IMPACT DEVELOPER & CONTRACTOR S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

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-Dec-2024	31-Dec-2023 *restated	1-Jan-2023 *restated
ASSETS				
Non-current assets				
Property, plant, and equipment	**8**	94,175	86,121	65,648
Intangible assets		1,012	632	534
Goodwill		3,543	3,543	3,543
Right of use assets	**8**	1,571	3,300	4,317
Investment property	**9**	704,167	679,046	653,725
Pipeline projects	**10**	78,515	81,274	81,274
Total non-current assets		**882,983**	**853,916**	**809,041**
Current assets				
Inventories	**11**	408,324	541,335	536,424
Trade and other receivables	**12**	44,242	14,212	25,561
Prepayments and other current assets	**12**	4,929	7,068	17,228
Cash and cash equivalents	**13**	71,974	51,293	55,108
Total current assets		**529,469**	**613,908**	**634,321**
Total assets		**1,412,452**	**1,467,824**	**1,443,362**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	**14**	598,699	598,884	598,884
Share premium		41,379	41,462	40,493
Revaluation reserves		-	-	3,001
Other reserves	**14**	47,214	41,590	40,266
Own shares	**15**	-	(268)	(268)
Retained earnings		269,760	216,709	197,390
Equity attributable to equity holders of the parent		**957,052**	**898,377**	**879,766**
Non-controlling Interest		7,984	8,718	9,854
Total equity		**965,036**	**907,095**	**889,620**
Non-current liabilities				
Loans and borrowings	**16**	181,158	346,658	271,207
Trade and other payables	**17**	5,834	5,995	6,124
Deferred tax liability		80,122	76,864	81,058
Total non-current liabilities		**267,114**	**429,517**	**358,389**

* The comparative information has been restated please see note 7.

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

	Note	31-Dec-2024	31-Dec-2023 *restated	1-Jan-2023 *restated
Current liabilities				
Loans and borrowings	**16**	135,961	66,976	119,919
Trade and other payables	**17**	24,512	22,821	33,726
Income Tax Payables		4,377	2,234	1,885
Contract liabilities	**17**	15,320	38,894	39,470
Provisions for risk and charges	**18**	132	287	353
Total current liabilities		**180,302**	**131,212**	**195,353**
Total liabilities		**447,416**	**560,729**	**553,742**
Total shareholders' equity and liabilities		**1,412,452**	**1,467,824**	**1,443,362**

* The comparative information has been restated please see note 7.

The consolidated financial statements have been authorized for issue by the management on 29 of March 2025 and signed on its behalf by:

Iuliana Mihaela Urda	**Dan Sebastian Campeanu**	**Claudiu Bistriceanu**
Chairman of the BoD	Chief Executive Officer	Chief Financial Officer

		12 months period ended as at	
	Note	**31-Dec-2024**	**31-Dec-2023 *restated**
Revenue	**19**	308,254	171,217
Cost of sales	**19**	(223,795)	(116,425)
Gross profit		**84,459**	**54,792**
General and administrative expenses	**20**	(32,301)	(36,932)
Marketing expenses		(2,702)	(3,702)
Other operating income	**21**	37,112	21,931
Other operating expenses	**21**	(11,484)	(27,007)
Gains from revaluation of investment property	**9**	27,602	32,643
Operating profit		**102,686**	**41,725**
Finance income	**22**	1,911	10,979
Finance cost	**22**	(34,935)	(34,321)
Finance result net (loss)		**(33,024)**	**(23,342)**
Profit before income tax		**69,662**	**18,383**
Income tax credit/(charge)	**23**	(9,066)	228
Profit for the period		**60,596**	**18,611**
Non-controlling interest (NCI)		1,921	2,294
Equity holders of the parent		58,675	16,317
Basic earnings per share (EPS)	**28**	**0.0248**	**0.0069**
Diluted earnings per share	**28**	**0.0248**	**0.0069**
Other comprehensive income		-	-
Total comprehensive income for the period		**60,596**	**18,611**
Comprehensive income attributable to:			
Non-controlling interest (NCI)		*1,921*	2,294
Equity holders of the parent		*58,675*	16,317

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

	Note	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 01 of January 2024 *restated		**598,884**	**41,462**	**-**	**41,590**	**(268)**	**216,709**	**898,377**	**8,718**	**907,095**
Other comprehensive income										
Profit for the period		-	-	-	-	-	58,675	58,675	1,921	60,596
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**58,675**	**58,675**	**1,921**	**60,596**
Own shares acquired and cancelled during the year		(185)	(83)	-	-	268	-	-	-	-
Dividends granted to shareholders		-	-	-	-	-	-	-	(2,655)	(2,655)
Legal reserves		-	-	-	5,624	-	(5,624)	-	-	-
Other changes in equity		-	-	-	-	-	-	-	-	-
Balance as of 31 December 2024		**598,699**	**41,379**	**-**	**47,214**	**-**	**269,760**	**957,052**	**7,984**	**965,036**

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Dan Sebastian Campeanu
Chief Executive Officer

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Chief Financial Officer

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

	Note	Share capital	Share premium	Revaluation reserves	Other reserves	Own shares	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 01 of January 2023		**598,884**	**40,493**	**3,001**	**40,266**	**(268)**	**197,390**	**879,766**	**9,854**	**889,620**
Other comprehensive income										
Profit for the period *restated		-	-	-	-	-	16,317	16,317	2,294	18,611
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**16,317**	**16,317**	**2,294**	**18,611**
Own shares		-	969	-	-	-	(969)	-	-	-
Dividends granted to shareholders		-	-	-	-	-	-	-	(3,430)	(3,430)
Legal reserves		-	-	-	1,323	-	(1,323)	-	-	-
Other changes in equity		-	-	(3,001)	1	-	5,294	2,294	-	2,294
Balance as of 31 December 2023 * restated		**598,884**	**41,462**	**-**	**41,590**	**(268)**	**216,709**	**898,377**	**8,718**	**907,095**

* The comparative information has been restated please see note 7.

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Chairman of the BoD	Chief Executive Officer	Chief Financial Officer

	Note	12 months period ended as at 31-Dec-2024	31-Dec-2023 *restated
Net profit		**60,596**	**18,611**
Adjustments to reconcile profit for the period to net cash flows:		**(151)**	**3,138**
Loss (Gain) from revaluation of Investment property	**9**	(27,602)	(32,643)
Gain/(loss) on disposal of property, plant and equipment	8	-	2,002
Reversal of impairment of PPE	8	(2,097)	(5,037)
Depreciation and amortization	8	3,875	4,005
Inventory write-off/ (reversal of write off)	21	(1,688)	13,408
Impairment of receivables	21	2,308	(1,711)
Finance income	22	(1,911)	(10,979)
Finance costs	22	34,935	34,321
Non cash gain from compensation not yet received		(17.038)	-
Income tax	23	9,066	(228)
Working capital adjustments		**90,755**	**8,633**
Decrease/(increase) in trade receivables and other receivables	12	(15,300)	13,061
Decrease in prepayments	12	2,139	10,160
Increase in inventory	11	131,754	2,245
(Decrease)/increase in trade, other payables, and contract liabilities	17	(24,017)	(13,150)
(Decrease)/increase in provisions	18	(156)	(66)
Income tax paid		(3,666)	(3,617)
Net cash flows from operating activities		**151,199**	**30,382**
Investing activities			
Purchase of property, plant and equipment	8	(1,831)	(23,694)
Proceeds (expenditure) from Investment property	9	1,041	65
Expenditure on investment property under development	9	(1,794)	-
Proceeds from sale of PPE	8	2,295	-
Net cash flows from investing activities		**(289)**	**(23,629)**
Cash flows from financing activities:			
Proceeds from borrowings	16	102,544	225,098
Repayment of principal of borrowings	16	(199,566)	(202,906)
Dividends paid	14	(2,655)	(3,430)
Interest paid	16	(30,552)	(29,329)
Net cash used in financing activities		**(130,229)**	**(10,568)**
Net increase / (decrease) of cash and equivalents		**20,681**	**(3,815)**
Opening balance of Cash and equivalents	**13**	**51,293**	**55,108**
Closing balance of Cash and equivalents	**13**	**71,974**	**51,293**

* The comparative information has been restated please see note 7.

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1. REPORTING ENTITY

Impact Developer & Contractor S. A's ("the Company" or "the Parent") is a company domiciled in Romania having as object of activity real estate development and sale and construction services. The Company has fiscal code 1553483 and is registered with the Trade Registry under no. J40/7728/2018. The registered office of the Company is in Bucharest, District 1, Road Padurea Mogosoaia 31-41.

The shareholders structure as at 31 December 2024, and 31 December 2023 is disclosed within Note 14.

The Consolidated Financial Statements for the period ended 31 of December 2024 include the Company and its subsidiaries financial information (together referred to as the „Group") as follows:

Company	Country of registration	Nature of activity	% Controlled by the Group as at 31 December 2024	% Controlled by the Group as at 31 December 2023
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Spatzioo Management SRL	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance & Sales SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real estate development	100%	100%
Aria Verdi Development SRL	Romania	Real estate development	100%	100%
Greenfield Property Management SRL	Romania	Real estate development	100%	100%
R.C.T.I. Company SRL	Romania	Construction works	51.01%	51.01%
Impact Alliance Architecture	Romania	Architecture services	51%	51%
IMPACT Alliance Moldova SRL	Romania	Construction works	51%	51%

The Company is one of the first active companies in the field of real estate development in Romania, being founded in 1991 through 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 2024, the activity of the Group was the development of the residential projects in Greenfield Baneasa as well as the selling of the finalized projects in Greenfield Baneasa and Luxuria Residence from Bucharest, and Boreal Plus from Constanta.

2. BASIS OF PREPARATION

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

The financial statements have been prepared on a going concern basis and under the historical cost basis, except for investment properties, that are presented at fair value, as explained in the accounting policies below.

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.

IMPACT published for the third year in row, in 2024, a sustainability report, which summarizes the Group's efforts in regards to climate change risks. The sustainability reporting is not part of these financial statements or part of the Annual report and is not audited. 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 was published to meet 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. This report in not part of the financial statements or part of the Annual report.

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. For more details regarding climate change matters impacting the Group activities, please see the Annual Sustainability report published on Company's website. This report in not part of the financial statements or part of the Annual report.

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the company and the entities controlled by the Company (its subsidiaries) by the end of the reporting period (31 December 2024). The Group controls an entity when the following conditions are met:

a) Power over the Investee: The Group has existing rights that give it the current ability to direct the relevant activities of the investee
b) Exposure or Rights to Variable Returns: The Group must have the ability to obtain returns from its involvement with the investee
c) The Ability to Use Power to Influence Returns: The Group must have the practical ability to use its power to influence the amount of returns obtained

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 consolidated financial statements have been prepared on a going concern basis, as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future.

