IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center, 172-176 Bucharest – Ploiesti Road, Building A, 1st floor, Bucharest, 1st District, Phone:+40 21.230.75.70/71/72, Fax: +40 21.230.75.81/82/83
Subscribed and paid up share capital: RON 265,000,000.
Registered with the Trade Registry Office within Bucharest Court under no. J40/7228/2018, S.R.C. RO 1553483

Quarterly Report
1st Semester 2020

Report date: 20.08.2020
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
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83
Fully subscribed and paid up capital: 265,000,00 RON
Regulated market where the issued securities are traded: Bucharest Stock Exchange

THE FIRST HALF OF 2020 ("H1 2020") – HIGHLIGHTS

- **260** pre-sale agreements and reservations on 30 June 2020 expected to be translated into sales in 2020 (89.6%), 2021 (7.7%) and 2022 (2.7%).
- **133** dwellings sold (10,998 sqm gross area)
- Continuing the procedures for obtaining the building permit for Greenfield IV (Teilor Assembly); Greenfield IV is the new development phase of Greenfield Residence Baneasa ("Greenfield") and will include Greenfield Plaza, a trade and leisure center
- Identifying solutions for framing the next stages of Greenfield development in green buildings category and identifying the appropriate funding sources
- Completion in March 2020 of the first phase of Luxuria Domenii Residence project ("Luxuria"), 232 apartments. Starting the conversion of pre-sale agreements in sale agreements comencing May 2020
- Continuing the construction works for the other two phases of the Luxuria project, 398 apartments estimated to be delivered as follows: 268 apartments in the second half of 2020 and 130 apartments in the first half of 2021
- Continuing the procedures for obtaining the building permit for the residential project Boreal Plus that will be developed in Constanta and which will bring to the market 675 apartments and 18 houses in 3 development phases
- Continuing the construction works for the 18 houses, part of the first phase of Boreal Plus project located in Constanta, envisaged to be completed in the second half of 2020
- Market prospecting for financing the various phases of Luxuria Domenii Residence, Greenfield Baneasa Residence and Boreal Plus Constanta
- Identifying locations/plots of land in Bucharest and in other cities throughout the country for future developments (e.g. Timisoara, Cluj, Iasi)

MAIN FINANCIAL PERFORMANCE INDICATORS - CONSOLIDATED

LEI thousand	H1 2020	H1 2019	Var %	Q2 2020	Q2 2019	Var %
Revenue from real estate inventories	65,808	79,531	(17%)	42,746	28,655	49%
Gross profit	26,308	37,183	(29%)	15,384	11,699	32%
Gross margin %	*40.0%*	*46.8%*	*(14.5%)*	*36%*	*41%*	*(11.8%)*
Operating expenses, net	(9,212)	(12,871)	*(28%)*	(2,740)	(6,564)	*(58%)*
Operating expenses % of revenue	*14%*	*16%*	*(14%)*	*6%*	*23%*	*(72%)*
EBITDA	17,641	24,748	*(29%)*	12,909	5,365	*141%*
EBITDA margin %	*27%*	*31%*	*(14%)*	*30%*	*19%*	*61%*
EBIT	17,152	24,017	*(29%)*	12,666	5,241	*142%*
EBIT margin %	*26%*	*30%*	*(14%)*	*30%*	*18%*	*62%*
Net result	8,656	16,476	*(47%)*	8,029	4,488	*79%*
Net result margin %	*13%*	*21%*	*(37%)*	*19%*	*16%*	*20%*

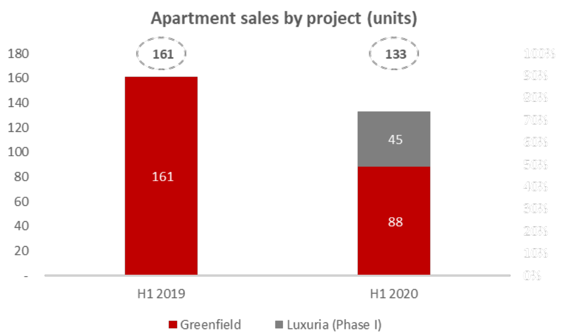
In the first 6 months of 2020, were recorded revenues from the sale of residentials of 65.8 mLEI, of which 62.7% related to the Greenfield project and 37.3% related to the first phase of the Luxuria project. The revenues for the first phase of the Luxuria project were recorded starting with May 2020, after its completion.

