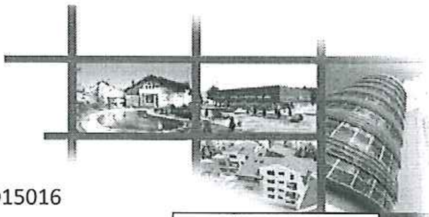

IMPACT Developer & Contractor

IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal code 015016
Phone.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Fully subscribed and paid up capital: RON 277,866,574
Registered with the Trade Registry's Office seconded to the Bucharest Court under the No. J40/7228/201
No. RO 1553483
Personal Data Operator, registered with the Personal Data Processing Registry under the No. 3406

Semester Report
Semester I / 2018

Report date: 13.08.2018
Name of the issuing company: **IMPACT DEVELOPER & CONTRACTOR SA**
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal code 015016
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Fully subscribed and paid up capital: RON 277,866,574
Regulated market where the issued securities are traded: Bucharest Stock Exchange

1. Economic and financial situation

1.1. *Presentation of an analysis on the economic and financial status for S1/2018, compared to the similar period of the previous year.*

Analysis of the result elements

The operating result (EBITDA) achieved by IMPACT in Semester I of 2018 is 14% compared to the previous year, when we achieved 20%.

The average unit value of the sales has increased by 21.4% according to the unit mix and price corresponding to the development phases and current sales. The sales in units are 90 properties (apartments and houses), made during Semester I of 2018, compared to the similar period of the previous year: 175 properties (apartments and houses), while the average value per apartment was RON 459,399, in Semester I of 2018, compared to the average value of RON 378,571 in the same period of the previous year.

The sales figures obtained in Q II 2017 include a number of 71 apartments, sales completed as a result of the reception of phases 5 and 6 starting February 2017. As a comparison, a number of 40 apartment presales performed in Q II 2018 shall be completed during Q III and the beginning of Q IV as a result of the reception of phases 7.2 and 7.3 scheduled for September 2018.

From the total dwellings sold, 35 apartments were sold from Salcamilor Assembly (Greenfield Bucuresti) and 53 apartments from Platanilor Assembly (Greenfield Bucuresti).

In Semester I of the year 2018, IMPACT has recorded a net result of 722.2 thousand Lei, mainly generated by the financing costs related to the ongoing and/or future development projects, as well as by the donation of the lands with an area of 6,000 sq. m. to the Bucharest Municipality.
The lands were donated to the Bucharest Municipality in order to provide a compensation to Romsilva S.A. according to the procedures stipulated in Law No. 46/2008 art. 37, with the option to grant public access between Aleea Privighetorilor and Drumul Padurea Pusnicu, according to the Decision of the General Council of Bucharest No. 281/2017 and No. 608/2017 and to the Decision of the Local Council of District 1 No. 278/2017 and No. 345/2017. The offer has been accepted by the Decision of the General Council of Bucharest No. 513/2017.

Interest expenses have increased due to the attraction of funds from bonds issues for the future development of residential projects and using bank loans in order to finance the completion of phases 7.2 and 7.3 of the Platanilor Assembly.

Analysis of the balance sheet items

Asset items	31-Dec-17	30-June-18	Difference	
			Value	%
Tangible assets	8,684,244	8,492,840	(191,404)	-2%
Intangible assets	144,339	101,485	(42,854)	-30%
Non-current investments	193,342,626	193,342,626	-	0%
Financial assets	56,190,196	56,190,196	-	0%
Non-current receivables	4,948,961		(4,948,961)	-100%
Total non-current assets	**263,310,366**	**258,127,147**	**(5,183,219)**	-2%
Inventories	297,294,269	282,659,894	(14,634,375)	-5%
Trade receivables and other receivables	26,171,573	52,321,539	26,149,966	100%
Prepayments	90,403	159,966	69,563	77%
Cash and cash equivalents	44,515,734	38,155,887	(6,359,847)	-14%
Total current assets	**368,071,979**	**373,297,286**	**5,225,307**	**1%**
Total assets	***631,382,345***	***631,424,433***	***42,088***	***0%***

The company's cash holdings have dropped -14% during the first semester of the year 2018 due to the maturity of the interest due for bonds issues, partial loan reimbursements, and investments for the completion of Phase 7 Platanilor Assembly.

