

IMPACT DEVELOPER & CONTRACTOR

# REPORT

BOARD OF DIRECTORS

IMPACT

[www.impactsa.ro](http://www.impactsa.ro)



## **Dear shareholders and partners of the company,**

IMPACT Developer & Contractor, with 32 years of experience in the development of large-scale sustainable projects and the first real estate company listed on the Bucharest Stock Exchange more than 26 years ago, has distinguished itself throughout its history as the most innovative real estate company. We are the promoter of the residential complex concept and the largest local real estate developer, with over 500 thousand square meters built.

In 2023, we focused both on the development of projects under construction and on obtaining the necessary permits for new developments in the next two years. We have achieved 3 key stages, with short and medium term impact for the company's activity. Thus, in April we completed and started sales for the first 209 apartments that make up Phase I of the development of the Boreal Plus residential complex in Constanța. In April, we obtained the urbanistic certificate for the Aria Verdi project in Bucharest, which will include over 850 premium homes, commercial galleries, kindergarten, green spaces and community services, with an estimated market value of over 1.9 billion lei. Also, in June we obtained the building permit for Greenfield Copou in Iași, which will include 1,062 apartments, a community center with a kindergarten, commercial galleries, a gym & wellness center, a restaurant, over 15,000 square meters of green spaces, bike paths and charging stations for electric vehicles, with an estimated market value of 870 million lei. Greenfield Copou will be one of the largest sustainable residential complexes in the region of Moldova.

For the real estate sector, 2023 was a challenging year. In 2023, IMPACT sold 157 units that generated revenues of 120 million lei, to which are added presales of 377 homes with a total value of 216 million lei, which will turn into revenues in 2023.

As at 31 of December 2023, the company had a building permit for 2,693 units with a market value of 1.9 billion lei.

Total revenues exceed 171 million lei, with a gross profit of 57 million lei and a growing gross margin of 33% (32% in 2022). IMPACT maintained a constant liquidity position, with 51.3 million lei in cash equivalent and a debt ratio of 28%. As at December 31, 2023, the EPRA Net Reinstatement Value (NRV) was worth 1.4 million lei, while the total value of assets adjusted in accordance with EPRA standards was 1.9 million lei.

The growth strategy of the IMPACT group is based on three pillars: sustainability, innovation and vertical integration, to achieve national expansion and portfolio diversification. We propose, for this year, to advance with the announced projects, maintain a positive cash-flow, which can support the basic activity of the company, and continue the expansion at the national level.

Regarding the activity in the capital market, the share price on the BVB on the last trading day of 2023 was 0.26 lei, compared to 0.36 lei at the end of the previous year, in the context of the general decline of the sector in which we operate. The stock market capitalization was 622 million lei as of December 31, 2023. We maintained dialogue with local and international investors by participating in local and international investor conferences and more than 30 investor discussions. Since September, we also benefit from Market Maker services from Raiffeisen Bank International.



We maintain our commitment to the implementation of the best practices in the field of sustainability, translated into the developed projects that are planned to be "green": BREEAM Excellent certification, nZEB construction standard applicable to all projects authorized from January 2021, use of renewable energy sources, with low emissions, electric and human mobility, extensive green areas, parks and playgrounds. In 2023 we obtained the BREEAM Excellent certification for GREENFIELD Plaza as well, and in 2024 the apartment buildings from the IVth phase of the development of the GREENFIELD Băneasa neighborhood will follow. Another important step towards sustainability was the completion of the new photovoltaic park in GREENFIELD Baneasa which will provide 80% of the energy requirements for the Wellness Club by Greenfield, 90% of the

energy requirements for the IMPACT office building and 30% of the energy requirements for the buildings of the fourth phase of neighborhood development, including public lighting.

We are involved in the process of renewing the housing stock in Romania, which is currently the oldest in Europe, which is why we estimate an increase in interest in buying new homes in the coming years. We want our projects to contribute to this important process for increasing the quality of life in our communities.

The entire IMPACT management team thanks shareholders, employees and all stakeholders for their continued trust and support throughout 2023 and we invite you to join us in the future.

Sincerely,



**Constantin Sebeșanu**  
**CEO,**  
**IMPACT Developer & Contractor**



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# IMPACT'S PURPOSE

## WHO WE ARE

The longest running developer of residential real estate, with **33 years of activity on the Romanian market**. We have distinguished ourselves throughout our history as **an innovative company, trendsetter in real estate, promoter of the concept of residential complex** and **the first real estate company listed on the Bucharest Stock Exchange** 28 years ago.

## CREATOR OF SUSTAINABLE COMMUNITIES

All our work is focused around a very specific goal: **to have a positive impact on people's lives, developing communities with a focus on sustainability, efficiency and well-being**. Thus, we generate added value for all parties involved through sound investments.

With the experience of over 17 residential compounds, we aim to become the most important residential real estate developer in the region by developing sustainable residential projects on a large scale.

**OUR VALUES** best reflect the company's DNA:

**INTEGRITY.** We are honest and promise to always follow and respect the law, take the best decisions and do the right thing for our team, our clients, our company and business partners, so achieving mutual success.

**TRANSPARENCY.** We observe openness and transparency, equal treatment of all our investors and ethical business conduct.

**INNOVATE AND LEAD.** We seek to be in the upfront of industry innovation, to motivate and thus inspiring all others.

**RESPECT THE ENVIRONMENT AND BUILD SUSTAINABLY.** We have a Commitment to Green. We apply and implement principles and technologies in order to achieve nZEB and BREEAM Excellent standards in our developments.

**RESPONSIBILITY.** We build the future for our clients. We are committed to always provide the most valuable propositions to our customers, since we are keen on finding a way to meet their needs and exceed their expectations.

**MOTIVATION.** We continuously strive to improve ourselves, to be beloved by our customers, trustworthy for our investors and respected by our competition.



## 2023 HIGHLIGHTS



### FINANCIAL AND OPERATIONAL

- As at 31 December 2023, IMPACT had a balance of 377 pre-sale and reservation contracts, in total value of RON 216 million. Those contracts will translate into sales, as apartments will be finalized in the following periods.
- 157 sold units in 2023, represented by 27 dwellings in GREENFIELD Baneasa, 69 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).
- **RON 171 million** revenues and **RON 71 million** gross profit in 2023, with a stable gross margin of 33%.
- As of 31 December 2023, there were **2,693** units with building permit located in Bucharest, Constanta and Iasi (out of which 982 already with construction started) while the vacant plots of land currently classified as investment property can accommodate the construction of another 7,700 units in the future.

#### IFRS NAV

**918 mRON**

+ 28 mRON (2022: 890 mRON)

#### EPRA NRV

**1,368 mRON**

+ 145 mRON (2022: 1,219 mRON)

#### Sales

**171 mRON**

+ 49 mRON (2022: 220 mRON)

#### Pre-sales for apartments as of 31 Dec 2023

**216 mRON**

- 19 mRON (2022: 235 mRON)



## 2023 FINANCIAL AND OPERATIONAL PERFORMANCE



### FINANCIAL AND OPERATIONAL

- The total value of assets adjusted in accordance with EPRA standards was **RON 1,9 billion**, while the market value of the **dwelling available for sale and pre-sold** as at 31 December 2023 was approximately **RON 745 million** – this value will be converted into revenues within next periods.
- The leverage ratio as at 31 of December 2023 was 28%, the cash position remaining stable, at RON 51.3 mil.
- As at 31 of December 2023, IMPACT had **building permit for 2,693 units**, with a market value estimated by the management to **RON 1.9 billion**;
- **IMPACT** holds a valuable land bank (approximately **71 ha**) with potential of development minimum additional 5 projects: GREENFIELD BĂNEASA (new phases), BOREAL PLUS (new phases), GREENFIELD COPOU RESIDENCE (“GREENFIELD COPOU”),ARIA VERDI and GREENFIELD WEST, with total estimated market value of approximately **RON 7.4 billion**.

### OTHER ASPECTS

In 2023, IMPACT published its second Sustainability Report. The report was developed following the GRI (Global Reporting Initiative) Standards, the most recognized international sustainability reporting framework (GRI Referenced) and was based on an internal analysis through which the material themes were identified, those themes where, through its activity, the IMPACT group contributes significantly to the environment, society and economy. The company also has an ESG risk score of 18.7 (low risk), provided by Sustainailitycs, following an ESG rating and analysis report.



## OUTLOOK FOR 2024

- Commissioning of GREENFIELD Teilor project., of which 45% of units are pre-sold and continuing the sale of available units
- Continuing the building permit process for a new development stage within GREENFIELD Baneasa , which will include 598 units, with an estimated value of more than 81 million euro
- Finalizing the activities to extend the number of access roads to GREENFIELD Baneasa neighborhood.
- Obtain the building permit for ARIA Verdi project form Bd. Barbu Vacarescu, currently in final stage of permitting.
- Sale of certain assets of the Group, in total value of approximately 25 million euro
- Launching the Copou Iasi project, which will include 1,062 units , the total estimated value of the project being of EUR 175 million.





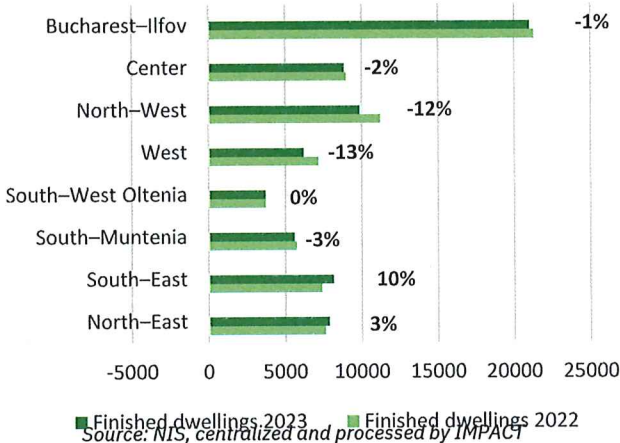
# RESIDENTIAL MARKET

**2023 was a year marked by uncertainty, rising inflation and borrowing costs, which led to fluctuations in transactions, price increases, but also a recovery towards the end of the year.**

## SUPPLY

2023 marked the beginning of the decline in new housing offers. Nationwide, 71,454 homes were delivered in 2023, 3% less compared to 2022. The only regions where the evolution was positive are the South-East and North-East Regions.

Finished dwellings by development  
region 2023 vs. 2022



According to data provided by NIS, 2023 was the first year of decline in the number of homes delivered in the last decade, with the largest decreases being in the West and North-West.

In Bucharest – Ilfov, 30% of the total housing delivered in 2023 is concentrated, with the area registering a slight decrease in housing deliveries compared to 2022 (-1%).

## DEMAND

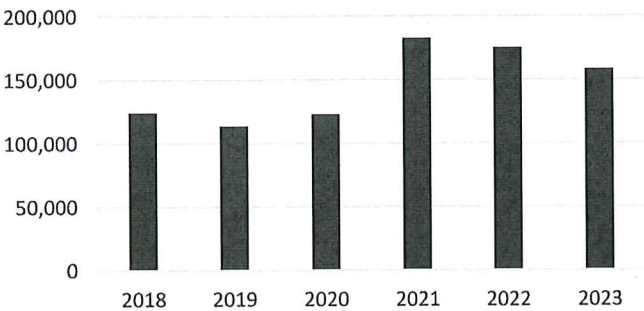
The year 2023 was dominated by high inflation, significant interest rate increases and uncertainties, which led to a 10% drop in housing transactions.

At national level, over 158,000 individual dwellings were sold, of which 31% in Bucharest, according to data provided by the National Agency for Real Estate Register and Advertising (ANCPI).

Compared to 2022, the volume of housing transactions in Bucharest in 2023 registered a decrease of 16%.

If the first 9 months of 2023 brought significant decreases in transactions, the last quarter of the year marked a recovery (+9.2% in transactions with individual units), as a result of the announcement of VAT increase in 2024.

Housing transactions Romania

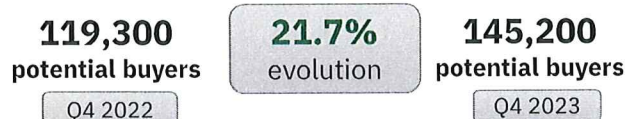


Source: ANCPI, centralized and processed by IMPACT

## RESIDENTIAL MARKET

### Sales (national level)

Demand for apartments and houses for sale



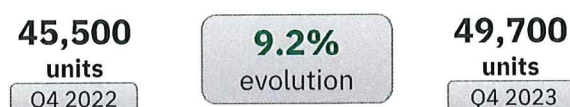
Offer for apartments and houses for sale



Average asking price for housing units for sale



Individual units sold



Source: Q4 Residential Market Report –  
Imobiliare.ro

According to analizeimobiliare.ro's "Romanian Residential Market Report Q4 2023", the last quarter of the year brought an increase in demand, while supply was on a downward trend.

The demand for home purchase increased considerably, nationwide, in the latter part of 2023, to over 145,000 potential buyers, almost 22% more than at the end of 2022.

In contrast, the supply of new homes listed for sale declined by 20% in 12 months across the six main residential markets. The number of houses and apartments available for buyers decreased by 39% in Cluj-Napoca and by 30% in Brasov.

The value of new loans granted to households for housing approached the threshold of RON 7 billion in the first two months of the fourth quarter, according to data published by the National Bank of Romania (BNR). Thus, a spectacular positive evolution can be observed compared to the same period last year.



The last two years have brought multiple challenges to the residential sector, which have affected all players involved, from real estate developers to final buyers. From the developers' perspective, the difficulties have reached three main pillars: the challenge of obtaining sustainable financing, the uncertainty given by the suspension of Zonal Urban Plans and the development of new General Urban Plan in the Capital and localities in the country and last but not least, the insolvency of buyers/tenants and their ineligibility for mortgages.

The rental market maintained the trend started in 2022 in 2023: in large university cities, rents increased and residential became attractive especially as rental investments, with better returns than in previous years.

Given the construction materials crisis that started in 2022, strong inflation, the evolution of interest rates over the last year, which influences financing costs throughout the economic chain, but also the new regulations on the construction sector (nZEB obligation, for example) that involve additional investments and higher costs, we are witnessing a medium and long-term increase in residential prices.