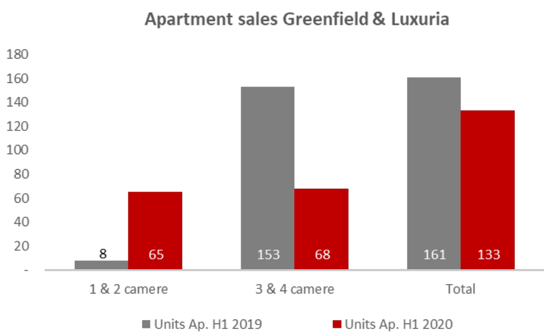
On 30 June 2020, in addition to the registered sales, there were pre-sale agreements concluded for apartments whose value is not reflected in revenues in H1 2020. The value of these pre-sale agreements is of 146.28 mLEI, estimated to translate into revenues in 2020 - 2021. Additionally, in the second half of 2020, is expected to record 15.25 mLEI as revenues for the sale of a plot of land in Constanta for which a sale contract was concluded at the end of 2019, with certain conditions that must be met by Impact.

In H1 2020, were recorded unrealized foreign exchange losses, particularly related to the revaluation of bonds and investment loans for the first two phases of the Luxuria project at the end of June 2020 as the exchange rate has risen to 4.8423 RON/EUR from 4.7793 as on 31 December 2019 (3.07 mLEI).

SALE OF DWELLINGS

In H1 2020, sales have reached a number of 133 dwellings (apartments, plus parking spots and court yards included in the packages, 161 in H1 2019) and 4 parking spots (14 in H1 2019). The apartments sold in H1 2020 totalized a gross area of 10,998 sqm, (15,167 sqm in H1 2019). Of the 133 apartments sold in H1 2020, 88 were sales related to the Greenfield project (7,650 sqm) and 45 were sales related to the Luxuria project (3,347 sqm).



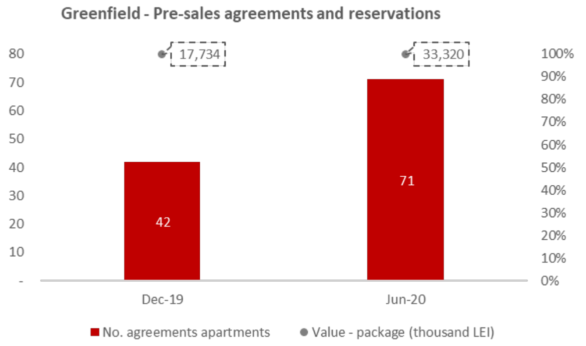


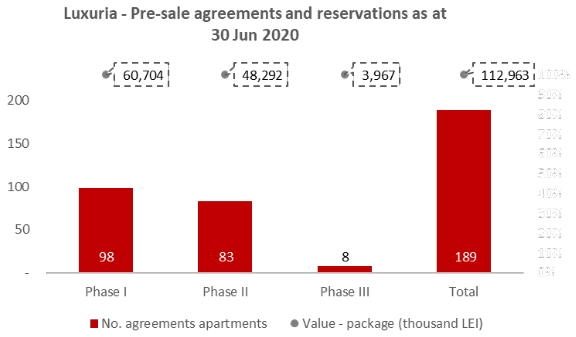
In H1 2020, the apartments sold in Greenfield were located in Platanilor Assembly.

