To: Financial Supervisory Authority - Financial Instruments and Investments Sector

Bucharest Stock Exchange

Regulated Market

From: IMPACT DEVELOPER&CONTRACTOR S.A.

27 April 2023

CURRENT REPORT

According to the provisions of Law No. 24/2017 on issuers of financial instruments and market operations and Regulation No. 5/2018 of FSA on Issuers of Financial Instruments and Market Operations

Important events to be reported:

THE ORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS OF

IMPACT DEVELOPER & CONTRACTOR S.A.

headquarters of Impact Developer & Contractor SA, Bucharest, District 1, 31-41 Padurea Mogosoaia Road, Zip Code 014043

DECISION NO. 1 of 27 April 2023, 10.00 a.m.

I. Convening

The Ordinary Shareholders' General Assembly of the Company (hereinafter referred to as "OGMS") has been duly convened by:

- Convening notice published in:
  - Romanian Official Gazette Part IV No. 1422/27.03.2023 and republished in Official Gazette 1732/13.04.2023;
  - National newspaper of 27.03.2023 and 13.04.2023;
- Notification to the Bucharest Stock Exchange on 23.03.2023 and 11.04.2023 and to FSA on 23.03.2023 and 11.04.2023;
- Display at the Company's headquarters and on Company's website www.impactsa.ro.

II. The quorum

At the Ordinary Shareholders' General Assembly of company IMPACT DEVELOPER& CONTRACTOR S.A. (hereinafter referred to as the "Company"), were present the shareholders representing 91.4243% of the total number of votes and 91.3958% of the subscribed and paid up share capital, namely:

- 2,162,131,232 shares of the total number of 2.365.679.951 shares,
- 2,162,131,232 votes of the total number of 2,364,941,410 voting rights

The Ordinary Shareholders' General Assembly of the Company is statutory in accordance with the provisions of the art. 13 of the Articles of Incorporation of the Company and legal in accordance with the provisions of Law No. 31 of 1990, as republished, as amended.

III. Regarding the items on the agenda, the following decisions were adopted

1. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the Report of the Board of Directors for the fiscal year 2022 was approved.

2. With a total number of 2,080,044,696 valid votes, representing 2,080,044,696 shares and 87.9259% of the share capital of the Company and 91,1159% of the total number of voting rights, out of which 2,080,044,696 votes "in favor", representing 100% of the total number of votes cast in the Assembly, the individual annual financial statements for 2022 prepared in accordance with Order of the Minister of Public Finance No. 2844/2016 for the approval of accounting regulations compliant with the International Financial Reporting Standards (IFRS) and audited according to the Report of the financial auditor for the fiscal year 2022 were approved. Members of the Board did not vote.

	31 December 2022	31 December 2021
ASSETS		
Non-current assets		
Tangible assets	21,545	14,162
Intangible assets	114	144
Right of use assets	1,485	-
Noncurrent receivables	67,197	-
Investment property	678,669	568,758
Investments in subsidiaries	36,216	56,542
Total non-current assets	**805,226**	**639,606**
Current assets		
Inventories	429,405	268,290
Trade and other receivables	33,892	108,321
Contract receivables	14,854	15,353
Cash and cash equivalents	46,857	36,171
	525,008	**428,135**

Total current assets		
Total assets	**1,330,234**	**1,067,741**

	31 December 2022	31 December 2021
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	598,884	401,214
Share premium	40,493	(4,475)
Revaluation reserve	3,001	3,001
Other reserves	38,318	12,389
Own shares	(268)	(841)
Retained earnings	160,755	289,279
Total equity	**841,183**	**700,567**
Non-current liabilities		
Loans and borrowings	232,860	88,830
Trade and other payables	12,260	5,514
Deferred tax liability	81,058	68,490
Total non-current liabilities	**326,178**	**162,834**
Current liabilities		
Loans and borrowings	97,491	145,489
Trade and other payables	29,083	29,414
Contract liabilities	35,946	28,149
Provisions for risks and charges	353	1,288
Total current liabilities	**162,873**	**204,340**
Total liabilities	**489,051**	**367,174**
Total equities and liabilities	**1,330,234**	**1,067,741**