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 and supply chain disruptions. 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.

The Group expects an increase in development activity during 2025, as it intends to finalize Phase 5 of Greenfield Baneasa- Teilor project, launch the development of Phase 4 of the same project and obtain further building permits for future projects (Greenfield Baneasa UTR4 and Aria Verdi).

The Group has obtained the building permit for Greenfield Copou Iași, and currently it is in process of securing financing with banking institutions as well as, in negotiation process with the general entrepreneurs and architects for the optimization of costs and timing of the construction.

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. MATERIAL ACCOUNTING POLICIES

The accounting policies used by the Group are prepared in accordance with the IFRS Accounting Standards 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) Cash and cash equivalents

Cash and cash equivalents include cash balances, cash deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Trade receivables

Trade receivables are amounts due from customers for rental and service charge income from tenants and construction services in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value, generally at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses.
Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

(c) 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. Estimated selling price is based on revaluation reports provided by Colliers for each individual unit in inventory.

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

The amount of inventories recognised as an expense during the period, referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold, as well as unallocated production overheads (i.e. commissions of sales agents).

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 cost of inventories is measured using the following techniques:

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

The Company operates in an industry where finished products take extended time to complete, therefore the management has assessed the normal operating cycle for the development of the residential projects to be at 4 years. As such all of its inventory which is to be translated into revenue within less that 4 years from the reporting date, is considered short term inventory, whereas the remaining is classified as pipeline projects, within non-current assets. For more details on pipeline projects please see Note 10.

(d) 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 of property, plant and equipment for current and comparative periods are as follows:

- Buildings: 40 years

- Plant and equipment: 3-12 years

- Fixtures and fittings: 5-10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of reporting.

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. The difference between the net carrying amount and any proceeds received will be recognized through the statement of profit and loss.

(e) 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.

(f) Investment property

Investment property is property (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. Investment property also includes land with undetermined future use. Usually, the Group acquires major plots of land, as its business model is to build large projects (around 1,000 units per project), therefore the timing of obtaining the necessary building permits might be uncertain, time during which initial conditions for project estimates might change (construction prices increase, management strategy of development, changes in legislation, etc.). As such, given the reasonable probability for the plots of land not to be used as intended due to uncertainties not under Group's control, the management initially recognizes certain plot of lands as investment property until the construction authorization is obtained, a detailed concept of the project is finalized, and significant steps have been done to identify construction companies and financing for the project.

After initial recognition, investment property is measured at fair value model, with changes in the fair value being recognized in profit or loss.

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.

Although, 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 only when there is an actual change in use rather than on changes in an entity's intentions.

The Group transfers land classified as investment property to inventories at the point when there is sufficient evidence that uncertainties previously preventing development have been resolved or significantly reduced. Such evidence typically includes (but is not limited to):

- Obtaining valid building permits or regulatory authorizations.
- Finalization and approval of detailed development plans and project specifications by management.
- Management's commitment to commence the project, supported by formal decisions or resolutions.
- Initiation of substantive activities demonstrating intent to sell (e.g., identification of construction companies, entering into contracts, obtaining project-specific financing arrangements).

(g) Impairment of non-financial assets

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 a non-financial asset (other than inventory and deferred tax assets) 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.

(h) 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 CGU 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.

(i) 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.

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.

(j) 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.

(k) 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 control of the asset have been transferred to the customer, this is usually when title of the property passes to the customer on legal completion 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 collection 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.

Payment is done in tranches, a fixed EUR 2,000 (net of VAT) at the signing of the initial reservation of the residential unit, 15% of total contract price at the signing of the pre-sale agreement and the remaining amount at the signing of the sale-purchase agreement, when the control passes to the client. In addition, according to standard contractual clauses, the client has no right to exist the contract, or to a corresponding reimbursement of advance paid. In specific and isolated cases, the Company may agree to terminate the pre-sale agreement and reimburse the advance to the client. Furthermore, once the final sale-purchase agreement is signed there is no refund option, however the client is entitled to 2 years warranties for the quality of the residential unit delivered. The warranties are on a back to back basis, meaning that these are provided by the seller (Impact SA. Bergamot Developments I or Bergamot Developments II) to the client, but the seller passes the responsibility to the general contractor (RCTI Company SRL) which in turn reaches out to the sub-contractor responsible for the work and the corresponding repair.

(ii) Revenues from water and sewage system

The Group owns within Greenfield Baneasa project the water and sewage system. The revenues from charging of water are recognized when they are realized, together with the water expenses invoiced by the suppliers. The Group recharges the utilities at mark-up which is calculated as administrative costs of maintaining the water sewage plus a profit. The price invoiced by the Group is approved by the National

Authority for Reglementation of the Energy Sector (ANRE).

(iii) Revenue from construction services
For construction services, revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed and approved by the client. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

(l) 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.

Group as lessee

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 of use assets representing the right to use the underlying asset. i) Right of use assets: The Group recognizes the right of 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 of 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 of use assets are 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, considering the extension option also.

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 16 – Loans.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(m) Foreign currency

The functional currency used by the Group entities 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.

(n) Financial instruments

The financial assets with cash flows are solely payments of principal and interest 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 are classified as subsequently measured at amortized cost (trade payables, loan payables with standard interest rates, bank borrowings).

(o) 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 tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

a) Temporary differences on the initial recognition of assets and liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction affects neither the accounting nor the taxable profit or loss(ii) does not give rise to equal taxable and deductible temporary differences;

b) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

c) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses , unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(p) Segment reporting

The Group generates revenue primarily from the sale of residential properties. In addition, to sustain its core business, the Group has expanded to construction, rental and property management services.

The Group has two reportable segments, as described below, which are the Group's strategic business units:
Development of residential properties: the Group is involved in the development and sale of residential properties
Construction services: the Group uses a Group Company for the construction of its properties for sale. In addition, the construction company obtains revenue from services of construction from third parties.
Other revenue includes revenue from rental of investment property or residential properties and revenue, revenue from facility management, wellness and fitness services, and utilities.

Information regarding the results of each reportable segment is set out in Note 19. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO and CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The corresponding fair value of the amount payable to employees in respect of SARs, which are settled in cash is recognized as an expense with corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss.

r) Related party

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. Related parties include individuals that are principal owners, key management personnel of Group's subsidiaries and members of the Board of Directors and members of their families, and any company that is related party to Group's entities.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(i) Fair value measurements and valuation processes

The Group has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, as at 31 December 2024 setting out the estimated market values for the Group's investment property and property developed for sale in their current state. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

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

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

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 27 Contingencies.

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

A sensitivity analysis:

Land in investment property

Impact on the valuation included in the balance sheet on 31 December 2024, as well as at 31 December 2023 and gains on investment property registered to profit or loss of a 5% (weakening)/strengthening of the price per sqm. The table below includes the key prices used in the determination of the sensitivity analysis results:

2024

Land	RON/SQM	+5% RON/SQM	-5% RON/SQM	+5% Total value	-5% Total value	Effect of increase	Effect of decrease
Greenfield Băneasa land (Bucharest)	1,377	1,446	1,308	279,521	252,900	13,311	13,311
Barbu Vacarescu land (Bucharest)	7,536	7,913	7,160	201,187	182,027	9,580	9,580
Blvd. Ghencea – Timișoara land (Bucharest)	697	732	662	189,464	171,420	9,022	9,022
Other (Neptun,Oradea)	180	189	171	11,750	10,631	560	560

2023

Land	RON/SQM	+5% RON/SQM	-5% RON/SQM	+5% Total value	-5% Total value	Effect of increase	Effect of decrease
Greenfield Băneasa land (Bucharest)	1,342	1,409	1,275	272,321	246,386	12,968	12,968
Barbu Vacarescu land (Bucharest)	7,482	7,856	7,108	199,729	180,707	9,511	9,511
Blvd. Ghencea – Timișoara land (Bucharest)	634	665	602	172,211	155,810	8,201	8,201
Other (Neptun,Oradea)	188	197	178	12,309	11,136	586	586

Property

A sensitivity analysis on the Plaza property, based on +/- 0.5% change in yield and +/- 1 EUR rent/sqm, is disclosed below:

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

2024

	Yield	-0.50%	0.00%	0.50%
	Rent/sqm	7.00%	**7.50%**	8.00%
-5.00%	24.2	11,150,749	10,405,130	9,753,333
0.00%	**25.47**	11,442,799	**10,672,420**	9,999,087
5.00%	26.75	11,734,848	10,939,710	10,244,841

2023

	Yield	-0.50%	0.00%	0.50%
	Rent/sqm	7.00%	**7.50%**	8.00%
-5.00%	26.21	11,272,202	10,525,068	9,871,741
0.00%	**27.58**	11,577,485	**10,803,240**	10,126,378
5.00%	28.96	11,882,768	11,081,412	10,381,015

(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 (including project concepts and initiatives to obtain building permits, which are affected by political uncertainties), but as of 31 of December 2024 and up to the approval date of the present financial statements no firm and formal decision had been taken by the Company as to the actual use of those lands; consequently, these assets are classified as investment properties as of 31 of December 2024 (same at 31 December 2023) and continued to be recorded at fair value as at the balance sheet date.

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

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

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

(iii) Legal issues

The management of the Group analyses regularly the status of all ongoing litigation and following a consultation with the legal advisors and with the Board of Directors, decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the financial statements. Key legal matters are summarized in Note 27.

(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. The future projects to which costs are allocated are only those of which development is certain – i.e. the land is already included in inventory. 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.

(v) Operating cycle

The Group's operating cycle is determined based on the nature of its business activities. Management has exercised significant judgement in defining the operating cycle, which impacts the classification of assets as current or non-current.

Judgement: The operating cycle is considered to be the period between the acquisition of assets for processing and their realization in cash or cash equivalents. For the Group, this period is estimated to be 4 years.

Estimation Uncertainty: The determination of the operating cycle involves assumptions about the duration of production processes, inventory turnover rates, and the timing of receivables collection. Changes in these assumptions could significantly affect the classification of assets.

Impact: If the operating cycle were to be reassessed to be longer/shorter than 4 years, certain assets would be reclassified as current/non-current, which could affect liquidity ratios and other financial metrics.

If operating cycle of 12 months was used current inventories expected to be realized in 12 months would be RON 408,324 thousand and RON 541,335 would be reclassified to non-current pipeline inventories.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

- 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.

- 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.

