IMPACT DEVELOPER & CONTRACTOR S.A.

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

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

This is a free translation from the original Romanian version.

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

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

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

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

The consolidated financial statements have been authorized for issue by the management on 29 of March 2024 and signed on its behalf by:

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

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

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

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Iuliana Mihaela Urdă	**Constantin Sebeșanu**	**Claudiu Bistriceanu**
CA President	Chief Executive Officer	Chief Financial Officer

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

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IMPACT

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

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

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

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1. REPORTING ENTITY

The Impact Developer & Contractor S. A's financial statements ("the Company" or "the Parent") reported in consolidated version for financial year 2023, shows the subsidiaries financial review of IMPACT business group as well.

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

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

Company	Country of registration	Nature of activity	% Owned by the Group as at 31 December 2023	% Owned by the Group as at 31 December 2022
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzioo Management SRL (former Actual Invest House SRL)	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	100%	100%
Aria Verdi Development SRL	Romania	Real estate development	100%	100%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
R.C.T.I. Company SRL	Romania	Construction works	51.01%	51.01%
Impact Alliance Architecture	Romania	Architecture services	51%	51%
IMPACT Alliance Moldova SRL	Romania	Construction works	51%	-

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

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

2. BASIS OF PREPARATION

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

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

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

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

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

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

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

(a) Basis of Consolidation

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

- has control over the subsidiary.
- is exposed or has rights to variable profits from its involvement in the subsidiary; and
- has the capacity to use control to influence the profits of the subsidiary.

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

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

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

(b) Going concern

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

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

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

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. MATERIAL ACCOUNTING POLICIES

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

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

Disclosed below is the summary of the material accounting policies.

(a) Inventories

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

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

Cost is defined as the sum of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes direct materials and, where applicable, direct labor and indirect manufacturing costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

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

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

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

(b) Property, plant, and equipment

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

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

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

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

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

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

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

The land is not depreciated.

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

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

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

(c) Borrowing costs.

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

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

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

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

(d) Investment property

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

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

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

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

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

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

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

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

(f) Business combinations and goodwill

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

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

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

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

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

(g) Shareholder's equity

Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserves. The treasury shares are subject of restriction as per Company law in Romania.
Any costs associated with equity transactions are to be accounted for as a reduction of equity.

Dividends

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

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

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

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

The carrying amount of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

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

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

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

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

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

(i) Revenue from Contracts with Customers

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

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

(ii) Revenues from re-charging utilities
The revenues from recharging of utilities are recognized when they are realized, together with the utilities

expenses invoiced by the suppliers. The Group recharges the utilities at mark-up in the form of administrative costs. These revenues refer to the rented properties and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utilities suppliers in their own name.

(iii) Revenue from construction services

The revenue from construction services is recognized when the significant risks and rewards of ownership have been transferred to the customer; this is deemed to be when work has been performed and accepted by the customer in line with the contractual provisions. This is the point at which all performance obligations are satisfied in line with the provisions of IFRS 15 and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(j) Leases

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

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

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

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

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

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

(k) Foreign currency

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

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

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

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

The exchange rate differences resulting from translation are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as financial expenses/revenues.

(l) Financial instruments

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

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

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

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

(m) Taxation

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

Current income tax

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

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

Deferred income tax

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

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

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

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

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

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

(n) Segment reporting

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(i) Fair value measurements and valuation processes

The Group has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Group's investment property and property developed for sale in their current state as of 31 December 2023 and 31 December 2022. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

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

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

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

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

The key inputs are summarized in Note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.

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

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

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

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

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

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

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

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

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

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

(iii) Legal issues

The management of the Group analyses regularly the status of all ongoing litigation and following a consultation with the Board of Administration, decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the separate financial statements. Key legal matters are summarized in Note 25.

(iv) Cost allocation

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

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2023:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)
The Amendments are effective for annual periods beginning on or after January 1, 2023. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Group evaluated its accounting policies and adapted the presentation of information according to the new requirements.

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments). The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Management has assessed that the amendments did not have any material impact on the financial statements of the Group.

IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments). The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. Management has assessed that the amendments did not have any material impact on the financial statements of the Group.

