IMPACT Developer & Contractor

Questions and Answers

Teleconference presenting Q3 2026 financial results

November 25, 2026

1. When will you pay dividends, not only to your directors but also to investors?

Answer:

As stated in our 2034 Development Strategy, we plan to distribute dividends for the 2027 financial year.

2. What will be the impact of rising financing costs in the short and medium term?

Answer:

At present, we are not seeing a sharp increase in financing costs. I would say that, in the short term, we do not face a risk of rising financing costs. In the medium and long term, macroeconomic developments, both at national and continental levels, could have a positive or negative impact on global benchmark rates, such as EURIBOR or other benchmark rates specific to the currencies in which financing is obtained.

3. How much of the share buyback programme has been completed to date? Why is the programme not more extensive?

Answer:

At present, we are directing all our financial resources towards ensuring adequate financing for the projects we have started, particularly Aria Verdi. In December and February, two of our bond issues listed on the Bucharest Stock Exchange (BVB) are due to mature. These maturities amount to approximately EUR 9.5 million, plus the related interest. We are also allocating cash flow towards the repayment of these bonds at maturity. We anticipate a more extensive share buyback programme starting in April next year. Our priorities are the ongoing construction projects and meeting our financial obligations as they fall due.

4. Revenues are 48% below the budget for the first nine months, while net profit is 97% below budget. Do you still consider the annual budget of EUR 84.8 million in revenues and EUR 9 million in profit to be realistic? What is management's updated full-year estimate, and what are the main assumptions underlying it?

Answer:

We have prepared a simulation. Taking into account the preliminary sale and purchase agreements in our pipeline, as well as RCTI's ongoing contracts, we estimate that we will achieve between 50% and 55% of budgeted revenues at the consolidated level.

5. The reported EBITDA of EUR 4.73 million includes property revaluation gains of EUR 4.18 million. Excluding these gains, EBITDA amounts to approximately EUR 0.56 million. What is the Group's recurring operating profitability, and why do you not publish an adjusted EBITDA figure excluding the impact of revaluations?

Answer:

We are considering this suggestion and will include an adjusted EBITDA figure in future presentations, excluding these revaluation gains.

6. Only 45 units were sold in the first nine months, compared to 227 in the same period last year. What are the specific reasons for this decline, beyond the general explanations regarding the economic environment and the VAT increase? How have average selling prices and discounts evolved? What are your sales targets for 2027 for each project?

Answer:

As you know, at the end of 2024, we completed the acceptance process for the first 732 apartments in the Greenfield Teilor project. At the time of acceptance, we had a pipeline of preliminary sale and purchase agreements for approximately 300 apartments. A small portion of these preliminary agreements was converted into sale and purchase agreements at the end of 2024, while the majority was converted in the first quarter of 2025.

In other words, in the first part of 2025, we benefited from an existing pipeline of preliminary sale and purchase agreements signed between the start of the project in 2021 and its acceptance in 2024. Therefore, the first contributing factor was the momentum generated by these pre-sales.

On the other hand, in 2025, it was announced that the tax incentives, specifically the reduced VAT rate of 9%, would be eliminated starting August 1. Between April and July, undecided customers who had not yet purchased an apartment at the 9% VAT rate rushed to do so. As a result, we experienced increased transaction activity, particularly in June and July.

Following the elimination of the tax incentives on August 1, 2025, the pace of sales slowed. Essentially, in 2026, we converted into sale and purchase agreements only the preliminary agreements and reservations made during the current year, without benefiting from a pipeline of transactions from previous years.

However, among the factors explaining the weaker results, I would not rule out the economic and political uncertainty that persisted and dominated investors' attention during the first part of this year, negatively impacting sales.

In addition, there were issues related to the cadastral registration process, which resulted in transactions being suspended for approximately one month.

The good news is that we are aiming to stabilise the volume of transactions in Greenfield at a minimum of 20. Based on our preliminary calculations, we estimate that in 2027 we will be able to generate revenues of at least EUR 50 million from the sale of the existing inventory in Greenfield.

7. You have 347 completed and available apartments, valued at approximately EUR 57 million, while only 50% of the units in completed projects are under contract. What is your specific plan to sell this inventory, and within what timeframe do you expect to sell it? Are you also considering bulk sales of apartments to institutional investors or other ways of monetising this inventory?

Answer:

We do not rule out working with institutional or portfolio investors. However, at present, most sales are made to individual customers or smaller investors who purchase packages of up to five to eight apartments.

8. The report indicates 97 pre-sold and reserved units, with a total value of EUR 23.3 million, including 37 units in Aria Verdi. How many of these represent binding preliminary sale and purchase agreements, and how many are merely reservations? What advance payments have been collected, what is the conversion rate of reservations into sale and purchase agreements, and how many of the reported pre-sales have actually been converted into sale and purchase agreements to date?