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

- Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments: Settlement of liabilities through electronic payment systems.*

There has been diversity in practice over the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment system. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised. Under the amendments, a company generally derecognises its trade payable on the settlement date. Normally this is the date, on which payment is completed.

The amendments also provide an optional exception, which allows the company to derecognise its trade payable earlier than the settlement date, potentially on the date when payment is initiated and cannot be canceled. The exception is available when the company uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Companies can choose to apply the exception for electronic payments on a system-by-system basis.

Classification of financial assets with ESG-linked features

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The Group plans to apply the amendments from 1 January 2026.

- Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity*

The amendments enable nature-dependent electricity contracts, which are sometimes referred to as renewable power purchase agreements (PPAs), to be better reflected in the financial statements. The amendments:

- Clarify the application of the own use exemption to these contracts.
- Amend the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met.

Introduce additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flow. Currently the Group does not use any renewable power source but it plans to do it in the future, therefore it plans to assess the impact of the amendments on the financial statements and apply the new standard, if the case, starting from 1 January 2026.

- IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes in the requirements are summarised below.

A more structured statement of profit or loss

IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either:

- nature;
- function; or
- using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

MPMs – Disclosed and subject to audit

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Greater disaggregation of information

The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so.

Other changes applicable to the primary financial statements

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet.

Transition

In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between:

- the restated amounts presented applying IFRS 18; and
- the amounts previously presented applying IAS 1.

The Group plans to apply the new standard from 1 January 2027.

- IFRS 19 Subsidiaries without Public Accountability Disclosures

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19.
A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under

IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.
Management has assessed that the amendments will have no material impact on the financial statements of the Group.

- Annual Improvements to IFRS Standards – Volume 11

In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. The Group plans to apply the amendments from 1 January 2026.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:
a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while a partial gain or loss is recognised when a transaction between an investor and its associate or

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

joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Management has assessed that the amendments will have no material impact on the financial statements of the Group.

7. RESTATEMENT FOR COMPARISON PURPOSES AND CORRECTION OF PRIOR PERIOD ERRORS

During 2024, the Group discovered a series of errors in its past year's consolidated financial statements, disclosed below. The errors have been corrected by restating each of the affected consolidated financial statements line items for prior periods, where applicable.

a. The Group identified an error in the consolidated results of the year ended 31 December 2023 due to an erroneous consolidation accounting entry related to the transfer of a plot of land owned by a subsidiary from Investment property to Property plant and equipment.
The erroneous accounting entry was recorded as an increase to Property, plant and equipment of RON 13,243 thousand, Decrease in Investment property of RON 2,749 thousand and increase in fair value gain of RON 10,494 thousand. The accounting entry should have not been recorded and the Company corrected the opening balance by reversing this adjustment.

b. During 2024, the Group retrospectively analysed and estimated the applicable operating cycle to be used in the presentation of its assets and liabilities and concluded that the operating cycle to be used for the classification of current/non-current assets related to residential projects is 4 years. Therefore, inventories related to projects which will be realized in a period higher than 4 years, in amount of Ron 81,274 thousand, were reclassified as non-current also as of 31 December 2023 and 1 January 2023.

c. During 2024, the Group retrospectively analysed and reclassified other operating income/expenses,net into two different line items, as other operating income and other operating expenses. Furthermore, the Group eliminated the Depreciation and amortisation line item, and reclassified depreciation within General and Administrative expenses, as well as Cost of Sale.

The following tables summarize the impact of the correction of the errors described in this chapter on the Group's consolidated financial statements.

	Note	31-Dec-2023 As previously reported	Adjustment	31-Dec-2023 As restated

		KRON	**KRON**	**KRON**
Non-current assets				
Property, plant and equipment	**8**	99,365	(13,244)	86,121
Intangible assets		632		632
Godwill		3,543		3,543
Right of use assets		3,300		3,300
Investment property	**9**	676,297	2,749	679,046
Pipeline projects	**10**	-	81,274	81,274
Total non-current assets		**783,137**	**70,779**	**853,916**
Current assets				
Inventories	**11**	622,609	(81,274)	541,335
Trade and other receivables		14,212		14,212
Prepayments and other current assets		7,068		7,068
Cash and cash equivalents		51,293		51,293
Total current assets		**695,182**	**(81,274)**	**613,908**
Total assets		**1,478,319**	**(10,495)**	**1,467,824**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		598,884		598,884
Share premium		41,462		41,462
Revaluation reserves		-		-
Other reserves		41,590		41,590
Own shares		(268)		(268)
Retained earnings		227,204	(10,495)	216,709
Minority interest		8,718		8,718
Total equity		**917,590**	**(10,495)**	**907,095**
				-
Non-current liabilities				-
Loans and borrowings		346,658		346,658
Trade and other payables		5,995		5,995
Deferred tax liability		76,864		76,864
Total non-current liabilities		**429,517**	**-**	**429,517**
Current liabilities				
Loans and borrowings		66,976		66,976
Trade and other payables		22,821		22,821
Profit Tax Liability		2,234		2,234
Contract liabilities		38,894		38,894
Provisions for risk and charges		287		287
Total current liabilities		**131,212**	**-**	**131,212**
Total liabilities		**560,729**	**-**	**560,729**
Total shareholders' equity and liabilities		**1,478,319**	**(10,495)**	**1,467,824**

	Note	1-Jan-2023 As previously reported	Adjustment	1-Jan-2023 As restated
		KRON	**KRON**	**KRON**

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

Non-current assets				
Property, plant and equipment		65,648		65,648
Intangible assets		534		534
Godwill		3,543		3,543
Right of use assets		4,317		4,317
Investment property		653,725		653,725
Pipeline projects	**10**	-	81,274	81,274
Total non-current assets		**727,767**	**81,274**	**809,041**
Current assets				
Inventories	**11**	617,698	(81,274)	536,424
Trade and other receivables		25,561		25,561
Prepayments and other current assets		17,228		17,228
Cash and cash equivalents		55,108		55,108
Total current assets		**715,595**	**(81,274)**	**634,321**
Total assets		**1,443,362**	**-**	**1,443,362**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		598,884		598,884
Share premium		40,493		40,493
Revaluation reserves		3,001		3,001
Other reserves		40,266		40,266
Own shares		(268)		(268)
Retained earnings		197,390		197,390
Minority interest		9,854		9,854
Total equity		**889,620**	**-**	**889,620**
Non-current liabilities				
Loans and borrowings		271,207		271,207
Trade and other payables		6,124		6,124
Deferred tax liability		81,058		81,058
Total non-current liabilities		**358,389**	**-**	**358,389**
Current liabilities				
Loans and borrowings		119,919		119,919
Trade and other payables		33,726		33,726
Profit Tax Liability		1,885		1,885
Contract liabilities		39,470		39,470
Provisions for risk and charges		353		353
Total current liabilities		**195,353**	**-**	**195,353**
Total liabilities		**553,742**	**-**	**553,742**
Total shareholders' equity and liabilities		**1,443,362**	**-**	**1,443,362**

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

	Note	31-Dec-2023 As previously reported	Adjustment	31-Dec-2023 As restated
Revenue		171,217	-	171,217
Cost of sales	**19**	(114,043)	(2,382)	(116,425)
Gross profit		***57,174***	***(2,382)***	***54,792***
General and administrative expenses	**21**	(35,309)	(1,623)	(36,932)
Marketing expenses		(3,702)	-	(3,702)
Other operating income/(expenses), net	**22**	(5,076)	5,076	-
Other operating income	**22**	-	21,931	21,931
Other operating expenses	**22**	-	(27,007)	(27,007)
Depreciation	**19**	(4,005)	4,005	-
Gains from revaluation of investment property	**9**	43,137	(10,494)	32,643
Operating profit		***52,219***	***(10,494)***	***41,725***
Finance income		10,979	-	10,979
Finance cost		(34,321)	-	(34,321)
Finance result net (loss)		**(23,342)**	**-**	**(23,342)**
Profit before income tax		***28,877***	***(10,494)***	***18,383***
Income tax credit/(charge)		228	-	228
Profit attributable to:				
Net profit		**29,105**	**(10,494)**	**18,611**
Non-controlling interest (NCI)		2,294	-	2,294
Equity holders of the parent		***26,811***	***(10,494)***	***16,317***
Earnings per share		*0.00113*	-	*0.0069*

	Note	31-Dec-2023 As previously reported	Adjustment	31-Dec-2023 As restated

		KRON	KRON	KRON
Net profit		**29,105**	**(10,494)**	**18,611**
Adjustments to reconcile profit for the period to net cash flows:		**(7,357)**	**10,494**	**3,138**
Loss (Gain) from revaluation of Investment property	9	(43,137)	10,494	(32,643)
Gain/(loss) on disposal of property, plant and equipment		2,002		2,002
Reversal of impairment of PPE		(5,037)		(5,037)
Depreciation and amortization		4,005		4,005
Inventory write-off/ (reversal of write off)		13,408		13,408
Impairment of receivables		(1,712)		(1,711)
Finance income		(10,979)		(10,979)
Finance costs		34,321		34,321
Income tax		(228)		(228)
Working capital adjustments		**8,633**	**-**	**8,633**
Decrease/(increase) in trade receivables and other receivables		13,061		13,061
Decrease in prepayments		10,160		10,160
Increase in inventory		2,245		2,245
(Decrease)/increase in trade, other payables, and contract liabilities		(13,150)		(13,150)
(Decrease)/increase in provisions		(66)		(66)
Income tax paid		(3,617)		(3,617)
Net cash flows from operating activities		**30,382**	**-**	**30,382**
Investing activities	**8**			
Purchase of property, plant and equipment		(978)	(22,716)	(23,694)
Proceeds (expenditure) from Investment property		65	-	65
Expenditure on investment property under development		-	-	-
Expenditure on PPE under development	8	(17,842)	17,842	-
Proceeds from sale of PPE	8	(4,874)	4,874	-
Net cash flows from investing activities		**(23,629)**	**-**	**(23,629)**
Cash flows from financing activities:				
Proceeds from borrowings		225,098		225,098
Repayment of principal of borrowings		(202,906)		(202,906)
Dividends paid		(3,430)		(3,430)
Interest paid		(29,329)		(29,329)
Net cash used in financing activities		**(10,568)**	**-**	**(10,568)**
Net increase / (decrease) of cash and equivalents		**(3,815)**	**-**	**(3,815)**
Opening balance of Cash and equivalents		**55,108**	**-**	**55,108**
Closing balance of Cash and equivalents		**51,293**	**-**	**51,293**