Pre-sales of apartments

In addition to the 133 sale agreements, whose value of 65.8 mLEI is reflected in the revenues booked in H1 2020, on 30 June 2020, there were opened pre-sale agreements and reservations for 260 apartments located in Greenfield and Luxuria, with a value of 146.28 mLEI, estimated to be transformed into revenues as follows:

- H2 2020: 26.96 mLEI related to 60 pre-sale agreements and reservations for finalized apartments in Greenfield;
- H2 2020: 60.7 mLEI for the first phase of Luxuria;
- H2 2020 and Q1 2021: 48.29 mLEI for the second phase of Luxuria;
- H2 2021: 3.97 mLEI for the third phase of Luxuria;
- H2 2021 and H1 2022: 6.36 mLEI related to the new residential developments in Greenfield (Greenfield IV – "Teilor Assembly").





Greenfield (the first three phases completed) – dwellings sold until 30 June 2020

On 30 June 2020, 2,436 apartments (95,6%) were signed, out of the 2,548 apartments already built in the Greenfield project. *[NB: Including pre-sale agreements and reservations as at 30 June 2020]*

- ***Greenfield I***: 680 apartments completed and fully sold (except for 3 apartments that are rented out);
- ***Greenfield II (Salcamilor Assembly)***: for the 924 completed apartments, 923 agreements were concluded (99.9%), all being sale agreements;
- ***Greenfield III (Platanilor Assembly)***: for the 944 apartments completed, 838 agreements were concluded (88.8%), whereof 778 sale agreements and 60 pre-sale agreements and reservations.

MAIN INDICATORS OF THE FINANCIAL POSITION – CONSOLIDATED

LEI thousand	30-Jun-2020	31-Dec-2019	Var %
Non-current assets, of which	**396,210**	**392,901**	***1%***
Investment property	385,551	384,223	*0%*
Property, plant and equipment	10,530	8,535	*23%*
Current assets, of which	**521,840**	**509,071**	***3%***
Inventories	448,599	430,725	*4%*
Trade and other receivables	34,808	32,884	*6%*
Cash and cash equivalents	38,433	45,462	*(15%)*
Total assets	**918,050**	**901,972**	***2%***
Liabilities, of which	**345,598**	**318,031**	***9%***
Loans and borrowings	239,029	197,635	*21%*
Equity	**572,451**	**583,941**	***(2%)***
Total equity and liabilities	**918,050**	**901,972**	***2%***

Equity was 2% lower on 30 June 2020 compared to 31 December 2019, particularly due to own shares repurchased by Impact. In July 2020, 9,443,532 own shares were canceled, the share capital of Impact Developer & Contractor being reduced to a number of 265,000,000 shares.

The 4% increase in inventories as at 30 June 2020 compared to 31 December 2019 is due to the construction works for Luxuria and the start of Greenfield IV and Boreal Plus Constanta in conjunction with the sale of completed apartments in Greenfield and Luxuria.

The 6% increase in receivables on 30 June 2020 compared to 31 December 2019, is mainly explained by the recoverable VAT and the advances paid for the construction of the third phase of the Luxuria project.

In H1 2020, there were utilized the loans granted by UniCredit Bank for the financing of the first two phases of Luxuria this being the main reason for the 21% increase in the outstanding balance of loans and borrowings as at 30 June 2020 compared to 31 December 2019.

LAND PORTFOLIO AS AT 30 June 2020

At the end of June 2020, the Company owned **76.8 ha** of land with a book value of **504.7 mil LEI**, land intended for sale and the development of new projects.

In H1 2020, Impact's land portfolio was not subject to significant changes compared to 31 December 2019, except for 3,629 sqm of land acquired in Greenfield.