Trade receivables have increased 100% due to the loan granted to Bergamot Developments Phase II amounting to 15.79 mil RON for the acquisition of the land necessary to develop phase B of the LUXURIA project.

Liabilities items	31-Dec-17	30-June-18	Difference	
			value	%
Shareholders' Equity	***431,854,275***	***432,261,524***	***407,249***	***0%***
Loans	132,900,915	144,196,806	11,295,891	8%
Trade payables and other liabilities	1,028,434	1,585,464	557,030	54%
Deferred tax	21,210,395	21,210,395	-	0%
Total long term liabilities	***155,139,744***	***166,992,665***	***11,852,921***	***8%***
Loans	28,253,125	14,068,568	(14,184,557)	-50%
Trade payables and other liabilities	15,811,049	18,095,568	2,284,671	14%
Provisions for risks and charges	324,152	5,956	(318,196)	-98%
Total current liabilities	***44,388,326***	***32,170,244***	***(12,218,082)***	***-28%***
Total liabilities	***199,528,070***	***199,162,908***	***(365,162)***	***0%***
Total equity and liabilities	***631,382,345***	***631,424,433***	***42,088***	***0%***

All assets and liabilities items on June 30^{th} 2018 are approximately at the same level compared to the end of 2017.

Analysis of the cash flow items

Decrease in cash at the end of Semester I of 2018 compared to the beginning of the year is determined by sales reduction and by the increase of the financing costs.

	30-June-18
Cash and cash equivalent on January 1st	**44,515,734**
Net cash derived from operating activities	(2,944,103)
Net cash used in investment activities	(134,877)
Net cash derived from (used in) financing activities	(3,280,867)
Cash and cash equivalent on June 30th 2018	***38,155,887***

Economic and financial indicators – evolution:

Indicators	31-Dec-16	30-June-17	31-Dec-17	30-June-18
Assets Profitability	6.11%	2.44%	8.29%	0.11%
Capitals Profitability	7.58%	3.13%	12.11%	0.17%
Indebtedness rate (Liabilities vs Assets)	19.37%	22%	31.53%	31.54%
Indebtedness rate (Capitals vs Assets)	80.63%	78.01%	68.40%	68.46%
Indebtedness rate (Loans vs Capitals)	14.65%	15.41%	37.32%	36.61%
Current cash holdings	6.39	5.68	8.29	11.6
Immediate cash holdings	0.67	0.63	1.59	2.82

Rotation speed of customer liabilities	31-Dec-16	30-Iun-17	31-Dec-17	30-Iun-18
Average customer balance (A)	32,320,160	32,712,700	28,994,334	44,567,498
Turnover (B)	152,181,219	70,712,758	120,265,896	46,153,218
(A /B)*180 days	**76**	**83**	**87**	**174**
Rotation speed of non-current assets	**31-Dec-16**	**30-Iun-17**	**31-Dec-17**	**30-Iun-18**
Turnover (A)	152,181,219	70,712,758	120,265,896	46,153,218
Non-current assets (B)	168,606,162	168,699,849	263,310,366	258,127,147
(A/B)	**0.90**	**0.42**	**0.46**	**0.18**

Stock Exchange Indicators - evolution:

Indicators	**31-Dec-16**	**30-June-17**	**31-Dec-17**	**30-June-18**
Price per share	0.7	0.798	1.05	0.88
Number of shares	277,866,574	277,866,574	277,866,574	277,866,574
Stock Exchange capitalization (RON)	194,506,602	221,737,526	291,759,903	244,522,585
Foreign exchange	4.5411	4.5539	4.6597	4.6611
Stock Exchange capitalization (EUR)	42,832,486	48,691,786	62,613,452	52,460,274
Net book assets (RON)	390,776,564	390,521,694	431,854,275	432,261,524
Net book assets (EUR)	86,053,283	85,755,439	92,678,558	92,738,093
Result (RON)	29,610,137	12,236,773	52,306,703	722,249
Result (EUR)	6,593,511	2,697,582	11,282,966	155,200
Profit per share (RON)	0.107	0.044	0.188	0.003
Profit per share (EUR)	0.024	0.010	0.041	0.001
NAV/Share (RON)	1.406	1,405	1.554	1.556
NAV/Share (EUR)	0.31	0.31	0.33	0.33
Premium/discount compared to net book assets	-50%	-43%	-32%	-43%

2. Analysis of the company's activity

In Semester I of 2018, the sale of apartments in Salcamilor Assembly was continued (phases 2, 3 and 4) as well as in Platanilor Assembly (phases 5 and 6).

