealable in 2020 to EUR 1,440 / sqm built sealable in 2021.

Both in 2021 and 2020 were recorded revenues for the sale of a 1.68 ha plot of land located in Constanta, namely ROM 3 million in 2021 and RON 12.2 million in 2020.

The increase in operational expenses is mainly explained by the increase in general expenses due to the expansion of the activity in other cities, the number of projects under development, staff costs and marketing costs. Also, operating expenses include RON 1,838 thousand representing the stamp tax in relation to the litigation involving the land located in Barbu Vacarescu.

The financial result mainly includes interest expenses for the bonds issued and bank loans for developments of residential projects and related unrealized foreign exchange losses due to depreciation of RON – EUR exchange rate (31 Dec 2021: 4.9481 RON/EUR, 31 Dec 2020: 4.8694 RON/EUR). Also included here is the gain from the sale of the shares held by **IMPACT** in Star Residence (RON 54 thousand in 2021 and RON 4,819 thousand in 2020).

The income tax expense includes deferred income tax (net) of RON 12,471 thousand (2020: 9,331 thousand).

FINANCIAL RESULTS

Financial position

RON thousands	31-Dec-21	31-Dec-20	Var. %
Non-current assets, of which	**587,318**	**467,552**	**26%**
Investment property	571,882	457,706	25%
Property, plant and equipment	15,215	7,552	101%
Current assets, of which	**617,094**	**520,337**	**19%**
Inventories	538,922	434,741	24%
Cash and cash equivalents	42,037	59,022	(29%)
Total assets	**1,204,412**	**987,889**	**22%**
Liabilities, of which	**487,558**	**347,061**	**40%**
Loans and borrowings	337,033	255,836	32%
Equity	**716,854**	**640,828**	**12%**
Total equity and liabilities	**1,204,412**	**987,889**	**22%**

Source: Audited IFRS consolidated financial statements as at 31 December 2021

Assets

Inventories account for 45% of total assets as at 31 December 2021 and recorded a 24% increase compared to 31 December 2020, increase driven by the expansion of the **IMPACT**'s activity and construction works for new projects / project phases in GREENFIELD BANEASA, BOREAL PLUS, LUXURIA EXPOZITIEI and the acquisition of a 25,930 sqm plot of land in Iasi for the GREENFIELD COPOU project.

Investment property accounts for 48% of total assets as at 31 December 2021 and mainly includes land owned by **IMPACT** in Bucharest and Oradea. The 25% increase in investment property compared to 31 December 2020 is mainly due increase in land market value and to construction works for GREENFIELD PLAZA BANEASA.

IMPACT recorded the appreciation of the market value of the land from investment property based on the revaluations made by Colliers Valuation and Advisory SRL as at 31 December 2021.

Equity and liabilities

External and own funds were used to fund the expansion of **IMPACT**'s activity, resulting in a 32% increase and 29% decrease in loans and borrowings and cash, respectively compared to 31 December 2020.

Equity stood at 60% of total assets as at 31 December 2021 and increased by 12% compared to 31 December 2020, due to positive net results recorded in 2021.

Loans and borrowings stood at 28% of total assets as at 31 December 2021 (26% as at 31 December 2020). In 2021, **IMPACT** used bank loans for the financing of the last 130 apartments of LUXURIA EXPOZITIEI, the first 209 apartments developed in BOREAL PLUS and 138 apartments developed in GREENFIELD BANEASA, as well as a working capital line.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

The Board of Directors represents the decision-making body with regard to all matters that are significant for **IMPACT D&C** in its entirety, due to their strategic, financial or reputational consequences. The Board of Directors shall delegate **IMPACT D&C** management competences under the terms and to the extent provided for by law and by the Articles of Association.

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

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

On 21 April 2021, in the General Shareholders' Meeting, the members of the Board of Directors of **IMPACT D&C** were elected for a term of four years (28 April 2021 – 28 April 2025), namely: Iuliana Mihaela Urdă (Chairman of the Board of Directors), Alina Scarlat, Daniel Pandele, Intrepid Gem SRL (Petru Văduva) and Sorin Apostol. There were no changes regarding the members of the Board of Directors, except for Mr. Sorin Apostol who is a new member of the Board of Directors. Mr. Laviniu Dumitru Beze was revoked and Mr. Sorin Apostol was appointed as member of the Board of Directors.

