Revenue and Expenses Budget 2024

Supporting material for point 1 on the agenda of the Ordinary General Meeting of Shareholders to be held on 20 of August 2024.

Profit and Loss Statement (EUR)	**Total 2024**	**%**
Revenue	**83,603,230**	**100%**
Cost of sale	**(56,480,377)**	**68%**
Gross profit	**27,122,853**	
Gross margin	***32%***	
Other operating expenses	**(9,842,173)**	**12%**
Variable expenditures	(1,227,526)	1%
General and administrative expenses (Overheads)	(7,393,055)	9%
Depreciation and amortization	(1,071,592)	1%
Contingent	(150,000)	0%
Operating profit	**17,280,679**	
% Operating profit / Revenue	***21%***	
Finance result net (loss)	**(6,270,331)**	8%
EBT	**11,010,348**	
	13%	
Income tax credit/(charge)	(1,761,656)	2%
Profit for the period	**9,248,693**	
% Net profit / Total Revenue	***11%***	
EBITDA	**18,352,271**	
% EBITDA / Total Revenue	***22%***	

Main assumptions

With an estimated turnover of EUR 83 million, the Group aims for a gross profit of EUR 27 million and a constant gross margin of 32%, in line with the developments of recent years. As a result of an optimization of general and administrative expenses, started during 2023, the management estimates an improvement in the operating profit, which is expected to be at 21% of total revenues. Management also estimates a constant EBITDA, which will remain at 32% of total revenues.

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The year 2024 began with a steady pace of sales for the IMPACT Group, with a focus on continuing sales in the Boreal Plus Constanța and Luxuria Residence projects in Bucharest. For the second half of 2024, the management estimates a significant rise in residential property sales, with the start of sales in quarter 3 of the Teilor project in Greenfield Băneasa (732 apartments – GDV [1] set at EUR 96 million). The complete sale of the Luxuria Residence project in Bucharest is estimated until the end of the year, while constant sales throughout the year are estimated for Boreal Plus Constanța.

Also, the Group will continue to register revenues from other activities, such as: facility management, commercial spaces rental, construction services and financial intermediation services. These revenues are generated by the Group companies which are expanding their activity, in line with the expansion of the main activity of developing residential properties.

At the same time, the management intends to sell a series of assets (land and other assets) that it owns and that are not necessary for the fulfillment of the Group's current strategy, in a total amount of EUR 18 million, in order to consolidate the surplus of liquidities. These liquidities will be used for residential property development activity. Thus, for the second half of 2024, the development activity will be concentrated around the continuation of phase 5 of the Greenfield Teilor project, with 250 apartments and a GDV estimated at EUR 35 million.

In the year 2024, the Group will continue to implement sustainable practices within its projects, ensuring that the new initiatives will fulfill the necessary criteria to obtain BREEAM Excellent certifications.

By the end of 2024, a significant reduction of the older outstanding credits is estimated, at the same time with obtaining new credit facilities for Phase 5 of the Teilor Greenfield Project.

The financing strategy will lead to the optimization of interest expenses, a better allocation of guarantees and the optimization of cash flow at Group level.

Each project will benefit from financing solutions adapted to its specifics, and the sources of loan repayment will be properly secured.

The sustainable financing of Projects will focus on maximizing the funds attracted in the early promotion process of the project and reducing the weight of investment credits in the total Development budget.

At the same time, Impact will continue to raise funds through the capital market in the form of equity and bond issues.

[1] GDV – gross development value

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Starting this year, all Impact projects will be designed, authorized, executed, promoted and sold through specialized companies within the Group.

Synergies at Group level will lead to the optimization of projects, increase in quality and speed of execution, acceleration and efficiency of the sales process.

The implemented marketing strategies will lead to an increase in the visibility and notoriety of the projects, to a better positioning in the market, to highlighting the competitive advantages that each project developed by Impact has over the competition.

In the coming years, Greenfield Băneasa will be the main projects developed by Impact in the medium-high segment, and Aria Verdi will be launched in the premium segment.

In the future, the development strategy will also involve partnerships with partners who can contribute land with high potential for building sustainable projects.

Strict risk management, adopting the best corporate governance practices, strategic planning, stimulating innovation and proactive thinking, anticipating systemic changes, motivating staff will be the essential elements that will ensure Impact's resilience and success.

All these organizational transformations will contribute to achieving the proposed objectives.

Notice of forward-looking information

The above statements are forward-looking information. Forward-looking information is based on management's current expectations and views regarding the management of future events and developments and is naturally subject to uncertainty and changes in circumstances. This document does not constitute a legal commitment and does not create legal obligations.