IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Voluntari, 4C Pipera-Tunari Road, Construdava Business Center, floors 6,7, Ilfov County.
Working point: Willbrook Platinum Business & Convention Center,
172-176 Bucharest – Ploiesti Road, Building A, 1st floor, Bucharest, 1st District,
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Subscribed and paid up share capital: RON 277,866,.574
Registered with the Trade Registry Office within Bucharest Court under no. J 23/1927/2006,
Sole Registration Code RO 1553483
Personal Data Operator, registered with the Personal Data Processing Evidence Registry under no. 3406

Consolidated Semester report
1st semester / 2017

Report date: 10.08.2017
Name of Issuer Company: **SC IMPACT DEVELOPER & CONTRACTOR SA**
Registered office: Voluntari City, 4C Pipera- Tunari Road, Construdava Business Center, floors 6,7, Ilfov County
Working point: Willbrook Platinum Business & Convention Center, 172-176 Bucuresti – Ploiesti Road, Building A, 1st floor, Bucharest, 1st District,
Phone/Fax number: 230.75.81/82/83/ 230.75.70/71/72
Sole Registration Code with the Trade Registry Office J23/1927/2006
Subscribed and paid up capital: 277.866.574 RON
Regulated market where the issued securities are traded: Bucharest Stock Exchange

1. Economic and financial situation

1.1. *Presentation of an analysis on the economical and financial statement for S1/2017, compared to the previous year similar period.*

Analiza elementelor de rezultat

In the first semester of year 2017, IMPACT recorded operating income of **72,7 million lei, by 30% higher** compared to the same period of the previous year, and a net profit of approximately **12.6 million lei**, recording a decrease of 8% compared to the same period in 2016, when it recorded a gross profit of **13.7 million lei**. The decrease in profit was mainly influenced by higher operating and financing expenditures compared to 2016.

The financial indicators on the date of 30th of June 2017 are the following:

Indicators according to IFRS (RON)	2016_Q1	2017_Q1	%
Operational revenues, out of which:	**55,819,452**	**72,724,324**	**30%**
Revenue from the sale of residential inventories	52,107,621	69,444,573	33%
Revenue from rental and tenants utilities recharged	1,792,690	1,990,505	11%
Revenue from sale of investments properties	1,434,154	0	-100%
Activity performed and capitalized by the entity	0	0	0%
Other revenue of operational nature	484,987	1,289,246	166%
Other operational revenue - ANAF Litigation	0	0	0%

Indicators according to IFRS (RON)	2016_Q1	2017_Q1	%
Operational expenses, out of which:	**(40,040,336)**	**(58,788,617)**	**47%**
Accounting value of the sold residential inventories	(33,744,483)	(45,110,884)	34%
Operating costs related to rented and sold properties	(1,050,424)	(1,591,043)	51%
Accounting value of sold investments properties	(1,304,721)	0	-100%
Expenditure on raw materials and supplies	(794,092)	(498,620)	-37%
Services provided by third parties	(3,070,478)	(3,904,739)	27%
Employee benefits expenses	(4,052,972)	(5,217,626)	29%
Other expenses of operational nature	3,976,834	(2,465,705)	-162%
Operational result	**15,779,116**	**13,935,707**	**-12%**
Depreciation and amortization expenses	(303,148)	(378,320)	25%
Assets loss of value other than investments properties	(1,098,420)	562,365	-151%
Gains / (losses) in investments properties fair value	0	0	0%
Operational result	**14,377,548**	**14,119,752**	**-2%**
Net financial cost	(636,461)	(1,276,521)	101%
Gross profit / loss	**13,741,087**	**12,843,231**	**-7%**
Income tax	0	(243,605)	100%
Gross profit / loss of the period	**13,741,087**	**12,599,626**	**-8%**

In the first semester of 2017, **175 properties** were sold (apartments and houses) and **22 parking places**, **4 land plots** totaling a total built area of 16.032 sq.m., by 10,60 % more compared to the previous year (14.488 sq.m.).

Number of dwellings sold increased by 1,70% from **172** units during the 1st semester of 2016, to **175** units during the 1st semester of 2017, the average transaction volume rose by more than 19%, from approx EUR 69,200 in the 1st semester of 2016 to EUR 82,300 during the 1st semester of 2017.

Operational expenditurs had increased by 47 % compared to the same period in 2016, mainly due to inventories.

Compared to an operating result of 15,779 million lei on 30th of June 2016, in 2017 the operating result was 13,935 million lei (-12%).

Financial result	30-Jun-16	30-Jun-17	%
Financing costs	(493,626)	(957,482)	94%
Financial income	12,722	(117,176)	-1021%
Exchange rate differences	51,329	11,505	-78%
Other financial items, net	(206,886)	(213,368)	363%
Financial result	***(636,461)***	***(1,276,521)***	**101%**

Interest expenses increased by 94% due to the works contracted for stages 5, 6 and 7, related to the development of Platanilor Assembly in Greenfield Residential Project, in Bucharest.