Location	City	Surface (ha)	IFRS book value (mRON)	IFRS book value (mEUR)	EPRA value (mRON)	EPRA value (mEUR)
Greenfield Baneasa	Bucharest	33.7	262.4	54.9	304.0	63.6
Luxuria Domenii	Bucharest (Expozitiei Blvd.)	0.6	12.4	2.6	36.3	7.6
Bd. Timisoarei - Bd. Ghencea	Bucharest	25.9	94.2	19.7	94.2	19.7
Barbu Vacarescu	Bucharest	2.6	116.1	24.3	116.1	24.3
Zenit, Neptun, Boreal	Constanta	10.2	17.2	3.6	41.1	8.6
Other	Bucharest, Oradea	3.8	2.4	0.5	2.4	0.5
Total		**76.8**	**504.7**	**105.6**	**594.1**	**124.3**

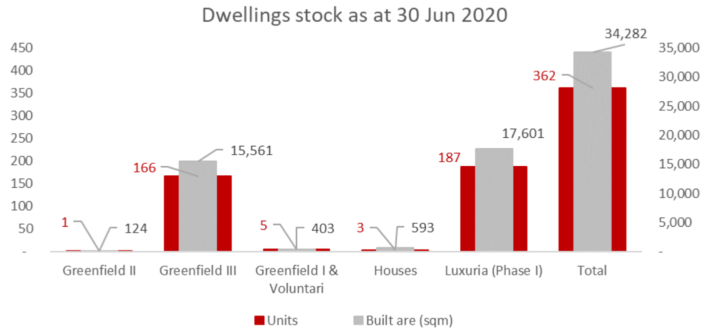
Note 1: The EPRA value considers the fair market value based on the market value according to the revaluations performed by Colliers Valuation and Advisory as at 31 Dec 2019, except for land located in Greenfield Baneasa and Luxuria Domenii for which the investment value was used. The investment value for Greenfield Baneasa of 190 EUR / sqm (market value – 176 EUR / sqm) was determined by Colliers as at 31 Dec 2019 by using the income approach (residual value) for the 6 new phases of the Greenfield Baneasa neighborhood that will start in 2020

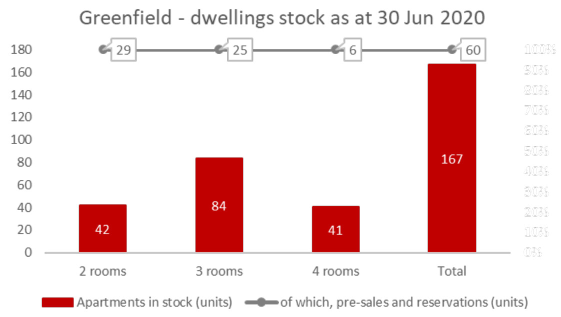
Note 2: The FX rate used to translate the RON denominated amounts in EUR - 4.7793 RON/EUR

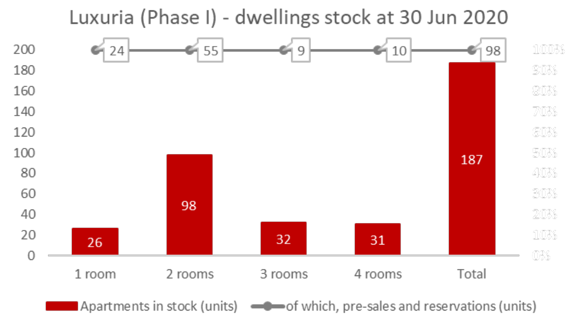
DWELLINGS INVENTORY AS AT 30 June 2020

As at 30 June 2020, the inventory included 362 apartments and houses fully completed, with a built area of 34,282 sqm and a book value of 125.86 mLEI.

The detailed status of the inventory of apartments and houses as at 30 June 2020 is the following:







PROJECTS UNDER DEVELOPMENT

Impact's activity during the first 6 months of 2020 was dominated by the development of two residential projects located in Bucharest, specifically **Greenfield Residence Baneasa**, **Luxuria Domenii Residence** and the first phase of Bopreal Plus Constanta (including the houses part).

Luxuria Domenii Residence (Bucharest)

Luxuria Domenii Residence is a new development concept of Impact and is addressed to the premium segment of the residential market. The Luxuria Domenii Residence project was commenced in 2018, shall be developed on an area of app. 2.25 ha and shall bring to the market 630 apartments.