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

8. PROPERTY, PLAND AND EQUIPMENT

	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 of January 2024*restated	**88,407**	**4,934**	**3,121**	**3,296**	**99,758**
Additions	-	945	506	-	1,451
Transfers from inventories/(to inventories)	1,270	9,225	-	(388)	10,107
Disposals	(2,088)	(207)	-	-	(2,295)
Balance as at 31 December 2024	**87,589**	**14,897**	**3,627**	**2,908**	**109,021**
Accumulated depreciation and impairment losses					
Balance as at 1 of January 2024*restated	**8,528**	**3,781**	**1,328**	**-**	**13,637**
Charge for the period	1,358	1,282	438	-	3,078
Transfers from inventories/(to inventories)	723	(495)	-	-	228
Accumulated depreciation of disposals	(1,987)	(110)	-	-	(2,097)
Balance as at 31 December 2024	**8,622**	**4,458**	**1,766**	**-**	**14,846**
Carrying amounts					
On 1st of January 2024*restated	79,879	1,153	1,793	3,296	86,121
On 31 December 2024	**78,969**	**10,439**	**1,861**	**2,908**	**94,175**

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

Reconciliation of carrying amount

	Land and buildings	Machinery, equipment and vehicles	Fixtures and fittings	Assets under construction	Total
Cost / valuation					
Balance as at 1 of January 2023	**83,906**	**4,523**	**2,363**	**1,922**	**92,714**
Additions	-	209	412	4,873	5,494
Transfers	12,086	1,819	524	(3,504)	10,925
Disposals	(7,585)	(1,617)	(178)	5	(9,375)
Balance as at 31 of December 2023 *restated	88,407	4,934	3,121	3,296	99,758
Accumulated depreciation and impairment losses					
Balance as at 1 of January 2023	**23,288**	**2,749**	**1,029**	**-**	**27,066**
Charge for the period	1,830	254	417	-	2,501
Transfers	(11,530)	1,896	59	-	(9,575)
(Reversal of)/Impairment losses	2,514	-	-	-	2,514
Accumulated depreciation of disposals	(7,574)	(1,118)	(177)	-	(8,869)
Balance as at 31 of December 2023*restated	**8,528**	**3,781**	**1,328**	**-**	**13,638**
Carrying amounts					
On 1st of January 2023	**60,618**	**1,774**	**1,334**	**1,922**	**65,648**
On 31th of December 2023 *restated	**79,879**	**1,153**	**1,793**	**3,296**	**86,121**

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

Lease contracts

	31-Dec-2024		31-Dec-2023	
	Contracts No	Fixed payments	Contracts No	Fixed payments
Vehicles	5	100%	26	100%
Machinery	5	100%	5	100%
Total	**10**	**100%**	**31**	**100%**

Right of Use Assets

	31-Dec-2024	31-Dec-2023
	Vehicles &Machinery	Vehicles &Machinery
Opening Balance as of 1 January	**3,300**	**4,317**
Additions	-	-
Business combinations	-	-
Depreciation	(569)	(1,245)
Contractual payments	(1,167)	-
FX movements	7	228
Closing Balance as of 31 December	**1,571**	**3,300**

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. During June 2024 the leasing contracts of Spatzioo, for 2 cars, representing right of use assets having a carrying amount of RON 99 thousand were closed. In addition, the leasing for 19 cars, in Impact SA, representing right of use assets with a carrying amount of RON 1,160 thousand Impact were closed.

Lands and buildings:

The transfers of land and buildings are mainly represented by the followings:

- the transfer from work in progress of the land related to the IMPACT Office building in amount of RON 1,132 thousand
- the transfer from work in progress of the retention pool located in Greenfield Baneasa, in amount of RON 3,686 thousand as well as the technical rooms related to the thermal power plant serving the Greenfield Baneasa project in the amount of RON 2,602 thousand, following the commissioning of the UTR3 project
- the transfer to inventory of plots of land in total value of RON 7,673 thousand, in line with the Group policy of holding in inventory the land related to infrastructure, which benefits the Greenfield Baneasa project. Such infrastructure land is expensed to cost of sales – for more details within Note 4 – Material accounting policy – Inventories

The depreciation method used was the straight-line method.

Machines, equipment and means of transport:

During 2024 the thermal power plant serving the Baneasa Teilor Greenfield project was commissioned at a value of RON 8,673 thousand. Also, 7 cars were purchased by RCTI, worth RON 944 thousand, and electric cars of Impact and Spatzioo, at a carrying amount of RON 535 were transferred from right of use assets to PPE, following the closing of the leasing contracts.

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

Assets under construction:

Transfers of assets under construction are represented by the workings on the accounting software Charisma, in total amount of RON 388, which were transferred to intangible assets.

Pledged assets:

As at 31 December 2024 PPE in total of RON 70,914 thousand were pledged as securities for bank loans, representing land and buildings (31 December 2023: RON 68,971 thousand).

9. INVESTMENT PROPERTY

	31-Dec-24	31-Dec-23 *restated
Balance at 1 of January	**679,046**	**653,725**
Additions	1,793	17,842
Transfers from/to PPE/Inventories	(3,552)	(25,098)
Value adjustments	319	(65)
Disposals	(1,041)	-
Changes in fair value during the year	27,602	32,642
Balance at 31 of December	**704,167**	**679,046**

* Comparative information has been restated, see note 7

Investment property comprises primarily land plots held with the purpose of capital appreciation or land with undetermined future use.
Additions are mainly referring to architectural services performed for investment property under development.
Transfers from inventory:
- RON 4,292 thousand are represented by the write off costs for the architectural works performed for the previous concept of the project to be located on the Ghencea land, the write-off was previously classified as inventory although the land was classified as investment property; the write-off costs decrease the overall value of investment property
- land related to auto wash station in amount of RON 741 thousand was transferred from inventories to Investment property, following the commissioning of the Greenfield Baneasa Teilor project.

Disposal in amount of RON 1,041 thousand represents the sale of a commercial property within Greenfield Baneasa.

Overall, the fair value of land presented as investment property, as well as buildings increased at the end of 2024, by RON 27,602 thousand, following the revaluation carried out by the external evaluator, Colliers Valuation and Advisory S.R.L.

Below you can find a breakdown of total properties included within investment property:

	31-Dec-24		31-Dec-23	
	SQM	**RON thousand**	**SQM**	**RON thousand**
Greenfield Băneasa land (Bucharest)	193,311	266,210	193,311	259,352
Barbu Vacarescu land (Bucharest)	25,424	191,607	25,424	190,218
Blvd. Ghencea – Timișoara land (Bucharest)	258,895	180,442	258,895	164,011
Other (Neptun,Oradea)	62,022	11,190	62,472	11,723
Greenfield Plaza commercial property (land included)	11,111	54,718	10,230	53,742
Total	**550,763**	**704,167**	**550,332**	**679,046**

Compared with prior year, as at 31 December 2024 the breakdown of investment property has been reorganized in order to include all land and properties in investment property, as well as write downs, or investment property in progress, which relates to concept works done for potential future projects. During 2024 the breakdown included only the gross book value of the main land in investment property.

For the year 2024, the Group obtained rental income from investment property (Greenfield Plaza) in total value of RON 2,390 thousand. The operating expenses arising from the investment property that generated rental income are recovered through service charge from the tenants. No operating expenses were recorded for investment property that did not generate rental income.

Considering the classification criteria under IAS40 and as detailed in Note 6 – Critical accounting judgements (transfer of assets both from and to investment property), the Group concluded that as at 31 of December 2024 there is sufficient evidence that the future use of the land is uncertain and thus the land should be classified as investment property and not as inventory, in accordance with IAS 40 provision regarding "land held for a currently undetermined future use".

Details on the legal matters related to land are presented in Note 27.

Valuation processes

The Group's investment properties were valued at 31 December 2024 and 31 December 2023 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 at 31 of December 2024 and 31 of December 2023. 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 for the plots of land 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 as at 31 of December 2024	Main parameters as at 31 of December 2023
Greenfield Băneasa land	• Price offer per square meter for land used as comparable: from 149 EUR / sqm to 500 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: from -59% discount to +90% Premium	• 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
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 -55% to +80% Premium	• 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
Blvd. Ghencea land	• Price offer per square meter for land used as comparable: from 170 EUR/sqm to 254 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location, and condition: discount of -82% to value	• 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%

The Greenfield Plaza property has been revalued by Colliers, using the Discounted Cash Flow method. The main assumptions used are disclosed below:

	31-Dec-24	31-Dec-23
Discount rate	9.25%	9.25%
Vacancy rate	between 2% and 20%	between 2% and 20%
Rent (EUR/sqm)	between 1 and 150 EUR/sqm/month	between 1 and 55 EUR/sqm/month
Yield	7.50%	7.50%

The carrying value as at 31 of December 2024 of the investment property (land and buildings) pledged is 326,856 RON thousands (31 December 2023: RON 303,767 thousands).

The investment property land held by the Group is located in Bucharest. The SQM prices differ depending on location, and size of the land. In particular, the land located in Barbu Vacarescu has significantly higher price compared with the rest of the land plots given its strategic location, within the most exclusive neighbourhood of the city.

10. PIPELINE PROJECTS

The Company operates in an industry where finished products take extended time to complete, therefore the management has assessed the normal operating cycle of its activity to be at 4 years. As such all of its inventory which is to be translated into revenue within less that 4 years from the reporting date, is considered short term inventory, whereas the remaining is classified as pipeline projects. The classification of pipeline projects has been made in 2024 therefore the 2023 figures have been restated in order to present comparable amounts. Pipeline projects are comprised of land for development of future projects. Compared with 31 December 2023, in 2024 the land held for the development of Boreal Constanta Phase 2, has been transferred to inventories, as most of the corresponding inventory will be translated into revenue within less than 4 years.

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

	31-Dec -24	31-Dec-23	1-Jan-23
Greenfield Baneasa	31,294	27,147	27,147
Boreal Plus Constanta	-	6,934	6,934
Greenfield Copou Iasi	47,221	47,193	47,193
	78,515	**81,274**	**81,274**

11. INVENTORIES

	31-Dec -24	31-Dec-23 *restated	1-Jan-23 *restated
Finished properties and other goods for sale	283,046	160,739	227,707
Work in progress residential developments:			
Land for development	35,381	52,387	52,887
Development and construction costs	89,897	328,209	255,830
	408,324	**541,335**	536,424

Inventories are represented by:

	31-Dec -24	31-Dec-23 *restated	1-Jan-23 *restated
Greenfield residential project	310,845	372,267	286,186
Luxuria residential project	37,140	79,989	123,519
Constanta land and project	53,517	82,953	100,993
Others inventory	6,822	6,126	25,726
	408,324	**541,335**	**536,424**

* The comparative information has been restated please see note 7.