The Board of Directors has 5 members:

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

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT

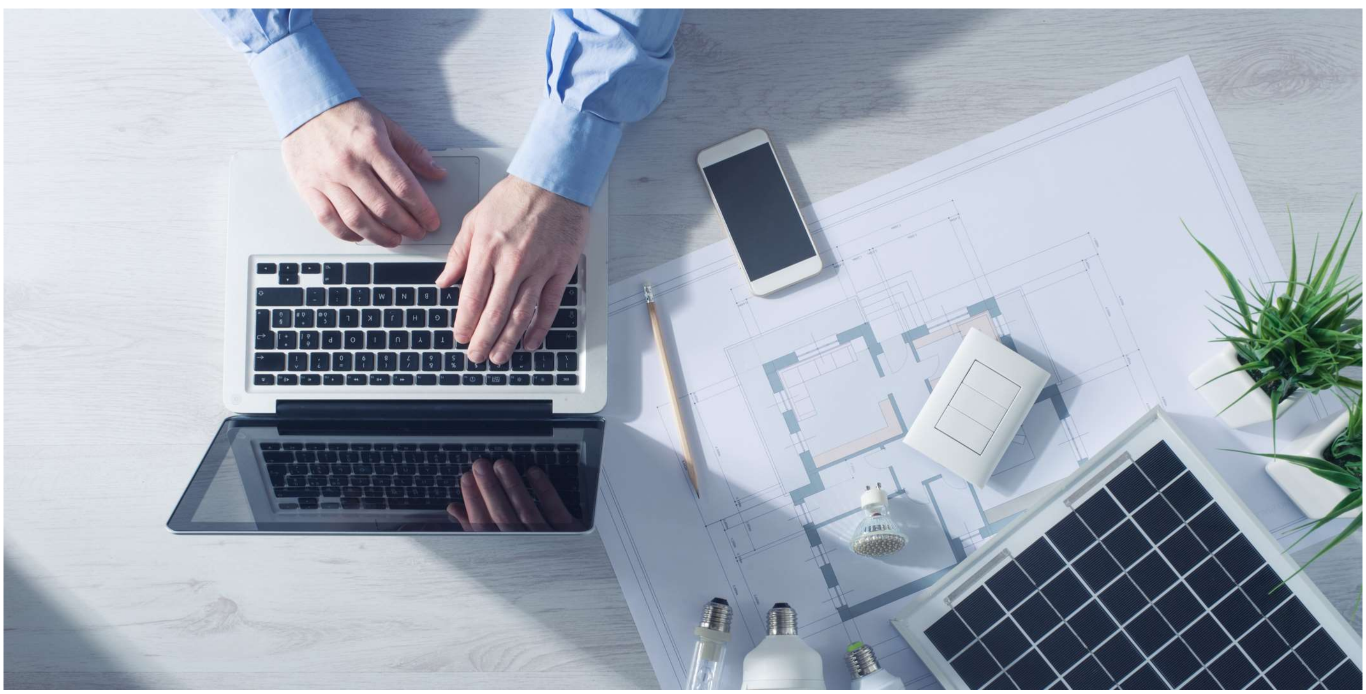
On 28 April 2021, the Board of Directors of **IMPACT D&C** decided to appoint Mr. Constantin Sebeşanu as General Manager for a term of four years.

Mr. Constantin Sebeşnu replaced Mr. Sorin Apostol, who holds the position of Executive Director, starting with the same date.

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

In the summer of 2018, **IMPACT** has recruited Mr. Giani Kacic for the position of Chief Financial Officer. Mr. Kacic led the finance departments and was empowered to represent the company together with the General Manager until 31 December 2021.