## RESIDENTIAL MARKET

### EVOLUTION OF ASKING PRICES IN 2023 IN MAJOR CITIES

The year 2023 came with small price increases in the main cities of the country monitored by imobiliare.ro. In Timisoara and Iasi, house prices increased by about 3%, while in Cluj-Napoca, Brasov and Constanta price increases stood at over 4%. The capital is an exception to the upward trend, experiencing a 2.8% decrease in prices.

Although in the last 3 months of 2023, price evolutions were negative in most major cities or insignificant (between 0.1% and 1.4%), the prices requested by sellers on the imobiliare.ro platform registered important increases in the last 2 years.

The most significant advance in 2 years took place in Cluj-Napoca (+19.5%), important margins being also recorded in Brasov (+17.7%), Iasi (+18.4%), Timisoara (+10.9%) and Constanta (+10.5%). In Bucharest, the evolution of prices slowed down, to 0.9%.

Housing prices increased by almost 6% nationwide, from December 2022 to December 2023, with the average price requested for a home reaching € 1,500 / useful sqm.

At the end of 2023, Cluj-Napoca with € 2,535 / sqm, Brasov with € 1,666 / sqm and Bucharest with € 1,542 / sqm were in the top 3 of average prices / sqm. The lowest housing price among the analysed cities is in Iasi, € 1,419 / sqm.



The year 2023 brought turbulence in the real estate market, mainly caused by high inflation and significant increases in mortgage interest rates, which led to a decrease in transaction volume. However, the market proved resilient, showing a recovery in the last quarter of the year. Demand has increased substantially, in contrast to the evolution of supply, and the period required for sale has decreased. Prices continued their upward trajectory, also expected for 2024. In the context of falling interest rates, which is expected to happen from the second half of 2024, we will see an increase in solvent demand.



# IMPACT GROUP

IMPACT



## IMPACT IN NUMBERS



**33**

Years of  
existence



**28**

Years of BVB  
listing



**+ 50**

Awards  
received



**5**

Cities  
covered



**19**

Residential  
compounds



**500k+**

Sqm built  
surface



**+12,000**

inhabitants



**EUR 1.9 mld**

Value of all  
projects



**4,500+**

Housing units built



**86.3 ha**

Land in  
portfolio



**2**

BREEAM Excellent  
certified projects

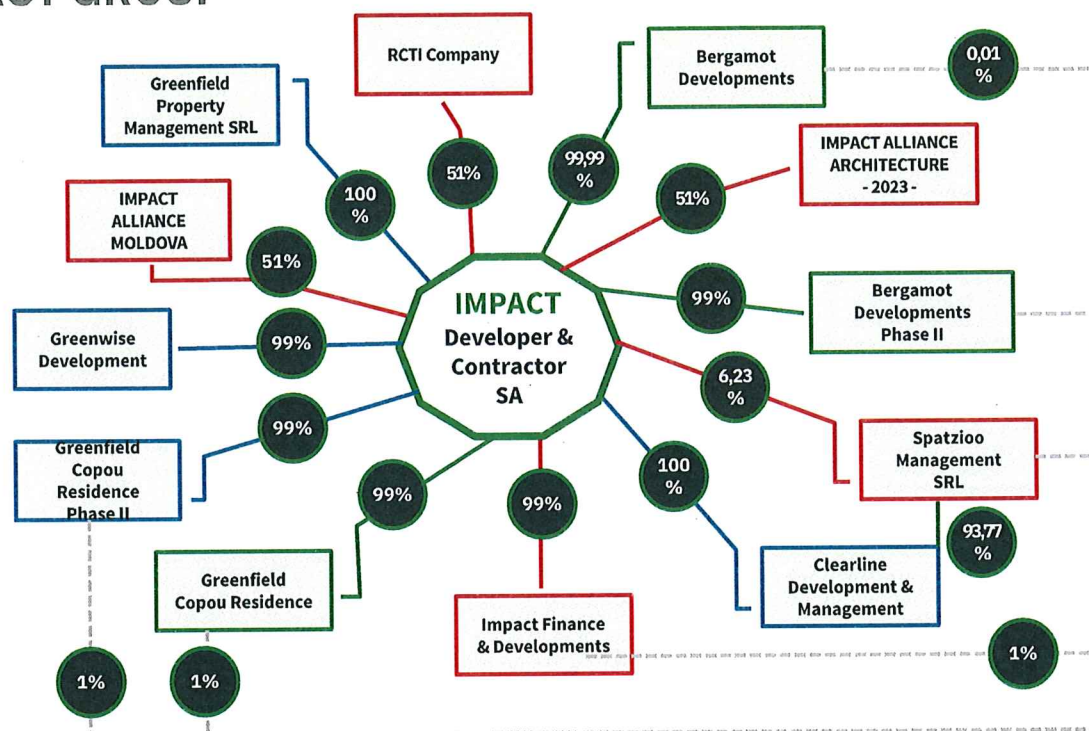


**EUR 650+ Mn**

Value of built  
projects

# IMPACT GROUP OVERVIEW

## IMPACT GROUP



- **IMPACT Developer & Contractor**, parent company, which develops the following projects: GREENFIELD BANEASA RESIDENCE, BOREAL PLUS, ARIA VERDI and GREENFIELD WEST
- **Bergamot Developments SRL** and **Bergamot Developments Phase II SRL** with real estate development as main object of activity; they have developed the LUXURIA EXPOZITIEI project
- **Greenfield Copou Residence SRL** with real estate development as main object of activity, was established in December 2019 and develops the GREENFIELD COPOU RESIDENCE project
- **Greenfield Copou Residence Phase II SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2023.
- **Aria Verdi Development SRL** with real estate development as main object of activity; established in February 2021. Without activity in 2023.
- **Spatzioo Management SRL (former Actual Invest House SRL)**, the company that provides management services for new residential, retail and commercial developments

- **Impact Finance & Developments SRL** has a role in diversifying the range of services related to residential sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings
- **Greenfield Property Management SRL** with the real estate development as main object of activity; established in May 2021. Without activity in 2023.
- **Clearline Development and Management SRL**, a project company through which **IMPACT** was about to develop a residential project in Cluj-Napoca, in partnership with the local authority.
- **RCTI Company SRL**, 51.01% owned subsidiary, real estate construction company involved in the construction IMPACT projects in particular GREENFIELD BĂNEASA RESIDENCE. The company joined IMPACT Group in 2022
- **Impact Alliance Arhitecture SRL**, 51% owned subsidiary, set-up in 2022, that has as core activity providing architecture services
- **IMPACT Alliance Moldova**. 51% owned subsidiary, set-up in 2023, having as activity the construction services



## SUSTAINABILITY, THE DRIVING FORCE OF IMPACT DEVELOPMENTS

We value the environment and with each project developed, we create communities in harmony with it, putting the well-being and health of residents first. To achieve this goal, we use **sustainable technologies**, **renewable energy** and include **extensive green spaces**.

### SUSTAINABILITY INITIATIVES

- We developed **the first residential compound in the country certified BREEAM Excellent: LUXURIA RESIDENCE**.

Internationally recognized, the BREEAM standard has a wider coverage than nZEB, recognizing project value throughout the lifecycle, starting from the design and construction phase. It is a very complex process that evaluates the energy performance of buildings, to what extent they provide a healthy environment for residents, innovation, land use, quality of materials used, construction management, pollution (reducing carbon emissions), transport, water and waste management. Therefore, BREEAM means buildings built with sustainable materials, which offer residents a high degree of comfort inside and outside, which resist well over time and climate change (a challenge of our time) and at the same time protect the environment and biodiversity from the construction phase.

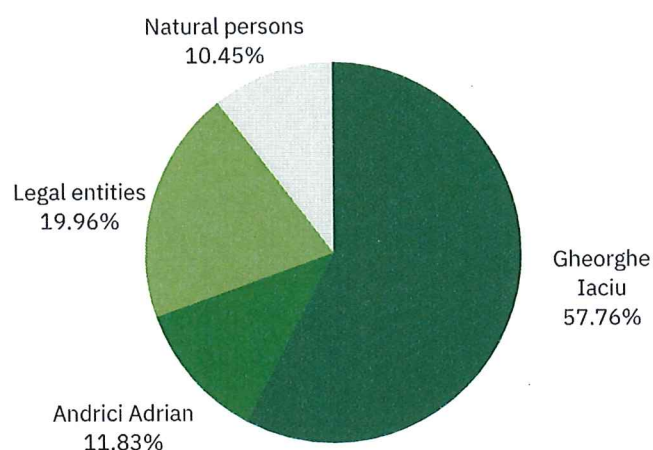
- We are **the first developer in the country to set up an ESG department**, in 2021. The main task of the department is to draw up and implement **environmental, social and corporate governance principles and objectives**, in line with the values assumed by the company in its real estate development activity – integrity, transparency, innovation and guidance, respect for the environment and sustainable building, responsibility and motivation.

The ESG department manages the implementation of the Green Bond Framework developed by the company, under which IMPACT intends to issue green bonds to finance and refinance existing projects, built using green, sustainable technologies and contributing to the environmental objective of climate change mitigation and the achievement of the United Nations Sustainable Development Goals. The framework defines eligibility criteria in four areas: green buildings, sustainable water and wastewater management, renewable energy and clean transport.

- We aim for **80% of the projects developed from 2021 onwards to be BREEAM certified**. Thus, the GREENFIELD COPOU and ARIA VERDI projects are designed to this standard, in addition to the nZEB standard.
- We have invested in **renewable energy solutions** in our completed projects as well as those under development:
  - **Solar panels in BOREAL PLUS and GREENFIELD PLAZA**
  - **Photovoltaic panels in GREENFIELD PLAZA**
  - **Photovoltaic park** with a capacity of 700 kWp in GREENFIELD BĂNEASA
  - **Photovoltaic and solar panels in GREENFIELD COPOU**
- **We have reduced and continue to reduce CO2 emissions by:**
  - **Central heating systems in residential compounds** – we have resorted to this solution since 2018, when it was not mandatory;
  - Replacing the company's traditional vehicle fleet with one consisting of **electric vehicles**;
  - Inclusion of micro-mobility solutions (bicycles, scooters and electric scooters) and charging stations for electric vehicles in GREENFIELD BĂNEASA, GREENFIELD COPOU and ARIA VERDI.

## IMPACT ON THE CAPITAL MARKET

### IMPACT D&C shareholders' structure as of 31 Dec 2023



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

As of 2006, its shares, currently accounting to 2,365,679,951, are listed in the 1st category of the Bucharest Stock Exchange, and since January 2015, **IMPACT Developer & Contractor** shares are traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange.

There are no restrictions for the security transfer, there are no restrictions for the voting rights, and there are no holders of securities with special control rights.

As per the information provided by the Central Repository, on 31 Dec 2023, 80.04% of the shares were held by natural persons and 19.96% of the shares were held by legal entities.

#### IMP vs BET – 5y performance (January'19-December'23)



#### IMP vs BET – 10y performance (January'14 – December '23)



Historically, IMPACT shares have outperformed the BET index over both the 5-year and 10-year periods.

In 2023, Ipopema published an analysis report for IMPACT shares, with a "BUY" recommendation and a target price of 0.322 RON/share.

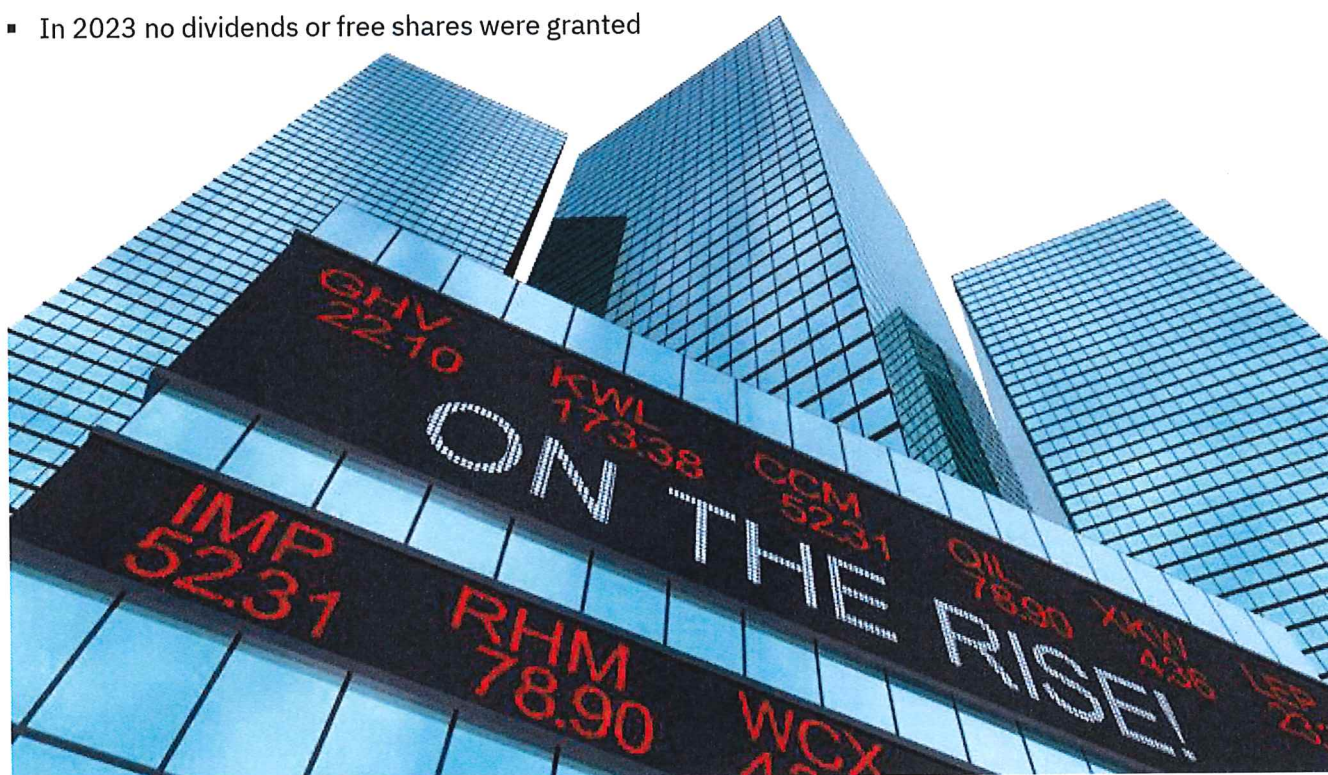
In December 2023, Raiffeisen initiated a coverage for IMPACT shares, with a "BUY" recommendation and a target price of 0.3 RON/share, representing a growth potential over the next 12 months of 22%.