Management estimates of inventories to be realized within less than 12 months, as well more than 12 months from the reporting date (31 December 2024) is disclosed below:

	To be realized within 12 months	To be realized within more than 12 months
Greenfield residential project	310,845	372,267
Luxuria residential project	37,140	79,989
Constanta land and project	53,517	82,953
Others inventory	6,822	6,126
	408,324	**541,335**

Out of the total of RON 310,845 thousand in Greenfield Baneasa, a total of RON 104.501 is to be realized within 12 months, based on management estimates of the residential units to be sold. Luxuria project is to be realised fully within 12 months, as the management has the intention to sale all the 39 residential units in inventory and corresponding parking spaces during 2025. As regards to Constanta project, RON 29,181 thousand represents the value of inventory estimated to be realized within the next 12 months.

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

Lands with a carrying amount of RON 35,381 thousand as of 31 of December 2024 (31 of December 2023: RON 52,387 thousand) consist mainly of land owned by the Group for the development of new residential properties and infrastructure, in Bucharest, Constanta or Iasi.

Completed real estate with an accounting value of RON 283,045 thousand on 31 of December 2024 (31 December 2023: RON 160,739 thousand) refers entirely to apartments held for sale by the Group.

Following the commissioning of the Greenfield Teilor project, which includes 732 apartments, 988 parking spaces, infrastructure and a thermal power plant, as at 31 December 2024, the project worth RON 265,393 thousand was transferred from work in progress to finished products.

Cost of residential units recognized during 2024 is RON 147,670 thousand (2023: RON 84,643 thousand).

The book value as of 31 December 2024 of the pledged finished stocks is RON 365,636 thousand (31 December 2023: RON 234,437 thousand) (see Note 11). The significant increase is due to the reception of Greenfield Baneasa Teilor Project, which in prior year was under development.

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

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

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

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

	Short term	
	31-Dec-24	**31-Dec-23**
Trade receivables	24,904	11,605
Other receivables	18,821	2,210
Receivables from authorities	517	397
	44,242	**14,212**

Prepayments and other current assets	**31-Dec-24**	**31-Dec-23**
Prepaid expenses	4,790	6,219
Advance payments to services suppliers	139	849
	4,929	**7,068**

Other receivables include receivable from the Municipality of Cluj-Napoca, in amount of RON 17.037 thousand as a result of the favorable Court decision dated 16 December 2024, in relation to the litigation of the subsidiary Clearline with the Municipality (for more details on the litigation please see Note 27 – Contingencies).

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

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 3,173 thousand (31 December 2023: 4,078 thousand RON).

Reconciliation of the provision for expected credit losses:

	31-Dec-24	31-Dec-23
Balance as at 1st of January	4,078	5,790
Net change in allowance for receivables	1.931	(1,712)
Balance as at 31 of December	**6,009**	**4,078**

As at 31 of December 2024, the Company did not have any pledged receivables, except for the rental income which is pledged in favour of First Bank. The average monthly value of the rent receivable is RON 260 thousand.

Information about the group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 24.

13. CASH AND CASH EQUIVALENTS

	31-Dec-24	31-Dec-23
Current accounts	71,952	51,196
Petty cash	14	51
Cash advances	8	46
	71,974	**51,293**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash, RON 9 thousand (31 December 2023: 9 thousand RON) is restricted cash. The restricted cash is subject to commercial or legal restrictions (cash collateral for letters of guarantee, cash collateral for the payment of uncollected dividends, etc.).

The cash balance increased by 20.682 thousand lei, or 40% as at 31 December 2024, compared with 31 December 2023. This increase is largely due to the drawing of a RON 17,000 thousand credit facility taken by RCTI from Vista Bank, for working capital purpose, as well as due to cash ins from RCTI clients.

14. SHARE CAPITAL

	31-Dec-24	31-Dec-23
Paid Share capital	591,235	591,420
Adjustments of the share capital (hyperinflation)	7,464	7,464
	598,699	**598,884**
Number of shares in issue at period end	**2,364,941,410**	**2,365,679,951**

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

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

	31-Dec-24	31-Dec-23
	%	%
Gheorghe Iaciu	58.03%	57.76%
Other	10.07%	11.83%
Companies	20.61%	19.96%
Other shareholders	11.29%	10.45%
	100.00%	**100.00%**

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

During 2024 a total of 738,541 own shares have been cancelled, at nominal value of RON 184 thousand.

The Other reserves constituted for the Group are detailed below:

	31-Dec-24	31-Dec-23
Legal Reserves	52,007	46,383
Statutory reserves	(4,871)	(4,871)
Other reserves	78	78
Balance as at 31 December	**47,214**	**41,590**

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

Dividends

No dividends were granted to the shareholders of the Group during 2024, nor in 2023. However, dividends in total amount of RON 2,981 thousand were granted to non-controlling interest shareholders of RCTI Company, of which RON 2,656 thousand were already paid in 2024. Also, RCTI Company granted and paid dividends in the amount of RON 3,430 thousand to its non-controlling interest shareholders in 2023.

Capital management.

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

To achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. In case of breaches in meeting the financial covenants the banks allow for remedy periods. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies, or processes for managing capital as at 31 of December 2024 and as at 31 of December 2023. Debt to assets ratio as of 31 of December 2024 and 31 December 2023 are disclosed below:

Debt to assets ratio	**31-Dec-24**	**31-Dec-23 *restated**
Loans and borrowings	317,119	413,634
Less: cash and cash equivalents	(71,974)	(51,293)
Net debt	**245,145**	**362,341**
Total assets	1,412,452	1,467,824
Net debt to assets	**17%**	**25%**

15. OWN SHARES

Value – RON thousand	**31-Dec-24**	**31-Dec-23**
Balance as at 1 of January	**268**	**268**
Purchase of own shares	-	-
Own shares cancelled during the year	(268)	-
Share-based payments	-	-
Balance as at 31 of December	**-**	**268**

	31-Dec-24 (no. of shares)	**31-Dec-23 (no. of shares)**
Balance as at 1 of January	**738,541**	**738,541**
Purchase of own shares	-	-
Own shares cancelled during the year	738,541	-
Share-based payments	-	-
Balance as at 31 of December	**-**	**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.
As at 31 of December 2024, the Group has no own shares (December 2023: RON 268 thousand accounting value).

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.

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

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 order for the shares to be granted, the Group must meet its overall budget plan for the year and the employees must be employed within the Group since more than 1 year. In 2024 and in 2023 the budget of the Group has not been met, therefore the Group is not liable for any share based payment. As such, no shares were granted to employees during 2023 or 2024.

16. 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.

	31-Dec-24	31-Dec-23
Non-current liabilities		
Secured bank loans	93,695	273,191
Issued bonds	87,178	72,163
Leasing	284	1,304
Total non-current liabilities	**181,158**	**346,658**
Current liabilities		
Short-term borrowings	135,512	65,879
Issued bonds	-	46
Leasing	449	1,051
Total current liabilities	**135,961**	**66,976**

(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 -24 (thous. RON)	Balance at 31-Dec-23 (thous. RON)
Bonds					
Private placement bonds	EUR	24-Dec-26	6,581	32,737	32,740
Credit Value Investments	EUR	02-Oct-27	8,000	39,793	39,423
Private placement bonds	EUR	12-Feb-27	3,000	14,649	-
Total bonds				**87,178**	**72,163**
Loans					
Garanti BBVA	EUR	15-Jun-24	4,250	-	3,210
Garanti BBVA	EUR	30-Jun-24	4,500	-	6,396
Libra Internet Bank	EUR	26-Jul-24	12,562	-	5,786
Libra Internet Bank	EUR	22-Sep-24	8,676	-	5,201
Libra Internet Bank	EUR	05-Oct-24	4,000	-	1,813
Libra Internet Bank	EUR	05-Dec-25	1,900	-	7,287
Libra Internet Bank	EUR	05-Dec-25	5,250	-	12,121
OTP Bank	EUR	31-Mar-25	21,161	54,281	105,268
OTP Bank	EUR	30-Jun-24	4,000	-	4,708
OTP Bank	EUR	31-Mar-25	13,279	32,279	65,239
OTP Bank	EUR	30-Jun-24	2,000	-	1,514
TechVentures Bank	EUR	06-Jan-25	2,000	-	3,592
Alpha Bank	EUR	08-Jun-29	20,000	66,321	81,068
First Bank	EUR	29-Mar-29	3,500	13,234	16,695
First Bank	EUR	19-Arp-27	4,000	13,200	-
Libra Internet Bank	RON	15-Jun-26	14,000	-	1,778
Garanti BBVA	RON	31-Dec-26	17,395	6,627	17,394
Garanti BBVA	EUR	31-Dec-27	6,910	25,569	-
Vista	RON	31-Jul-26	19,500	17,200	-
Total bank loans				**228,711**	**339,070**
Leasing	EUR			**734**	2,355
Total leasing				**734**	**2,355**
Interest				**496**	**46**
Total				**317,119**	**413,634**

	Bonds	Loans	Leasing	Total
Balance as at 1 of January 2024	**72,209**	**339,070**	**2,355**	**413,634**
Drawings	14,910	87,634	-	102,544
Repayments	-	(197,938)	(1,628)	(199,566)
Interest paid	(8,300)	(22,225)	(27)	(30,552)
Interest charge	8,196	22,225	27	30,448
Withholding tax expense	552	-	-	552
Foreign exchange differences	107	(55)	7	59
Balance as at 30 December 2024	**87,674**	**228,711**	**734**	**317,119**

	Bonds	Loans	Leasing	Total
Balance as at 1 of January 2023	**72,209**	**339,070**	**2,355**	**413,634**
Drawings	39,346	185,752		225,098
Repayments	-	(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 30 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 semi-annually. The bonds were issued by the Parent Company on 24 December 2020, they have a maturity of 6 years and were listed in May 2021 on the regulated market of BVB.

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

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

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

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

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

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

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

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

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

In October 2023 IMPACT SA offered for subscription 80 Series IMP27 bearer bonds (the “Bonds”), each with a nominal value of EUR 100,000.00 (one hundred thousand euros) and an aggregate nominal value of EUR 8,000,000.00 (eight million euros). The Bonds were allotted to institutional investors – consortium of several investment funds, of which assets are managed by CVI Dom Maklerski sp. z o.o. The Polish company under business name CVI Trust sp. z o.o., with its registered seat in Warsaw, Poland, is acting as a security administrator. The coupon value is variable and the interest is 1 month EURIBOR+ 8.75%. The maturity date is 2 October 2027.

