

IMPACT

Developing Sustainable Communities
Since 1991



REPORT

Board of Directors

2022

Dear shareholders and partners of the company,

IMPACT Developer & Contractor, the developer with over 30 years of activity on the Romanian market, has distinguished itself throughout the history as the most innovative real estate company, the promoter of the residential complex concept and the first real estate company listed on the Bucharest Stock Exchange more than 26 years ago.

Through the projects built, IMPACT has created unique living perspectives. GREENFIELD Băneasa is the largest IMPACT project to date, built in a spectacular natural setting provided by the more than 900 hectares of forest that surrounds it, while LUXURIA Residence is the project that sets new standards in terms of the sustainability of the compounds developed by IMPACT, being up to now the only residential compound in the country certified BREEAM Excellent.

Since its establishment, IMPACT has developed 17 real estate projects with a total built area of over 500,000 sqm, in which live today more than 12,000 residents.

2022 was an extremely dynamic year with many challenges. We adapted and demonstrated resilience and performance. We followed the development strategy, adding a new angle, of vertical integration, which would allow real estate development at a more alert, more efficient pace. In 2022, we acquired the majority of the shares of RCTI Company, with the objective of increasing the construction capacity, through better control over the quality of works and execution deadlines, but also through the centralization of purchases at group level for cost control. We also established our own architecture and design company - Impact Alliance Architecture (IAA) - with responsibilities in the fields of architecture and habitat, urban planning and sustainable territorial development. Through this we aim to find those last-generation technical solutions compatible with IMPACT's vision, so that the group's projects become benchmarks for sustainable developments.

At the same time, we have adapted the sales strategy to the requirements of a changing market and we are currently preparing the ground for the coming years.

IMPACT group growth strategy is based on three pillars: sustainability, geographical expansion & portfolio diversification, innovation & vertical integration.

The real estate sector has also gone through a year of turbulence, with mixed trends across subsectors. In terms of office spaces, there have been market changes as many companies have decided to keep the flexible working regime and even renounce at spaces, while in residential sector the need to work remotely has directed the financial resources of the middle and upper classes to larger dwellings, including outside the cities, bought or rented. Buyers have focused on the value for money and quality of life improvement solutions offered by developers.

IMPACT Developer & Contractor has followed and folded on these trends, especially with GREENFIELD Băneasa project, a top choice for its clients, according to our own study conducted at the end of 2021, through the modern approach, the location of the project, the fresh air, the tranquility and the nearby forest.

The real estate industry has faced challenges as a result of rising inflation and slowing lending. On the other hand, the housing stock in Romania is the most outdated from Europe, which suggests to us, the real estate developers, that in the next 10-20 years there will be a need for new housing to replace the current ones. For almost three years, Bucharest has been in a situation where it does not have a General Urban Plan (GUP), and as a result, very few new real estate projects were started last year, with potential impact for price increases in the next 3-5 years. IMPACT's portfolio of projects and land responds to these challenges, which translates into good perspectives both for investors and clients.

IMPACT's operations in 2022 consisted mainly in continuing the development of the residential projects GREENFIELD Băneasa in Bucharest and Boreal Plus in Constanța, as well as taking further steps for obtaining the necessary permits for the developments expected to start in 2023-2024, on the owned land, in Iași and Bucharest.

In 2022 IMPACT recorded revenues from sales of residential properties amounting to RON 210 million, representing 275 dwellings sold, to which are added pre-sales of 450 dwellings with a total value of RON 236 million, which will generate revenues in the next period. As of 31 December 2022, the EPRA Net Reinstatement Value (NRV) was worth RON 1,219 million, while the total value of assets adjusted in accordance with EPRA standards was RON 1,695 million. As of 31 December 2022, the market value of the apartments completed in stock is RON 300 million and of the apartments under construction is RON 466 million.

IMPACT owns approximately 71 ha of land with a gross development value estimated at EUR 1.5 billion: Bucharest - Greenfield Băneasa (New Phases), Aria Verdi, Greenfield West, Constanța – Boreal Plus (New Phases), Iași - Greenfield Copou.

We published for the first time a Sustainability Report aligned to Global Reporting Initiative (GRI) standards. The principles of sustainability and the green economy are assumed by the entire team and the entire medium and long-term strategy is built around them. All IMPACT developments are designed to comply with the principles of sustainability, using sustainable technologies, with alternative energy sources, "smart city" solutions and electric mobility solutions.

We continued the capital raising operations necessary to support our development strategy. Thus, we carried out two operations of capital increase by cash contribution in January and August, with a cumulated value of RON 77.7 million, as well as a capital increase by incorporating the reserves in amount of RON 165.9 million in July.

IMPACT's share price on BVB in the last trading day of 2022 was RON 0.36, compared to RON 0.5 at the end of the previous year, in the context of the generalized decrease of the capital markets amid the conflict in Ukraine. The market capitalization was RON 851 million. Last year, the dialogue with local and international investors was intensified. IMPACT representatives thus participated in 3 international conferences for investors, organized for the first time the company's own Investor's Day and held more than 30 discussions with potential investors.

Creating added value for all the stakeholders is our priority, so we will continue to invest solidly in building modern and sustainable housing at affordable prices.

The entire IMPACT management team is grateful to the shareholders, employees and all stakeholders for the continued trust and support provided throughout 2022 and we invite you to continue to be part of our story.

Sincerely,

Constantin Sebeșanu
CEO, IMPACT Developer & Contractor

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2022 HIGHLIGHTS



FINANCIAL AND OPERATIONAL

- **450** sales commitments and reservations at 31 December 2022, with a package value of **EUR 47.6 million (RON 235 million)**, that will translate in sales, as apartments will be finalized in the following period.
- **275 units** sold in 2022 (183 in 2021) represented by 110 dwellings in GREENFIELD BĂNEASA, 161 dwellings and 1 commercial space in **LUXURIA EXPOZIȚIEI**, as well as 3 villas in **BOREAL PLUS** (23,466 sqm built saleable area plus related parking spots, storage and court yards).
- **RON 220 million** revenues and **RON 71 million** gross profit in 2022 (RON 138 million revenues and RON 49.8 million gross profit in 2022). While the company is on a new development cycle, which low inventory for sales, IMPACT still reported increased revenues, by RON 82 millions.
- As of 31 December 2022, there were **1,631** units with building permit located in Bucharest and Constanța (732 already with construction started) while additional over **7,900** units located in Iasi and Bucharest were in various stages of obtaining the building permit.

IFRS NAV

890 mRON

+ 173 mRON (2021: 717 mRON)

EPRA NRV

1,223 mRON

+ 179 mRON (2021: 1,044 mRON)

Sales

220 mRON

+ 82 mRON (2021: 138 mRON)

Pre-sales for apartments as of 31 Dec 2022

235 mRON

+ 5 mRON (2021: 230 mRON)

2022 HIGHLIGHTS



FINANCIAL AND OPERATIONAL

- Loans and borrowings decreased to **27%** of total assets as of 31 December 2022, compared with 28% as of 31 December 2021. In 2022, **IMPACT** used bank loans for the financing the first 209 apartments developed in BOREAL PLUS and 829 apartments developed in GREENFIELD BĂNEASA.
- Equity reached **62% of total assets** following the accounting of two private placements in value of RON 77.7 mil as well as incorporation of 2022 net profit of RON 82.8 mil.
- GREENFIELD PLAZA was inaugurated in Q4 2022. GREENFIELD PLAZA BĂNEASA is a commercial center that addresses the communities' necessities and includes an impressive wellness center.
- A total of **306 dwellings** were completed in 2022, out of which 97 dwellings in GREENFIELD BĂNEASA, and the first 209 dwellings in BOREAL PLUS CONSTANȚA (commissioning with the authorities completed and dismantling / registration estimated to take place at the beginning of 2023).
- Strong land bank owned by **IMPACT** (approximately **71 ha**) with potential for development of other **5 projects** GREENFIELD BĂNEASA (new phases), BOREAL PLUS, GREENFIELD COPOU RESIDENCE ("GREENFIELD COPOU"), ARIA VERDI and GREENFIELD WEST with an estimated market value of more than **1.5 billion euro**.



2022 HIGHLIGHTS



OUTLOOK FOR 2023

- Starting Pre-Sales for next projects phases with building permits (total volume of 899 units) estimated to begin construction in 2023-2024.
- Continuing sales of completed dwellings in LUXURIA EXPOZIȚIEI, GREENFIELD BĂNEASA and BOREAL PLUS.
- Completion of 732 apartments in GREENFIELD BĂNEASA.
- Obtain building permits and starting the works for additional phases in GREENFIELD BĂNEASA and GREENFIELD COPOU.
- Operating GREENFIELD PLAZA BĂNEASA and earning related revenues.
- Obtain financing for the ongoing projects and a share capital increase up to 25 mill EUR.
- Potential acquisition of new plots of land, in line with **IMPACT**'s strategy to complete land bank.