The first 232 apartments, related to the first phase of the three phases of the project, were completed in March 2020. The apartments of the next two phases of Luxuria are estimated for delivery as follows: 268 apartments during the second half of 2020 and 130 apartments during the first half of 2021.

In H1 2020, the development/construction works for the Luxuria project were continued.

Greenfield Residence Baneasa (Bucharest)

In 2019, was obtained the PUZ for the new development phases in Greenfield Residence Baneasa that will bring to the market more than 4,300 dwellings, namely Greenfield IV (to include app. 1,900 apartments) and Greenfield V (to include over 2,400 apartments).

In the first 6 months of 2020, the procedures for obtaining the building permit for Greenfield IV were continued. Greenfield IV shall include the Greenfield Plaza, to incorporate a Strip Mall, an office area, a SPA area and a gym/sports hall. These phases will be designed to include Smart City facilities and buildings that meet the design principles of green buildings, reducing energy consumption and using energy from renewable sources to minimize the carbon footprint of these phases.

Boreal Plus (Constanta)

In 2019, was obtained the PUZ for Boreal Plus residential project, which will be developed in Constanta and will bring to the market over 693 homes (blocks and houses), of which 675 apartments related to the block component of the project will be delivered in three phases.

In H1 2020, the steps for obtaining the construction authorization for the block component of the Boreal Plus project were continued. The construction permit for the houses was obtained in 2019. In the first half of the year, the construction of the 18 villas began. The project includes 4 individual villas and 14 connected to the turbot.

CSR ACTIVITIES

With a constant interest in raising the standard of living of Greenfield residents, Impact has taken the first steps so that all children of the residents can benefit from educational centers near the house. In order to build a state school and a kindergarten, Impact donated the land and the project necessary for their construction to the Bucharest City Hall, both amounting to 1.75 million Euros.

IMPACT ON THE CAPITAL MARKET

Impact Developer & Contractor is listed at the Bucharest Stock Exchange since 1996. As of 2006, its shares are traded in the 1st category of the Bucharest Stock Exchange, and since January 2015, Impact's shares are traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange. In August 2019, following the decision of the General Shareholders' Meeting of April 24, 2019, the share capital was reduced by 3,423 thousand LEI as a result of the cancellation of a number of 3,423,042 own shares acquired by the Company. Thus, the total number of shares of Impact Developer & Contractor was reduced from 277,866,574 shares to 274,443,532 shares.

In April 2020, following the decision of the General Shareholders' Meeting of April 28, 2020, it was approved the reduction of the Company's share capital from 274,443,532 LEI, with the amount of 9,443,532 LEI, by reducing the number of shares, from 274,443,532 shares to 265,000,000 shares, as a result of the cancellation of a number of 9,443,532 own shares, acquired by the Company. The reduction of the share capital took place and was recorded in July 2020.

Evolution of Impact share price (IMP) 2017 – Jun 2020

Relative evolution of IMP vs. BET index 2017 – Jun 2020

Blue line – IMP   Orange line – BET index

There are no restrictions related to the transfer of securities, there are no restrictions related to the voting rights, there are no holders of securities with special control rights. Impact, as the holder of its own shares, as a result of the redemption programs, does not have the right to vote in the general meetings, its votes being suspended.

METRICS	31-Dec-17	31-Dec-18	31-Dec-19	30-Jun-20
Price per share (LEI)	1.05	0.99	1.49	1.49
Number of shares (Impact Developer & Contractor)	277,866,574	277,866,574	274,443,532	274,443,532
Market capitalization (LEI)	291,759,903	275,087,908	408,920,863	408,920,863
IFRS (consolidated)				
Net profit (LEI)	51,098,000	20,828,000	154,484,000	8,656,217
Net asset value ("NAV")	427,450,000	446,807,255	583,941,000	572,451,000
NAV/Share (LEI)**	1.54	1.61	2.13	2.16
EPRA* (consolidated)				
Net asset value ("NAV")	599,972,909	720,021,200	839,419,797	851,638,990
NAV/Share (LEI)**	2.16	2.59	3.06	3.21