## IMPACT ON THE CAPITAL MARKET

### DIVIDEND GRANTED IN THE LAST 5 YEARS

- In 2019 the granting of dividends for 2018 was decided, at 0.034 RON / share, amounting to a total of mRON 9.3 (according to the Decision of the General Meeting of Shareholders dated 24 April 2019)
- In 2020 the granting of dividends for 2019 was decided, at 0.04 RON / share, amounting to a total of mRON 10.7 (according to the Decision of the General Meeting of Shareholders dated 28 April 2020)
- In 2021, free shares were granted in a 1: 2 ratio following the changes in the share capital
- In 2022, free shares were granted in a 2:5 ratio following the changes in the share capital
- In 2023 no dividends or free shares were granted



### SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS ON 31 DECEMBER 2023

| Name                        | Percent (%) | No. of shares |
|-----------------------------|-------------|---------------|
| Dna. Iuliana-Mihaela Urda   | 0.06        | 1,327,033     |
| Intrepid Gem SRL            | 0.06        | 1.343.200     |
| Dna. Ruxandra-Alina Scarlat | 0.09        | 2.030.600     |
| Dl. Daniel Pandele          | 2.14        | 50.550.000    |
| Dl. Sorin Apostol           | 3.11        | 73.593.336    |

## CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

The Board of Directors met 27 times in 2023. The Audit Committee met 2 times in 2023. The Risk Committee and the Remuneration Committee had no meetings in 2023.

### Independent members of the Board of Directors

- Inrepid Gem SRL, through Petru Văduva
- Daniel Pandeale



## CORPORATE GOVERNANCE

### CODES AND POLICIES

**IMPACT** has adopted the following documents on which corporate governance is based since 2014:

- Anticorruption code
- Code of conduct
- **IMPACT's** ethical values
- Health and safety policy
- Reporting policy

### IMPACT'S INTERNAL CONTROL IS PERFORMED:

- via the Procurement Department: the agreements shall be signed by the Legal Department, Development Manager, Chief Financial Officer and Chief Executive Officer;
- by the verification of the sale agreements by the Legal and Finance Departments; the agreements shall be signed by the Chief Executive Officer and the Chief Operational Officer, or by proxies with special power of attorney;
- by preventive financial control, whereby the agreements' compliance is checked;
- by following up the payments to be checked by Preventive Financial Control and approved by the Chief Financial Officer and the Chief Executive Officer;
- by the implementation of the codes of conduct and ethics that are required in business and specific procedures that are enforced and applicable to all directors, managers, administrators, persons having control or management roles, employees, auditors, business partners, collaborators. Thus, **IMPACT** applies the Anticorruption Policy, the Code of Conduct, the Essential Ethic Values Policy, the Health and Safety Policy, the Labor Law, the Environment Protection, the Reporting Policy.

### AUDITOR OF IMPACT

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

In 2023 the statutory auditor Ernst & Young Assurance Services SRL had a contractual statutory audit fee of EUR 126,200 (2022: EUR 114,000) (for the statutory audit of the consolidated and standalone annual financial statements of the Company and of its Romanian subsidiaries, as well as for the financial statements in ESEF digital format). Services contracted with the statutory auditor other than audit services were of EUR 5,000 (2022: 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.

**Iuliana Mihaela Urdă**  
**Chairman of the Board of Directors**

## COMMUNITY INVOLVEMENT

Our mission to have a positive impact on people's lives is complemented by social responsibility initiatives. We are with each community created, we listen and respect their needs and, through various actions, we try to build a better world.

### OUR INVOLVEMENT IN THE PAST 10 YEARS

#### DONATIONS

- to the Bucharest City Hall, the land and the project necessary for the construction of **a state school and kindergarten in the GREENFIELD BANEASA neighbourhood**. The value of the donation is 1.75 million euro.
- a plot of land with an area of 1,400 sqm on which we built **the STB terminal** in the GREENFIELD BANEASA neighbourhood. The value of the donation and of the entire project carried out by the company amounts to 750,000 euro.
- a plot of 1,864 sqm to the Archdiocese of Bucharest for **the construction of a church** in the GREENFIELD Baneasa neighbourhood, which in 2023 obtained the urbanism certificate. The value of the donation amounts to 500,000 euro.
- 6,000 sqm to Bucharest City Hall, worth 1.8 million euro, **in compensation for the forest fund**, for Vadul Moldovei Street to return to the status of public road.

#### INFRASTRUCTURE AND FACILITIES

- We have completed all the utilities infrastructure and **built over 15 km of roads** in the GREENFIELD Baneasa neighbourhood.
- We have submitted **three proposals for new access roads** in the Baneasa GREENFIELD neighbourhood, pending authorization.
- we obtained from Constanta City Hall the urbanism certificate for **the construction of a kindergarten** within the BOREAL PLUS compound. The investment is 690,000 euro.
- **we built a roundabout in Constanta**, the beneficiary of this public infrastructure work being the National Company for Road Infrastructure Management (CNAIR) through the Regional Directorate for Roads and Bridges Constanta. The total investment in this public infrastructure project amounts to over 450,000 euro.

- We developed **GREENFIELD Plaza**, which covers retail, wellness and office functions. The shopping center offers both over 6,500 residents of the GREENFIELD neighborhood and nearby residents a new shopping and relaxation experience.

#### CSR

- **We planted over 3,500 trees** in Baneasa Forest and in the communities we formed.
- **Over 500 kg of waste collected** during the largest plogging event in Romania - "Clean&Run" and other greening events held in Baneasa Forest.

#### EVENTS

- We encourage outdoor movement, we support a healthy and active lifestyle and we proudly participated in sports competitions such as **Baneasa Forest Run, Baneasa Race, Bucharest Half Marathon**, in which GREENFIELD had a dedicated race, **Greenfield Relay** and **GREENFIELD DUO CHALLENGE**, a duathlon sports competition made together with Road Grand Tour. In 2022 and 2023, we supported 4 editions of the **Sports Festival**, sports event taking place in Iasi and Bucharest, in GREENFIELD Baneasa.
- From the desire to carry on Romanian customs, in a constantly changing society, we periodically organize activities to preserve and promote traditions, especially among young people. The most appreciated **events dedicated to communities are those during the winter holidays**, organized in GREENFIELD Baneasa and Luxuria Residence.

#### SATISFACTION SURVEYS

- We conduct studies among the created communities to find out **the degree of satisfaction of residents** and what we can improve.



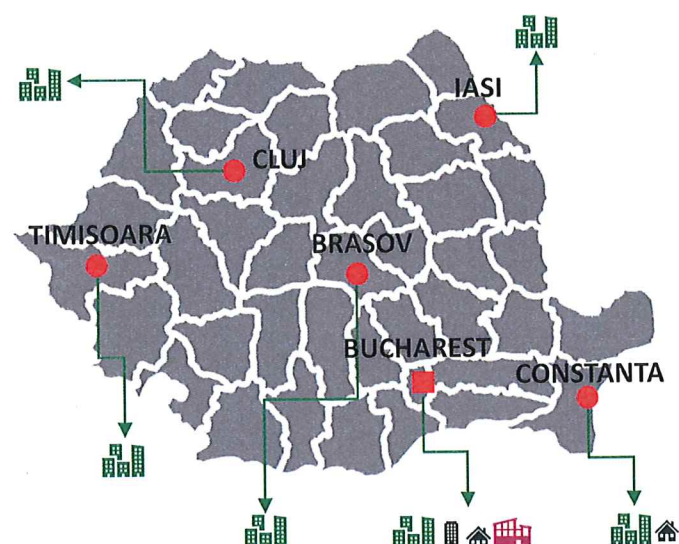
## PROJECT PORTFOLIO

### STRONG PRESENCE IN KEY CITIES

**IMPACT** is committed to develop sustainable communities, with a focus on medium affordable housing projects. We value the environment and want to give our communities a green future. That's why we're committed to developing a minimum of 80% of our future projects to BREEAM and nZEB sustainability standards. These include the use of renewable, low-emission energy sources, electric mobility, extensive green areas, parks and playgrounds.

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

### PROJECTS UNDER DEVELOPMENT ON THE OWNED LANDBANK



#### PROJECTS UNDER DEVELOPMENT

- **GREENFIELD BĂNEASA RESIDENCE** in Bucharest
- **GREENFIELD COPOU RESIDENCE** in Iași





## PROJECT PORTFOLIO

### GREENFIELD BANEASA - BUCHAREST



**+6,600 units**

|                                                        |         |
|--------------------------------------------------------|---------|
| COMPLETED UNITS                                        | 2,686   |
| SOLD UNITS at 31.12.2023                               | 2,686   |
| UNDER CONSTRUCTION UNITS                               | 1,167   |
| PIPELINE UNITS                                         | 2,796   |
| GBA <sup>3</sup> under construction and pipeline (sqm) | 359,939 |

**Under construction units** refer to projects with building permit. **Pipeline units** include 2,796 units estimated based on the last project concepts with zoning permits but without building permit. **GBA** represents the Gross Built Area of the Project Above Ground, excluding parking and underground built area.

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

GREENFIELD BANEASA is a large residential project, with over 6,600 homes and over 17,000 inhabitants at its completion in 2031, located in District 1 of the Capital, built sustainably for a better urban future. The project is in the fourth phase of development out of six planned. Since 2007, the starting year of the works for the first phase of development, until now, GREENFIELD BANEASA has experienced a sustainable development, bringing to the community new infrastructure and new facilities: two private parks, numerous green spaces, playgrounds, convenience stores, GREENFIELD PLAZA shopping center and Wellness Club by Greenfield sports center, public transportation. As the project progresses and approaches maturity, other new facilities such as state school and kindergarten, church, nursery, infrastructure and new access roads are added.

Developed to the highest standard on the affordable housing segment and located in Sector 1 of Bucharest, in the vicinity of Baneasa Forest, GREENFIELD BANEASA brings a unique combination of modern minimalist architecture, exceptional lifestyle and spectacular natural landscape. Its unique location, together with the quiet environment and good air quality, are features that make GREENFIELD BANEASA the ideal place for families with children, nature lovers or people looking for a healthy lifestyle, having the qualities of a mountain town located at 1,000 m altitude.



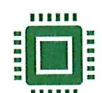
## PROJECT PORTFOLIO

### GREENFIELD BANEASA - BUCHAREST



#### UNIQUE LOCATION

Located in District 1, in Baneasa, probably in the most beautiful location in the northern area and embraced by 900 hectares of forest, GREENFIELD BANEASA offers residents a lot of facilities both inside the complex and in its immediate vicinity. Residents enjoy all the advantages of a secluded, unique location, but also the advantages of an urban life offered by a European capital.



#### FACILITIES

**Over 8,700 sqm fitness and wellness spaces;**

**Over 5,000 sqm commercial spaces;**

**180,000 sqm green spaces:**

- Private parks
- Promenade alleys
- Recreational spaces
- Playgrounds for children
- Pet playgrounds

**Over 8,000 parking places** in exterior and interior, above-ground and underground;

**Public school and kindergarten** in the following years;

**Secure access:** security 24/7;

**STB terminal** for line 203, which connects to Piata Victoriei metro station;

In the future, **church, nursery and medical clinic** will be added.



#### PERMITS

Zonal Urban Plan (PUZ) for more than 3,900 units related to the construction or development phases, of which

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



#### PHASED DEVELOPMENT

The first 3 phases, including Panoramic, totalling 2,686 homes, have been completed by 2022. The remaining units are to be developed in stages by 2031. At the end of 2023, of the 1,167 units with building permit, 982 were under construction, of which 732 will be delivered in 2024 and the remaining 250 in 2025.



#### ESG

##### "The 15-minute city"

The urban concept "15-minute city" is based on the need to have all basic facilities and services within 15 minutes walk or bike from home. GREENFIELD BĂNEASA is designed to meet the requirements of this urban trend, offering residents the services they need in proximity.

##### Apartments designed to BREEAM Excellent and nZEB standards

The buildings in phase 4 of development are built according to the green certification criteria, BREEAM Excellent. The new buildings authorized after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy-saving techniques and the use of renewable energy.