RELEVANT ASPECTS

In line with its vertical integration strategy, IMPACT acquired in September 2022 a construction company – RCTI Company - to streamline group activities, to improve quality and control over productions (timeline & costs) and optimizes project development process. Also, an own architecture company was set up in Q4 2022 – Impact Alliance Architecture.



OTHER ASPECTS

In 2022, IMPACT published the Sustainability Report for 2021. The report was developed following Global Initiatives Standards (GRI) the most renowned international sustainability reporting framework (GRI Referenced) and was based on an internal analysis that identified the material topics, those topics where the Impact Group's activity has a significant impact on the environment, society, and the economy. The company obtained also an ESG Risk Rate of 18.7 (low risk) as part of the ESG rating initiative contracted by BVB.

IMPACT GROUP OVERVIEW

- 31 years of leadership, innovation and excellence in real estate
- Since its establishment in 1991, **IMPACT Developer & Contractor** (“**IMPACT Developer & Contractor**”) ranked on the Romanian real estate market as an innovative company
- **IMPACT Developer & Contractor** is the first real estate developer after the communist era, established with 100% Romanian capital
- In 1996 **IMPACT Developer & Contractor** was listed on the Bucharest Stock Exchange (“BVB”), whereby **IMPACT Developer & Contractor** has become the first representative of the real estate development and construction sector listed on the Stock Exchange
- In 2006 the shares of **IMPACT Developer & Contractor** 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



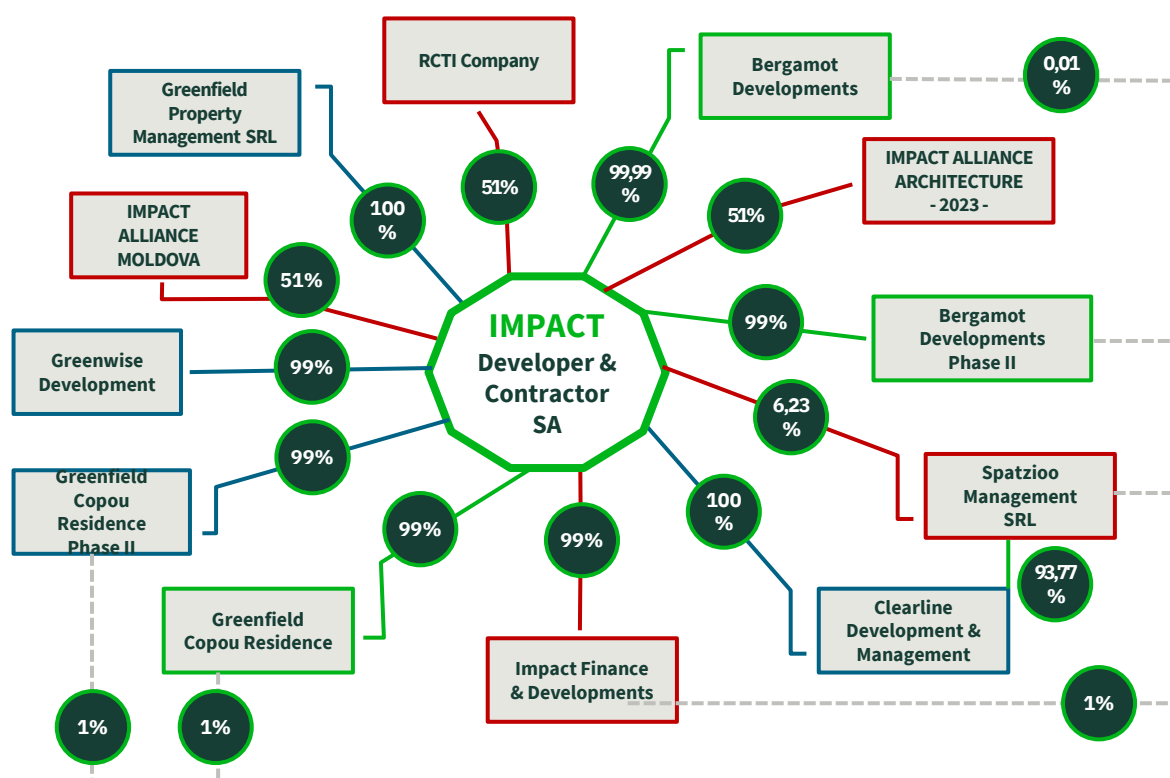
500k+
sqm built



EUR 650+ Mn
investments

IMPACT GROUP OVERVIEW

IMPACT GROUP



- **IMPACT Developer & Contractor**, parent company, which develops the following projects: GREENFIELD BANEASA RESIDENCE, BOREAL PLUS, ARIA VERDI and GREENFIELD WEST
- **Bergamot Developments SRL** and **Bergamot Developments Phase II SRL** with real estate development as main object of activity; they have developed the LUXURIA EXPOZITIEI project
- **Greenfield Copou Residence SRL** with real estate development as main object of activity, was established in December 2019 and develops the GREENFIELD COPOU RESIDENCE project
- **Greenfield Copou Residence Phase II SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2022.
- **Greenwise Development SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2022.
- **Spatzioo Management SRL (former Actual Invest House SRL)**, the company that provides management services for new residential, retail and commercial developments
- **Impact Finance & Developments SRL** has a role in diversifying the range of services related to residential sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings
- **Greenfield Property Management SRL** with the real estate development as main object of activity; established in May 2021. Without activity in 2022.
- **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.

IMPACT GROUP OVERVIEW

IMPACT GROUP

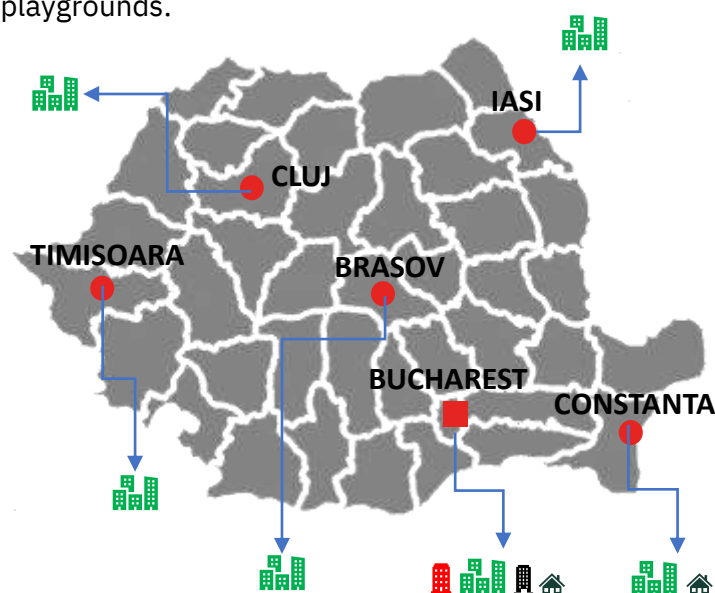
- **RCTI Company SRL**, 51.01% owned subsidiary, real estate construction company involved in the construction IMPACT projects in particular GREENFIELD BĂNEASA RESIDENCE. The company joined IMPACT Group in 2022.
- **Impact Alliance Arhitecture SRL**, 51% owned subsidiary that has as core activity providing architecture and construction design services. The company was set up in 2022.
- **Impact Alliance Moldova SRL**, 51% owned subsidiary was set-up in 2023. The company is a real estate construction company involved in the construction IMPACT located in Iași.
- Except for Impact Alliance Moldova SRL that was set up in 2023 all other entities were included in the IMPACT 2022 consolidated financial statements.



PROJECT PORTFOLIO

STRONG PRESENCE IN KEY CITIES

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) which will include use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds.



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

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

Projects in development on the owned landbank

Projects in development

- GREENFIELD BĂNEASA RESIDENCE in Bucharest
- BOREAL PLUS in Constanța

Construction estimated to start in 2023 - 2025

- GREENFIELD COPOU RESIDENCE in Iași
- ARIA VERDI & GREENFIELD WEST in Bucharest (depending on completion of permitting process)



PROJECT PORTFOLIO

GREENFIELD BANEASA RESIDENCE



+6,800 Units

COMPLETED UNITS	2,686
SOLD UNITS at 31.01.23	2,662
UNDER CONSTRUCTION UNITS	1,167
PIPELINE UNITS	2,659
GBA ³ under construction and pipeline (sqm)	+348,000

Under construction units refer to projects with building permit. **Pipeline units** include 2,061 units estimated based on the last project concepts with zoning permits but without building permit. **GBA** represents the Gross Built Area of the Project Above Ground, excluding parking and underground built area.

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



UNIQUE LOCATION

GREENFIELD Băneasa is located in a spectacular natural setting, being framed on two sides by 900 ha of woodland: Baneasa and Tunari Forests, in the northern area of Bucharest (District 1).



PHASED DEVELOPMENT

The first 3 phases, with 2,548 units, have been completed by 2019. The next phases are to be developed by the end of 2030. 41 respectively 97 units were finalised in 2021, respectively 2022. At 2022 year end from the 1,167 with building permit 732 were in construction with delivery in 2023.



