

To: Financial Supervisory Authority - Financial Instruments and Investments Sector
Bucharest Stock Exchange
Regulated Market

From: *IMPACT DEVELOPER & CONTRACTOR S.A.*

22 March 2024

CURRENT REPORT

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

Important events to be reported: Information on litigation involving the company

The Company informs its shareholders and investors with regard to the court's ruling in File No. 1032/1259/2012 on the dockets of the High Court of Cassation and Justice in which Clearline Development and Management S.R.L. (the project company owned by Impact Developer & Contractor S.A.) requested that the Local Council of Cluj-Napoca Municipality and Cluj-Napoca Municipality – through the Mayor – be compelled to pay compensation amounting to RON 24,532,741.65 (VAT included) as prejudice plus the legal penalty interest calculated until 01.04.2021 totaling RON 13,862,967.16.

At the court hearing of 21 March 2024, the High Court of Cassation and Justice issued the following ruling:

“The court admits the recourses filed by appellant-plaintiff CLEARLINE DEVELOPMENT & MANAGEMENT S.A. against Decision No. 94/A-COM of 15 March 2023 and against Decision No. 314/A-COM of 27 September 2023, both issued by the Pitești Court of Appeal - II Civil, Administrative and Fiscal Section. The court partially quashes Decision No. 94/A-COM of 15 March 2023 and remits the case for retrial of the appeal filed by defendants CLUJ-NAPOCA MUNICIPALITY and the LOCAL COUNCIL OF CLUJ-NAPOCA MUNICIPALITY against Decision No. 277/2022 of 8 June 2022, issued by the Argeș Specialized Tribunal, in File No. 1032/1259/2012. The court maintains the other provisions of the challenged decision. The court quashes Decision No. 314/A-COM of 27 September 2023 issued by the Pitești Court of Appeal - II Civil, Administrative and Fiscal Section. Irrevocable.”

The litigation arose from the contractual relationship from 2007, when Impact Developer & Contractor S.A. concluded an association agreement with the Local Council of Cluj-Napoca Municipality, based on which Impact Developer & Contractor S.A. was to develop a residential project on the plot of land which the Cluj Local Council had to bring as contribution – the “Lomb Project”. In the Company's opinion, the contractual relationship was not carried out as agreed, the Local Council of Cluj-Napoca Municipality did not contribute the plot of land to the social capital of

Clearline Development and Management S.R.L., and the latter initiated legal actions in order to recover the amounts spent with the investments made for the Lomb Project.

On 08.06.2022, in the first instance, the Arges Tribunal admitted the application filed by Clearline Development and Management SRL and obliged the Local Council of Cluj-Napoca Municipality and Cluj-Napoca Municipality to jointly pay Clearline Development and Management SRL RON 24,532,741.65 as prejudice and RON 13,862,967.16 representing the legal penalty interest. The Local Council of Cluj-Napoca Municipality and the Cluj-Napoca Municipality filed an appeal against Decision No. 277/2022 issued by the Arges Tribunal.

On 15.03.2023, in the appeal phase, the Pitesti Court of Appeal issued Decision No. 94, as follows:

“The court rejects the appeal against the court minutes. It admits the appeal against the decision. It partially changes the decision, in the sense that it rejects the application, as amended, filed by the plaintiff. It removes the mention that the defendants pay the plaintiffs’ court expenses. It maintains the remainder of the decision. Subject to recourse within 15 days from its communication.”

In these circumstances, the appeal filed by defendants CLUJ-NAPOCA MUNICIPALITY and the LOCAL COUNCIL OF CLUJ-NAPOCA MUNICIPALITY against Decision No. 277/2022 of 8 June 2022, issued by the Argeş Specialized Tribunal, shall be retried.

IMPACT DEVELOPER & CONTRACTOR S.A.

General Manager

Constantin Sebesanu