	31 December	**31 December**

	2022	2021
Revenue	75,027	28,392
Costs of sales	(50,566)	(13,524)
Gross profit	**24,461**	**14,868**
Net income from other activities	1,361	1,025
General and administrative expenses	(25,609)	(19,283)
Marketing expenses	(3,771)	(3,966)
Other operating income/expenses	(607)	(3,204)
Depreciation and amortization	(1,398)	(727)
Gains on investment property	77,660	86,761
Operating profit	**72,097**	**75,474**
Financial income	13,751	8,520
Financial cost	(9,951)	(5,955)
Finance costs, net	**3,800**	**2,565**
Profit before tax	**75,897**	**78,039**
Income tax expense	(12,568)	(13,190)
Profit of the period	**63,329**	**64,849**

	31 December 2022	31 December 2021
Profit for the period	**63,329**	**64,849**
Adjustments to reconcile profit for the period to net cash flows:	**(66,854)**	**(75,298)**
Valuation gains on investment property	(77,660)	(86,651)
Gain on sale PPE	(626)	-
Reversal of impairment loss PPE	251	230
Depreciation	1,398	727
Share based payments	1,015	-
Finance income	(13,751)	(8,520)
Finance cost	9,951	5,955
Deferred tax expense	12,568	13,190
Working capital adjustments	**(114,964)**	**(75,069)**
Decrease/(increase) in trade receivables and other receivables	26,336	19,375
Decrease in prepayments	(976)	-
Decrease in inventory property	(167,937)	(111,657)
(Decrease)/increase in trade, other payables, and contract liabilities	28,548	19,771
(Decrease)/increase in provisions	(935)	621
Income tax paid	-	(2,789)
Net cash flows used in operating activities	**(118,489)**	**(74,679)**
Investing activities		
Loans granted to subsidiaries	(43,894)	(54,649)
Loan reimbursements collected from subsidiaries	30,873	81,776
Investments in subsidiaries	(14,695)	-
Return of the amounts invested in subsidiaries	31,154	1,798
Purchase of property, plant and equipment	(1,864)	(2,460)
Expenditure on investment property under development	(32,987)	(31,130)
Expenditure on PPE under development	(14,978)	(8,346)
Proceeds from property, plant and equipment	1,538	152
Dividends received	1,041	
Interest received	3,640	12,397
Net cash flows from investing activities	**(40,172)**	**(462)**

	31 December 2022	31 December 2021
Cash flows from financing activities:		
Proceeds from borrowings	291,137	95,160
Repayment of principal of borrowings	(184,682)	(14,504)
Proceeds from issue of share capital	77,732	-
Acquisition of own shares	(1,459)	(1,366)
Dividends paid	(11)	-
Interest paid	(13,372)	(9,823)
Net cash from financing activities	**169,345**	**69,467**
Net increase / (decrease) of cash and equivalents	**10,686**	**(15,894)**
Cash and equivalents on 1st of January	**36,171**	**52,065**
Cash and equivalents on 31 of December 2022	**46,857**	**36,171**

3. With a total number of 2,080,044,696 valid votes, representing 2,080,044,696 shares and 87.9259% of the share capital of the Company and 91,1159% of the total number of voting rights, out of which 2,080,044,696 votes "in favor", representing 100% of the total number of votes cast in the Assembly, the consolidated annual financial statements for 2022 prepared in accordance with the International Financial Reporting Standards (IFRS) and audited according to the Report of the financial auditor for the fiscal year 2022 were approved. Members of the Board did not vote.

	31 December 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant, and equipment	65,648	15,215
Intangible assets	534	221
Goodwill	3,543	-
Right of use assets	4,317	-
Investment property	653,725	571,882
Total non-current assets	**727,767**	**587,318**

	31 December 2022	31 December 2021
Current assets		
Inventories	617,698	538,922

Trade and other receivables	25,561	19,127
Prepayments and other current assets	17,228	17,008
Cash and cash equivalents	55,108	42,037
Total current assets	**715,595**	**617,094**
Total assets	**1,443,362**	**1,204,412**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	598,884	401,214
Share premium	40,493	(4,475)
Revaluation reserve	3,001	3,001
Other reserves	40,266	14,279
Own shares	(268)	(841)
Retained earnings	197,390	303,676
Equity attributable to equity holders of the parent	**879,766**	**716,854**
Non-controlling Interest	9,854	0
Total equity	**889,620**	**716,854**
Non-current liabilities		
Loans and borrowings	268,855	150,121
Trade and other payables	8,476	6,914
Deferred tax liability	81,058	68,490
Total non-current liabilities	**358,389**	**225,525**
Current liabilities		
Loans and borrowings	118,910	186,912
Trade and other payables	36,620	36,527
Contract liabilities	39,470	37,306
Provisions for risks and charges	353	1,288
Total current liabilities	**195,353**	**262,033**
Total liabilities	**553,742**	**487,558**
Total shareholders' equity and liabilities	**1,443,362**	**1,204,412**