As an overall, from **Salcamilor** Assembly of 924 apartments, **914 contracts (99%) were concluded** since 2014 and until the end of June 2018: **906** sale contracts and **8** pre-contracts and reservations.

From **Platanilor** Assembly, under construction, phases 5 and 6, where 476 units were completed, 257 **contracts (54%)** were concluded since 2017 and until the end of June 2018: **218** sale contracts and **39** pre-contracts and reservations.

2.1. *Presentation and analysis of events that are affecting or might affect the company's liquidity compared to the same period of the previous year.*

Details are available in the Notes to the financial statements.

2.2. *Presentation and analysis of the effects upon the Company's financial status of all capital, current or anticipated expenses.*

The company has started the construction of the Platanilor Assembly phase 7, which shall include 18 buildings of 468 apartments. In 2017, the works for 12 buildings from phase 7 were commenced (out of the 18 buildings representing the project), specifically 276 apartments having scheduled their completion in the 3rd quarter of 2018. For the period left from the project, the delivery of the apartments is intended as follows: (i) 28,000 sq. m. – shall be delivered in Q III of 2018; and (ii) 14,000 sq. m. – where the works have started during the first semester of 2018, the delivery is estimated for the first half of 2019. The Platanilor Assembly aims to extend the residential area within an improved concept, adapted to the current market conditions, and to attract investors/operators in order to improve the facilities/services ancillary to the residential area.

In this respect, in addition to the company's own financing sources – reinvested profit, the co-financing of the development expenses by bank loans and bonds issues is intended.

The detailed structure of the expenses is provided in the Notes to the financial statements.

3. **Changes affecting the Company's capital and administration.**

In the Ordinary General Meeting of Shareholders that took place on **28.04.2017**, 4 directors were elected by secret vote, for a 4-year mandate, until April 27th 2021.

The Board of Directors consists of 5 members:

- Gabriel Vasile, Director;
- Laviniu Dumitru Beze, Director;
- Daniel Pandele, Director;
- Ruxandra-Alina Scarlat, Director;
- Iuliana Mihaela Urda, Chairman of the Board of Directors.

The Board of Directors has decided in the meeting dated September 15, 2017, according to the art. 137 index 2 of the Company Law No. 31/1990, to appoint Mr. Gabriel Vasile as temporary director, until the next Ordinary General Meeting of Shareholders is convened.

At the Ordinary General Meeting dated October 30th 2017, Mr. Gabriel Vasile was elected as a director for a valid mandate until April 27th 2021.

The Company's Executive Management

On January 19th 2018, Impact's Board of Directors has decided to appoint Mr. Bogdan Oslobeanu as the Company's Chief Executive Officer, for a 4-year mandate, starting March 1st 2018, until February 22nd 2022. He replaced Mr. Bartosz Puzdrowski, who requested the Company to terminate his mandate for personal reasons, starting March 1st 2018.

The Board of Directors has decided that Mr. Bogdan Oslobeanu, Chief Executive Officer and Mr. Gabriel Vasile, Director, are authorized to represent the company according to the provisions of the art. 1432 (5) of the Company Law 31/1990, starting 01.03.2018.

3.1 *Description of the cases where the company was unable to meet its financial obligations.*

The company is up to date with the payment of loans, taxes and charges.

3.2 *Description of any change in the rights of holders of securities issued by the company.*

The rights of holders of issued securities have not been changed.

Chief Executive Officer	**Chairman of the Board of Directors**	**Chief Financial Officer**
Bogdan Oslobeanu	**Iuliana Mihaela Urda**	**Giani Iulian Kacic**

IMPACT DEVELOPER & CONTRACTOR S.A. BUCUREȘTI ROMANIA