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



MAIN RISKS AND UNCERTAINTIES THAT MAY AFFECT IMPACT's ACTIVITY

Risk	Management
Market risk	The global and local economic instability might have a negative effect upon **IMPACT**'s cash holdings. This issue is closely monitored and necessary actions are taken to ensure **IMPACT**'s stability. The slowdown of the economic growth and consumption in Romania might have a negative effect upon **IMPACT**'s activity. **IMPACT** takes necessary actions to make sure that its products remain attractive and are adjusted to the market requirements.
Legal environment	The legal changes, the amendments to the permit obtaining procedure might have negative effects upon **IMPACT**'s activity. Such changes and the effects upon **IMPACT**'s activity are constantly monitored by **IMPACT**.
Credit risk	As a real estate developer, **IMPACT** relies on equity and funding obtained from third parties for the projects development. The limitation of access to financing might have negative effects upon **IMPACT**'s capacity to develop new project. The management of **IMPACT** constantly monitors this issue and strives to diversify **IMPACT** 's financing sources. A significant share of **IMPACT**'s clients resort to bank loans for the acquisition of residences. Any strengthening of the conditions for the bank loans might have negative effects upon the apartment sales. **IMPACT** takes all necessary measures to mitigate the negative effects of such regulatory changes upon its activity.
Currency risk	A significant increase of the foreign exchange rate for EUR might result in higher payments for loans, bonds and acquisitions made in relation to the construction works expressed in EUR. The main liabilities expressed in EUR are the bonds, the loan obtained for project financing and the construction agreements with the general contractor.
Geographic risk	**IMPACT**'s activity is concentrated in Bucharest. The geographical risk will be mitigated by expanding developments in Constanta, Iasi and other important cities in the country.
SARS-COV-2 pandemic	The development of the COVID-19 virus and its social and economic impact in Romania and globally may result in assumptions and estimates requiring revisions. The longer-term impact may also affect trading volumes, cash flows, and profitability. **IMPACT** closely monitored the effects of the COVID-19 pandemic and its effects on the real estate market and the economic environment in the country and took all necessary measures to minimize the impact and respects its commitments towards customers, financers and shareholders.

CORPORATE GOVERNANCE

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

IMPACT D&C is managed under unitary system, its management being provided by the Chief Executive Officer, Mr. Constantin Sebeşanu, along with the Chief Executive Officer, Mr. Sorin Apostol under surveillance of the Board of Directors.

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

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

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

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

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

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

The Board of Directors met 48 times in 2021.

Independent members of the Board of Directors

- Inrepid Gem SRL, through Petru Văduva
- Ruxandra-Alina Scarlat
- Daniel Pandele

CORPORATE GOVERNANCE

Codes and policies

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

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

IMPACT's internal control is performed:

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

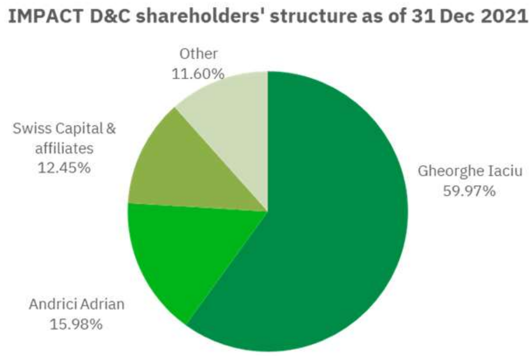
Auditor of IMPACT

Ernst & Young S.R.L. was appointed by the decision of the General Meeting of Shareholders dated 21 April 2021, to audit the financial statements for 2021, prepared under the responsibility of **IMPACT D&C**'s management according to the international standards – IFRS (including the consolidated financial statements). The auditors' liability towards **IMPACT D&C** and the General Meeting of Shareholders shall be determined and limited according to the law and the agreement concluded with them.

In 2021 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 100,000 (2020: 44.000 EUR) (for the statutory audit of the standalone and consolidated annual financial statements of the Company and of its Romanian subsidiaries and associates, as well as for the financial statements in ESEF digital format- only for year 2021). Services contracted with the statutory auditor other than audit services were of EUR 9,100 (2020: 9.500 EUR), representing mainly tax advisory services and other assurance services in relation to certain reports issued by the Company that are not prohibited by Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Iuliana Mihaela Urdă
Chairman of the Board of Directors

IMPACT ON THE CAPITAL MARKET



As per the information provided by the Central Repository, on 31 Dec 2021, 85.76% of the shares were held by natural persons and 14.24% of the shares were held by legal entities.