	31 December 2022	**31 December 2021**
Revenue	219,199	137,585

Costs of sales	(148,508)	(87,739)
Gross profit	**70.691**	***49,846***
Net income from other activities	7,306	543
General and administrative expenses	(30,182)	(22,741)
Marketing expenses	(5,515)	(6,372)
Other income/(expenses)	(8,567)	(8,020)
Depreciation and amortization	(2,323)	(1,159)
Gains from investment property	77,660	86,651
Operating profit	**109,070**	***98,748***
Finance income	11,626	6,881
Finance cost	(17,867)	(10,333)
Finance result net (loss)	**(6,241)**	**(3,452)**
Profit before income tax	**102,829**	***95,296***
Income tax credit/(charge)	(18,062)	(16,496)
Profit for the period	**84,767**	**78,800**
Attributable to:		
-Non-Controlling Interests	(856)	-
-Equity holders of the parent	85,623	78,800
EPS	**0.0367**	**0.0351**

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Subscribed and paid-up share capital: RON 591.419.987,75
Registered with the Trade Registry Office within Bucharest Court under no. J40/7228/2018, S.R.C. RO 1553483
impactsa.ro

	31 December 2022	31 December 2021
Profit for the period	**84,767**	**78,800**
Adjustments to reconcile profit for the period to net cash flows:	**(42,922)**	**(61,407)**
Valuation gains on investment property	(77,660)	(86,651)
Gain on disposal of investment property	(660)	8,462
Reversal of impairment loss	7,757	(2,548)
Depreciation and amortization	2,323	791
Share based payments	1,015	-
Finance income	(11,626)	(2,815)
Finance costs	17,867	6,267
Income tax	18,062	15,087
Working capital adjustments	**(91,158)**	**(69,628)**
Decrease/(increase) in trade receivables and other receivables	(11,981)	(9,500)
Decrease in prepayments	(220)	(61)
Increase in inventory property	(84,272)	(107,080)
(Decrease)/increase in trade, other payables, and contract liabilities	13,067	51,508
(Decrease)/increase in provisions	(935)	621
Income tax paid	(6,817)	(5,116)
Net cash flows from operating activities	**(49,313)**	**(52,235)**
Investing activities		
Purchase of a subsidiary	(5,130)	**-**
Expenditure on investment property under development	(9,749)	(329)
Proceeds/(payments) from investment property	-	2,158
Payments for own shares	(1,459)	-
Expenditure on finalized investment property	-	(1,365)
Purchase of property, plant and equipment	(40,006)	(30,540)
Expenditure on PPE under development	(569)	(8,361)
Proceeds from sale of property, plant and equipment	816	177
Interest received	366	-
Net cash flows from investing activities	**(55,731)**	**(38,260)**

	31 December 2022	31 December 2021
Cash flows from financing activities:		
Proceeds from borrowings	483,539	197,269
Repayment of principal of borrowings	(422,833)	(117,141)
Proceeds from issue of share capital	77,732	-
Dividends paid	(11)	-
Interest paid	(20,312)	(6,617)
Net cash used in financing activities	**118,115**	**73,511**
Net increase / (decrease) of cash and equivalents	**13,071**	**(16,984)**
Cash and equivalents on 1st of January	**42,037**	**59,022**
Cash and equivalents on 31 of December 2022	**55,108**	**42,037**

4. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the distribution of the net profit achieved in 2022, amounting to RON 63,328,830.88, in accordance with the proposals of the Board of Directors, was approved as follows:

- RON 3,804,965.47 legal reserves;
- RON 59,523,865.41 shall remain undistributed.

5. With a total number of 2,080,044,696 valid votes, representing 2,080,044,696 shares and 87.9259% of the share capital of the Company and 91,1159% of the total number of voting rights, out of which 2,080,044,696 votes "in favor", representing 100% of the total number of votes cast in the Assembly, the release of liability of the administrators for the fiscal year 2022 was approved. Members of the Board did not vote.

6. With a total number of 2,086,953,900 valid votes, representing 2,086,953,900 shares and 88.2179% of the share capital of the Company and 88.2455% of the total number of voting rights, out of which 1,730,768,350 votes "in favor", representing 82.9328% of the total number of votes cast and 356,185,550 votes "against", representing 17.0672% of the total number of votes cast, the activity program and approval of the income and expense budget for the fiscal year 2023, in accordance with the information materials, was approved.