MIX AND FACILITIES

Current: GREENFIELD Plaza and Wellness Club by Greenfield, public transport, private school, parks and playgrounds, restaurant, medical centre.

Future: public school, public kindergarten, nursery and church.



PERMITS

Zoning (PUZ) for more than 3,700 units related to under construction and pipeline phases, of which:

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

PROJECT PORTFOLIO

GREENFIELD COMMUNITY CENTER



The largest community center dedicated to a residential community - GREENFIELD Community Center brings a new standard of comfort and efficiency by including all those functionalities necessary for a large community: commercial and service area, fitness & wellness center, public nursery, public kindergarten and public school, promenade and recreation areas and public transportation.

IMPACT continues the development initiatives, consolidating an urban community with a western standard of living, which defines the concept of wellbeing in Bucharest. For the public school and kindergarten IMPACT donated the land and technical projects in 2020 to District 1 City Hall, which will start the necessary actions for the beginning of the construction. In 2022, IMPACT also made a donation offer to District 1 City Hall for the land purposed for the construction of the public nursery.

FEATURES	DESCRIPTION	LAND
GREENFIELD PLAZA AND OFFICE BUILDING	Office, Commercial, Services, Wellness	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 (donation in progress)		3,933 sqm

**Included in the land surface of GREENFIELD PLAZA*

PROJECT PORTFOLIO

GREENFIELD PLAZA BANEASA



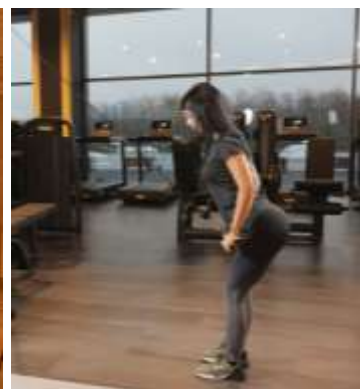
Completed in 2022, GREENFIELD PLAZA is a neighbourhood shopping centre of over **8,700 sqm**, located in the northern part of GREENFIELD Baneasa.

GREENFIELD PLAZA is the biggest shopping and leisure destination dedicated to a residential community.

With supermarket, restaurants, over twenty stores and with an impressive wellness centre with pools, spa, gym, squash, cycling, GREENFIELD PLAZA successfully fulfils the daily needs of a large-scale community such as GREENFIELD Baneasa.

With an area of **6,964 sqm** of spaces dedicated to wellness and fitness, **Wellness Club By Greenfield** is the main attraction for a residential community that has on a radius of 10 minutes pedestrian route everything it needs in terms of leisure and sports.

The Wellness Club offers exclusively for GREENFIELD residents a vast and airy space where they can exercise and relax to their heart's desire.



PROJECT PORTFOLIO

LUXURIA EXPOZITIEI RESIDENCE



630 Units

COMPLETED UNITS	630
SOLD UNITS at 31.01.23	469
GBA² (sqm)	66,400
Start construction	2018
Delivery construction (last phase)	2021

GBA represents the Gross Built Area of the Project Above Ground, excluding parking and underground built area.



PREMIUM LOCATION

The Expozitiei – Domenii area (District 1, Bucharest) is one of the well rated ones, combining a historical residential neighborhood with a newly established business center. Expozitiei is today the newest development pole of the city, attracting developments such as office, hotels and commercial.

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



FACILITIES

LUXURIA Residence integrates a mix of amenities hard to find in town, both altogether or separately, which offer a harmonious lifestyle: gated community, secured access, guard and 24/7 video surveillance, lounge for networking and relaxation open 24/7, fitness center with modern equipment, 9,650 sqm of green spaces, with private parks, well-organized playground, underground parking for residents, reception available 24/7.



SUSTAINABLE SOLUTIONS

LUXURIA is the first residential compound in the country that received the BREEAM Excellent certification, which attests the construction's quality and sustainability as well as its low environmental impact. With a focus on reducing pollution, promoting green spaces, and minimizing energy consumption, Luxuria Residence is setting a new standard for modern living.

PROJECT PORTFOLIO

BOREAL PLUS

691 units



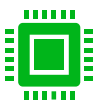
EXCELLENT LOCATION

BOREAL Plus is located in 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

BOREAL Plus is located in a quiet area, away from the pollution and congestion of the city, but with very good prospects for development in the coming years.



FACILITIES

With a panoramic view of the Black Sea and Siutghiol Lake, BOREAL Plus apartments are defined by the safety and durability of the construction, but also by the comfort they offer. The compound is located in the immediate vicinity of a hypermarket and will have facilities such as parks, kindergarten and convenience stores.



PERMITS

- The building permit for 359 units (341 apartments and 18 houses) was obtained in 2020.
- The building permit for the remaining 332 units was obtained in 2022.
- Out of the 691 units with building permits, the 18 houses were completed in 2021 and 209 apartments were finalized in 2022.

PROJECT PORTFOLIO

GREENFIELD COPOU RESIDENCE

1,062 units



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' tranquility and fresh air. It is also a historic area and a famous university district. The compound will integrate harmoniously into Copou, through low-height buildings and the inclusion of large green spaces.



MIX AND FACILITIES

GREENFIELD PLAZA COPOU will include a community center with commercial gallery, gym and wellness center, 15,000 sqm of green spaces, providing relaxation areas and playground for children, kindergarten and after-school. The compound will also include underground parking.



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, production of renewable energy, such as photovoltaic panels.



PERMITS

- Zoning permit (PUZ) in place
- The process for obtaining the building permit for 1,062 units is in the final stage

PROJECT PORTFOLIO

GREENFIELD WEST RESIDENCE & PLAZA

+4,200 unități



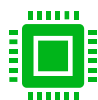
EXCELLENT LOCATION

GREENFIELD West will be developed in a fast-growing area of the Capital city, where numerous high-rise buildings are currently being built. The new compound developed by IMPACT comes to complete the offer of the area and in the residential segment, being the largest residential project developed in the west of Bucharest.



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 and interested in a healthy life



MIX AND FACILITIES

GREENFIELD WEST will include a community center with a commercial gallery, kindergarten and school, multipurpose hall and parking buildings.



PERMITS

- Zoning (PUD) in place, currently improvement in progress
- The process for obtaining the building permit was started.
- Based on the last available concept, it is estimated that over 4,200 units will be permitted with a GBA (Gross Built Area excluding parking and underground) of over 368,000 sqm including a community centre of over 14,000 sqm.

PROJECT PORTFOLIO

ARIA VERDI

+ 800 units



PREMIUM LOCATION

ARIA VERDI is located in Barbu Vacarescu Boulevard, near the central and business areas of Bucharest, one of the hottest areas for real estate development in the recent years.



SUSTAINABLE SOLUTIONS

The compound will offer a spectacular view over the city, being surrounded by parks and lakes. Aria Verdi aims to offer a lifestyle in harmony with nature, implementing BREEAM Excellent sustainability and wellbeing solutions.



MIX AND FACILITIES

ARIA VERDI includes a series of amenities which will raise the quality of living for the residents: high-end commercial gallery, green areas, underground parking.



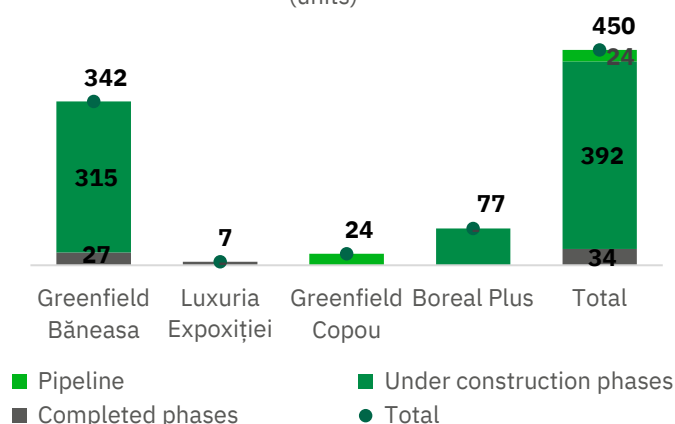
PERMITS

The start of the process for obtaining the building permit is planned. Based on the latest available concept it is estimated a GBA (Gross Built Area excluding parking and underground) of +114,000 sqm out of which +7,000 sqm commercial space and +800 apartments.

ACTIVITY OF IMPACT IN 2022

PRE-SALES AS AT 31 DECEMBER 2022

Pre-Sales as at 31 Dec 2022
(units)

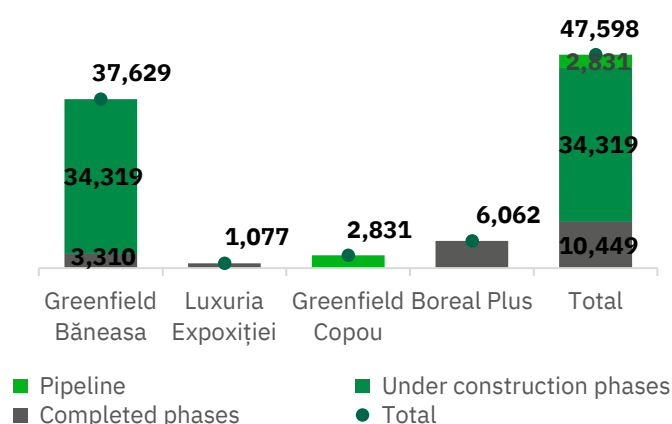


As at 31 December 2022, IMPACT had 450 apartments pre-sold and reserved with a package value of EUR 47.6 million.