**European Public Real Estate Association*

**June 2020 - calculated based on 265,000,000 shares, the number of shares after the cancellation in July 2020 of redeemed shares

The reconciliation between the Net Book Assets according to the IFRS consolidated financial statements and the EPRA standard is the following:

LEI	31-Dec-17	31-Dec-18	31-Dec-19	30-Jun-20
NAV per the IFRS financial statements	**427,450,000**	**446,807,255**	**583,941,000**	**572,451,000**
Include:				
i) Revaluation of property developed for sale	77,743,519	32,208,675	39,796,419	84,495,543
ii) Revaluation of land and WIP held as inventory	68,574,389	203,296,632	148,565,856	127,161,804
iii) Revaluation of land held as fixed assets / investment property	-	7,760,639	21,146,521	21,816,644
Exclude:				
iv) Deferred tax	26,205,000	29,948,000	45,970,000	45,714,000
EPRA NAV	**599,972,909**	**720,021,200**	**839,419,797**	**851,638,990**

i) Revaluation of property developed for sale.

The inventories/finished goods (apartments) were revaluated at market value by Colliers Valuation and Advisory on 31 Dec 2019 for Greenfield and on 21 May 2020 for the first completed phase of Luxuria. The increase / difference between the market value resulted after the revaluation and the book value (the lowest value between the cost and the net realizable value) has been included in the Net Asset Value according to EPRA.

ii) & iii) Revaluation of land and WIP held as inventory and land held as fixed assets / investment property

The land (included in investment properties, inventories and fixed assets) and WIP for Luxuria (Phase II and Phase III) were revaluated on 31 Dec 2019 by Colliers Valuation and Advisory. The adjustment was done to reflect the market value of the lands included in inventories and fixed assets, except for land related to Greenfield and land & WIP related to Luxuria as at 31 Dec 2019 which are reflected at the investment value.

The investment value for Greenfield of 190 EUR / sqm (market value – 176 EUR / sqm) was determined by Colliers as at 31 Dec 2019 by using the income approach for the 6 new phases of the Greenfield Baneasa neighborhood that will start in 2020.
Land included in inventory were valuated in the IFRS financial statements at the lowest value between the cost and the net realisable value. Land included in fixed assets is valued in the IFRS financial statements at cost. Land included in investment properties is reflected in the IFRS financial statements at market value.

iv) The deferred tax recorded in the IFRS financial statements mainly resulted from the difference between the book value and the tax value of investment properties (lands).

OTHER ASPECTS

On 29 January 2020, the Board of Directors of Impact decided to appoint Mr. Apostol Sorin as General Manager of the Company for 6 (six) months, starting with 1 February 2020, with the option to change it to a permanent designation. He will replace Mr. Bogdan Ionut Oslobeanu, who requested his mandated to be terminated in order to follow other carrier opportunities, starting with de 31 January 2020.

On 27 July 2020, the Board of Directors of Impact decided to extend the General Manager mandate for Mr. Apostol Sorin for 12 months starting 2 August 2020.

PERSPECTIVES FOR JULY - DECEMBER 2020

- Completion of the second phase of the Luxuria project (268 apartments);
- Continuing the works for the third phase of the Luxuria project (130 apartments);
- Estimating of obtaining building permits and starting the works for Greenfield IV and Boreal Plus Constanta;
- Prospecting for obtaining financing for the third phase of the Luxuria project, Greenfield IV and Boreal Plus Constanta.

CONSOLIDATED ENTITIES

The financial statements of Impact group include the results of Impact Developer & Contractor SA and the results of its subsidiaries: Bergamot Developments SRL, Bergamot Developments Phase II SRL, Actual Invest House SRL, Impact Finance & Developments SRL, Clearline Development and Management SRL and Greenfield Rent SRL.

The Group closely monitors the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will take all necessary measures to minimize the impact and respect its commitments towards customers, financers and shareholders.