##### Renewable energy

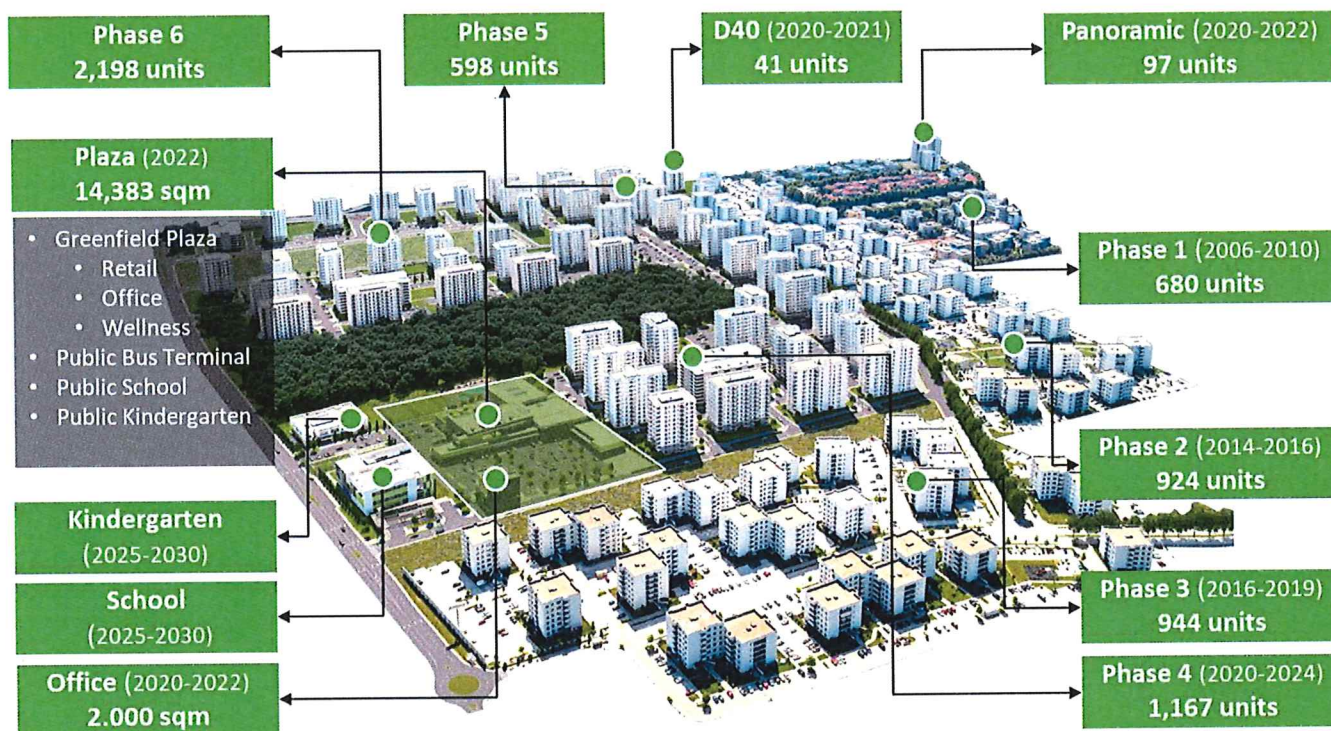
- Photovoltaic park
- Solar panels
- Geothermal waters

##### Green mobility

- EV charging stations
- Bicycle racks
- Micro-mobility solutions including bicycles, scooters and electric scooters

## PROJECT PORTFOLIO

### GREENFIELD BANEASA - BUCHAREST



## Awards

- **2021** – GREENFIELD BĂNEASA, designated The Residential Project of the Years at SEE Property Forum
- **2019** – GREENFIELD BĂNEASA "Best Smart Green Project" at Smart Real Estate and Residential Category, awarded during Smart City Industry Awards
- **2016** – "The best residential compound that uses sustainable architecture and design" awarded at Smart City Industry Awards Gala



## PROJECT PORTFOLIO

### GREENFIELD PLAZA BĂNEASA – BUCHAREST



GREENFIELD PLAZA, the first shopping center developed by IMPACT, completes the set of community facilities needed for a neighborhood of the magnitude of GREENFIELD BĂNEASA, with over 6,500 inhabitants at present. With an estimated market value of over 25 million euro, the mixed-use project has an area of **14,001 sqm**, covering retail, wellness and office functions, occupied in a proportion of over 90%.

#### Commercial gallery

- Supermarket
- Pharmacy
- Beauty salon
- Coffee shops
- Restaurants
- Laundry for clothes

#### Wellness Club by Greenfield

- Semy-Olimpic pool
- Children's indoor pool
- Outdoor pool
- Fitness center
- Spinning room
- Massage rooms
- Squash
- Wet sauna, infrared sauna, dry sauna, emotional showers
- Coffee shop, restaurant

#### Other functions

- Office building
- Car wash
- 264 parking places
- 4 EV charging stations
- Bicycle racks

#### ESG

**BREEAM Excellent certification** – we used responsible practices, durable materials, sustainable and intelligent systems and equipment, which translate into *pollution reduction, protecting the natural resources and reduced maintenance costs*.

**Renewable energy:** The roof of the wellness club is equipped with **solar panels**, which cover about 70% of the energy needed to heat domestic water and swimming pools, while 25% of the electricity needed for the commercial gallery is provided by **photovoltaic panels**.



## PROJECT PORTFOLIO

### LUXURIA RESIDENCE – BUCHAREST



630 units

|                                     |        |
|-------------------------------------|--------|
| COMPLETED UNITS                     | 630    |
| SOLD UNITS at 31.12.23              | 533    |
| GBA (sqm)                           | 66,400 |
| CONSTRUCTION START                  | 2018   |
| CONSTRUCTION DELIVERY (final phase) | 2021   |

GBA stands for the estimated Above Ground Built Area of the project, excluding car parks and underground built area.

Located in Expozitiei area, Bucharest's newest development hub, LUXURIA Residence offers a mix of quality housing, contemporary facilities and sustainable environment, promoting an urban lifestyle. Built to international standards of quality and sustainability, the residential compound is **the first in Romania with BREEAM Excellent certification**. The compound harmoniously combines buildings with modern architecture with ample green spaces and complex facilities to ensure the well-being of residents. These include two parks with urban furniture, a children's playground, gardens, secure access, video surveillance, 24/7 reception, underground parking, lounge for socializing and fitness center.

87% contracted on December 31, 2023, Luxuria brings together the first modern urban community in the Expozitiei area.

### AWARDS

- **2022:** "The Most Sustainable Residential Project - LUXURIA RESIDENCE" awarded during Realty Forum 2022, organized by Business Review
- **2020:** Architecture Multiple Residence, awarded by International Property Award
- **2020:** "Best Upscale Residential Project" awarded by THE TIMES – Investing in Property
- **2018:** "Architecture Multiple Residence" - awarded by International Property Award



## PROJECT PORTFOLIO

### LUXURIA RESIDENCE – BUCHAREST



#### LOCATION

The Expozitiei - Domenii area (Bucharest, District 1) is among the best rated, combining a residential neighborhood full of history with a new business area. Expozitiei is Bucharest's new development pole, attracting office, hotel and commercial developments.

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



#### ESG

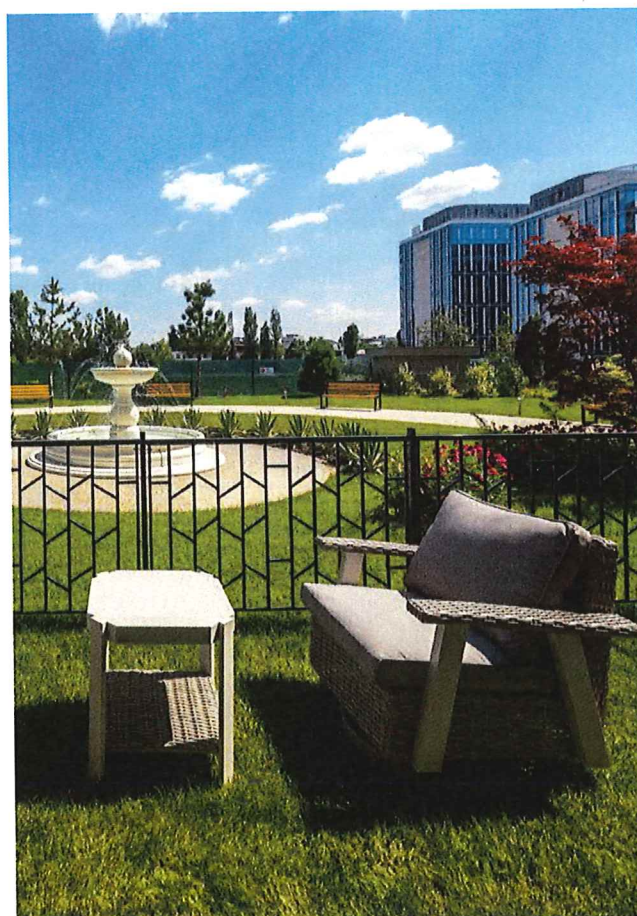
LUXURIA is the first residential complex in the country with BREEAM Excellent certificate, which certifies the quality and sustainability of buildings, as well as the reduced impact on the environment. With a focus on reducing pollution, increasing residents' well-being and minimizing energy consumption, LUXURIA RESIDENCE sets a new standard for modern housing requirements.

- Sustainable design
- Construction management for reduced environmental impact
- Large glazed spaces, according to sunshine studies
- Superior thermal and acoustic insulation
- Building central heating systems
- Paints and materials with a low level of pollutants
- High-performance ventilation systems
- Ventilated facades
- Eco-friendly electrical and lighting appliances
- Smart automation
- Underground parking without car traffic inside the compound
- Ample green spaces
- Separate waste collection



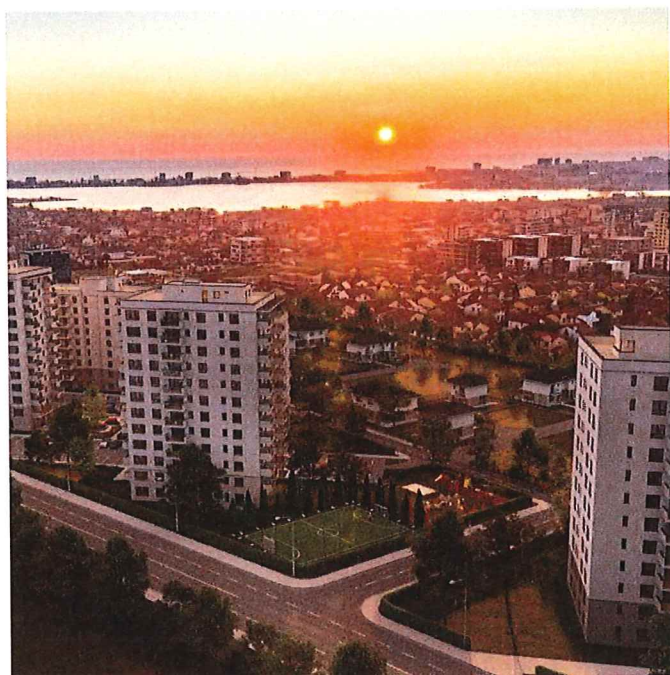
#### FACILITIES

LUXURIA RESIDENCE brings together a mix of facilities difficult to find in the city, both taken together and separately, which offer a harmonious lifestyle: secure access, 24/7 security and video surveillance, lounge area for socializing and relaxation, open 24/7, fitness center with modern Technogym equipment, 9,650 sqm of green spaces, private parks, playground for children, exclusively underground parking for residents, reception available 24/7.



## PROJECT PORTFOLIO

### BOREAL PLUS - CONSTANȚA



**691 units**

|                                                     |               |
|-----------------------------------------------------|---------------|
| <b>COMPLETED UNITS</b>                              | <b>227</b>    |
| <b>SOLD UNITS at 31.12.23</b>                       | <b>71</b>     |
| <b>UNITS UNDER DEVELOPMENT</b>                      | <b>464</b>    |
| <b>UNITS IN PIPELINE</b>                            | <b>464</b>    |
| <b>Under construction and in pipeline GBA (sqm)</b> | <b>36,294</b> |

In the north of Constanta, away from the hustle and bustle of the city, Boreal was completed in 2010, the first residential complex in Constanta, where 150 families started a new life. In the immediate vicinity, BOREAL PLUS is now under development.

Every family needs a place to grow, dream and call HOME. This is exactly what Boreal Plus has to offer: a wonderful environment for families to develop, in perfect harmony with nature.



#### LOCATION

Located in the north of the city, BOREAL PLUS offers a balanced urban lifestyle, being in a quiet and airy area, overlooking Lake Siutghiol, but at the same time close to all city facilities. The compound has direct access to Tomis Boulevard, being 15 minutes from the city center and Mamaia beach.



#### PERMITS

- 359 units (341 apartments and 18 houses) were authorized for construction in 2020.
- The building permit for the remaining 332 units was obtained in 2022.
- Of the 691 units with a building permit, the 18 houses were completed in 2021 and 209 apartments were completed in December 2022.



## PROJECT PORTFOLIO

### BOREAL PLUS - CONSTANȚA



#### FACILITIES

With panoramic views of the Black Sea and Lake Siutghiol, the apartments in BOREAL PLUS are defined by the safety and durability of the construction, but also by the comfort they offer. The complex is located in the immediate vicinity of a Kaufland hypermarket and will benefit from parks, kindergarten and convenience stores.

#### **12,000 sqm of green spaces**

- Private park
- Promenade alleys
- Recreational places
- Playground for children
- Landscape

**417 sqm of commercial spaces**, which can accommodate a wide range of services, from convenience stores to medical offices.

**826 parking spaces** located above-ground outside and above-ground in interior.

**Planned private kindergarten** with an area of 1,990 sqm, the building can accommodate up to 150 children in 7 classes.

**Sports field** planned in the next stages of development.



#### ESG

**Renewable energy:** solar panels.

#### **Protection of resources and the environment:**

- Building central heating systems
- Superior thermal and acoustic insulation
- Smart automation

#### AWARDS

- 2020 - Residential Development, awarded by International Property Award.





## PROJECT PORTFOLIO

### GREENFIELD COPOU - IAȘI



In full harmony with the unique natural environment in which it will be built, GREENFIELD COPOU will replicate the Greenfield housing model, becoming one of the largest green residential building projects in Iași, built to nZEB standards and BREEAM Excellent certified.

The apartments will benefit from premium finishes and will offer spectacular views over the city and the Botanical Garden, in low-height buildings, separated by generous green spaces. Excellent facilities and very good connectivity with the city's points of interest complete the mix of attributes that will make GREENFIELD COPOU the new landmark of residential developments in Iași.



#### EXCELLENT LOCATION

GREENFIELD COPOU is located on Copou Hill, offering a panoramic view of the Botanical Garden and the city. Called "the green lung of Iași", the Copou area offers an ideal natural setting, which attracts through tranquillity and fresh air. At the same time, it is an area full of history and a famous university district. The compound will integrate harmoniously, through blocks with low height regime and by including ample green spaces.



#### PERMITS

- The building permit was obtained in 2023.



## PROJECT PORTFOLIO

### GREENFIELD COPOU - IAȘI



#### FACILITIES

##### **15,000 sqm green spaces:**

- Private parks
- Promenade alleys
- Recreational spaces
- Playground for children
- Landscape

##### **1,473 sqm commercial gallery**

##### **1,190 sqm sports and wellness club**

- Fitness
- Pool
- Spa
- Restaurant

##### **1,161 parking places**

##### **Private kindergarten – 945 sqm**

##### **Gated community:**

- Barriers at every entrance to the neighborhood
- Access is based on card
- Security 24h/7
- Video surveillance



#### ESG

##### **"15-minute city"**

The urban concept "15-minute city" is based on the need to have all basic facilities and services within 15 minutes walk or bike from home. GREENFIELD COPOU is designed to meet the requirements of this urban trend, offering residents the services they need in proximity.

