

IMPACT Developer & Contractor

Questions and Answers

Teleconference presenting Q1 2026 financial results

May 28, 2026

1. **I'm not from Bucharest, but I understand that the new road would not help significantly, as it would simply divert traffic into another congested area. Under these circumstances, is the investment still justified?**

Answer:

First of all, this is not a road to the Pipera area. It is a road that will directly connect Greenfield to DN1 via the ring road. DN1 is one of the main access routes to Bucharest, featuring three lanes in each direction and providing direct connectivity to the northern part of the city.

As the metro line construction works are completed, traffic on DN1 is expected to return to normal levels. There are currently some localized bottlenecks, but these do not significantly affect access to the area. In addition, the completion of the northern section of the Bucharest ring motorway will help reduce traffic on both DN1 and the existing ring road, resulting in more predictable traffic conditions and fewer fluctuations for Greenfield residents. In practice, the new road will allow drivers to avoid direct access through the DN1 and ring road intersection, where the heaviest congestion typically occurs during peak hours.

The investment in this main access road amounts to approximately €2.5 million, a figure we consider justified and reasonable, and one that we can afford in order to support the continued development and expansion of the Greenfield project. It contributes to the project's long-term growth, with approximately 3,000 additional apartments planned for construction once all available land plots have been developed.

2. **Do you plan to launch a share buyback program? At the moment, every RON 1 spent on share buybacks would generate at least RON 1 in profit.**

Answer:

We do have such a plan, but we believe that share buybacks will most likely begin next year. At present, we are allocating all available capital to investments in the new Aria Verdi project, as well as in other developments such as Greenfield Băneasa, Boreal Constanța, and Greenfield Copou in Iași. As you can see, even at the project stage, Aria Verdi has already generated 32 signed sale agreements, with a total value exceeding EUR 13 million. The project has significant potential, which is why we believe that, at this stage, deploying capital into the development of the projects within our portfolio creates greater value for shareholders.

3. When do you expect access to Greenfield to be resolved?

Answer:

We expect to obtain the building permit for the new access road in June of this year. Construction works will begin immediately after the permit is issued.

4. Are you considering a share capital increase through a cash contribution in 2026 to support the company's growth?

Answer:

Equity capital is the most expensive form of financing. As long as we remain profitable and have access to alternative funding sources, we prefer to use bank financing and issue bonds in the capital markets. At present, these options are more attractive than a share capital increase. We have not considered such an increase, and while we do not rule it out, we currently have no plans to pursue one.

5. Do you expect apartment prices to continue increasing in line with inflation and construction material costs?

Answer:

As mentioned earlier, the average price per apartment has increased year after year, and this trend has remained consistent. While some analysts believe that prices could eventually stagnate or even undergo a correction, we are not currently observing such a trend. I would add two points. First, inflation, energy costs, geopolitical developments, and rising raw material prices all have an impact on development costs. In addition, tax changes contribute to increases in the final selling price of apartments. Second, in the case of Greenfield Băneasa, we expect prices to increase as a result of the project's growing attractiveness. The new amenities and facilities that we plan to introduce will add value to the development and will allow us to adjust prices upward in order to maximize the returns generated by this project.

6. How do you see rental prices evolving in the coming months?

Answer:

Our lease agreements include inflation indexation clauses, and rental rates adjust accordingly, keeping pace with inflation. At the same time, it is clear that certain unavoidable cost increases will reduce the ability of some potential buyers to purchase an apartment. This is likely to create additional demand pressure in the residential rental market.

As for commercial rents, Greenfield Plaza serves a captive tenant base, as there is no risk of a competing shopping center being developed within Greenfield. As a result, we can expect a strong and stable yield from this component of the portfolio.

7. How did demand evolve in the second quarter compared to the first quarter? Has it remained at the same level, accelerated, or declined?

Answer:

Demand has not declined. However, the sharp increase in the exchange rate, from RON 5.1 to RON 5.25 per euro, as well as its day-to-day volatility, is not conducive to encouraging people who are considering taking out a bank loan. To support demand, on May 23 we organized a special open house event for our Greenfield clients, which was attended by several dozen interested participants. During the event, we offered special commercial terms, available to those who signed a reservation agreement within seven days.

We are already seeing the impact of this initiative, as new sale and purchase agreements have begun to be signed this week.

8. How do you estimate the cash flow position at year end, especially considering the maturity and repayment of the 2026 bonds?

Answer:

We work well in advance to secure our cash flow and financing sources. The bonds maturing at the end of this year will be repaid from the cash flow generated by apartment sales. We have a relatively large stock of apartments compared to the value of the loans drawn down, as well as a significant level of free cash flow that is not assigned to the financing banks. This free cash flow allows us to repay the EUR 6.4 million bonds maturing in December, as well as the EUR 3 million bonds maturing in March next year. We are also working on new bond issues, which could provide us with additional flexibility in managing maturities and funding needs.

9. Do you intend to maintain your dividend policy and begin distributing dividends starting next year?

Answer:

Yes. This policy is part of the strategy we have communicated to investors, and at this point, we see no reason to change it.

10. Do you plan to dispose of any real estate assets in the near future, other than your regular sales activity (apartments, etc.)?

Answer:

We are preparing our commercial project in Greenfield, namely Greenfield Plaza, for a potential sale next year. Our objective is to achieve an attractive valuation for this asset.

At present, we are in the process of expanding the commercial area by an additional 400 square meters, and we already have tenants interested in this expansion. Once we obtain the building permit and onboard the new tenant, we will generate a higher net operating income (NOI) than we currently do. From this perspective, the property will be ready for sale.

We are also considering the disposal of certain land plots that are not part of our core development focus. These include a land parcel we own in Oradea, as well as several smaller plots where we are unable to undertake developments on the scale of the projects for which we are known.