The rapid development of the Covid-19 virus and its social and economic impact in Romania and globally may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular management expects the assumptions and estimates used in determining to be affected. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

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

ANNEX 1 – CONSOLIDATED STATEMENT OF PROFIT OR LOSS – H1 2020 (UNAUDITED)

LEI thousand	30-Jun-2020	30-Jun-2019
Revenue from real estate inventories	65,808	79,531
Costs of real estate inventories	(39,500)	(42,348)
Gross profit	**26,308**	**37,183**
Net rental income	334	(37)
General and administrative expenses	(8,857)	(8,769)
Marketing expenses	(1,830)	(2,153)
Depreciation and amortization	(546)	(436)
Other operating income/expenses	1,686	(1,476)
Total other income / expenses	**(9,212)**	**(12,871)**
Unrealized gains / (loss) on investment property	-	-
Adjusted operating profit before exceptional items and impairment of long term assets	**17,096**	**24,312**
Impairment of assets	56	(295)
Other income/expense (exceptional)	-	-
Operating profit	**17,152**	**24,017**
Finance costs, net	(6,456)	(3,312)
Profit before income tax	**10,696**	**20,705**
Income tax credit/(charge)	(2,040)	(4,229)
Profit / (loss) for the period	**8,656**	**16,476**

ANNEX 2 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020 (UNAUDITED)

LEI thousand	30-Jun-2020	31-Dec-2019
ASSETS		
Non-current assets		
Property, plant and equipment	10,530	8,535
Intangible assets	129	143
Investment property	385,551	384,223
Financial assets	-	-
Long term trade and other receivables	-	-
Total non-current assets	**396,210**	**392,901**
Current assets		
Inventories	448,599	430,725
Trade and other receivables	34,808	32,884
Cash and cash equivalents	38,433	45,462
Total Current Assets	**521,840**	**509,071**
Total Assets	**918,050**	**901,972**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	281,907	281,907
Share premium	68,760	68,760
Revaluation reserves	3,001	3,001
Other reserves	9,179	9,179
Own shares	(17,100)	(7,771)
Retained earnings	218,048	74,381
Result for the period	8,656	154,484
Total equity	**572,451**	**583,941**
Non-current liabilities		
Loans and borrowings	146,004	138,813
Trade and other payables	330	330
Deferred tax liability	45,714	45,970
Total non-current liabilities	**192,048**	**185,113**
Current liabilities		
Loans and borrowings	93,026	58,822
Trade and other payables	59,618	73,189
Provisions for risk and charges	907	907
Total current liabilities	**153,551**	**132,918**
Total liabilities	**345,598**	**318,031**
Total shareholders' equity and liabilities	**918,050**	**901,972**

IMPACT DEVELOPER & CONTRACTOR S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2020

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ENDORSED BY THE EUROPEAN UNION

UNAUDITED

CONTENTS: **PAGE:**

(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	30–Jun-2020	31–Dec-2019
ASSETS			
Non-current assets			
Property, plant and equipment		10,530	8,535
Intangible assets		129	143
Investment property	**7**	385,551	384,223
Long term trade and other receivables	**9**	-	-
Total non-current assets		**396,210**	**392,901**
Current assets			
Inventories	**8**	448,599	430,725
Trade and other receivables	**9**	34,808	32,884
Cash and cash equivalents	**10**	38,433	45,462
Total current assets		**521,840**	**509,071**
Total assets		**918,050**	**901,972**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**11**	281,907	281,907
Share premium		68,760	68,760
Revaluation reserve		3,001	3,001
Other reserves		9,179	9,179
Own shares	**12**	(17,100)	(7,771)
Retained earnings		226,704	228,863
Total equity		**572,451**	**583,939**
Non-current liabilities			
Loans and borrowings	**13**	146,004	138,815
Trade and other payables	**14**	330	330
Deferred tax liability	**20**	45,714	45,970
Total non-current liabilities		**192,048**	**185,115**
Current liabilities			
Loans and borrowings	**13**	93,026	58,822
Trade and other payables	**14**	59,618	73,189
Provisions for risks and charges	**15**	907	907
Total current liabilities		**153,551**	**132,918**
Total liabilities		**345,599**	**318,033**
Total shareholders' equity and liabilities		**918,050**	**901,972**