Of these, 70% refer to projects under development (315 dwellings, EUR 34.3 million package value), 25% refer to completed projects (111 dwellings, EUR 10.4 million package value), while the remaining 5% refer to projects in pipeline (24 dwellings, EUR 2.9 million).

Out of total pre-sales, 426 contracts, or EUR 44.8 millions are expected to be translated into revenues within next period.

Pre-Sales package value as at 31 Dec 2022
(EUR thousands)



ACTIVITY OF IMPACT IN 2022

2022 SALES



Sales recorded in 2022 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.

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

2021: 183 units, of which 179 apartments in GREENFIELD BĂNEASA and LUXURIA EXPOZIȚIEI (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.

The **275 units sold** during 2022 generated corresponding revenues of **EUR 42.4 mil.** (including revenue from parking spots, yards and storage units corresponding to the 275 dwellings) that were recognized in the same period.

CONTRACTED APARTMENTS AS OF 31 DECEMBER 2022

Completed phases on projects as 31 of December 2022

Project	Total Apartments	Sales & Pre-Sales		Available for sale
	units	units	%	units
Greenfield Băneasa	138	138	100%	-
Luxuria Expoziției	630	471	75%	159
Boreal Plus	209	77	37%	132
Boreal Plus Villas	18	4	22%	14
Total	995	690	69%	173

As at **31 December 2022**, approximately **69%** of completed units were contracted (considering both sales and pre-sales). Furthermore, **100% of completed units in Greenfield Băneasa** were contracted as at 31 December 2022.

Under construction phases as 31 of December 2022

Project	Total Apartments	Pre-Sales		Available for sale
	units	units	%	units
Construction started	732	315	43%	417
Construction to be started	435	-	0%	435
Greenfield Băneasa	1,167	315	27%	852
Construction to be started	464	-	0%	464
Boreal Plus	464	-	0%	464
Total construction started*	732	315	43%	417
Total construction to be started**	899	-	0%	899
Total	1,631	315	19%	1,316

As at 31 December **2022 IMPACT** had building permits for 1,641 units, out of which **732** were under construction and 899 units are expected to begin construction in 2023-2024. Approximately 43% of under construction units were pre-sold as of 31 December 2022.

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

** The building permit in place and the construction estimated to start in 2023/2024

ACTIVITY OF IMPACT IN 2022

LAND OWNED AS AT 31 DECEMBER 2022

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	EPRA value (RONm)	EPRA value (EURm)
Băneasa	Bucharest	Greenfield Băneasa	37.5	339.9	68.7	402.1	81.3
Bldv. Timișoara - Ghencea	Bucharest	Greenfield West	25.9	160.1	32.4	160.1	32.4
Barbu Văcărescu	Bucharest	Aria Verdi	2.5	176.1	35.6	176.1	35.6
Zenit	Constanta	Boreal Plus	3.2	6.9	1.4	29.3	5.9
Iași	Iași	Greenfield Copou	5.0	37.6	7.6	57.2	11.6
Oradea	Oradea	Lotus	2.9	3.6	0.7	3.6	0.7
Bldv. Expoziției	Bucharest	Luxuria Expoziției	0.1	0.4	0.1	0.4	0.1
Other	Neptun, Voluntari	n.a.	8.8	4.4	0.9	4.4	0.9
Total			85.9	729.1	147.4	833.2	168.4

Note 1: The EPRA value considers the market value based on the revaluations performed by Colliers Valuation and Advisory as at 31 December 2022 (the investment value and the market approach where the investment value has not been determined)

Note 2: 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 3: The FX rate used to translate the RON denominated amounts in EUR - 4.9474 RON/EUR

As at 31 December 2022, **IMPACT** owned **85.9** ha of land with a book value of RON 729.1 million (6% higher than as at 31 December 2021), land mainly intended for the development of new projects and related to infrastructure. Of this, approximately **71 ha** represent the land bank on which new projects are to be developed.

Compared with 31 December 2021, the landbank decreased by 29 ha. This is due to the reception of Greenfield Baneasa Plaza, as well as of the Office building of which corresponding land was included in the dismantling of the buildings. Also, the land corresponding to Panoramic 1 project, within GREENFIELD Băneasa was included in the dismantling of the apartments which were sold in 2022. Acquisitions of small plots of land in Băneasa were recorded in 2022, for the purpose of developing new projects.

The EPRA value of the land was estimated based on revaluations performed by Colliers Valuation and Advisory as at 31 December 2022 (the investment value and the market approach where the investment value has not been determined).

The EPRA value of land estimated as of 31 of December 2022 was of **RON 833.2 million**, 14% higher than the IFRS book value at the same date and 4% higher than the EPRA value of land estimates as at 31 December 2021 (market approach), considering also the decrease in the landbank in 2022 with 29 ha, or 4%.

ACTIVITY OF IMPACT IN 2022

THE DEVELOPMENT ACTIVITY

In 2022, **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 2023-2024, projects developed on the landbank already owned.

In 2022, the construction was in progress for project phases in GREENFIELD BĂNEASA (with building permits in place).

The permitting process was started for future phases of GREENFIELD BĂNEASA, GREENFIELD COPOU, ARIA VERDI 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 2022, **IMPACT** completed the construction for 306 dwellings:

- 97 the apartments of Panoramic 1 project, part of GREENFIELD Băneasa, which were dismantled in Q4 2022 and already sold by 72% as at 31 December 2022, the remaining apartments being scheduled for sale in Q1 2023.
- The first 209 dwellings in Boreal Plus Constanța (commissioning with the authorities completed and dismantling / registration estimated to take place at the beginning of 2023).

LEGAL ASPECTS

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

➤ The litigation regarding the land located in Blvd. Prelungirea Ghencea

In File No. 5737/3/2018 initiated by the **IMPACT Developer & Contractor** 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.

According to Decision No. 2651 dated 22.11.2019, Bucharest Tribunal stated that **IMPACT Developer & Contractor** 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. 2651 dated 22.12.2020 issued by Bucharest Court of Appeal was communicated to **IMPACT Developer & Contractor** on 04.10.2021.

On 06.10.2022, the High Court of Cassation and Justice issued Decision no. 1775, by which it rejected, as unfounded, the appeal declared by the defendant the Romanian State - through the Ministry of Public Finance against Civil Decision no. 1246 A of 06.10.2020 of the Bucharest Court of Appeal, IV Civil Section. The decision is final.

Thus, the High Court of Cassation and Justice confirmed the decisions of the Bucharest Court and the Bucharest Court of Appeal, two courts that recognized the validity of the Company's title to the IMPACT Land.

ACTIVITY OF IMPACT IN 2022

LEGAL ASPECTS

➤ The litigation initiated by “Asociația EcoCivica”

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

The object of the file is the suspension and annulment of the administrative act HCGMB 705/18.12.2019 approving the Zonal Urban Plan Alea Teişani - Drumul Pădurea Neagra no. 56-64, the suspension and cancellation of Building Authorizations no. 434/35/P/2020 and no. 435/36/P/2020, canceling some preliminary approvals, canceling works.

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

The next court date was set for 19.05.2023.

➤ Litigation initiated by **IMPACT Developer & Contractor** regarding **Lomb residential project in Cluj-Napoca**

IMPACT Developer & Contractor and its subsidiary - 100% owned (Clearline Development & Management SRL - "Clearline") are involved in two litigation against the Local Council of Municipality of Cluj-Napoca and 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 Developer & Contractor** and respectively, Clearline, requested the recovery from Municipality of Cluj-Napoca of the funds invested to carry out the real estate project.

In the File No. 79/1285/2012, **IMPACT Developer & Contractor** requested the recovery of the amount of RON 4,786,324 principal plus penalties of RON 2,238,738. The application for legal action was rejected by Cluj Tribunal. The Company appealed the following legal term being 30.05.2023.



ACTIVITY OF IMPACT IN 2022

LEGAL ASPECTS

➤ **Litigation initiated by IMPACT Developer & Contractor regarding Lomb residential project in Cluj-Napoca**

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

On 08.06.2022, the Argeş Commercial Court issued Decision no. 277, as follows:

Admits the request, as amended, formulated by Clearline Development & Management SRL, in opposition to the defendants, the Local Council of the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca - through the Mayor. The defendants, the Local Council of the Municipality of Cluj-Napoca and the Municipality of Cluj-Napoca, jointly and severally, are ordered to pay the plaintiff the amount of RON 24,532,741.65 as damages and the amount of RON 13,862,967.16 representing interest for the period covered between the date of the payments made by the plaintiff (established according to the report of the forensic accounting expertise carried out in the case) and until 01.04.2021.