IMPACT D&C is listed on the Bucharest Stock Exchange since 1996.
As of 2006, its shares, currently amounting to 1,659,231,295, are listed in the 1st category of the Bucharest Stock Exchange, and since January 2015, **IMPACT D&C** shares are traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange. There are no restrictions for the security transfer, there are no restrictions for the voting rights, and there are no holders of securities with special control rights.

IMPACT D&C SHARE PRICE vs. BET (2017 – 10 January 2022)

- RON 0.7 / share as at 31 December 2021, representing an increase of 120% y-o-y
- RON 1.1 billion market capitalization (EUR 223 million) as at 31 December 2021
- 1,575 million shares and RON 394 million share capital, following the split of the shares and the increase of share capital by reserves incorporation in 2021
- BRK Financial Group acting as Market Maker

CHANGES IN SHARE CAPITAL STRUCTURE IN 2021

As at 31 December 2021, the share capital of **IMPACT D&C** consisted of a number of 1,575,000,000 shares with a nominal value of RON 0.25 / share. In 2021, there were changes in the share capital of **IMPACT D&C** as presented below.

At the General Shareholders' Meeting held on 19.02.2021 and 21.04.2021, respectively, the following changes in the **IMPACT D&C's** share capital were decided:

- Reduction of the share capital from RON 265,000,000 to RON 262,500,000 by reducing the number of shares from 265,000,000 shares to 262,500,000 shares as a result of the cancellation of a number of 2,500,000 own shares, acquired by **IMPACT D&C**;
- The increase of the share capital by RON 131,250,000 by incorporating the capital premiums in the amount of RON 69,487,043 and the result carried forward from 2020 in the amount of RON 61,762,957. The capital increase was achieved by issuing a number of 131,250,000 new shares granted free of charge to shareholders as of 25 June 2021 (1 free share for 2 shares held);
- The split of the shares resulting from the above operations (393,750,000 shares) and of the nominal value of the shares in a 1: 4 split ratio.

The process of the share capital change, as decided at the GMS held on 21.04.2021, was started in June 2021 and was completed at the beginning of July 2021.

IMPACT ON THE CAPITAL MARKET

Dividend granted in the last 4 years

- In 2017 the granting of dividends for 2016 was decided, at 0.0404 RON / share, amounting to a total of mRON 11.23 (according to the Decision of the General Meeting of Shareholders dated 28 April 2017)
- In 2019 the granting of dividends for 2018 was decided, at 0.034 RON / share, amounting to a total of mRON 9.3 (according to the Decision of the General Meeting of Shareholders dated 24 April 2019)
- In 2020 the granting of dividends for 2019 was decided, at 0.04 RON / share, amounting to a total of mRON 10.7 (according to the Decision of the General Meeting of Shareholders dated 28 April 2020)
- In 2021, free shares were granted in a 1: 2 ratio following the changes in the share capital

Status of shares redeemed as at 31 December 2021

In 2021, share redemption programs were ongoing in accordance with GMS no. 1 of April 28, 2020 (maximum 10,000,000 shares) and GMS no. 2 of April 21, 2021 (maximum 30,000,000 shares):

- Shares redeemed and canceled, with the reduction of the share capital in 2021 – 2,500,000 shares
- Redeemed shares balance as at 31 December 2021 – 1,370,920 shares
- Shares granted to employees and members of the Board of Directors in 2021 – 2,572,000 shares

Shares held by the members of the Board of Directors on 31 December 2021

- Mrs. Iuliana Mihaela Urdă holds 0.08% of **IMPACT D&C** shares, specifically a number of 1,192,388 shares
- Intrepid Gem SRL holds 0.06% of **IMPACT D&C** shares, specifically a number of 888,000 shares
- Mrs. Ruxandra-Alina Scarlat holds 0.09% of **IMPACT D&C** shares, specifically a number of 1,379,000 shares
- Mr. Daniel Pandele holds 2.07% of **IMPACT D&C** shares (0.13% as natural person and 1.94% through Danielis Star Company), specifically a total number of 32,600,000 shares
- Mr. Sorin Apostol holds 3.33% of **IMPACT D&C** shares, specifically a total number of 52,495,240 shares.

Increase in share capital

Increase of **IMPACT D&C**’s share capital, by contribution in cash, with a cumulative number of shares not exceeding 775,000,000 was decided by the Extraordinary General Meeting of Shareholders held on 20 August 2021.