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

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

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

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

- RCTI Company obtained a loan facility in total amount of RON 19,500, thousand from Vista Bank. The loan is to be used for working capital financing and for issuing of bank guarantee letters. The maturity period is 18 months from the signing date.

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

In December 2024 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 7 million, with a maturity of 3 years from the granting. No drawings occurred as at 31 December 2024.

The bank loans of the Group are subject to financial covenants, such as Debt Service Coverage Ratio (DSCR), Loan to Value (LTV), Net Debt to Total Assets, Net debt to Equity. In case of breaching the financial covenants, the contracts include remedy period, margin increase or renegotiation of loan terms.

All the financial indicators were met as of 31 December 2024 and as of 31 December 2023.

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. During 2024 Spatzioo closed its leasing contract and sold the respective cars. Furthermore, Impact SA closed all its leasing contracts and sold part of the cars.

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

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

17. TRADE AND OTHER PAYABLES

	31-Dec-24	31-Dec-23
Non-current liabilities		
Retentions owed to third party	5,834	5,995
	5,834	**5,995**
Current liabilities		
Trade payables	16,907	15,532
Tax debts	5,510	4,097
Other payables	121	-
Employees payables	1,648	1,530
Dividends payable	326	-
Other payables	-	1,662
	24,512	**22,821**
TOTAL	**30,346**	**28,816**

Contract liabilities (Advances from customers)	14,094	38,894
Deferred income	1,226	-
TOTAL	**15,320**	**38,894**

Information related to the Group's exposure to exchange rate risk and liquidity risk related to trade and other liabilities is included in Note 24.

The contract liabilities balance has decreased by RON 24,800 mostly due to the fact that in October the sales of the Greenfield Baneasa Teilor project were started, therefore, the advances were reversed and revenues from the sales were recorded. Detailed information about Advances from clients are presented in Note 19.

Please see Note 19 for details regarding Contract liabilities.

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance as at 1 of January 2024	**271**	**16**	**287**
Provisions made during the year	-	-	-
Provisions used during the year	(155)	-	(155)
Balance as at 31 of December 2024	**116**	**16**	**132**

	Provisions for litigation	Other provisions	Total
Balance as at 1 of January 2023	**271**	**82**	**353**

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

Provisions made during the year	-	-	-
Provisions used during the year	-	(66)	(66)
Balance as at 31 of December 2023	**271**	**16**	**287**

The provision amounting to RON 131 thousand as at 31 of December 2024 is represented by provision for untaken holidays.

19. REVENUES AND OTHER INFORMATION FOR OPERATING SEGMENTS

The Group generates revenue primarily from the sale of residential properties. In addition, to sustain its core business, the Group has expanded to construction, rental and property management services.
The Group has two reportable segments, as described below, which are the Group's strategic business units:
Development of residential properties: the Group is involved in the development and sale of residential properties
Construction services: the Group uses a Group Company for the construction of its properties for sale. In addition, the construction company obtains revenue form services of construction from third parties.
Other revenue includes revenue from rental of investment property or residential properties and revenue, revenue from facility management, wellness and fitness services, and utilities.

Information regarding the results of each reportable segment is set out below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO and CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Sale of residential properties		**Construction services**		**Total reportable segments**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Total revenue from segments	220,114	120,675	76,666	128,025	296,780	248,700
Cost of Sale for segments	147,670	84,643	67,109	86,918	214,779	171,561
Profit before tax from segments	112,819	14,753	4,179	8,298	116,998	23,051
Assets for segments	1,404,848	1,488,271	67,408	39,232	1,472,256	1,527,503
Liabilities for segments	487,345	639,652	39,074	11,539	526,419	651,191

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

Reconciliation with financial statements items

	2024	2023
Total revenue from segments	296,780	248,700
Revenue from non-reportable segments	22,924	8,371
Elimination of inter-segment revenue	(11,450)	(85,854)
Total consolidated revenue	**308,254**	**171,217**
Profit before tax from segments	116,997	23,051
Profit before tax from non-reportable segments	10,954	2,115
Elimination of inter-segment profits	(58,289)	(6,783)
Consolidated profit before tax	**69,662**	**18,383**
Total assets for segments	1,472,256	1,527,503
Assets for non-reportable segments	61,376	59,433
Elimination of inter-segment assets balances	(121,179)	(119,112)
Total consolidated assets balances	**1,412,452**	**1,467,824**
Total liabilities for segments	526,419	651,191
Liabilities for non-reportable segments	-	-
Elimination of inter-segment liabilities balances	(79,003)	(90,462)
Total consolidated liabilities balances	**447,416**	**560,729**

As at 31 of December 2024 inter-segment asset balances include elimination of receivables against payables of RON 79,003 thousand, while the remaining RON 33,034 thousand represents elimination of investments in subsidiaries, RON 5,800 thousand unrealized profits on inventory, and RON 3,342 thousand other eliminations against equity. Revenue from non-reportable segments is disclosed within the note below.

As at 31 December 2024, elimination of inter-segment profits include dividends income in amount of RON 50,0445 thousand, as well as elimination of gains from compensation received in relation to investment in subsidiary set up for project development, in amount of RON 8,022 thousand, as well as other profit adjustments in amount of RON (179) thousand.

As at 31 of December 2024, IMPACT had 130 dwellings pre-sold and reserved with a package value of RON 77,190 thousand. All of those refer to finalized projects. The 21 pre-sale agreements on pipeline projects were cancelled during the year and the advances paid (contract liabilities) were or are in progress to be reimbursed to the clients (total amount: RON 1,222 thousand). These pre-sale agreements were related to Copou Iasi project which is currently under cost optimization process. The construction will be started and new pre-sales agreements will be signed once the cost optimization process and the financing are secured.

For these pre-sale agreements clients paid deposits in amount of RON 14,089 thousand which are shown under Contract liabilities in the statement of financial position.

As at 31 of 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). 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.

The pre-sale stock has significantly decrease in 2024 compared with 2023, due to the fact that the Greenfield Baneasa Teilor project, was commissioned in September 2024 and most of pre-sale agreements have been converted into sale agreements (a total of 201 dwellings in Greenfield Baneasa project were sold in 2024).

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

During 2023 the Company started leasing part of its apartments for cash-flow purposes. The apartments remain available for sale, however given that this activity is expected to be recurring, the rental income generated is presented as part of Revenue starting with 2023.

Split of Group revenue:

	12M 2024	12M 2023
Revenue from residential properties	220,114	120,675
Revenue form services	82,338	47,598
Rental income	5,802	2,944
	308,254	**171,217**

Cost of sales is composed of the followings

	12M 2024	12M 2023
Cost of goods sold	147,670	84,643
Services cost	72,786	30,914
Costs related to rental services	3,339	868
	223,795	**116,425**

Sales per project analysis:

	12M 2024	12M 2023
Greenfield Baneasa	112,494	17,172
Boreal Plus	36,639	35,176
Luxuria Residence	69,320	68,327
Others	1,661	-
	220,114	**120,675**

During 2024, the Group sold 329 units, out of which 201 dwellings in GREENFIELD Baneasa, 58 dwellings in LUXURIA Residence, 63 dwellings as well as 4 villas in BOREAL Plus and other commercial spaces (27,634 sqm built saleable area plus related parking spots, storage and court yards). The 329 units sold throughout 2024 generated corresponding revenues of approximately RON 202,115 thousand.

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.

The revenue from construction services represent the income from construction services performed by RCTI (RON 72,272 thousand in 2024 and RON 37,597 thousand in 2023). In 2024 there was a significant volume of inter-segment transactions given the intense development activity required for the completion of the project Greenfield Baneasa Teilor. In 2024 the first three phases of the project were commissioned and construction services were mostly provided to third parties.

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

Revenue from rental is obtained from renting the commercial spaces within Greenfield Plaza community centre (RON 2,390 thousand in 2024 and RON 2,318 thousand in 2023) as well as from renting the apartments and other commercial spaces (RON 3,077 thousand and RON 626 thousand in 2023). The rented apartments are not held as investment property but held for sale in the ordinary course of business , given that the business model is make available to clients for sale all of the apartments. Furthermore the Group recorded revenue from sale of wellness and fitness services within Wellness Club by Greenfield (RON 4,929 thousand in 2024 and RON 4,889 thousand in 2023). Additional income is generated, utility sales, furniture sales, property management performed by the group companies (RON 5,437 thousand in 2024 and RON 5,112 thousand in 2023).

20. EXPENSES BY NATURE

	31-Dec-24	31-Dec-23
Changes in inventories of finished goods and work in progress	201,561	101,866
Employee expenses	16,419	17,701
Consultancy	11,502	13,626
Infrastructure costs	10,583	21,580
Raw materials and consumables	9,021	10,267
Taxes	4,749	2,914
Depreciation and amortisation	4,308	2,628
Maintenance	2,845	1,228
Advertising	2,702	3,795
Disposal of assets	2,013	5,629
Rent expense	402	442
Other	4,177	2,390
Total	**270,282**	**184,066**

21. GENERAL AND ADMINISTRATIVE EXPENSES

	12M 2024	12M 2023
Consumables	3,167	2,625
Third party expenses	11,732	15,441
Staff costs	13,662	15,534
Amortization	3,740	3,332
	32,301	**36,932**

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

22. OTHER OPERATING INCOME/EXPENSE

Other operating income:

	12M 2024	12M 2023
Other operating income	4,918	3,291
Net gain on disposal of PPE	1,021	3,635
Reversal of impairment of PPE	30	9,837
Compensation of write down of inventories	29,455	-
Reversal of Impairment /(Impairments) of inventory	1,688	(1,423)
Other compensations	-	3650
	37,112	**21,931**

During 2024 the Group recorded RON 29,455 as compensation of write-down of inventories following the decision issued by the Court during the year on the Lomb project (for more details on the two litigations please see *Note 27 – Contingencies*). Below you can find a breakdown of the amount registered by the Group:

- RON 17.038 thousand registered by Clearline as write back of inventory
- RON 7,219 thousand registered by Impact SA as interest and other compensations
- RON 5,198 thousand registered by Impact SA as compensation for the inventories written down

Following the winning of the second case with Cluj Municipality, the Group company Clearline disclosed a contingent asset, please see *Note 27 – Contingencies* for more details.