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

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

“The court rejects the appeal against the court minutes. It admits the appeal against the decision. It partially changes the decision, in the sense that it rejects the application, as amended, filed by the plaintiff. It removes the mention that the defendants pay the plaintiffs’ court expenses. It maintains the remainder of the decision. Subject to recourse within 15 days from its communication.”

Clearline Development & Management S.R.L. shall file recourse within the legal term.

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

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

The first term is 22.05.2023.



A SUSTAINABLE IMPACT (ESG)

In 2022, we have been actively involved in several social responsibility projects, in various domains:

SOCIAL

In January 2022, IMPACT submitted **the donation offer of a plot of land with a 3,933 square meters area**, located in the GREENFIELD Băneasa complex, to the City Hall of Sector 1. The purpose of the donation is **the construction of a public nursery** for the children who live in GREENFIELD Baneasa and its surroundings.

In 2022, IMPACT completed the construction of a roundabout in Constanța city. Positioned on the DN2A(E60) national road, at the intersection between Tomis Boulevard and Amsterdam Street, the new roundabout improves road traffic both for the residents of BOREAL Plus and the neighbourhoods located in the north of Constanța, as well as for all those who transit the city to Ovidiu and A2 highway, streamlining traffic and increasing safety on this section.

EDUCATION

We believe that a green future can be ensured by collective awareness of the need to implement sustainability standards. That is why IMPACT was present at the **conference dedicated to sustainability, organized by Business Review**, where it discussed the construction of sustainable residential compounds, to BREEAM Excellent and nZEB standards. During this event, the company also received the **"The most sustainable project - LUXURIA Residence"** award.

Likewise, the company received the award **"The most sustainable real estate developer of the year"** at the Financial Intelligence Awards Gala.

CARING FOR THE ENVIRONMENT AND INCREASING THE QUALITY OF LIFE

In 2022, IMPACT received the official BREEAM Excellent certificate that attests to the quality and sustainability standards of the Luxuria Residence residential compound (finalised 2021). Luxuria is the only residential project in the country that obtained BREEAM Excellent certification, the most important sustainability assessment method for building and infrastructure projects. The complex certification process recognizes the project's value throughout the built life cycle, assessing the sustainability of project solutions for a number of categories: energy, health and well-being, innovation, land use, materials, construction management, pollution, transport, water and waste.

2022 has been the year in which the first sustainability report aligned with GRI was published and we have received an ESG risk rating of 18.7 (low risk).

COMMUNITY ENGAGEMENT

IMPACT supported the **Romanian Creative Week** festival in Iasi, a large-scale event in its second edition this year. During the festival, the Iași community was able to participate in concerts, fashion, film, visual arts and architecture festivals, as well as contests, fairs, exhibitions, conferences, workshops and parties, between 20.05.2022 and 30.05.2022.

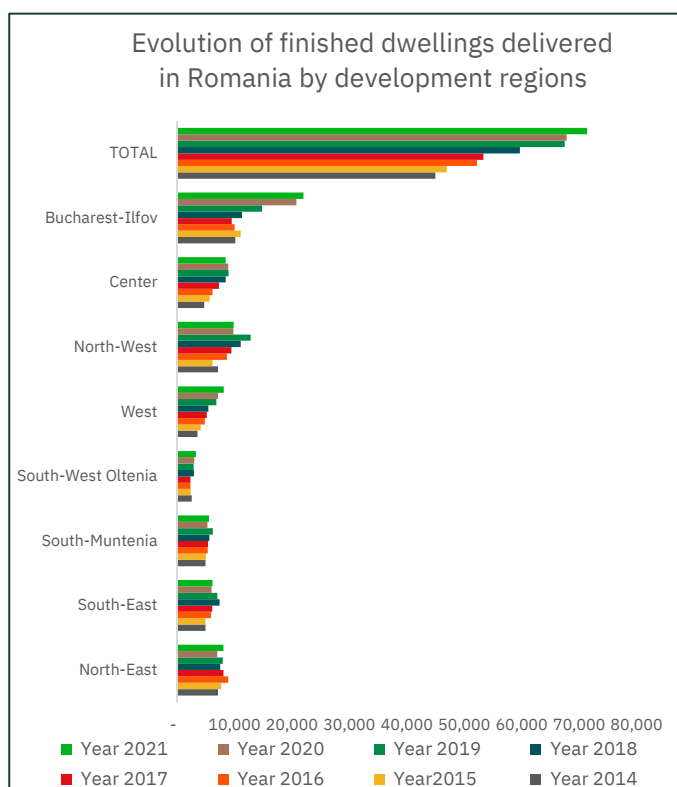
IMPACT also supported in 2022 the first 2 editions of the **Sports Festival**. Through this approach, IMPACT aims to promote active and healthy lifestyles through mass sport, especially among young people and children. This year the Sports Festival was held in Iași between July 15-17 and in Bucharest between September 16-18.

REAL ESTATE RESIDENTIAL MARKET

2022 was a year marked by uncertainties, increase in inflation and credit costs, which led to fluctuations in transactions, price increases, but also corrections towards the end of the year.

OFFER

At national level, in 2022, developers delivered 73,332 homes, similar compared to previous year, marking a slight increase of 3% compared to 2021. The South-East and North-West regions recorded the largest increases, of +20% and +14% respectively, the Bucharest – Ilfov region reducing its annual growth by -3%, with a total of 21,300 homes delivered.



Data Source: NIS, centralized and processed by IMPACT

According to data provided by the INS, 2022 was the ninth year in a row of positive evolution in the number of completed homes, even if it was a slight increase.

The supply of homes available for sale registered similar levels to those in 2021, with the difference in the supply of new homes, which marked a moderate increase, compared to the supply of old homes, which was in a slight decrease in 2022.

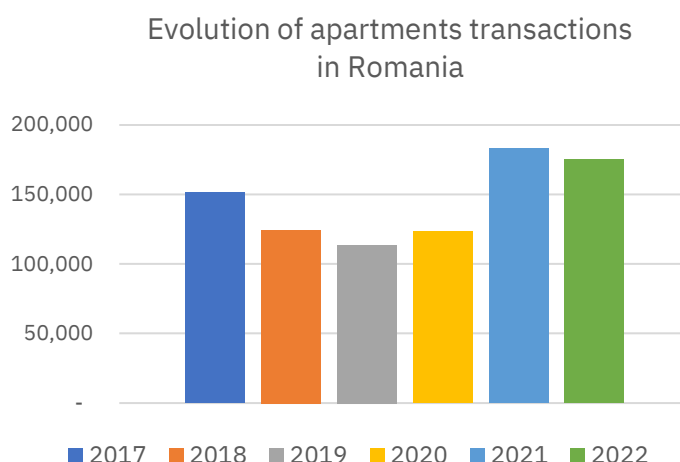
DEMAND

In 2022, the residential market followed its course, despite the uncertain economic situation: the number of transactions was a significant one, correlated with the fact that prices continued to rise until the middle of the year.

Considering housing as well as corresponding land, if the case, more than 700,000 properties were sold nationally, marking a slight increase of 1,500 transactions compared to the level recorded in 2021.

If we consider only housing, in 2022 a little over 175,000 units were traded in Romania, compared to the over 183,000 units sold last year, registering the highest level in the last five years. Thus, residential sales in 2022 marked a slight decline, of 4% compared to the previous year, according to the data provided by the National Real Estate Registry and Publicity Agency (ANCPI).

Of the total number of apartments sold last year, a new record of homes, namely 57,580, were traded in Bucharest, i.e. 33% of the total number of transactions in the country, compared to 52,000 units sold in the capital last year. The increase is almost 14% compared to 2021 in Bucharest.



Data Source: ANCPI, centralized and processed by IMPACT

REAL ESTATE RESIDENTIAL MARKET

PRICES AND COSTS



Source: Romanian Residential Market Report Q4 2022 – Analize Imobiliare, Imobiliare.ro

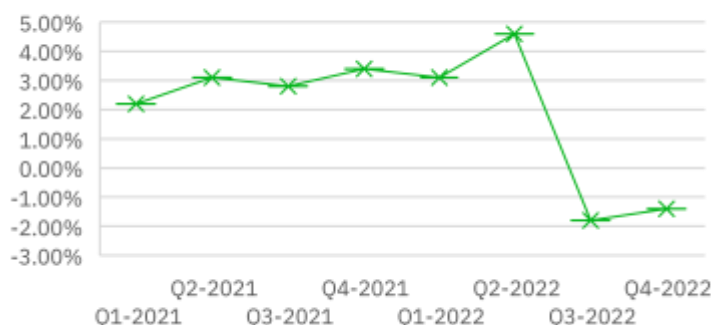
According to the "Report of the residential market in Romania Q4 2022" of analizeimobiliare.ro, the second half of 2022 brought decreases in average residential prices per 3 months: the last quarter of last year recorded a 1.4% decrease compared to the previous quarter, Q3 2022, which also marked a decrease of 1.8% compared to Q2 2022.