Further steps were taken by the Board of Directors on 20 September 2021, in accordance with the mandate given by the Extraordinary General Meeting of Shareholders, with increase of share capital expected to take place by private placement.

On 3 January 2022, the Board of Directors decided to offer for private subscription a maximum number of 350,000,000 shares at a price of 0.70 RON / share between 4 January 2022 – 21 January 2022. There were subscribed 84,231,295 new shares with a subscription value of RON 58,961,906.50.

EPRA NET ASSET VALUE

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

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

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

METRICS	31-Dec-2019	31-Dec-2020	31-Dec-2021
IFRS (consolidated)			
Net profit (RON thousand)	154,484	74,856	78,800
Net asset value ("NAV", RON thousand)	583,941	640,828	716,854
NAV/Share (RON)	0.37	0.41	0.46
EPRA* Net Asset Value (consolidated)			
EPRA NRV (RON thousands)	818,273	917,518	1,044,043
EPRA NTA (RON thousands)	795,145	889,732	1,009,577
EPRA NDV (RON thousands)	772,303	862,218	975,553
EPRA NRV/Share (RON)	0.52	0.58	0.66
EPRA NTA/Share (RON)	0.50	0.56	0.64
EPRA NDV/Share (RON)	0.49	0.55	0.62

*European Public Real Estate Association
Metric / share considering 1,575 million shares for all periods

The EPRA value as at 31 December 2021 was determined based on the valuations performed by Colliers Valuation and Advisory as at 31 December 2021 (the investment value and the market approach where the investment value has not been determined), except for the items specified below.

The EPRA value as at 31 December 2019 and 31 December 2020 was determined based on the valuations performed by Colliers using the market approach.

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

	31-Dec-2019			31-Dec-2020			31-Dec-2021		
RON thousand	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
NAV per the IFRS financial statements	**583,941**	**583,941**	**583,941**	**640,828**	**640,828**	**640,828**	**716,854**	**716,854**	**716,854**
Include:									
i) Revaluation of property developed for sale	39,796	39,796	39,796	126,663	126,663	126,663	150,844	150,844	150,844
ii) Revaluation of land held as inventory	148,566	148,566	148,566	94,727	94,727	94,727	95,403	95,403	95,403
iii) Revaluation of land held as investment property	-	-	-	-	-	-	12,453	12,453	12,453
Exclude:									
iv) Deferred tax	45,970	22,985	-	55,300	27,650	-	68,490	34,245	-
v) Intangibles as per the IFRS financial statements	-	(143)	-	-	(136)	-	-	(221)	-
EPRA Net Assets	**818,273**	**795,145**	**772,303**	**917,518**	**889,732**	**862,218**	**1,044,043**	**1,009,577**	**975,553**

EPRA NET ASSET VALUE

i) Revaluation of property developed for sale

The inventories/finished goods (e.g. apartments) refer to completed phases of GREENFIELD BANEASA, LUXURIA EXPOZITIEI and BOREAL PLUS.

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

ii) Revaluation of land held as inventory

The land held as inventory where GREENFIELD BANEASA, GREENFIELD COPOU and BOREAL PLUS are developed were revalued by Colliers by using both the investment value method and the market comparison method as at 31 December 2021.

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

iii) Revaluation of land held as investment property

Land classified as investment property is recorded in the IFRS financial statements at the market value determined by Colliers using the market approach. The adjustment included to determine the EPRA Net Asset Value as at 31 December 2021 refers to the land related to GREENFIELD PLAZA BANEASA and was made to reflect its investment value determined by Colliers as at 31 December 2021.