##### **Apartments designed to BREEAM Excellent and nZEB standards**

- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

##### **Renewable energy**

- Photovoltaic panels
- Solar panels

##### **Green mobility**

- EV charging stations
- Micro-mobility solutions including bicycles, scooters and electric scooters
- Cycle paths



## PROJECT PORTFOLIO

### ARIA VERDI – BUCHAREST



Located in Barbu Vacarescu, one of the most beautiful and desirable areas of the capital, Aria Verdi will offer a spectacular view of the city, surrounded by parks and lakes. The ensemble aims to raise the standard of living quality on the premium segment, including a series of modern facilities: luxury commercial galleries, office spaces, wellness area (swimming pool, spa, fitness), restaurant and ample green spaces.

The new residential compound encourages a harmonious lifestyle and provides a healthy environment for residents, being designed with care for the environment and including sustainability and well-being solutions at BREEAM Excellent and nZEB standards.



#### PREMIUM LOCATION

ARIA VERDI is located on Barbu Vacarescu Boulevard, near the central and business area of Bucharest, one of the main areas where real estate projects have been developed in recent years.



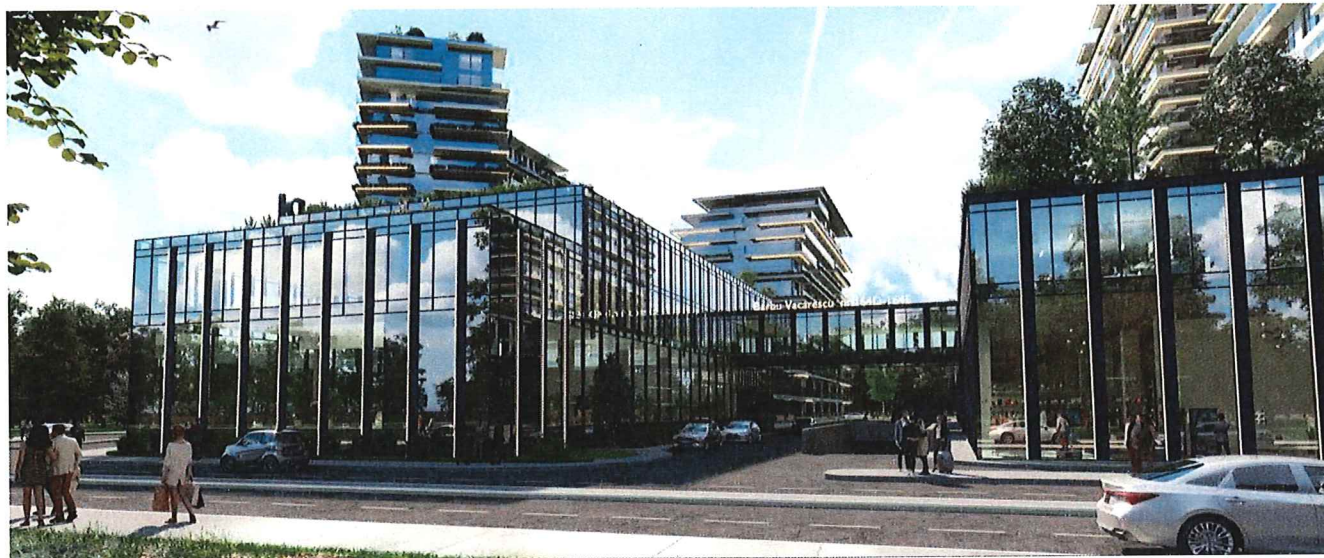
#### PERMITS

The project is in the process of obtaining the building permit, receiving the urbanism certificate in April 2023.



## PROJECT PORTFOLIO

### ARIA VERDI – BUCHAREST



#### FACILITIES

##### Over 7,000 sqm of green spaces:

- Private parks
- Promenade alleys
- Recreational spaces
- Landscape

##### Playground

Over 5,000 sqm luxury commercial gallery at every resident's disposal.

Over 3,800 sqm office spaces

##### Over 2,700 sports and wellness club

- Pool
- Fitness center
- Restaurant

##### Underground parking places

##### Gated community



#### ESG

##### Apartments designed to BREEAM Excellent and nZEB standards

- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

##### Renewable energy

- Photovoltaic panels

##### Green mobility

- EV charging stations



## PROJECT PORTFOLIO

### GREENFIELD WEST & PLAZA - BUCHAREST



Located in District 6 of Bucharest, GREENFIELD WEST is a mixed project – residential and commercial – that enjoys credibility from the perspective of the brand's history. Similar to the project in Baneasa area, GREENFIELD WEST approaches a modern, minimalist architecture and offers the highest standard of construction for the medium segment. The future project will integrate the two concepts already implemented in Baneasa, home wellbeing and the 15-minute city.



#### EXCELLENT LOCATION

GREENFIELD WEST will be developed in a booming area of the capital, where many office buildings are currently being built. The new complex developed by IMPACT comes to complete the area's offer on the residential segment, being the largest residential project developed in western Bucharest.



#### TRUSTED BRAND

GREENFIELD is the most famous residential brand in Bucharest, which enjoys credibility on the market, increasing the confidence of new buyers, regardless of the construction stage of the GREENFIELD WEST project. Continuing the brand message, the new neighborhood will create an environmentally responsible community, interested in a healthy life and social responsibility actions.



#### PERMITS

Existing Detailed Urban Plan (PUD), improvement in progress. The process for obtaining the building permit has begun. Based on the latest concept available, it is estimated that over 4,200 units will have building permit, with a GBA(Gross Built Area excluding parking and underground) of over 368,000 sqm including a community center of over 14,000 sqm.



## PROJECT PORTFOLIO

### GREENFIELD WEST & PLAZA - BUCHAREST



#### FACILITIES

**Over 36,000 sqm of green spaces:**

- Private parks
- Promenade alleys
- Recreational spaces

**Playground for children**

**Pet playground**

**Outdoor fitness spaces**

**Multifunctional sports field**

**Over 4,000 sqm commercial spaces**

**Over 5,300 parking places** - above-ground (outdoor and indoor) and underground

**Over 2,550 sqm sports and wellness club**

- Semy-Olimpic pool
- Children's indoor pool
- Outdoor pool
- Fitness center
- Spinning room
- Massage rooms
- Squash
- Wet sauna, infrared sauna, dry sauna, emotional showers
- Coffee shop, restaurant

**Education – over 9,600 sqm:**

- Public school
- Public kindergarten
- Nursery

**Gated community:**

- Barriers at every entrance to the neighborhood
- Access based on card
- Security 24h/24h, 7 days out of 7



#### ESG

**"15-minute city"**

GREENFIELD WEST is designed to meet the requirements of this urban trend that is defined by the need to have all basic facilities and services within 15 minutes walk or bike from home.

**Apartments designed to BREEAM Excellent and nZEB standards**

- All buildings are built following the green certification criteria, BREEAM Excellent;
- The new buildings with permits after 2021 will have an almost zero energy consumption, complying with the new standard in housing construction, nZEB, which involves sustainable design, energy saving techniques and the use of renewable energy.

**Renewable energy**

- Photovoltaic panels

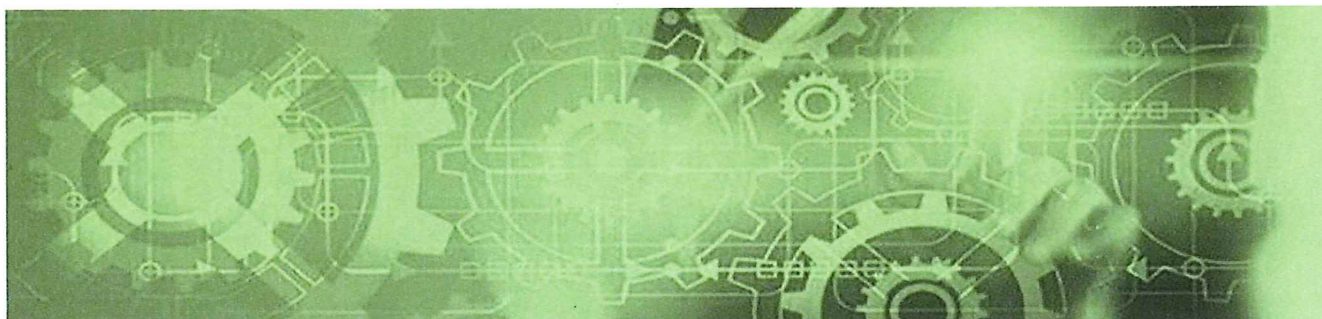
**Green mobility**

- EV charging stations
- Bicycle racks
- Micro-mobility solutions including bicycles, scooters and electric scooters



## STRATEGY HIGHLIGHTS

### DEVELOPING SUSTAINABLE COMMUNITIES



#### SUSTAINABILITY FOCUS

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

#### GEOGRAPHIC EXPANSION & PORTFOLIO DIVERSIFICATION

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

#### INNOVATION AND VERTICAL INTEGRATION

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





## STRATEGY HIGHLIGHTS

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



| OBJECTIVES                   | PROGRESS 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | PLAN 2024                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GREENFIELD BANEASA RESIDENCE | <ul style="list-style-type: none"> <li>Reception with the constructor of the 732 units in <b>GREENFIELD Baneasa</b> and started the construction of another 250 units, as part of UTR3 project.</li> <li>Operating of, and revenue generation from <b>GREENFIELD PLAZA</b> continued in 2023, the community centre reaching as at 31.12.2023 an occupancy rate of 90%.</li> <li>A photovoltaic park was constructed in 2023 in <b>GREENFIELD Baneasa</b>, representing an investment of more than 2.7 million EUR. The new park consists of 1,297 panels and has a total capacity of 700 kWp.</li> </ul> | <ul style="list-style-type: none"> <li>Completion of the construction works for the 250 units part of UTR3 project.</li> <li>Obtaining the building permit and launching the construction of Phase 5 (UTR4) within <b>GREENFIELD Baneasa</b>, through which 598 units with an gross development value of 97 million EUR will be delivered to clients.</li> <li>Proceeding with the authorization process for the 2,198.</li> </ul> |
| LUXURIA Residence            | <ul style="list-style-type: none"> <li>Sales continued throughout the year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Closing sales of the remaining 97 units in <b>LUXURIA Residence</b>.</li> </ul>                                                                                                                                                                                                                                                                                                             |
| BOREAL PLUS                  | <ul style="list-style-type: none"> <li>The sales have been started for the first Phase of the project, consisting of 209 units</li> <li>Sales for the remaining stock of villas continued.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Closing sales for the remaining dwellings as well as villas within <b>BOREAL</b>.</li> <li>Starting construction for 132 units, with building permit, which represent phase 2.</li> </ul>                                                                                                                                                                                                   |
| GREENFIELD COPOU RESIDENCE   | <ul style="list-style-type: none"> <li>The building permit for a total of 1,062 units has been obtained in July 2023.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Securing financing of the project and start the construction of the first Module.</li> </ul>                                                                                                                                                                                                                                                                                                |



## STRATEGY HIGHLIGHTS

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

| OBJECTIVES                                 | PROGRESS 2023                                                                                                                                                                                                                                                                                                                         | PLAN 2024                                                                                                                                                                                                         |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GREENFIELD WEST                            | <ul style="list-style-type: none"> <li>Improvement of existing PUD</li> <li>Development concepts and design finalized</li> <li>Continuing the authorisation process</li> </ul>                                                                                                                                                        | <ul style="list-style-type: none"> <li>Continuing the authorisation process</li> </ul>                                                                                                                            |
| ARIA VERDI                                 | <ul style="list-style-type: none"> <li>Improvement of existing PUD</li> <li>Finalizing the development concepts and design</li> <li>Preparation to start the authorization process</li> </ul>                                                                                                                                         | <ul style="list-style-type: none"> <li>Finalizing the authorisation process</li> </ul>                                                                                                                            |
| Identifying new locations for developments | <ul style="list-style-type: none"> <li>Land acquisition for developments in Bucharest and other cities throughout the country</li> </ul>                                                                                                                                                                                              |                                                                                                                                                                                                                   |
| Vertical integration                       | <ul style="list-style-type: none"> <li>Set-up of 51% owned subsidiary Impact Alliance Moldova SRL a construction company for IMPACT Iasi projects</li> <li>Further strengthening of the vertical structure of the Group potential new group companies and/ or new partnerships (i.e.for prefabricates including bath pods)</li> </ul> | <ul style="list-style-type: none"> <li>Further strengthening of the vertical structure of the Group potential new group companies and/ or new partnerships (i.e.for prefabricates including bath pods)</li> </ul> |





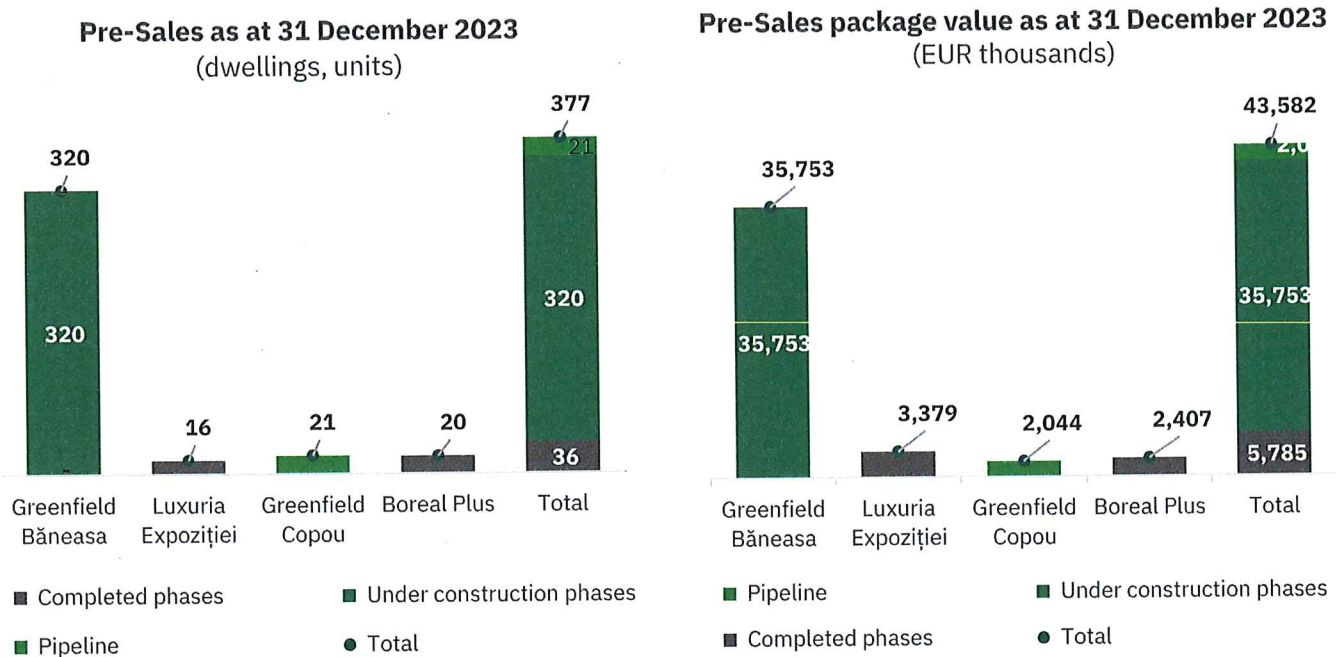
# IMPACT's activity in 2023

IMPACT



# ACTIVITY OF IMPACT IN 2023

## PRE-SALES AS AT 31 DECEMBER 2023



As at 31 December 2023, IMPACT had 377 apartments pre-sold and reserved with a package value of EUR 44 million.