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

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

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

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

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

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

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

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

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

• Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. Management has assessed that the amendments will have no impact on the financial statements of the Group.

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

7. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

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

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

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

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

Lease contracts

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

Right of Use Assets

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

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

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

Land and buildings:

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

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

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

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

The depreciation method used was the straight-line method.

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

Machinery, equipment and means of transport:

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

Furniture and installations:

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

Assets under construction:

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

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

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

8. INVESTMENT PROPERTY

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

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

Main real estate investments in land

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

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

Transfers into or from property, plant and equipment of RON 38,342 thousand comprises:
- Transfer of land from investment property to PP&E of RON 13,331 thousand (10,364 square meter) related to the photovoltaic park and RON 20,947 thousand related to Wellness property, both in Greenfield project (See also note 7)
- Transfer in amount of RON 518 thousand of two apartments from investment property to Inventories as the units were made available for sale during the current year.

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

Considering the classification criteria under IAS40 and as detailed in note 5 ii – Critical accounting judgements (transfer of assets both from and to investment property), the Group concluded that as of December 2023 there is sufficient evidence that the future use of the land is uncertain and thus the land should be classified as investment property and not as inventory, in accordance with IAS 40 provision regarding "land held for a currently undetermined future use".

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

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

Valuation processes

The Group's investment properties were valued at 31 December 2023 and 31 December 2022 by independent professionals Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having experience regarding the location and nature of the properties evaluated.

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

Fair value hierarchy

Based on the input data used in the valuation technique, the fair value of real estate investments was classified at level 3 of the fair value hierarchy as of 31 December 2023 and 31 December 2022. The valuation is considered appropriate given the adjustments applied to the data observed for comparable land and building valuations. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques

Fair values are determined applying the comparison method. The evaluation model is based on a price per square meter of land, obtained from observable data of existing price offers on the market.

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

Asset	**Main parameters on 31st of December 2023**	**Main parameters on 31st of December 2022**
Greenfield Băneasa land	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 500 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -36% discount to +27% Premium	• Price offer per square meter for land used as comparable: from 250 EUR / sqm to 450 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -26% discount to +37% Premium
Barbu Văcarescu land	• Price offer per square meter for land used as comparable: from 1,000 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -35% to +60% Premium	• Price offer per square meter for land used as comparable: from 1,254 EUR/mp to 2,537 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount from -40% to +20% Premium
Blvd. Ghencea land	• Price offer per square meter for land used as comparable: from 179 EUR/sqm to 254 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -48%	• Price offer per square meter for land used as comparable: from 80 EUR/sqm to 165 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -5% to +75%

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

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

9. INVENTORIES

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

Inventories are represented by:

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

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

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

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

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

The Boreal Plus project in Constanta is financed by CEC Bank, therefore the interest on the loan was capitalized in the construction value of the stock. The value of the capitalized interest in 2022 is RON 1,020 thousand. During 2023 the project was completed and available for sale, therefore no interest was capitalized.

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

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

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

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

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

10. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

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

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

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

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

Reconciliation of the provision for expected credit losses:

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

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

11. CASH AND CASH EQUIVALENTS

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

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, RON 9 thousand (31 December 2022: 102 thousand RON) is restricted cash. The restricted cash is subject to commercial or legal restrictions (cash collateral for letters of guarantee, cash collateral for the payment of uncollected dividends, etc.)

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

12. SHARE CAPITAL

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

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

	31-Dec-23	31-Dec-22
	%	%
Gheorghe Iaciu	57.76%	57.76%
Andrici Adrian	11.83%	12.73%
Companies	19.96%	19.70%
Other shareholders	10.45%	9.82%
	100%	**100%**

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

On 01.02.2022, the share capital increase was registered, through the issuance of new shares, through private placement. As a result of the increase, 84,231,295 new shares were issued and the share capital was increased with the value of 21,057,823.75 RON. Following the increase of the share capital through private placement, the share capital of the Company increased from 393,750,000 RON to 414,807,823.75 RON, the new total number of shares being 1,659,231,295. This share capital increase generated a share premium in amount of RON 37,904,170.