Analysis of the balance sheet items

Asset items	31-Dec-16	30-Jun-17	%
Tangible assets	6,038,745	6,417,397	6%
Intangible assets	245,075	218,932	-11%
Investment immobilization	136,736,403	136,736,413	0%
Financial assets	0	(1,391,060)	100%
Non-current receivables	11,215,815	10,946,284	-2%
Total non-current assets	**154,236,038**	**152,927,966**	**-1%**

Inventory	295,687,776	306,235,148	4%
Trade receivables and other receivables	14,874,354	23,205,415	56%
Prepayments	179,397	194,029	8%
Cash and cash equivalents	17,632,043	11,012,393	-38%
Total current assets	***328,373,570***	***340,646,985***	**4%**
Total assets	***482,609,608***	***493,574,951***	**2%**

The company's cash holdings dropped by -38% in the first half of 2017 due to investments made in the new stages of Platanilor Assembly.

Trade receivables increased by 56%, the main reason being the lower rate of collection of apartment sale contracts, a significant part of which being paid by bank loan and less by own sources. Loans through the "First House" program are settled in a longer period of time and automatically the gap is found in the company's receivables.

Compared to the situation at the beginning of the year, inventories registered an increase by 4% due to the capitalization of production costs for the new development phase of Greenfield, Stage 7.

Tangible assets increased on account of acquisitions of various equipment (including IT) for the use of the new sales office (6%)

The total assets maintained at approximately the same level as at the end of year 2016 (2%)

Liabilities items	31-Dec-16	30-Jun-17	%
Equity	***387,582,789***	***386,283,534***	***0%***
Loans	28,519,089	35,110,429	23%
Trade payables and other liabilities	2,863,944	3,554,311	24%
Deferred tax	13,814,127	13,826,334	0%
Total long term liabilities	***45,197,160***	***52,491,074***	16%
Loans	28,715,491	25,055,361	-13%
Trade payables and other liabilities	21,107,550	29,738,364	41%
Provisions for risks and charges	6,618	6,618	0%
Total current liabilities	***49,829,659***	***54,800,343***	**10%**
Total liabilities	***95,026,819***	***107,291,417***	**13%**
Total equity and liabilities	***482,609,608***	***493,574,951***	**2%**

The company's borrowings recorded an increase during the first semester of 2017 due to the withdrawal of credits for stages 5, 6 and 7 of the Platanilor Assembly (944 apartments).

The company's commercial debts increased significantly due to the growing production costs and the withdrawals from bank loans. Also on the line of "Other liabilities" in June 2017 are included **dividend payments** to investors in the amount of **RON 11.2 million**, if we exclude the dividends the other liabilities variation in the period analysed is **12%** compared to **41%** consolidated.

The equities maintained at approximately the same level as at the end of year 2016 (2%), on account of the profit afferent to the first semester / 2017.

Analysis of the cash flow items

Decrease in cash at the end of the first semester of 2017 is determined by the investments made in stages 5, 6 and 7 of Platanilor Assembly.

Indicator (RON)	**30-Jun-17**
Cash at the begining of the period	***17,632,043***
Net cash derived from operating activities	(7,527,322)
Net cash derived from investment activities	660,270
Net cash derived from (usd in) financing activities	247,402
Cash at the end of the period	***11,012,393***

2. Analysis of the company's activity

During the first semester of 2017 the sale of apartments in Salcamilor Assembly continued, both of thiose completed in 2015 (stages 1 and 2), as well as in stages 3 and 4 (420 units) - completed in 2016. Since August 2016 reservations and sales commenced for stages 5 and 6 and since May 2017 for stage 7.

By the end of June 2017, in Salcamilor Assembly (924 apartments), **854 contracts** were signed, in Platanilor Assembly (out of 944 apartments), there were signed **162 contracts.**

Consolidated on both projects, of the new development in Greenfield project, initiated in 2013, we have a total of **1016 contracts** signed (55% of Greenfield II) out of which **932 apartments** sold and **84** promisses and reservations.

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

Detailed structure is found in the notes to the financial statements.

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

The company has in progress of completion the construction of Platanilor Assembly, which shall consist of 39 blocks having 944 apartments. In this regard, besides own financing sources - reinvested profit, it is aimed to co-finance the development costs through bank loans.

Until current date, investment property loans were contracted with Banca Transilvania, Libra Bank and Piraeus Bank.

Detailed structure of expenses is found in the notes to the financial statements.

2.3. *Presentation and analysis of events that significantly affect revenues from the main activity.*

The resumption of production with the new stages of residential development in the Greenfield neighborhood has favored a competitive and market-conscious product and so the company has achieved a significant increase in sales, namely reaching a market share that will give it market leadership.

The acceleration of production cycles and the standardization of the offered product ensure the satisfaction of the market requirements, which is one of the key concerns of the management during the current period, which is also an asset in reaching the sales objectives and profitability.

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

In April 2017, in the Board of Administration 3 new members were elected Mrs. Ruxandra Alina Scarlat, Mr. Laviniu Dumitru Beze and Mr. Daniel Pandele, for a mandate of four years, until 27th of April 2021.

Mr. Gabriel Vasile shall exercise his current mandate until the date of 15.09.2017, and the chairman of the Board of Administration was reconfirmed Mrs. Iuliana Mihaela Urda until 27th of April 2021.

3.1 *Description of those cases where the comapny 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.

Chairman of Board of Administration
Iuliana Mihaela Urda
Illegible signature

Chief Financial Officer
Bogdan Nicolae Geanta
Illegible signature