Of these, 85% refer to projects under development (320 dwellings, EUR 35.5 million package value), 9% refer to completed projects (36 dwellings, EUR 5.8 million package value), while the remaining 6% refer to projects in pipeline (21 dwellings, EUR 2 million).

Out of total pre-sales, 356 contracts, or EUR 41.5 millions are expected to be translated into revenues within next period.

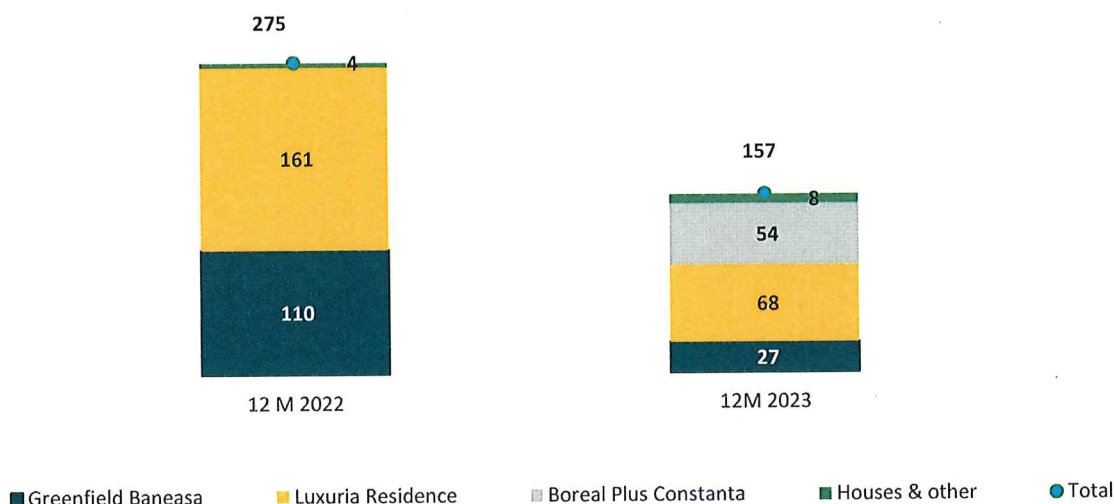




## ACTIVITY OF IMPACT IN 2023

### 2023 SALES

Sales by project (dwellings, units)



The macroeconomic context exerted a certain influence on the revenues of IMPACT in 2023, including interest rates increase, inflation surge, as well as the postponement of the commissioning procedure for the newly finalized phases in **GREENFIELD Baneasa**.

**2023: 157 units**, represented by 27 dwellings in **GREENFIELD Baneasa**, 69 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).

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

The **157 units sold** throughout 2023 generated corresponding revenues of **EUR 23.96 mil.** (including revenue from parking spots, yards and storage units corresponding to the 157 dwellings) that were recognized in the same period.



## ACTIVITY OF IMPACT IN 2023

### 2023 SALES

#### CONTRACTED APARTMENTS AS OF 31 DECEMBER 2023

| Project            | Total Apartments | Sales & Pre-Sales |            | Available for sale |
|--------------------|------------------|-------------------|------------|--------------------|
|                    | units            | units             | %          | units              |
| Luxuria Residence  | 630              | 549               | 87%        | 81                 |
| Boreal Plus        | 209              | 77                | 37%        | 132                |
| Boreal Plus Villas | 18               | 11                | 61%        | 7                  |
| <b>Total</b>       | <b>857</b>       | <b>637</b>        | <b>74%</b> | <b>220</b>         |

As at **31 December 2023**, approximately **74%** of completed units were contracted (considering both sales and pre-sales). All completed phases in Greenfield Baneasa were sold as at 31 of December 2023.

#### UNDER CONSTRUCTION PHASE AS AT 31 DECEMBER 2023

| Project                    | Total Apartments | Pre-Sales  |            | Available for sale |
|----------------------------|------------------|------------|------------|--------------------|
|                            | units            | units      | %          | units              |
| Construction started       | 982              | 320        | 33%        | 662                |
| Construction planned       | 185              | -          | 0%         | 185                |
| <b>Greenfield Băneasa</b>  | <b>1,167</b>     | <b>320</b> | <b>27%</b> | <b>847</b>         |
| Construction planned       | 464              | -          | 0%         | 464                |
| <b>Boreal Plus</b>         | <b>464</b>       | <b>-</b>   | <b>0%</b>  | <b>464</b>         |
| Total construction started | -                | -          | 0%         | -                  |
| Total construction planned | 1,062            | 21         | 2%         | 1,041              |
| <b>Copou Iasi</b>          | <b>1,062</b>     | <b>21</b>  | <b>2%</b>  | <b>1,041</b>       |
| Total construction started | 982              | 320        | 33%        | 662                |
| Total construction planned | 1,711            | -          | 0%         | 1,690              |
| <b>Total</b>               | <b>2,693</b>     | <b>341</b> | <b>13%</b> | <b>2,352</b>       |

As at 31 December **2023 IMPACT** had building permits for 2,693 units, out of which **982** were under construction and 1,711 units are expected to begin construction in 2024-2025. Out of the 982 units under construction, 732 are expected to be delivered within H2 2024.

Approximately 33% of under construction units were pre-sold as of 31 December 2023.



## ACTIVITY OF IMPACT IN 2023

### LAND OWNED AS AT 31 DECEMBER 2023

| Location                  | City                 | Project            | Surface<br>(ha) | IFRS<br>book value<br>(RONm) | IFRS<br>book value<br>(EURm) | EPRA<br>value<br>(RONm) | EPRA<br>value<br>(EURm) |
|---------------------------|----------------------|--------------------|-----------------|------------------------------|------------------------------|-------------------------|-------------------------|
| Băneasa                   | Bucharest            | Greenfield Băneasa | 37.9            | 351.8                        | 70.7                         | 417.0                   | 87.9                    |
| Blvd. Timișoara - Ghencea | Bucharest            | Greenfield West    | 25.9            | 161.0                        | 32.4                         | 161.0                   | 32.4                    |
| Barbu Văcărescu           | Bucharest            | Aria Verdi         | 2.5             | 189.7                        | 38.1                         | 189.7                   | 38.1                    |
| Zenit                     | Constanta            | Boreal Plus        | 3.2             | 8.2                          | 1.7                          | 32.2                    | 6.5                     |
| Iași                      | Iași                 | Greenfield Copou   | 5.0             | 37.6                         | 7.6                          | 60.0                    | 12.1                    |
| Oradea                    | Oradea               | Lotus              | 2.9             | 4.0                          | 0.8                          | 4.0                     | 0.8                     |
| Other                     | Neptun,<br>Voluntari | n.a.               | 8.9             | (2.0)                        | (0.4)                        | (2.2)                   | 3.0                     |
| <b>Total</b>              |                      |                    | <b>86.3</b>     | <b>750.3</b>                 | <b>150.8</b>                 | <b>861.7</b>            | <b>180.7</b>            |

Note 1: The EPRA value considers the market value based on the revaluations performed by Colliers Valuation and Advisory as at 31 December 2023 (the investment value and the market approach where the investment value has not been determined)

Note 2: The FX rate used to translate the RON denominated amounts in EUR - 4.9746 RON/EUR

As at 31 December 2023, **IMPACT** owned **86.3** ha of land with a book value of RON 750.3 million (3% higher than as at 31 December 2022), land mainly intended for the development of new projects and related to infrastructure. Of this, approximately **71 ha** represent the land bank on which new projects are to be developed.

In 2023 no material movement in total land surface was noted. The landbank has increased with 0.42 ha, due to acquisitions of small plots of land in Băneasa, for the purpose of developing new projects.

The EPRA value of the land was estimated based on revaluations performed by Colliers Valuation and Advisory as at 31 December 2023 (the investment value and the market approach where the investment value has not been determined).

The EPRA value of land estimated as of 31 of December 2023 was of **RON 861.7 million**, 15% higher than the IFRS book value and 3% higher than the EPRA value of land estimates as at 31 December 2022 (market approach), considering also the small increase in the landbank in 2023 with 0.42 ha, or 0.5%.

## ACTIVITY OF IMPACT IN 2023

### THE DEVELOPMENT ACTIVITY

In 2023, **IMPACT's** activity was focused on developing the projects that are currently under construction as well as on the process for obtaining the necessary permits for developments for which the construction is planned to start in 2024-2025, projects developed on the landbank already owned.

In 2023, the construction was in progress for project phases in **GREENFIELD Baneasa**.

The permitting process was started for future phases of **GREENFIELD Baneasa**, **ARIA VERDI** and **GREENFIELD WEST**. In April 2023, the urban certificate was obtained for **ARIA VERDI**.

An important milestone in 2023, was the obtaining of the building permit for 1,062 units under the concept of COPOU Iasi. Currently the company is in progress to secure financing in order to start the construction of the project.

In 2023 **IMPACT** concluded the registration of 209 units in **BOREAL Plus** and initiated the sales.

The projects are planned and developed in several phases and stages that can span for more than 3 - 10 years (including permitting, construction start), depending on the size of the project.





# ACTIVITY OF IMPACT IN 2023

## LEGAL ASPECTS

### **Litigation initiated by IMPACT regarding the Lomb residential project in Cluj-Napoca**

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

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

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

The company filed an appeal which is being judged by the Cluj Court of Appeal, at this moment the company cannot estimate the duration of the process until a final decision is obtained. The next deadline granted in the appeal phase is 31 January 2024, to analyse the findings.

File no. was registered on the Argeş Commercial Court. 1032/1259/2012 in which the Project Company (Clearline Development and Management SRL) requests the

obligation of CLC to pay compensation provisionally estimated at the amount of RON 17,053,000.

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

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

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

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

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

Clearline Development and Management S.R.L. filled an appeal against the decision issued by the Piteşti Court of Appeal. On the 21 of March 2024 the Court admitted the appeal and ordered a retrial.



# ACTIVITY OF IMPACT IN 2023

## LEGAL ASPECTS

### **Litigation initiated by "EcoCivic Association"**

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

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

Currently, the challenged acts are valid, they produce full effects, no decision has been made regarding their suspension or cancellation. 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. Therefore no provision has been registered in respect of the litigation, as at 31 of December 2023.

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

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

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

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





## A SUSTAINABLE IMPACT (ESG)

**In 2023, we have been actively involved in several social responsibility projects, in various domains:**

### **SOCIAL**

The urban certificate was obtained for the construction of a church in the **GREENFIELD Băneasa** neighborhood, located in District 1 of the Capital. The “Parohia Sfinții Arhangheli Mihail și Gavriil – GREENFIELD” will be built on a plot of 1,864 square meters, donated by IMPACT to the Archdiocese of Bucharest in July 2020. The value of the **donation amounts to 500,000 euros.**

### **EDUCATION**

In June 2023, the City Hall of Sector 1 opened a public tender for the construction of **an educational complex in the GREENFIELD BĂNEASA neighborhood.** The land and the project for the construction of the school and the state kindergarten, worth **1.75 million euros**, were donated by IMPACT to the Bucharest City Hall.

### **COMMUNITY**

**IMPACT** strengthened its commitment to community and social responsibility in 2023 by **supporting the two editions of the Sports Festival.** The event took place between June 3-4 in Iasi and September 16-17 in Bucharest, Baneasa forest and GREENFIELD BĂNEASA neighborhood.

In 2023, the Sports Festival gathered a record number of participants, who enjoyed individual or family sports trials. These consisted of trail running (5, 11 and 21 km), sport orientation, obstacle course, children's race and mountain biking.

### **CARING FOR THE ENVIRONMENT AND INCREASING THE QUALITY OF LIFE**

In line with **the company's ESG strategy**, to combat climate change by reducing carbon monoxide emissions according to EU objectives, clearly defined by the European Green Pact, IMPACT decided to implement an innovative green mobility system inside **GREENFIELD Baneasa.**

Electric devices have been made available to the residents of GREENFIELD Baneasa to facilitate movement within and outside the complex and contribute to creating a more community-friendly environment.