In contrast, the 12-month development marked the increase in quarterly asking prices for properties available for sale, nationally, of 4.1% in Q4 2022, three times lower than the growth rate in Q4 2021, when there had been a quarterly increase of 12%.

For newly built homes, price growth was higher - 6.1%, although this occurred at a slower pace than the previous year.

While in the fourth quarter of 2022 there was a 28% decrease in the demand for properties in large residential cities, the volume of mortgage loans increased by 13%, up to 21.7 billion lei at the end of 2022.

Evolution of quarterly increases for the listing values of residential properties (2021-2022)



Source: Romanian Residential Market Report Q4 2022 – Analize Imobiliare, Imobiliare.ro

The real estate segment is currently going through a period of multiple challenges, affecting all the players involved, from real estate developers to end buyers. The consequences of the pandemic, the global political context and an often lacunae legislation, put the real estate market in front of real difficulties.

From the perspective of the developers, the difficulties reached three major pillars: the challenge of obtaining sustainable financing, the uncertainty caused by the suspension of PUZs and the development of new PUGs in the Capital and other cities in the country, and last but not least, the insolvency of buyers/tenants and their ineligibility for credit loans. Another trend in 2022 was related to rents: in large university towns, rents increased, and real estate became especially attractive, as a rental investment, with better returns than in previous years.

Considering the building materials crisis that started last year, strong inflation, but also the new regulations on the construction sector (nZEB obligation, for example) which involve additional investments, higher costs, we are witnessing a medium and long-term increase in residential prices. In Bucharest and other large cities, the supply of new homes will decrease in the medium term due to the reduced number of new permits granted in the last 2 years.

REAL ESTATE RESIDENTIAL MARKET

EVOLUTION OF ASKING PRICES IN 2022 IN MAJOR CITIES

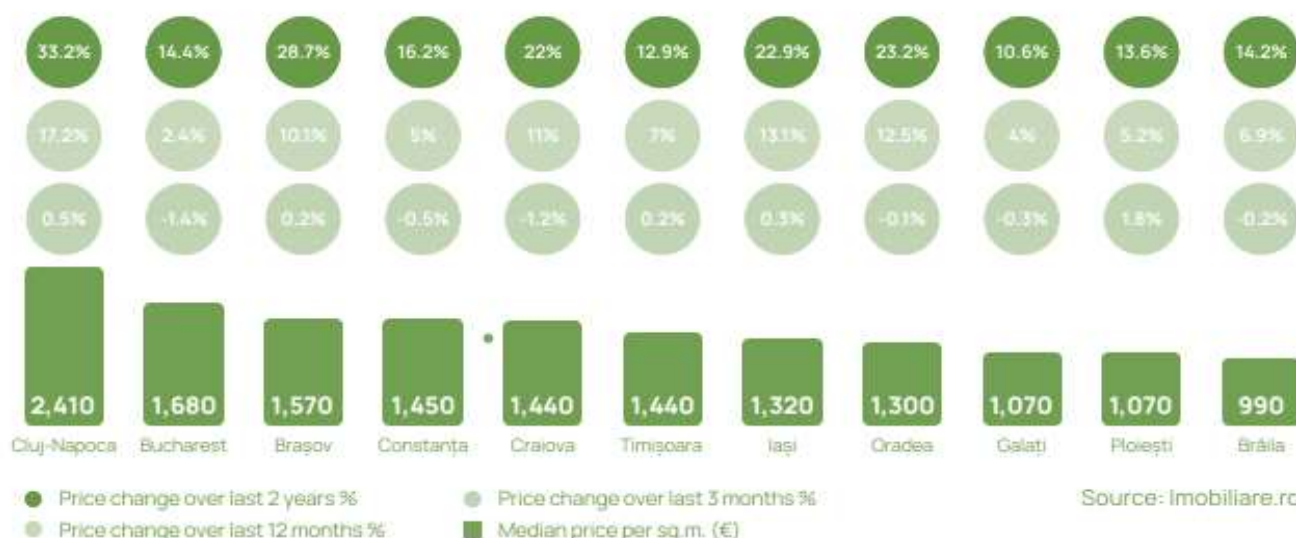
The year 2022 marked for the 11 large cities of the country which are monitored by imobiliare.ro, new annual increases in the prices requested for residential properties, between 2.4% in Bucharest and 17.2% in Cluj-Napoca.

Although in the last 3 months of 2022, prices evolution was negative in most of the large cities or insignificant (between -1.4% and 1.8%), the prices requested by sellers on the imobiliare.ro platform have registered significant increases in the last 2 years.

The most significant advance after 2 years took place in Cluj-Napoca (+33.2%), important margins also being recorded in Braşov (+28.7%), Oradea (+23.2%), Iaşi (+22.9%), Craiova (+22%), Constanţa (+16.2%) and Bucharest (+14.4%), respectively. Brăila (+14.2%), Ploieşti (+13.6%), Timişoara (+12.9%) and Galaţi (+10.6%) are on the next places in the list of price increases.

At the end of 2022, Cluj-Napoca with €2,410/sqm, Bucharest with €1,680/sqm and Braşov with €1,570/sqm were in the top 3 of average prices/useful sqm, followed by Constanţa (€1,450/sqm), Craiova (1,440€/sqm), Timişoara (1,440€/sqm), Iaşi (1,320€/sqm), Oradea (1,300€/sqm), Galaţi (1,070€/sqm) and Ploieşti (1,070€/sqm).

PRICE TRENDS ACROSS MAIN CITIES - APARTMENTS FOR SALE



At the national level, the average amount requested for a home increased from 1,360 euro per usable square meter in January 2022 to 1,427 €/sqm in July, after which the increase moderated in the second half of the year, up to 1,420 €/sqm in December. The increase in prices thus entered a deceleration stage, the rate of growth being lower than that recorded in 2021.

In conclusion, although the year 2022 was characterized by a lot of uncertainty - on the one hand the panic generated by the conflict in the neighboring country, then the increase in the cost of living that culminated in unprecedented inflation and the increase in the cost of financing - the residential market in Romania showed potential of growth and consistency: there were price increases, even if stopped at the end of the year, but also volumes of residential transactions and home deliveries similar to those recorded in previous years.

Also, we continue to record a high percentage of housing overcrowding in Romania, being the European country with the highest number of people per housing unit, three times higher than the average of the European Union, which leads to a sufficient housing need of high, which exceeds the housing supply, decreasing in the medium and long term in the coming years.

STRATEGY HIGHLIGHTS

DEVELOPING SUSTAINABLE COMMUNITIES



SUSTAINABILITY FOCUS

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

GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION

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

INNOVATION AND VERTICAL INTEGRATION

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



STRATEGY HIGHLIGHTS

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



OBJECTIVES	PROGRESS 2022	PLAN 2023
GREENFIELD BANEASA RESIDENCE	<ul style="list-style-type: none"> Starting/ continuing the construction works for 1,167 apartments Completion and start of sale for 97 apartments GREENFIELD PLAZA BANEASA construction finalised Building permit for another 598 apartments in progress Identified of land plots located in Greenfield Baneasa to be used for own production & use of renewable energy. Identify partner with the required expertise. 	<ul style="list-style-type: none"> Completion and start of sales for 732 apartments and start construction work for the remaining 435 out of the 1,167 authorised as of 31.12.22. Operating and generating revenues from GREENFIELD PLAZA BANEASA Obtaining the building permit for another 598 apartments Final concept and start the process to obtain building permit for 2,061 apartments (estimated based on preliminary concepts) with already secured zoning permit. Draft preliminary development concepts (residential and/or mixed use) for other plots of land located in Greenfield Baneasa (more than 52,000 sqm) Start construction for project for production of renewable energy in GREENFIELD Băneasa
LUXURIA EXPOZITIEI	<ul style="list-style-type: none"> Start sales for the last 130 apartments of the project finalised in 2021 	<ul style="list-style-type: none"> Continuing sales
BOREAL PLUS	<ul style="list-style-type: none"> Continuing the construction works for the first 209 apartments. Continue sale of villas Obtained building permit for another 322 apartments 	<ul style="list-style-type: none"> Start of sale for 209 apartments Continue sale of the remaining stock of villas Starting the construction works for 132 apartments with existing building permit
GREENFIELD COPOU RESIDENCE	<ul style="list-style-type: none"> Bulding permit for 1,062 apartments in progress 	<ul style="list-style-type: none"> Obtaining the building permit for 1,062 apartments Starting the construction works for the first 300 apartments Starting the construction of GREENFIELD COPOU PLAZA