2023 Budget (EUR)	Total 2023	%
Revenue	89,138,494	100%
COGS	(63,812,216)	72%
Gross Profit	25,326,278	
Gross Margin	28%	
Other operating expenses	(9,043,565)	10%
Variable expenditures	(1,662,199)	2%
General and administrative expenses (Overheads)	(5,602,320)	6%
Depreciation and amortization	(1,029,046)	1%
Contingencies	(750,000)	1%
Operating profit	16,282,713	
% Operating profit / Revenue	18%	
Finance result net (loss)	(4,869,888)	5%
EBT	11,412,825	
	13%	
Income tax credit/(charge)	(1,826,052)	2%
Profit for the period	9,586,773	
% Net profit / Total Revenue	11%	
EBITDA	17,311,759	
% EBITDA / Total Revenue	19%	

7. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the remuneration of the members of the Board of Directors and the Chairperson of the Board of Directors: *i.e.* EUR 3,000 gross/month and EUR 4,600 gross/month of the Chairperson of the Board of Directors was approved.

8. With a total number of 2,094,881,232 valid votes, representing 2,094,881,232 shares and 88.5530% of the share capital of the Company and 88.5807% of the total number of voting rights, out of which 2,093,272,090 votes "in favor", representing 99.9232% of the total number of votes cast and 1,609,142 votes "against", representing 0.0768% of the total number of votes cast, the Company's Remuneration Policy, in accordance with the information materials, was approved. There were 67,250,000 "abstentions".

9. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,160,522,090 votes "in favor", representing 99.9256% of the total number of votes cast and 1,609,142 votes "against", representing 0.0744% of the total number of votes cast, the Remuneration Report for the Directors and General Manager of Impact Developer & Contractor SA, for the year 2022 (consultative vote of the OGM, having regard to the provisions of Article 107, Paragraph (6) of Law No. 24/2017 on issuers of financial instruments and market operations, as republished), was approved.

10. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the election of the external financial auditor, for the fiscal year 2023, following the expiry of the current financial auditor's mandate, was approved. Secret ballot.

11. With a total number of 2,094,881,232 valid votes, representing 2,094,881,232 shares and 88.5530% of the share capital of the Company and 88.5807% of the total number of voting rights, out of which 2,093,272,090 votes "in favor", representing 99.92% of the total number of votes cast and 1,609,142 votes "against", representing 0.08% of the total number of votes cast, 67,250,000 ,,abstentions'' the participation of the members of the Board of Directors in the "Stock Option Plan 2023-2024" type program implemented by the Company under the following conditions was approved:

(a) The members of the Board of Directors having specific positions within the Board of Directors, according to the regulation on its activity, have the right to participate in the "Stock Option Plan 2023-2024" type program, which represents additional remuneration according to Art. 153^18 (2) of Company Law No. 31/1990, being distributed a total maximum number of 900,000 shares.

(b) The Board of Directors shall determine the amount of the additional remuneration for each member of the Board of Directors, based on the Remuneration Committee's recommendations, according to Art. 153^18 (2) and (4) of Company Law No. 31/1990.

(c) For the members of the Board of Directors, the option right may be exercised after a period of 12 months from the date of granting the option right.

(d) The option rights shall be granted until 15.09.2023.

(e) After the lapse of the 12 month-period from the date of granting the option right, the members of the Board of Directors shall have to exercise this option right within one month.

12. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the empowerment, with the possibility of substitution, of Mrs. Iuliana-Mihaela Urda to sign in the name of the shareholders the Meeting resolution, as well as any other documents in relation thereto and to fulfill any and all the formalities stipulated by law in order to obtain the registration and to ensure the opposability of the Meeting resolution towards third parties, was approved.

13. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the date of 17 May 2023 was approved as a registration date that serves for the identification of the Company's shareholders upon which the effects of the decisions passed within the OGMS.

14. With a total number of 2,162,131,232 valid votes, representing 2,162,131,232 shares and 91.3958% of the share capital of the Company and 91.4243% of the total number of voting rights, out of which 2,162,131,232 votes "in favor", representing 100% of the total number of voting rights held by the shareholders attending the Assembly, the date of 16 May 2023 was approved as *Ex - Date*.

Chairperson of the Board of Directors
Iuliana Mihaela Urda