In 2023, IMPACT completed a photovoltaic park in **GREENFIELD Baneasa** neighborhood, an investment of more than 2.7 million euro. The park is expected to produce approximately 785 MWh of renewable energy annually. The renewable energy produced will be destined to cover energy necessities of three locations within **GREENFIELD Baneasa**, as follows: 80% of the energy necessity of **Wellness Club by GREENFIELD**, 90% of the energy necessity of **IMPACT's** office building, as well as 30% of the energy capacity of Phase 4 development project within **GREENFIELD Baneasa**, including public lighting.

This represents the third renewable energy solution developed by the **IMPACT** within **GREENFIELD BĂNEASA.** Within **GREENFIELD Plaza**, there are solar panels, which cover approximately 70% of the energy needed to heat domestic water and swimming pools, as well as photovoltaic panels, which provide 25% of the electricity needed for commercial gallery.

Furthermore, in 2023 **GREENFIELD BĂNEASA PLAZA** obtained BREEAM Excellent certification in 2023, following the evaluation conducted by BuildGreen. Thus, the building covering retail and wellness functions meets the quality and sustainability standards required by this type of certification from the design phase in the following categories of management, health and well-being, energy, transport, water, materials used, waste, land use and ecology, pollution, innovation.

During 2023 the second Sustainability report was published. The report is aligned with GRI standards and we have received an ESG risk rating of 18.7 (low risk).



# 2023 financial results

IMPACT



## FINANCIAL RESULTS

| RON thousand                                                     | Consolidated  |               |              | Standalone    |               |              |
|------------------------------------------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
|                                                                  | 12M 2023      | 12M 2022      | Var %        | 12M 2023      | 12M 2022      | Var %        |
| Revenues                                                         | 171,217       | 219,199       | (22%)        | 61,535        | 75,027        | (18%)        |
| Gross profit                                                     | 57,174        | 70,691        | (19%)        | 16,634        | 24,461        | (32%)        |
| <b>Gross margin %</b>                                            | <b>33%</b>    | <b>32%</b>    |              | <b>27%</b>    | <b>33%</b>    |              |
| Other (expenses)/revenue net                                     | (4,955)       | 38,379        |              | 30,427        | 47,636        |              |
| <i>Other (expenses)/revenue as % of revenue from real estate</i> | <i>(3%)</i>   | <i>(18%)</i>  |              | <i>(49%)</i>  | <i>(63%)</i>  |              |
| EBITDA                                                           | 56,224        | 111,393       | (50%)        | 48,797        | 73,495        | (34%)        |
| <i>EBITDA margin %</i>                                           | <i>33%</i>    | <i>51%</i>    |              | <i>79%</i>    | <i>98%</i>    |              |
| EBIT                                                             | 52,219        | 109,070       | (52%)        | 47,061        | 72,097        | (35%)        |
| <i>EBIT margin %</i>                                             | <i>30%</i>    | <i>50%</i>    |              | <i>76%</i>    | <i>96%</i>    |              |
| <b>Net result</b>                                                | <b>29,105</b> | <b>84,767</b> | <b>(66%)</b> | <b>42,492</b> | <b>63,329</b> | <b>(33%)</b> |
| <b>Net result margin %</b>                                       | <b>17%</b>    | <b>39%</b>    |              | <b>69%</b>    | <b>84%</b>    |              |

Source: Audited IFRS consolidated and standalone financial statements as at 31 December 2023

The macroeconomic context exerted a certain influence on the revenues of IMPACT in 2023, including interest rates increase, inflation surge, as well as the postponement of the commissioning procedure for the newly finalized phases in GREENFIELD Băneasa.

The gross margin of the Group remained stable in 2023, to 33%.

The average selling price had a positive impact, increasing in 2023 compared with 2022,

with 6% in **GREENFIELD BĂNEASA**, from 1,277 EUR/sqm to 1,357 EUR /sqm, and with 4% in **LUXURIA RESIDENCE**, from 1.751 EUR/sqm to 1,828 EUR/sqm.

In 2023 the group has sold **157 dwellings**, a downward trend compared with 2022: **GREENFIELD Baneasa** – 27 flats vs. 110 units; **LUXURIA Residence** - 161 flats vs. 68; **BOREAL Constanța** 8 houses and commercial spaces, as well as 54 flats, vs 4 houses.



# FINANCIAL RESULTS

## Statement of financial position

| RON thousand                        | Consolidated     |                  |             | Standalone       |                  |            |
|-------------------------------------|------------------|------------------|-------------|------------------|------------------|------------|
|                                     | 31-Dec-2023      | 31-Dec-2022      | Var %       | 31-Dec-2023      | 31-Dec-2022      | Var %      |
| <b>Non-current assets, of which</b> | <b>783,137</b>   | <b>727,767</b>   | <b>8%</b>   | <b>862,591</b>   | <b>805,226</b>   | <b>7%</b>  |
| Investment property                 | 676,297          | 653,725          | 3%          | 726,852          | 678,669          | 7%         |
| Property, plant and equipment       | 99,365           | 65,648           | 51%         | 36,102           | 21,545           | 68%        |
| Goodwill                            | 3,543            | 3,543            | n.a         | -                | -                | n.a        |
| <b>Current assets, of which</b>     | <b>695,182</b>   | <b>715,595</b>   | <b>(3%)</b> | <b>566,117</b>   | <b>525,008</b>   | <b>8%</b>  |
| Inventories                         | 622,609          | 617,698          | 1%          | 499,039          | 429,405          | 16%        |
| Trade and other receivables         | 14,212           | 25,561           | (44%)       | 24,579           | 33,892           | (27%)      |
| Cash and cash equivalents           | 51,293           | 55,108           | (7%)        | 35,778           | 46,857           | (24%)      |
| <b>Total assets</b>                 | <b>1,478,319</b> | <b>1,443,362</b> | <b>2%</b>   | <b>1,428,708</b> | <b>1,330,234</b> | <b>7%</b>  |
| <b>Liabilities, of which</b>        | <b>560,729</b>   | <b>553,742</b>   | <b>1%</b>   | <b>545,033</b>   | <b>489,051</b>   | <b>11%</b> |
| Loans and borrowings                | 413,634          | 391,126          | 6%          | 389,074          | 330,351          | 18%        |
| Trade and other payables            | 67,710           | 79,320           | (15%)       | 81,877           | 77,414           | 6%         |
| <b>Equity</b>                       | <b>917,590</b>   | <b>889,620</b>   | <b>3%</b>   | <b>883,675</b>   | <b>841,183</b>   | <b>5%</b>  |
| <b>Total equity and liabilities</b> | <b>1,478,319</b> | <b>1,443,362</b> | <b>2%</b>   | <b>1,428,708</b> | <b>1,330,234</b> | <b>7%</b>  |

Source: Audited IFRS consolidated and standalone financial statements as at 31 December 2023

## ASSETS

Property, plant, and equipment increased by 51% compared to 31 December 2022 following the commission of infrastructure works in **BOREAL PLUS** Constanța project, as well as due to investments in billboards of large dimensions, used in the promotion of projects in high traffic areas. Also, during 2023 modernization works were performed within RCTI COMPANY S.R.L. new head office.

The balance of trade and other receivables has decreased by 44%, following the VAT reimbursement of RON 10 million, occurred in 2023.

## LIABILITIES

Debt to assets ratio was kept stable, to 28% as at 31 of december 2023 (27% as at 31 of December 2022). Also, trade and other payables decreased by 15% correlated with completion of construction works in **GREENFIELD Baneasa**.



# BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

## BOARD OF DIRECTORS

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

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

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

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

### The Board of Directors has 5 members:

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

#### Nomination and remuneration committee

The Nomination and Remuneration Committee is a body subordinate to the Board of Directors constituted to issue qualified and independent opinions on nomination and remuneration policies and practices, to perform the attributions assigned by the Board of Directors in this sector of activity. Members: INTREPRID SRL (independent); Iuliana-Mihaela Urdă; Daniel Pandeale (Independent); Sorin Apostol.

#### Audit committee

The Audit Committee has an advisory role being set up with the purpose of assisting the Board of Directors in carrying out its duties related to financial reporting, external audit, and internal control. Members: INTREPRID GEM SRL; Sorin Apostol; Daniel Pandeale.

#### Risk committee

The Risk Committee has an advisory role being set up with the purpose of assisting the Board of Directors in carrying out its duties related to risk management policies and practices, capital adequacy to risks, risk appetite of the company. Members: Iuliana-Mihaela Urdă; INTREPRID GEM SRL; Sorin Apostol; Daniel Pandeale; Ruxandra-Alina Scarlat.

No member changes within the Board and committees occurred during 2023.

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# BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

## EXECUTIVE MANAGEMENT

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

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

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

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





## MAIN RISKS AND UNCERTAINTIES THAT MAY AFFECT IMPACT'S ACTIVITY

| Risk                     | Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market risk</b>       | <p>The global and local economic instability might have a negative effect upon <b>IMPACT</b>'s cash holdings. This issue is closely monitored and necessary actions are taken to ensure <b>IMPACT</b>'s stability.</p> <p>The slowdown of the economic growth and consumption in Romania might have a negative effect upon <b>IMPACT</b>'s activity. <b>IMPACT</b> takes necessary actions to make sure that its products remain attractive and are adjusted to the market requirements.</p>                                                                                                                                                                                                                                                     |
| <b>Legal environment</b> | <p>The legal changes, the amendments to the permit obtaining procedure might have negative effects upon <b>IMPACT</b>'s activity. Such changes and the effects upon <b>IMPACT</b>'s activity are constantly monitored by <b>IMPACT</b>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Credit risk</b>       | <p>As a real estate developer, <b>IMPACT</b> relies on equity and funding obtained from third parties for the project's development. The limitation of access to financing might have negative effects upon <b>IMPACT</b>'s capacity to develop new project. The management of <b>IMPACT</b> constantly monitors this issue and strives to diversify <b>IMPACT</b>'s financing sources.</p> <p>A significant share of <b>IMPACT</b>'s clients resort to bank loans for the acquisition of residences. Any strengthening of the conditions for the bank loans might have negative effects upon the apartment sales. <b>IMPACT</b> takes all necessary measures to mitigate the negative effects of such regulatory changes upon its activity.</p> |
| <b>Currency risk</b>     | <p>A significant increase of the foreign exchange rate for EUR might result in higher payments for loans, bonds and acquisitions made in relation to the construction works expressed in EUR. The main liabilities expressed in EUR are the bonds, the loan obtained for project financing and the construction agreements with the general contractor.</p>                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Geographic risk</b>   | <p><b>IMPACT</b>'s activity is concentrated in Bucharest. The geographical risk will be mitigated by expanding developments in Constanta, Iasi and other important cities in the country.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## EPRA NET ASSET VALUE

In October 2019, the European Public Real Estate Association ('EPRA') published new performance measures for EPRA Net Assets that are replacing the previous EPRA Net Assets measure.

Three new measures of net asset value were introduced: Net Reinvestment Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

### The Net Asset Value as per the IFRS consolidated financial statements and EPRA

| METRICS                                    | 31-Dec-2022   | 31-Dec-2023   |
|--------------------------------------------|---------------|---------------|
| Price per share (RON)                      | 0.3600        | 0.2340        |
| Number of shares (IMPACT D&C)              | 2,365,679,951 | 2,365,679,951 |
| Market capitalization (RON thousand)       | 851,645       | 553,569       |
| <b>IFRS (consolidated)</b>                 |               |               |
| Net profit (RON thousand)                  | 84,767        | 29,105        |
| Net asset value ("NAV", RON thousand)      | 889,620       | 917,590       |
| Profit per share (RON)                     | 0.0364        | 0.0123        |
| NAV/Share (RON)                            | 0.3761        | 0.3879        |
| <b>EPRA Net Asset Value (consolidated)</b> |               |               |
| EPRA NRV (RON thousands)                   | 1,219,328     | 1,368,927     |
| EPRA NTA (RON thousands)                   | 1,178,265     | 1,328,605     |
| EPRA NDV (RON thousands)                   | 1,138,270     | 1,289,352     |
| EPRA NRV/Share (RON)                       | 0.5154        | 0.5787        |
| EPRA NTA/Share (RON)                       | 0.4981        | 0.5616        |
| EPRA NDV/Share (RON)                       | 0.4812        | 0.5450        |

\*European Public Real Estate Association

The EPRA value as at 31 December 2022-2023 was determined based on the valuations performed by Colliers Valuation and Advisory (the investment value and the market approach where the investment value has not been determined), except for the items specified below.

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

|                                                       | RON thousands    | RON thousands    | RON thousands    | RON thousands    | RON thousands    | RON thousands    |
|-------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                       | 31-Dec-23        |                  |                  | 31-Dec-22        |                  |                  |
| EPRA Net Asset Value Metrics RON thousands            | EPRA NRV         | EPRA NTA         | EPRA NDV         | EPRA NRV         | EPRA NTA         | EPRA NDV         |
| <b>IFRS Equity attributable to shareholders</b>       | 917,590          | 917,590          | 917,590          | 889,620          | 889,620          | 889,620          |
| <b>Include*:</b>                                      |                  |                  |                  |                  |                  |                  |
| ii.c) Revaluation of other non-current investments    | 19,271           | 19,271           | 19,271           | 35,884           | 35,884           | 35,884           |
| iv) Revaluation of trading properties                 | 356,034          | 356,034          | 356,034          | 216,310          | 216,310          | 216,310          |
| <b>Diluted NAV at Fair Value</b>                      | <b>1,292,895</b> | <b>1,292,895</b> | <b>1,292,895</b> | <b>1,141,813</b> | <b>1,141,813</b> | <b>1,141,813</b> |
| <b>Exclude*:</b>                                      |                  |                  |                  |                  |                  |                  |
| v) Deferred tax in relation to fair value gains of IP | 79,575           | 39,788           | -                | 81,058           | 40,529           | -                |
| viii.a) Goodwill as per the IFRS balance sheet        | (3,543)          | (3,543)          | (3,543)          | (3,543)          | (3,543)          | (3,543)          |
| viii.b) Intangibles as per the IFRS balance sheet     | -                | (534)            | -                | -                | (534)            | -                |
| <b>NAV</b>                                            | <b>1,368,927</b> | <b>1,328,605</b> | <b>1,289,352</b> | <b>1,219,328</b> | <b>1,178,265</b> | <b>1,138,270</b> |
| Fully diluted number of shares                        | 2,365,679,951    | 2,365,679,951    | 2,365,679,951    | 2,365,679,951    | 2,365,679,951    | 2,365,679,951    |
| <b>NAV per share</b>                                  | <b>0.5787</b>    | <b>0.5616</b>    | <b>0.5450</b>    | <b>0.5154</b>    | <b>0.4981</b>    | <b>0.4812</b>    |



## EPRA NET ASSET VALUE

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

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

### II) REVALUATION OF TRADING PROPERTIES

The trading properties/finished goods (e.g. dwellings) refer to completed phases of **GREENFIELD Baneasa**, **LUXURIA Residence** and **BOREAL Plus**.