STRATEGY HIGHLIGHTS

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

OBJECTIVES	PROGRESS 2022	PLAN 2023
GREENFIELD PLAZA & GREENFIELD WEST	<ul style="list-style-type: none"> Preliminary development concepts to secure best use of land Preparation to start the authorization process 	<ul style="list-style-type: none"> Improvement of existing PUD Finalizing the development concepts and design Continuing the authorisation process
ARIA VERDI	<ul style="list-style-type: none"> Preliminary development concepts to secure best use of land 	<ul style="list-style-type: none"> Improvement of existing PUD Finalizing the development concepts and design Preparation to start the authorization process
Identifying new locations for developments	<ul style="list-style-type: none"> Negotiation & due dilligence started for potential land aquisitions 	<ul style="list-style-type: none"> Land acquisition for developments in Bucharest and other cities throughout the country
Vertical integration	<ul style="list-style-type: none"> Aquisition of 51.01% shares of RCTI Company SRL a construction company Set-up of Impact Alliance Architecture SRL a 51% owned subsidiary for arhitecture and construction design services 	<ul style="list-style-type: none"> Set-up of 51% owned subsidiary Impact Alliance Moldova SRL a construction company for IMPACT Iasi projects Further strengthening of the vertical structure of the Group potential new group companies and/ or new partnerships (i.e.for prefabricates including bath pods)



FINANCIAL RESULTS

Consolidated			
RON thousand	12M 2022	12M 2021	Var %
Revenues	219,199	137,585	59%
Gross profit	70,691	49,846	42%
Gross margin %	32%	36%	(11%)
Other (expenses)/revenue net	38,379	48,902	(22%)
Other (expenses)/revenue as % of revenue from real estate	(18%)	(36%)	(51%)
EBITDA	111,393	99,907	11%
EBITDA margin %	51%	73%	(30%)
EBIT	109,070	98,748	10%
EBIT margin %	50%	72%	(31%)
Net result	84,767	78,799	8%
Net result margin %	39%	57%	(32%)

Source: Audited IFRS consolidated financial statements as at 31 December 2022

Revenues and gross profit recorded in 2022 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 BĂNEASA (the product addressed to the middle segment of the residential market) that was the driver for **IMPACT's** revenues in previous periods. During 2022 IMPACT finalized Panoramic 1 Project, within Greenfield Băneasa, by completing a total of 97 units.

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 recognized as revenues.

The **Gross margin for 2022** decreased due to market conditions.

EBITDA increased in 2022 compared with 2021 by 5%, following a cost optimization process.

During 2022 the Group recorded an increase in sales of dwellings - **275 units vs. 183 units** sold in 2021: GREENFIELD BĂNEASA – 110 units vs. 39 units and LUXURIA EXPOZITIEI - 161 units vs. 140 units sold in 2021.

The average selling price increased in 2022 to **1,577 EUR/sqm** compared to 1,491 EUR/sqm in 2021.



FINANCIAL RESULTS

Consolidated

RON thousand	31-Dec-2022	31-Dec-2021	Var %
Non-current assets, of which	727,767	587,318	24%
Investment property	653,725	571,882	14%
Property, plant and equipment	65,648	15,215	331%
Goodwill	3,543	-	n.a
Current assets, of which	715,595	617,094	16%
Inventories	617,698	538,922	15%
Trade and other receivables	25,561	19,127	34%
Cash and cash equivalents	55,108	42,037	31%
Total assets	1,443,362	1,204,412	20%
Liabilities, of which	553,742	487,558	14%
Loans and borrowings	387,765	337,033	15%
Trade and other payables	45,096	80,747	(44%)
Equity	889,620	716,854	24%
Total equity and liabilities	1,443,362	1,204,412	20%

Source: Audited IFRS consolidated financial statements as at 31 December 2022

ASSETS

Investment property increased due to the commissioning of Greenfield Plaza and fair value adjustment of land bank.

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 2022.

The commissioning of **IMPACT**'s Headquarter and Wellness Club impacted Property, plant and equipment together with the first-time inclusion of RCTI's PPE.

Inventories increased by 15% following the construction works on new phases in GREENFIELD BĂNEASA and finalized dwellings in Boreal Plus Constanta.

Trade and other receivable sincreased as at 31 December 2022 following inclusion of RCTI receivables.

EQUITY AND LIABILITIES

Equity reached 62% of total assets due to two private placements in value of RON 77.7 mil as well as incorporation of 2022 net profit of RON 82,747 thousand.

As at 31 December 2022 **IMPACT** registered an increase of bank loans, in order to support the development activity of projects within Boreal Plus as well as GREENFIELD Băneasa.

Debt to assets ratio decreased to **27%** as at 31 December 2022, compared with 28% as at 31 December 2021.



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

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

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

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

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

The Board of Directors has 5 members:

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



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT

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

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

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

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



MAIN RISKS AND UNCERTAINTIES THAT MAY AFFECT IMPACT'S ACTIVITY

Risk	Management
	<p>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.</p>
Market risk	<p>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.</p>
Legal environment	<p>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.</p>
Credit risk	<p>As a real estate developer, IMPACT relies on equity and funding obtained from third parties for the project's development. The limitation of access to financing might have negative effects upon IMPACT's capacity to develop new project. The management of IMPACT constantly monitors this issue and strives to diversify IMPACT's financing sources.</p> <p>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.</p>
Currency risk	<p>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.</p>
Geographic risk	<p>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.</p>

CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

The Board of Directors met 45 times in 2022.



Independent members of the Board of Directors

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

CORPORATE GOVERNANCE

CODES AND POLICIES

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

- Anticorruption code
- Code of conduct
- **IMPACT Developer & Contractor'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

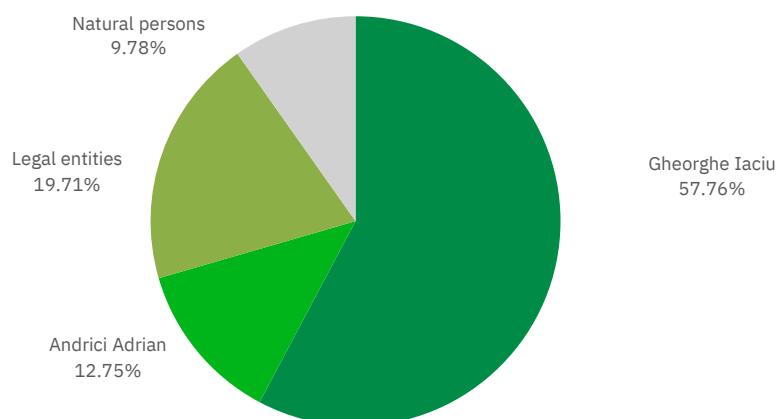
Ernst & Young S.R.L. was appointed by the decision of the General Meeting of Shareholders dated 21 April 2021, to audit the financial statements for 2022, prepared under the responsibility of **IMPACT Developer & Contractor's** management according to the international standards – IFRS (including the consolidated financial statements). The auditors' liability towards **IMPACT Developer & Contractor** and the General Meeting of Shareholders shall be determined and limited according to the law and the agreement concluded with them.

In 2022 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 114,000 (2021: EUR 100,000) (for the statutory audit of the consolidated and standalone annual financial statements of the Company and of its Romanian subsidiaries, as well as for the financial statements in ESEF digital format). Services contracted with the statutory auditor other than audit services were of EUR 5,000 (2021: EUR 9,500), representing the other assurance services in relation to certain reports issued by the Company that are not prohibited by article 5(1) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council.

Iuliana Mihaela Urdă
Chairman of the Board of Directors

IMPACT ON THE CAPITAL MARKET

IMPACT D&C shareholders' structure as of 31 Dec 2022



As per the information provided by the Central Repository, on 31 Dec 2022, 80.29% of the shares were held by natural persons and 19.71% of the shares were held by legal entities.

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

As of 2006, its shares, currently accounting to 2,365,679,951, are listed in the 1st category of the Bucharest Stock Exchange, and since January 2015, **IMPACT Developer & Contractor** shares are traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange. There are no restrictions for the security transfer, there are no restrictions for the voting rights, and there are no holders of securities with special control rights.

CHANGES IN SHARE CAPITAL STRUCTURE IN 2022

As at 31 December 2022, the share capital of **IMPACT Developer & Contractor** consisted of a number of 2,365,679,951 shares with a nominal value of RON 0.25 / share. In 2021, there were changes in the share capital of **IMPACT Developer & Contractor** as presented below.

- On 01.02.2022, a share capital increase was registered, through the issuance of new shares, through private placement. As a result of the increase, 84,231,295 new shares were issued and the share capital was increased with the value of 21,057,823.75 RON. Following the increase of the share capital through private placement, the share capital of the Company increased from 393,750,000 RON to 414,807,823.75 RON, the new total number of shares being 1,659,231,295.
- On 30.06.2022, the Company's share capital was increased by the amount of 165,923,129.50 RON, through the partial incorporation of the undistributed carried forward result in the previous financial years. The capital increase was achieved by issuing a number of 663,692,518 new shares. Each shareholder registered in the Register of Shareholders of the Company on the registration date 21.07.2022 was allocated 2 (two) free shares for 5 (five) shares held. Following the increase of the share capital, the total value represents 580,730,953.25 RON, being divided into 2,322,923,813 shares, each having a nominal value of 0.25 RON.
- On 19.08.2022, the subscription stage in private placement approved by the Decision of the Board of Directors of 17.08.2022 ended. Within it, 42,756,138 shares were subscribed.