iv) Deferred tax

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

v) Intangibles as per the IFRS financial statements

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

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
Section A – Responsibilities		
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES	
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES	
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice and according to the following criteria:	YES	
A.4.1. Not to be the CEO/executive officer of the company or of a company controlled by it and not have been in such position for the previous five years;	YES	
A.4.2. Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years;	YES	
A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director;	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
Section A – Responsibilities		
A.4.4. Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it;	YES	
A.4.5. Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity;	YES	
A.4.6. Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it;	YES	
A.4.7. Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director;	YES	
A.4.8. Not to have been a non-executive director of the company for more than twelve years;	YES	
A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.	YES	
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES	
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	NO	The Board of Directors manages the documents / activities with the support of the secretariat and the legal department, which provides logistical support for the organization and conduct of the Board meetings
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	Partial	Members of the Board of Directors are assessed annually in accordance with performance indicators defined in their internal policies and mandate contracts. The Board will re-examine the A8 requirements in 2022, mainly with regard to the Board of Directors' assessment policy.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES	
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES	
Section B – Risk management and internal control system		
B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES	
B.2. The audit committee should be chaired by an independent non-executive member.	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	Under implementation	The evaluation of the internal control system for 2021 is ongoing. Not later than the end on the second half of 2022, the evaluation committee will present the conclusion, recommendations and the related action plan (if the case).
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES	
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES	
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES	
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	
Section C – Fair rewords and motivation		
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES	
Section D – Building value through investors' relations		
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES	
D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES	
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES	
D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2. A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES	

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2021	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES	
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES	
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	YES	
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	Partial	IMPACT supports and organizes various sport and environmental protection activities, both physically and educationally. These activities are presented on IMPACT D&C website and Impact D&C works to develop a related policy.

APPENDIX 2

OTHER INFORMATION

IMPACT's EMPLOYEES

At the end of 2021, **IMPACT D&C** had a number of 63 employees, of which 2 were on maternity leave. Additionally, **IMPACT D&C** has a 5-member Board of Directors.

At the same time, Actual Invest House has a number of 19 employees and 2 administrators and Impact Finance had 2 employees, one of whom was on maternity leave and 1 Administrator.

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

Labor relations are regulated by:

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

The remuneration of the directors and Board of Directors, who are the key management personnel of the Group, for the year ended 31 December 2021 is RON 3,005 thousand (31 December 2020: RON 1,575 thousand).

FINANCIAL RATIOS (CONSOLIDATED, IFRS)

RON thousands		31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Net profit	A	(4,732)	29,638	51,098	20,828	154,484	74,856	78,800
Inventories	B	190,759	295,688	447,526	365,753	430,725	434,741	538,922
Current assets	C	233,741	328,374	418,340	422,310	509,071	520,337	617,094
Current liabilities	D	78,044	49,829	156,458	141,074	132,918	122,395	262,033
Total assets	E	465,866	482,610	626,977	647,551	901,972	987,889	1,204,412
Total liabilities	F	107,931	95,027	199,527	200,745	318,031	347,061	487,558
Equity	G	357,935	387,583	427,450	446,808	583,941	640,828	716,854
Loans and borrowings	H	45,789	49,626	163,553	148,994	197,635	255,836	337,033
Loans and borrowings, short term	*I*	*32,561*	*21,107*	*30,152*	*34,894*	*58,822*	*88,379*	*186,912*
Loans and borrowings, long term	*J*	*13,228*	*28,519*	*133,401*	*114,100*	*138,813*	*167,457*	*150,121*
Cash and cash equivalents	K	17,267	17,632	47,476	30,740	45,462	59,022	42,037
Net debt	L (H-K)	28,522	31,994	116,077	118,254	152,173	196,814	294,996
EBITDA	M	(5,977)	37,503	71,728	36,557	190,226	98,607	99,907
Interest paid	N	1,348	1,386	2,195	5,494	2,508	6,134	6,617
Ratios								
Loans and borrowings / EBITDA	H/M	n.a.	1.32	2.28	4.08	1.04	2.59	3.37
Net debt / EBITDA	L/M	n.a.	0.85	1.62	3.23	0.80	2.00	2.95
EBITDA / Interest paid	M/N	n.a.	27.06	32.68	6.65	75.85	16.08	15.10
Return on Assets	A/E	(1.02%)	6.14%	8.15%	3.22%	17.13%	7.58%	6.54%
Return on Equity	A/G	(1.32%)	7.65%	11.95%	4.66%	26.46%	11.68%	10.99%
Gearing ratio	H/G	12.79%	12.80%	38.26%	33.35%	33.85%	39.92%	47.02%
Current ratio	C/D	3.00	6.59	2.67	2.99	3.83	4.25	2.36
Quick ratio	(C-B)/D	0.55	0.66	(0.19)	0.40	0.59	0.70	0.30