The increase/difference between the market value and the book value of apartments at the reporting date (the lowest value between the cost and the net realizable value) was included in the Net Asset Value according to EPRA. The market value was determined by using **a)** the value of the pre-sale agreements and reservations existing on 31 December 2023 and **b)** the revaluations made by Colliers (market approach) for the units for which no pre-sale and reservation contracts were concluded as at 31 December 2023.

The land held as inventory where **GREENFIELD Baneasa**, **GREENFIELD Copou** and **BOREAL Plus** are developed were revalued by Colliers by using the market comparison method as at 31 December 2023.

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

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

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

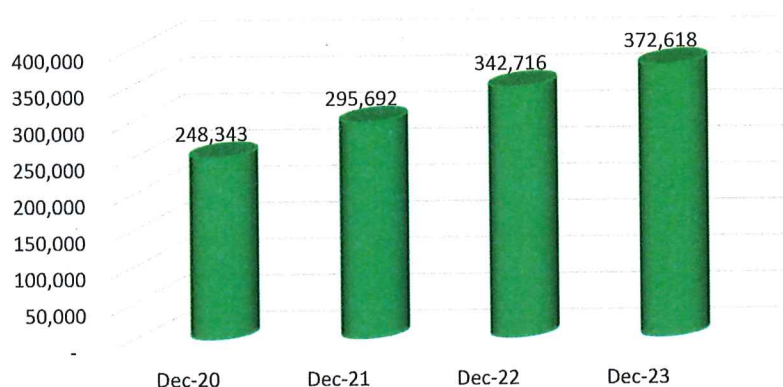
### V) INTANGIBLES AS PER THE IFRS FINANCIAL STATEMENTS

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



## KEY PERFORMANCE INDICATORS

### Total adjusted assets (in EUR thousand)



Total value of assets adjusted to fair value in accordance with EPRA standards increased to EUR 372,618 thousands as at 31 December 2023, or by 16% compared with 31 December 2022.

### Reconciliation IFRS total assets vs EPRA total assets

|                                                               | 31-Dec-23 (EUR) | 31-Dec-22(EUR) |
|---------------------------------------------------------------|-----------------|----------------|
| IFRS Total assets                                             | 297,173,441     | 291,741,521    |
| add: revaluation of non-current assets and trading properties | 75,444,213      | 50,974,957     |
| EPRA Total Assets                                             | 372,617,654     | 342,716,478    |

### EPRA Net Reinstatement Value (in EUR thousand)

#### EPRA NRV - thousand EUR



As of 31 December 2023, the EPRA Net Reinstatement Value (NRV) increase to EUR 275,183 thousands, or by 18% compared with the value as at 31 December 2022.

The taped value not reflected within the IFRS financial statements and captured within EPRA NAV is in total amount of EUR 91 milion. The value comes from: revaluation of the dwellings available for sale as well as those units in final stages of completion; revaluation of land held in inventory and reversal of deferred tax. The revalued values were based on the revaluation performed by the external appraisal Colliers Valluation and Advisory, as at 31 of December 2023.

EPRA = European Public Real Estate Association  
EPRA Net Reinstatement Value = EPRA NRV values are determined in accordance with the EPRA standards being disclosed in the Company's annual and quarterly reports.  
Total Adjusted Assets = assets adjusted to Fair Value according to EPRA guidelines  
The amounts are translated in EUR at the NBR average and closing RON/EUR foreign exchange rate for each period.



# Annexes

IMPACT



## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

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



## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022                                                                                                                                                                                                                                                                                          | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Section A – Responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                     |                                                                     |                                                                     |
| <b>A.4.4.</b> Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it;                                                                                                                                                        | YES                                                                 |                                                                     |
| <b>A.4.5.</b> Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity; | YES                                                                 |                                                                     |
| <b>A.4.6.</b> Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it;                                                                                                                                                                               | YES                                                                 |                                                                     |
| <b>A.4.7.</b> Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director;                                                                                                                                                                                                                                                                      | YES                                                                 |                                                                     |
| <b>A.4.8.</b> Not to have been a non-executive director of the company for more than twelve years;                                                                                                                                                                                                                                                                                                                      | YES                                                                 |                                                                     |
| <b>A.4.9.</b> Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.                                                                                                                                                                                                                                                                                                           | YES                                                                 |                                                                     |
| <b>A.5.</b> A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.                                                                                                     | YES                                                                 |                                                                     |
| <b>A.6.</b> Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.                                                                               | YES                                                                 |                                                                     |

# APPENDIX 1

## STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022                                                                                                                                                                                                                                                                                                                                                                                                                                              | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.7.</b> The company should appoint a Board secretary responsible for supporting the work of the Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | NO                                                                  | The Board of Directors manages the documents / activities with the support of the secretariat and the legal department, which provides logistical support for the organization and conduct of the Board meetings                                                                    |
| <b>A.8.</b> The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.                                                                                                                                                    | NO                                                                  | Members of the Board of Directors are assessed annually in accordance with performance indicators defined in their internal policies and mandate contracts. The Board will re-examine the A8 requirements in 2024, mainly with regard to the Board of Directors' assessment policy. |
| <b>A.9.</b> The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.                                                                                                                                                                                                                                                                                                 | YES                                                                 |                                                                                                                                                                                                                                                                                     |
| <b>A.10.</b> The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.                                                                                                                                                                                                                                                                                                                                                                                          | YES                                                                 |                                                                                                                                                                                                                                                                                     |
| <b>A.11.</b> The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.                                                                                                                                                                                                                                                                                    | YES                                                                 |                                                                                                                                                                                                                                                                                     |
| <b>Section B – Risk management and internal control system</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |                                                                                                                                                                                                                                                                                     |
| <b>B.1.</b> The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent. | YES                                                                 |                                                                                                                                                                                                                                                                                     |
| <b>B.2.</b> The audit committee should be chaired by an independent non-executive member.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | YES                                                                 |                                                                                                                                                                                                                                                                                     |



## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022                                                                                                                                                                                                                                                                                                                                                                                                                    | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.3.</b> Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.                                                                                                                                                                                                                                                                                                                                                                                                              | Under<br>implementation                                             | The evaluation of the internal control system for 2023 is ongoing. In 2024, the evaluation committee will present the conclusion, recommendations and the related action plan (if the case). |
| <b>B.4.</b> The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.                                                                                                                                                                  | YES                                                                 |                                                                                                                                                                                              |
| <b>B.5.</b> The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.                                                                                                                                                                                                                                                                                                                                                                                                    | YES                                                                 |                                                                                                                                                                                              |
| <b>B.6.</b> The audit committee should evaluate the efficiency of the internal control system and risk management system.                                                                                                                                                                                                                                                                                                                                                                                                                         | YES                                                                 |                                                                                                                                                                                              |
| <b>B.7.</b> The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.                                                                                                                                                                                                                                                                                                                        | YES                                                                 |                                                                                                                                                                                              |
| <b>B.8.</b> Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.                                                                                                                                                                                                                                                                                                                             | YES                                                                 |                                                                                                                                                                                              |
| <b>B.9.</b> No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.                                                                                                                                                                                                                                                                                                                                                      | YES                                                                 |                                                                                                                                                                                              |
| <b>B.10.</b> The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements. | YES                                                                 |                                                                                                                                                                                              |
| <b>B.11.</b> The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.                                                                                                                                                                                                                                                                                                                                                        | YES                                                                 |                                                                                                                                                                                              |

## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>B.12.</b> To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | YES                                                                 |                                                                     |
| <b>Section C – Fair rewards and motivation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                     |                                                                     |
| <b>C.1.</b> The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                     |                                                                     |
| The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. | YES                                                                 |                                                                     |
| The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                     |                                                                     |
| Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                     |                                                                     |
| <b>Section D – Building value through investors' relations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                     |                                                                     |
| <b>D.1.</b> The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:                                                                                                                                                                                                                                                                                                                                                                                                                                           | YES                                                                 |                                                                     |
| <b>D.1.1.</b> Principal corporate regulations: the articles of association, general shareholders' meeting procedures;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | YES                                                                 |                                                                     |



## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31 Dec 2022                                                                                                                                                                                                                                                                  | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>D.1.2.</b> Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;                                                                                                                                                                     | YES                                                                 |                                                                     |
| <b>D.1.3.</b> Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;                                                                                                                                                        | YES                                                                 |                                                                     |
| <b>D.1.4.</b> Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken; | YES                                                                 |                                                                     |
| <b>D.1.5.</b> Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;       | YES                                                                 |                                                                     |
| <b>D.1.6.</b> The name and contact data of a person who should be able to provide knowledgeable information on request;                                                                                                                                                                                                                                                                         | YES                                                                 |                                                                     |
| <b>D.1.7.</b> Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.                                                                                                                                                                                                | YES                                                                 |                                                                     |
| <b>D.2.</b> A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.                                 | YES                                                                 |                                                                     |

## APPENDIX 1

### STAGE OF IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

| The status of implementation of the provisions of the<br>Corporate Governance Code of the Bucharest Stock Exchange<br>on 31 Dec 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Implementation<br>YES / NO /<br>Under<br>implementation<br>/Partial | Reason<br>for non-compliance and<br>expected compliance<br>measures                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D.3.</b> A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website. | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.4.</b> The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.                                                                                                                                                                                                                                                                                                                                                                                                          | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.5.</b> The external auditors should attend the shareholders' meetings when their reports are presented there.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.6.</b> The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                            | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.7.</b> Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.                                                                                                                                                                                                                                                                                                                                                                              | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.8.</b> The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.                                                                                                                                                                                                                                                                                                                                                                                       | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.9.</b> A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.                                                                                                                                                                                                                                                                                                                                                                                                                   | YES                                                                 |                                                                                                                                                                                                                                                                      |
| <b>D.10.</b> If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.                                                                                                                                                                                                                                                                                                                              | Partial                                                             | IMPACT supports and organizes various sport and environmental protection activities, both physically and educationally. These activities are presented on IMPACT Developer & Contractor website and IMPACT Developer & Contractor works to develop a related policy. |



## APPENDIX 2

### OTHER INFORMATION

#### IMPACT's EMPLOYEES

At the end of 2023, **IMPACT Developer & Contractor** had a number of 55 employees, of which 1 was on maternity leave. Additionally, **IMPACT Developer & Contractor** has a 5-member Board of Directors.

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

Finally, RCTI Company, had a total of 122 employees as at 31 December 2023, and 2 Administrators.

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

Labor relations are regulated by:

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

Remuneration of Company's management in 2023 was RON 2,841,177 (2022: RON 2,749,217). For more details please see Remuneration report, published on company's website.

#### FINANCIAL RATIOS (CONSOLIDATED, IFRS)

| RON thousands                    |         | 31-Dec-19 | 31-Dec-20 | 31-Dec-21 | 31-Dec-22 | 31-Dec-23 |
|----------------------------------|---------|-----------|-----------|-----------|-----------|-----------|
| Inventories                      | A       | 430,725   | 434,741   | 538,922   | 617,698   | 622,609   |
| Current assets                   | B       | 509,071   | 520,337   | 617,094   | 715,595   | 695,182   |
| Current liabilities              | C       | 132,918   | 122,395   | 262,033   | 195,353   | 131,212   |
| Total assets                     | D       | 901,972   | 987,889   | 1,204,412 | 1,443,362 | 1,478,319 |
| Total liabilities                | E       | 318,031   | 347,061   | 487,558   | 553,742   | 560,729   |
| Equity                           | F       | 583,941   | 640,828   | 716,854   | 889,620   | 917,590   |
| Loans and borrowings             | G       | 197,635   | 255,836   | 337,033   | 387,765   | 413,634   |
| Loans and borrowings, short term | H       | 58,822    | 88,379    | 186,912   | 118,910   | 66,976    |
| Loans and borrowings, long term  | I       | 138,813   | 167,457   | 150,121   | 268,855   | 346,658   |
| Cash and cash equivalents        | J       | 45,462    | 59,022    | 42,037    | 55,108    | 51,293    |
| Net debt                         | K (G-J) | 152,173   | 196,814   | 294,996   | 332,657   | 362,341   |
| Turnover                         | L       | 156,681   | 204,397   | 137,585   | 219,199   | 171,217   |
| Net profit                       | M       | 154,484   | 74,856    | 78,800    | 84,767    | 29,105    |
| EBITDA                           | N       | 45,475    | 34,279    | 99,907    | 111,393   | 56,224    |
| Interest paid                    | O       | 2,508     | 6,134     | 6,617     | 13,631    | 29,329    |
| <b>Ratios</b>                    |         |           |           |           |           |           |
| Loans and borrowings / EBITDA    | G/N     | 4.35      | 7.46      | 3.37      | 3.48      | 7.36      |
| Net debt / EBITDA                | K/N     | 3.35      | 5.74      | 2.95      | 2.99      | 6.44      |
| EBITDA / Interest paid           | N/O     | 18.13     | 5.59      | 15.10     | 8.17      | 1.92      |
| Return on Assets                 | M/D     | 17.13%    | 7.58%     | 6.54%     | 5.87%     | 1.97%     |
| Return on Equity                 | M/F     | 26.46%    | 11.68%    | 10.99%    | 9.53%     | 3.17%     |
| Gearing ratio                    | G/F     | 33.85%    | 39.92%    | 47.02%    | 43.59%    | 45.08%    |
| Current ratio                    | B/C     | 3.83      | 4.25      | 2.36      | 3.66      | 5.30      |
| Quick ratio                      | (B-A)/C | 0.59      | 0.70      | 0.30      | 0.50      | 0.55      |