Answer:

At Aria Verdi, we have completed the preliminary subdivision into individual apartment units. Preliminary sale and purchase agreements have been signed for all 37 units, and the 25% advance payment permitted under the Nordis Law during the structural construction stage has been collected. Regarding phase F5 of Greenfield, for which we will complete the acceptance process in December, we have not entered into preliminary sale and purchase agreements, as these required the preliminary subdivision into individual apartment units. This process would have taken several months and affected the final acceptance timeline. Therefore, we decided not to enter into preliminary sale and purchase agreements and are proceeding directly towards final acceptance.

The land plot corresponding to phase F5 must be subdivided, followed by the establishment of provisional and definitive land registry records for the subdivided land plot and, subsequently, 250 individual land registry records, one for each apartment. This is a technical aspect that has complicated the process in the context of the provisions of the Nordis Law.

Starting in January and February, most of these reservations will be converted directly into sale and purchase agreements. Based on the estimates made during the budgeting process, we expect a very high conversion rate. We do not expect to lose more than one or two of the 37 outstanding reservations for phase F5 as at September 30. To clarify, we are not in a position where we enter into transactions with customers or investors who lack the financial capacity to complete the purchase. As such, all agreements we sign are firm and legally binding. A customer may withdraw if they encounter difficulties, accepting the risk of losing the advance payment. To date, however, we have not encountered such situations.

9. RCTI's profitability and intragroup commercial relationships. RCTI generates 68% of consolidated revenues, yet the construction segment recorded a profit before tax of only EUR 402 thousand. What is the actual profit margin for third-party and intragroup contracts? What level of profitability do you expect from the five ongoing third-party contracts, with a total value of EUR 79 million, covering the 2026–2027 period? In addition, the report mentions purchases amounting to RON 825 thousand from RAND Autonomy SRL, a company controlled by one of RCTI's significant shareholders. How was the supplier selected, were comparative offers obtained, and how did you ensure that prices were in line with market rates?

Answer:

RCTI is a company with very good operational performance. As you can see, the fact that it works with third parties, including our direct competitors, demonstrates that it is highly regarded in the market. We cannot compare the profitability of construction and installation activities with the profit margins in the residential sector. If you would like a more detailed analysis, we can provide it at a later stage.

Regarding the net profit margin, we have a target of approximately 5%, which also serves as the basis for our budget.

In 2026, several specific situations arose at certain construction sites, and the related costs are expected to be recovered next year, in 2027, through contract addenda. There were certain delays attributable not to the contractor, RCTI, but to design-related issues or, in the case of one project, to site conditions. All these costs will be recovered through contract addenda and additional works to be carried out in 2027.

Regarding purchases from RAND Autonomy, we have obtained comparative offers, as our internal auditors have also requested that we pay particular attention to all related-party transactions. The amount of EUR 150 thousand is immaterial relative to RCTI's total purchases. However, this is an aspect that our internal auditors monitor and to which we pay particular attention.

10. Portfolio valuation. The key indicators section mentions a gross development value of the landbank of EUR 1.68 billion, while the detailed table on page 42 indicates approximately EUR 2.014 billion. What explains this difference?

Answer:

The difference stems from the final five phases of the Greenfield West project. Our strategy covers the period up to 2032-2034, while the final four to five phases extend the development timeline to 2040. This explains the difference, which relates to the final phases of the project in Ghencea, on Timișoara Boulevard.

The Greenfield West project on Timișoara Boulevard comprises a very large land plot of nearly 26 hectares, on which at least 3,800 apartments can be built. This is a very large number. Under our strategy, we estimate that by 2034 we will develop approximately half of these apartments, with a maximum of 2,000 to 2,200 units.

11. What is the estimated profit for this portfolio after deducting construction, infrastructure, marketing and other related costs? What return on invested capital do you expect for the main projects?

Answer:

We are targeting a gross profit margin of at least 35%. We aim to maximise the efficiency of financing these projects by relying on bank loans, bond issues and the maximum advance payments that can be collected from customers, within the limits established by the Nordis Law.

In other words, we aim to optimise the use of our own funds and equity while also leveraging other sources of financing, to maximise the return on equity based on the actual capital invested and the profit we expect to generate.

12. Is the RON 26.3 million credit facility from Vista Bank also intended for the repayment of the IMP26E bonds?

Answer:

At present, this is not the case. We will repay the bonds using our own funds, as we have sufficient cash available and do not anticipate any major event that would prevent us from using these funds. As mentioned at the beginning of the conference, our current priorities are the ongoing construction projects and the repayment of the bonds. Starting in April next year, we will also accelerate our share buyback activities.