IMPACT ON THE CAPITAL MARKET

DIVIDEND GRANTED IN THE LAST 4 YEARS

- In 2019 the granting of dividends for 2018 was decided, at 0.034 RON / share, amounting to a total of mRON 9.3 (according to the Decision of the General Meeting of Shareholders dated 24 April 2019)
- In 2020 the granting of dividends for 2019 was decided, at 0.04 RON / share, amounting to a total of mRON 10.7 (according to the Decision of the General Meeting of Shareholders dated 28 April 2020)
- In 2021, free shares were granted in a 1: 2 ratio following the changes in the share capital
- In 2022, free shares were granted in a 2:5 ratio following the changes in the share capital

SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS ON 31 DEC 2022

- Mrs. Iuliana Mihaela Urdă holds 0.08% of **IMPACT Developer & Contractor** shares, specifically a number of 1,819,343 shares
- Intrepid Gem SRL holds 0.06% of **IMPACT Developer & Contractor** shares, specifically a number of 1,343,200 shares
- Mrs. Ruxandra-Alina Scarlat holds 0.09% of **IMPACT Developer & Contractor** shares, specifically a number of 2,030,600 shares
- Mr. Daniel Pandele holds 2.14% of **IMPACT Developer & Contractor** shares (0.30% as natural person and 1.83% through Danielis Star Company), specifically a total number of 50,550,000 shares
- Mr. Sorin Apostol holds 3.11% of **IMPACT Developer & Contractor** shares, specifically a total number of 75,593,336 shares.

STATUS OF SHARES REDEEMED AS AT 31 DEC 2022

In 2022, share redemption programs were ongoing in accordance with EGSM resolution of April 21, 2021 (maximum 3,460,000 shares) and OGSM resolution of 21.04.2021 (maximum 1,100,000).

- Shares redeemed during 2022 – 1,632,621 shares
- Redeemed shares balance as at 31 December 2022 – 738,541 shares
- Shares granted to employees and members of the Board of Directors in 2022 – 2,265,000 shares.



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-2021	31-Dec-2022
Price per share (RON)	0.700	0.360
Number of shares (IMPACT Developer & Contractor)	1,575,000,000	2,365,679,951
Market capitalization (RON thousand)	1,102,500	851,644,782
IFRS (consolidated)		
Net profit (RON thousand)	78,800	84,767
Net asset value ("NAV", RON thousand)	716,854	889,620
Profit per share (RON)	0.0500	0.0358
NAV/Share (RON)	0.4551	0.3761
EPRA Net Asset Value (consolidated)		
EPRA NRV (RON thousands)	1,044,043	1,219,328
EPRA NTA (RON thousands)	1,009,577	1,178,265
EPRA NDV (RON thousands)	975,553	1,138,270
EPRA NRV/Share (RON)	0.6629	0.5154
EPRA NTA/Share (RON)	0.6410	0.4981
EPRA NDV/Share (RON)	0.6194	0.4812

*European Public Real Estate Association

The EPRA value as at 31 December 2021-2022 was determined based on the valuations performed by Colliers Valuation and Advisory (the investment value and the market approach where the investment value has not been determined), except for the items specified below.

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

	RON thousands	RON thousands	RON thousands	RON thousands	RON thousands	RON thousands
	31-Dec-22			31-Dec-21		
EPRA Net Asset Value Metrics RON thousands	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	889,620	889,620	889,620	716,854	716,854	716,854
Include*:	-	-	-	-	-	-
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	12,453	12,453	12,453
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.c) Revaluation of other non-current investments	35,884	35,884	35,884	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	216,310	216,310	216,310	246,247	246,247	246,247
Diluted NAV at Fair Value	1,141,813	1,141,813	1,141,813	975,553	975,553	975,553
Exclude*:	-	-	-	-	-	-
v) Deferred tax in relation to fair value gains of IP	81,058	40,529	-	68,490	34,245	-
vi) Fair value of financial instruments	-	-	-	-	-	-
vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
viii.a) Goodwill as per the IFRS balance sheet	(3,543)	(3,543)	(3,543)	-	-	-
viii.b) Intangibles as per the IFRS balance sheet	-	(534)	-	-	(221)	-
NAV	1,219,328	1,178,265	1,138,270	1,044,043	1,009,577	975,553
Fully diluted number of shares	2,365,680	2,365,680	2,365,680	1,575,000	1,575,000	1,575,000
NAV per share	0.5154	0.5154	0.5154	0.6629	0.6410	0.6194

EPRA NET ASSET VALUE

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

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

II) REVALUATION OF TRADING PROPERTIES

The trading properties/finished goods (e.g. dwellings) refer to completed phases of GREENFIELD BĂNEASA, LUXURIA EXPOZIȚIEI 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 2022 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 2022.

The land held as inventory where GREENFIELD BĂNEASA, 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 2022.

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

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

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

V) INTANGIBLES AS PER THE IFRS FINANCIAL STATEMENTS

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



KEY PERFORMANCE INDICATORS

Total adjusted assets
(in EUR thousand)



EPRA Net Reinstatement Value
(in EUR thousand)



EPRA = European Public Real Estate Association

EPRA Net Reinstatement Value = EPRA NRV values are determined in accordance with the EPRA standards being disclosed in the Company's annual and quarterly reports.

Total Adjusted Assets = assets adjusted to Fair Value according to EPRA guidelines

The amounts are translated in EUR at the NBR average and closing RON/EUR foreign exchange rate for each period.

Total value of assets adjusted to fair value in accordance with EPRA standards increased to EUR 342,716 thousands as at 31 December 2022, or by 16% compared with 31 December 2021.

As of 31 December 2022, the EPRA Net Reinstatement Value (NRV) increase to EUR 246,458 thousands, or by 18% compared with the value as at 31 December 2021.



APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

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

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

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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

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The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	NO	The Board of Directors manages the documents / activities with the support of the secretariat and the legal department, which provides logistical support for the organization and conduct of the Board meetings
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	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 2023, 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 status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	Under implementation	The evaluation of the internal control system for 2022 is ongoing. In 2023, 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

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B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	
Section C – Fair rewards 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.		
<p>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.</p>	YES	
<p>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.</p>		
<p>Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.</p>		
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

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

APPENDIX 1

STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022	Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES	
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES	
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	YES	
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	Partial	IMPACT supports and organizes various sport and environmental protection activities, both physically and educationally. These activities are presented on IMPACT Developer & Contractor website and IMPACT Developer & Contractor works to develop a related policy.

APPENDIX 2

OTHER INFORMATION

IMPACT's EMPLOYEES

At the end of 2022, **IMPACT Developer & Contractor** had a number of 73 employees, of which 1 was on maternity leave. Additionally, **IMPACT Developer & Contractor** has a 5-member Board of Directors.

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

Finally, RCTI Company, acquired by 51% in September 2022 had a total of 130 employees as at 31 December 2022, and no Administrators.

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

Labor relations are regulated by:

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

Remuneration of Company's management in 2022 was RON 2.749.217 (2021: RON 3.005.079). For more details please see Remuneration report, published on company's website.

FINANCIAL RATIOS (CONSOLIDATED, IFRS)

RON thousands		31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Net profit	A	20,828	154,484	74,856	78,800	84,767
Inventories	B	365,753	430,725	434,741	538,922	617,698
Current assets	C	422,310	509,071	520,337	617,094	715,595
Current liabilities	D	141,074	132,918	122,395	262,033	195,353
Total assets	E	647,551	901,972	987,889	1,204,412	1,443,362
Total liabilities	F	200,745	318,031	347,061	487,558	553,742
Equity	G	446,808	583,941	640,828	716,854	889,620
Loans and borrowings	H	148,994	197,635	255,836	337,033	387,765
Loans and borrowings, short term	I	34,894	58,822	88,379	186,912	118,910
Loans and borrowings, long term	J	114,100	138,813	167,457	150,121	268,855
Cash and cash equivalents	K	30,740	45,462	59,022	42,037	55,108
Net debt	L (H-K)	118,254	152,173	196,814	294,996	332,657
EBITDA	M	17,734	45,475	34,279	99,907	111,393
Interest paid	N	5,494	2,508	6,134	6,617	13,631
Ratios						
Loans and borrowings / EBITDA	H/M	8.40	4.35	7.46	3.37	3.48
Net debt / EBITDA	L/M	6.67	3.35	5.74	2.95	2.99
EBITDA / Interest paid	M/N	3.23	18.13	5.59	15.10	8.17
Return on Assets	A/E	3.22%	17.13%	7.58%	6.54%	5.87%
Return on Equity	A/G	4.66%	26.46%	11.68%	10.99%	9.53%
Gearing ratio	H/G	33.35%	33.85%	39.92%	47.02%	43.59%
Current ratio	C/D	2.994	3.830	4.251	2.355	3.663
Quick ratio	(C-B)/D	0.401	0.589	0.699	0.298	0.501