Other operating expenses:

	12M 2024	12M 2023
Other operating expenses	2,079	253
Other tax expenses	4,749	2,914
Loss on disposal of PPE	2,035	5,637
Fine and penalties	313	113
Impairment of receivables	2,308	(1,423)
Impairment allowance for PPE	-	4,800
Impairment allowance for inventory	-	12,897
Sponsorship	-	76
	11,484	**27,007**

23. FINANCE (COST)/INCOME

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

	12M 2024	12M 2023
Interest expense	(30,448)	(22,032)
Foreign exchange loss	(1,689)	(10,662)
Other financial expenses	(2,798)	(1,627)
Total financial expenses	**(34,935)**	**(34,321)**
Interest income	475	275
Foreign exchange gains	1,436	10,676
Other financial income	-	28
Total financial income	**1,911**	**10,979**
Financial result, net	**(33,024)**	**(23,342)**

Compared with 2023, in 2024 the interest expense has increased by RON 8,417 thousand. This is due to the fact that interest of loans previously capitalized was charged to expenses during 2024 (there were no projects eligible for capitalization). As regards to foreign exchange results, in 2024 the Group has registered net loss from foreign exchange of RON 253 thousand due to decrease in value of RON currency against EUR (2023: net foreign exchange gain of RON 14 thousand).

24. TAXES

(q) Taxes recognized in the profit and loss account

	31-Dec-2024	31-Dec-2023
Deferred income tax expense (benefit)	3,258	(4,494)
Current profit tax	5,805	3,962
Current income tax (small enterprises)	3	4
Total tax expense (benefit)	**9,066**	**(232)**

(r) Effective tax rate reconciliation

	31-Dec-2024		31-Dec-2023	
Profit before tax		**69,660**		**18,383**
Income tax calculated using the entity's local tax rate	16%	(11,146)	16%	(4,620)
Non-deductible expenses and adjustments	16%	(1,805)	16%	3,070
Tax exempt income	16%	5,419	16%	(2,690)
Tax incentives	16%	1,247		-
Current year temporary difference for which no DT was recognized	16%	(3,653)		4.468
Changes in estimates related to prior years	16%	873	16%	-
Total profit tax expense	**(13%)**	**(9,066)**	**(1%)**	**228**

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

(s) Cumulative temporary differences that generate deferred tax

	31-Dec-24		31-Dec-23	
	Taxable base	Tax amount	Taxable base	Tax amount
Property, plant and equipment	-	-	(7,691)	(1,231)
Goodwill	(3,543)	(567)	(3,543)	(567)
Real estate investments	(515,528)	(82,485)	(497,346)	(79,574)
Inventories	-	-	-	-
Trade receivables and other receivables	5,822	932	4,078	652
Reserves	-	-	-	-
	(513,249)	**(82,120)**	**(504,502)**	**(80,720)**
Tax losses that generated deferred tax	12,487	1,998	24,103	3,856
	(500,762)	**(80,122)**	**(480,399)**	**(76,864)**

The Group recorded a deferred tax asset for tax losses generated by the group companies Impact SA and Spatzioo Management SRL. Management is confident that the implementation of the 2025 business plan will generate a profit for Spatzioo, while Impact SA was already profitable in 2024 and in 2023. The Group recognized a deferred tax assets in 2024 and in 2023 as it had taxable profits against which the deductible tax difference have been utilized.

(t) Movements in deferred tax balances

				Balance as at 31 December 2024		
	Balance at 01.01.2024	Recognized in the current result	Recognized in other elements of comprehensive income	Net	Assets	Liability
2024						
Property, plant and equipment	1,231	(1,231)	-	-	-	-
Godwill	567	-	-	567	-	567
Investment property	79,574	2,911	-	82,485	-	82,485
Trade receivables and other receivables	(652)	(280)	-	(932)	(932)	-
Inventories	-	-	-	-	-	-
The effect of tax losses that generated deferred tax	(3,856)	1,858	-	(1,998)	(1,998)	-
(Receivables)/ net tax liabilities	**76,864**	**3,258**	**-**	**80,122**	**(2,930)**	**83,052**

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

	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	-	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**

25. 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.

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

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-24	31-Dec-23
Trade and other receivables	12	43,725	13,815
Cash and cash equivalents	13	71,974	51,293
		115,699	**65,108**

Reconciliation of trade receivables disclosed above with balance sheet trade receivables:

	31-Dec-24	31-Dec-23
Trade receivables disclosed for credit risk	43,725	13.815
Receivables from tax authorities	517	397
Total trade receivables and other receivables	**44,242**	**14,212**

The Group is not exposed to any concentration of credit risk.

Trade receivables and other receivables

Expected credit loss on trade receivables are measured by applying the simplified model according to IFRS 9. The Group uses a provision matrix by applying segmentation to capture the significantly different historical credit loss experience for different customer segments. The provision matrix is based on historical loss experience but is also adjusted to reflect information about current conditions and reasonable and supportable forecasts of future economic conditions. Furthermore, 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 12).

The maximum credit risk exposure related to trade receivables and other receivables at the reporting date by geographic region was:

	31-Dec-24	31-Dec-23
România	43,725	13.815
	43,725	**13.815**

Impairment losses

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

The debt aging situation at the reporting date was:

	31-Dec-24			31-Dec-23		
	Gross amount	**Adjustment for impairment**	**Net amount**	**Gross amount**	**Adjustment for impairment**	**Net amount**
Did not reach the maturity date	32,668	-	32,668	2,206	-	2,206
Remaining between 1-30 days	6,947	-	6,947	2,436	-	2,436
Remaining between 31–90 days	1,102	-	1,102	1,948	-	1,948
Remaining between 91–120 days	135	-	135	2,495	-	2,495
Remaining between 121–365 days	2,222	(405)	1,817	4,730	-	4,730
Arrears of more than one year	2,958	(1,902)	1,056	4,078	(4,078)	-
	49,742	**(2,307)**	**43,725**	**17,893**	**(4,078)**	**13,815**

Impairment losses as at 31 December 2024, 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 2024, the Group held cash and cash equivalents in the amount of RON 71,974 thousand (31 December 2023: RON 51,293 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.

(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-24	**Carrying value**	**Total**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Loans	316,623	316,623	145,412	50,781	120,430	-
Trade debts and other debts	40,156	40,156	34,322	5,834	-	-
	356,779	**356,779**	**179,734**	**56,615**	**120,430**	**-**
Estimates of future interest	42,818	42,818	17,412	13,489	11,917	

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

Total	**399,597**	**399,597**	**197,146**	**70,104**	**132,347**	**-**

31-Dec-23	Carrying value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans	413,634	413,634	66,932	204,233	141,460	1,009
Trade debts and other debts	63,613	63,613	57,618	5,995	-	-
	477,247	**477,247**	**124,550**	**210,228**	**141,460**	**1,009**
Estimates of future interest	64,413	64,413	31,152	17,534	15,714	13
Total	**541,660**	**541,660**	**155,702**	**227,762**	**157,174**	**1,022**

Reconciliation of trade payables disclosed above with balance sheet trade payables:

	31-Dec-24	31-Dec-23
Trade payables exposed to liquidity risk	40,156	63,613
Payables to state authorities	5,510	4,097
	45,666	**67,710**

(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 (euro) reported to the Group's management based on the risk management policy is as follows:

	31-Dec-24	31-Dec-23
Financial assets		
Trade receivables and other receivables	1,145	6,600
Cash and cash equivalents	14,514	14,393
	15,659	**20,993**
Financial liabilities		
Loans	292,062	394,462
Trade debts and other debts	-	407
	292,062	**394,869**
Net exposure	**(276,403)**	**(373,876)**

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

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

The main exchange rates used during the year were:

	31 December 2024	Medium for 2024	31 December 2023	Medium for 2023
EUR	4.9741	4.9746	4.9746	4.9464

Sensitivity analysis

A 10% appreciation / depreciation of the leu against the EUR as at 31 of December 2024 and 31 of December 2023 would have change e profit before tax 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-24			31-Dec-23
	Accounting value	**Effect of depreciation**	**Effect of appreciation**	**Accounting value**	**Effect of depreciation**	**Effect of appreciation**
Monetary assets and liabilities	(276,403)	(27,640)	27,640	(373,876)	(37,388)	37,388

Interest rate risk

				31-Dec-24				31-Dec-23
	Accounting value	**Variable rate**	**Fixed rate**	**Non-interest bearing**	**Accounting value**	**Variable rate**	**Fixed rate**	**Non-interest bearing**
Financial assets assets								
Trade receivables and other receivables	44,242	-	-	44,242	14,212	-	-	14,212
Cash and cash equivalents	71,974	-	-	71,974	51,293	-	-	51,293
	116,216	**-**	**-**	**116,216**	**65,505**	**-**	**-**	**65,505**
Financial liabilities								
Loans	292,062	244,677	47,385	-	394,462	361,901	32,561	-
Trade debts and other debts	40,156	-	-	40,156	407	-	-	407
	332,218	**244,677**	**47,385**	**40,156**	**394,869**	**361,901**	**32,561**	**407**

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-24**	**31-Dec-23**
Financial assets	-	-
Financial debts	47,385	32,607
Closing balance fixed rate instruments	**(47,385)**	**(32,607)**
Variable rate instruments		
Financial debts	244,677	361,901
Closing balance variable rate instruments	**(244,677)**	**361,901**
Total balance	**(292,062)**	**(394,508)**

The Group does not record financial assets or fixed-rate financial liabilities at fair value through profit and loss and does not use 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 2,447 (2023: 3,619). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain unchanged.

	Profit / (Loss)	
31 December 2024	**100 bp increase**	**100 bp decrease**
Variable rate instruments	(2,447)	2,447

	Profit / (Loss)	
31 December 2023	**100 bp increase**	**100 bp decrease**
Variable rate instruments	(3,619)	3,619

Compared with 2023, the exposure to changes in interest rate in 2024 decreased by RON 1,172 thousand. This is due to the decrease of the balance of debt with variable rate instrument by RON 102,578 thousand.

26. CAPITAL COMMITMENTS

As at 31 of December 2024, the Group had no capital commitments. However, the Group is engaged in contractual commitments through the pre-sale agreements it concludes with its clients for the sale of developed dwellings (please see *Note 19 – Revenues*, for more details on pre-sale agreements).

27. 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 and with legal advisors, decides on the need to recognize provisions related to committed amounts and to include them in the financial statements.