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

On 19.08.2022, the subscription stage in private placement approved by the Decision of the Board of Directors of 17.08.2022 ended. Under the Private Placement 42,756,138 shares were subscribed, and the subscription price was 0.439 RON per new share (the "Subscription Price"). This share capital increase generated a share premium in amount of RON 8,080,910.

No share capital increase was registered in 2023.

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

The Other reserves constituted for the Group are detailed below:

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

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

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

Dividends

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

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

Capital management.

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

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

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

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

13. OWN SHARES

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

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

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

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

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

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

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

No shares were granted to employees during 2023.

LOANS AND BORROWINGS

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

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

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

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

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

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

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

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

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

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

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

In June 2022, the Company contracted a loan denominated in EUR from Alpha Bank for the general financing of projects (working capital). The approved value of the loan is EUR 20,000 thousand, with maturity in 7 years from the granting.

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

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

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

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

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

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

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

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

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

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

Debts related to leasing contracts.

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

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

The market value of the liabilities related to leasing contracts approximates their book value.

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

No new leasing contracts were signed in 2023.

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

15. TRADE AND OTHER PAYABLES

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

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

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

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

Please see Note 17 for details regarding advances from clients.

16. PROVISIONS FOR RISKS AND CHARGES

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

	Provisions for litigation	Other provisions	Total
Balance at 1 January 2022	**271**	**1,017**	**1,288**
Provisions made during the year	-	-	-
Provisions used during the year	-	(935)	(935)
Balance at 31 December 2022	**271**	**82**	**353**

The provisions amounting to RON 287 thousand as of 31 December 2023 are represented by:
- RON 271 thousand for a litigation in connection with one of the houses sold in the Boreal neighborhood of Constanța
- RON 16 thousand for untaken holidays

17. REVENUES

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

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

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

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

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

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

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

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

Sales per project analysis:

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

Expenses related to revenues:

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

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

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

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

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

18. GENERAL AND ADMINISTRATIVE EXPENSES

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

19. OTHER OPERATING (EXPENSES)/INCOME

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

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

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

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

20. FINANCE (COST)/INCOME

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

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

21. TAXES

(c) Taxes recognized in the profit and loss account

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

(d) Effective tax rate reconciliation

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

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

(e) Cumulative temporary differences that generate deferred tax

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

(f) Movements in deferred tax balances

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

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

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

22. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk management

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

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

Risk management framework

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

(a) Credit Risk

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

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

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

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

Trade receivables and other receivables

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

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

Impairment losses

The debt aging situation at the reporting date was:

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

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

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

Cash and cash equivalents.

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

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

(b) Liquidity risk

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

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

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

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

(c) Market risk

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

(d) Currency risk

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

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

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

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

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

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

The main exchange rates used during the year were:

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

Sensitivity analysis

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

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

Interest rate risk

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

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

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

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

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

Cash flow sensitivity analysis for variable rate instruments

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

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

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

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

23. CAPITAL COMMITMENTS

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

24. CONTINGENCIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Litigation initiated by "EcoCivic Association"

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

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

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

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

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

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

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

25. AFFILIATED ENTITIES

Transactions with Key Management Members

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

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

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

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

Transactions with shareholders

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

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

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

26. BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTEREST

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

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

Through the sale-purchase contract, a package of 13,500 shares of R.C.T.I Company SRL representing 27.5% of the share capital is transferred to Impact Developer & Contractor SA.

Simultaneously with the signing of the sale-purchase agreement, the parties also signed an Associates Agreement that includes the commitments undertaken by the parties, including the increase in the share capital of R.C.T.I. Company SRL and the subscription by Impact of 24,500 newly issued social shares and their release in exchange for a cash contribution, and through this transaction the Group acquired 51.01% in the share capital of R.C.T.I. Company SRL.

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

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

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

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

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

27. THE RESULT PER SHARE (EPS)

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

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

28. AUDITOR'S EXPENSE

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

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

29. SUBSEQUENT EVENTS

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

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

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

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

The consolidated financial statements have been authorized for issue by the management on 29 of March 2024 and signed on its behalf by:

Iuliana Mihaela Urdă	Constantin Sebeșanu	Claudiu Bistriceanu
Chairman of the BoD	Chief Executive Officer	Chief Financial Officer