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

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

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

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

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

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

"*Admits the appeal declared by the appellant, the plaintiff Impact Developer & Contractor S.A. contrary to the respondents Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality, against civil sentence no. 2013/23.12.2020 and civil sentence no. 381/24.02.2021, both pronounced by the Cluj Specialized Court in file no. 79/1285/2012, which it changes in everything, in the sense that: Admits the request for summons, as stated, formulated by the appellant plaintiff Impact Developer & Contractor S.A. in contradiction with the defendants Cluj-Napoca Municipality and the Local Council of Cluj-Napoca Municipality and, consequently: Orders the termination of framework contract no. 55423/04.07.2007 concluded between the Local Council of the Municipality of Cluj-Napoca and the company Impact Developer & Contractor S.A. Obliges defendants to pay to the company Impact Developer & Contractor S.A. of the amount of RON 4,597,447.38 as compensation, as well as the payment of the related legal interest in the amount of RON 5,454,461.52 calculated for the period 01.09.2010-13.09.2022, with the related legal interest to be calculated further until the effective payment of the main debt. It obliges the defendants to pay to the Company the amount of RON 291,675.57 as legal expenses incurred on the merits. It obliges the defendants to pay to the Company the sum of RON 58,089.79 as court costs on appeal.*"

The decision is final and enforceable.

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

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

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

The decision is irrevocable. As a result of the decision, the defendant paid to Impact SA a total amount of RON 11,945,625 which is represented by RON 4,597,116 damages and RON 6,976,548 interest expense. Following the above mentioned transaction, the Group has recorded the amounts received within other operating income.

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

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 24,532,741.65 lei in the form of damages and the sum of 13,862,967.16 lei representing penal interest calculated for the period covered between the date of the payments made by the plaintiff (established according to the report of the forensic accounting expertise carried out in the case) and until 01.04.2021."

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

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

A loss of of 17,037 thousand lei was recorded by the Group in 2023, in respect of for the development and construction works relating to a project in Cluj. Based on the legal opinion, the chances of winning are rather probable, but no reliable estimate of outcome can be derived therefore the related inventory was written down to nil.

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

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

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

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

On December 16, 2024, the High Court of Cassation and Justice pronounced the following solution:

Admits the appeal filed by the appellants-defendants LOCAL COUNCIL OF THE MUNICIPALITY OF CLUJ-NAPOCA and MUNICIPALITY OF CLUJ-NAPOCA, through the mayor, against decision no. 317/A-C of September 25, 2024, pronounced by the Piteşti Court of Appeal – Second Civil Section, Administrative and Fiscal Disputes. Amends, in part, the contested decision in the sense that it admits the appeal filed by the defendants LOCAL COUNCIL OF THE MUNICIPALITY OF CLUJ-NAPOCA and MUNICIPALITY OF CLUJ-NAPOCA, through the mayor, against civil sentence no. 277 of June 08, 2022, pronounced by the Argeş Specialized Court in file no. 1032/1259/2012. Maintains the provisions regarding the solution of rejection, as unfounded, of the appeal directed against all unfavorable decisions by which the requests for evidence, objections and other requests of the appellants-defendants were rejected, including the hearing decision of 10.11.2021, by which the objections and requests of the appellants-defendants regarding the judicial accounting expertise report redone as a result of the admission of the initial objections were resolved. Changes, in part, civil sentence no. 277 of June 08, 2022, pronounced by the Argeş Specialized Court in file no. 1032/1259/2012, in the sense that it obliges the defendants LOCAL COUNCIL OF THE MUNICIPALITY OF CLUJ-NAPOCA and MUNICIPALITY OF CLUJ-NAPOCA, through the mayor, and to pay the legal penalty interest, calculated from 11.11.2011, the date of filing the lawsuit, until 01.04.2021. Upholds the remaining provisions of the sentence. Rejects the request of the respondent CLEARLINE MANAGEMENT&DEVELOPMENT S.A. regarding the award of court costs in the appeal. The decision is irrevocable.

As a result of the decision above the Cluj Municipality must pay to Clearline a total of RON 37,562,068 composed of the following amounts RON 24.532.741 representing the damages and RON 13,029,068 representing interest expenses and court costs. Following the above decision, as at 31 December 2024, the Management has reversed the provision of RON 17,037,000 thousand on the inventory, and recognized a receivable for the amount specified. In addition the Management recognizes a contingent assets in total value RON 20,525,068, representing the difference between the receivable registered and the total amount ordered to be paid by the defendant.

b) Litigation initiated by EcoCivica Foundation

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

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

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

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

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

The Court set a date of 11 April 2025.

Furthermore, the management considers that all the legal proceedings for the promotion and admission of the Zonal Urban Plan have been fulfilled. The arguments of the management are based on the fact that part of the buildings already constructed based on the building permit of which annulment is requested, have already been commissioned by the nominated local authorities – Bucharest City Council, and respectively Bucharest Building Inspectorate and registered in the Land Registry. Therefore no provision has been registered in respect of the litigation, as at 31 December 2024.

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

On January 19, 2023, Impact registered on the role of the Bucharest Court, Section II Administrative and Fiscal Litigation, against the City Hall of the City of Bucharest, the City Hall of Sector 1 Bucharest and the National Management of Romsilva Forests, the action in order to determine the mentioned institutions to comply with the obligations assumed by the decisions of the General Council of the Municipality of Bucharest, those of the Local Council of Sector 1 and those of the act of acceptance of the donation concluded with IMPACT in 2018 and to definitively open public access between Alley Privighetorilor and Drumul Pădurea Pustnicu. The specified road is used by the community of Grenfield Baneasa to facilitate the access within neighbourhood.

The next term is set for the 01 April 2025.

28. THE RESULT PER SHARE (EPS)

	2024	2023
Profit attributable to ordinary equity holders of the parent	58,675	16,317
Average number of ordinary shares during the year (thousands)	2,365,506	2,365,506
Basic result per share (lei/share)	**0.0248**	**0.0069**

Considering the changes during 2024 in the number of shares, according to the provisions of IAS33, the Company also restated the comparative values of the result per share for 2023, as the weighted average number of shares in 2023 had to also consider these operations recorded in 2024.

The calculation of basic EPS has been based on the following profit attributable to the ordinary shareholders and weighted number of shares outstanding:

	31-Dec-24	31-Dec-23
Profit (loss) for the year attributable to the owners of the Group	58,675	16,317
Dividends on non-redeemable preference shares	-	-
Profit (loss) attributable to ordinary shareholders	**58,675**	**16,317**

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

Weighted-average number of ordinary shares (basic)	**31-Dec-24**	**31-Dec-23**
Issued ordinary shares on 1 January	2,365,680	2,365,680
Effect of treasury shares held	-	(739)
Effect of share options exercised	-	-
Effect of shares issued related to a business combination	-	-
Effect of shares cancelled in 7 October 2024	(174)	565
Weighted-average number of ordinary shares (basic) at 31 December	**2,365,506**	**2,365,506**

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Diluted earnings per share

	31-Dec-24	**31-Dec-23**
Profit (loss) attributable to ordinary shareholders	58,675	16,317
Interest expense on convertible notes, net of tax	-	-
Profit (loss) attributable to ordinary shareholders (diluted)	**58,675**	**16,317**

	31-Dec-24	**31-Dec-23**
Weighted-average number of ordinary shares (basic) at 31 December	2,365,506	2,365,506
Effect of convertible notes/share option issue	-	-
Weighted-average number of ordinary shares (diluted) at 31 December	**2,365,506**	**2,365,506**

29. AUDITOR'S EXPENSE

KPMG Audit SRL was appointed by the decision of the General Meeting of Shareholders dated 29 April 2024, to audit the financial statements for 2024, 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 2024 the statutory auditor KPMG Audit SRL had a contractual statutory audit fee of EUR 140,400 (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 2024. Those services were valued at EUR 5,000 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.

In 2023 the statutory auditor was Ernst & Young Assurance Services SRL, which had a contractual statutory audit fee of EUR 126,200 (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, 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.

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

30. RELATED PARTIES

Transactions with Key Management Members

Remuneration of key management personnel comprises salaries and related benefits, including 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 2024, is approved by the General Meeting of Shareholders.

Remuneration of Company's management in 2024 was as follows:

	31-Dec-24 RON	31-Dec-23 RON
Short-term employee benefits	2,317,272	2,841,177
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	**2,317,272**	**2,841,177**

Bergamot Developments Phase II sold to 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 583 thousand as of 31 December 2024 due to be collected in April 2025. Starting with June 2024 Mr. Constantin Sebesanu has resigned from its position within the Company.

Impact SA sold in 2024 to Sorin Apostol an apartment and a parking spot in Greenfield Baneasa Teilor project in 2024 for EUR 78,857. The units were fully paid at the signing of the sale purchase agreement.

Transactions with shareholders

In 2024, 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 non-controlling interest, in total value of RON 2,656 thousand. (2023: RON 3,429 thousand).

Please see Note 14 – Share capital for details regarding the ultimate controlling party.

The following transactions were concluded in 2024 with the majority shareholder or related parties of the Group:

- RON 10,302 thousand transaction with Stegar Investment SRL (company controlled by Gheorghe Iaciu), for the sale of 19 residential units and corresponding parking spots in Boreal Plus Constanta
- RON 2,850 thousand transaction with Iaciu Daniel (family member of Gheorghe Iaciu), for the sale of one duplex, 3 related parking spots and 1 storage in Luxuria Residence project

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

- RON 2,149 thousand transaction with Doraly Property Management SRL (company controlled by Gheorghe Iaciu), for the acquisition of 1 duplex and 2 related parking spots in Luxuria Residence project
- RON 2,626 thousand transaction with RAND Autonomy SRL (company controlled by one of the key shareholder of RCTY) for the acquisition of equipment and materials for installing of air conditioner and ventilation systems
- RON 1,417 thousand transaction of RCTY with Expo Market Doraly (company controlled by Gheorghe Iaciu) for construction and repairs services.

31. SUBSEQUENT EVENTS

a) Closing of the OTB Bank loan facility

On 28 February 2025, IMPACT SA has closed the OTP Bank project loan contracted for the development of the Greenfield Baneasa Teilor project. As at 31 December the bank loan balance was of RON 86,560 thousand. The loan was fully reimbursed one month in advance of its maturity date.

b) Utilisation of the Libra Bank loan

The Libra Bank credit facility of EUR 7,000 thousand, which was signed in December 2024 by Impact SA, has been fully utilised on 28 February 2025, for in order to complete the necessary amount for the closing of the OTP Bank credit facility.

c) Loan facility from the majority shareholder

A loan facility in amount of RON 15,000 thousand has been provided by Gheorghe Iaciu, the majority shareholder of Impact SA in February 2025. The facility has a 1 year maturity and a fixed interest rate of 6.95%. An amount of RON 8,000 thousand has been used up to date, for working capital needs.

The consolidated financial statements have been authorized for issue by the management on 29 of March 2025 and signed on its behalf by:

Iuliana Mihaela Urda	**Dan Sebastian Campeanu**	**Claudiu Bistriceanu**
Chairman of the BoD	Chief Executive Officer	Chief Financial Officer