Sorin Apostol,
Chief Executive Officer

Giani Kacic,
Chief Financial Officer

Iuliana Mihaela Urda
Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD OF 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	30–Jun-2020	30–Jun-2019
Revenue from real estate inventories	**16**	65,808	79,531
Costs of real estate inventories		(39,500)	(42,348)
Gross profit		***26,308***	***37,183***
Net rental income		334	(37)
General and administrative expenses	**17**	(8,856)	(8,769)
Marketing expenses		(1,830)	(2,153)
Other income/expenses	**18**	1,686	(1,476)
Depreciation and amortization		(546)	(436)
Total other income / expenses		**(9,212)**	**(12,871)**
Adjusted operating profit before exceptional items and impairment of other non-current assets		***17,096***	***24,312***
Impairment of assets		56	(294)
Operating profit		***17,152***	***24,017***
Financial costs, net	**19**	(6,456)	(3,312)
Profit before tax		***10,696***	***20,706***
Income tax expenses	**20**	(2,040)	(4,229)
Result for the period		***8,656***	***16,476***

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1st 2019		**285,330**	**68,760**	**3,072**	**3,462**	**(3,038)**	**89,222**	**446,808**
Comprehensive income								
Profit for the year		-	-	-	-	-	153,611	153,611
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**153,611**	**153,611**
Transactions with owners of the Company								
Share capital reduction by cancelling shares	**12**	(3,423)	-	-	-	3,423	-	-
Own shares acquired during the year	**12**	-	-	-	-	(8,156)	-	(8,156)
Contributions and distributions		***(3,423)***		***-***	***-***	***(4,733)***	***-***	***(8,156)***
Paid dividends	**11**	-	-	-	-	-	(9,195)	(9,195)
Alte schimbări în capitalurile proprii								
Set up of legal reserves		-	-	-	8,058	-	(8,058)	-
Revaluation reserves		-	-	(71)	-	-	71	-
Transfer of reserves		-	-	-	(2,341)	-	2,341	-
Balance on December 31st 2019		**281,907**	**68,760**	**3,001**	**9,179**	**(7,771)**	**227,993**	**583,069**

Sorin Apostol
Chief Executive Officer

Giani Kacic
Chief Financial Officer

Iuliana Mihaela Urda
Chairman of the Board of Directors

(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1st 2020		**281,907**	**68,760**	**3,001**	**9,179**	**(7,771)**	**227,993**	**583,069**
Comprehensive income								
Profit for the year		-	-	-	-	-	8,656	8,656
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**8,656**	**8,656**
Transactions with owners of the Company								
Share capital reduction by cancelling shares	**12**	-	-	-	-	-	-	-
Own shares acquired during the year	**12**	-	-	-	-	(9,329)	-	(9,329)
Contributions and distributions		**-**		**-**	**-**	**-**	**-**	**-**
Paid dividends	**11**	-	-	-	-	-	(10,725)	(10,725)
Other changes in equity								
Set up of legal reserves		-	-	-	-	-	-	-
Revaluation reserves		-	-	-	-	-	-	-
Transfer of reserves		-	-	-	-	-	(91)	(91)
Balance on June 30 2020		**281,907**	**68,760**	**3,001**	**9,179**	**(17,100)**	**226,705**	**572,452**

Sorin Apostol	**Giani Kacic**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD OF 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	30-Jun-2020	30-Jun-2019
Cash flows from operating activities:		
Profit for the period	**8,656**	**16,476**
Adjustments for:		
Amortization of tangible non-current assets	472	373
Amortization of intangible non-current assets	50	129
Depreciation of inventories	1,237	2,978
Depreciation of trade and other receivables, net	(284)	1,311
Depreciation of fixed assets (IAS 16)	37	0
Income tax	2,040	4,229
Net changes in provisions for risk and charges	0	(6)
Interest expenses	4,062	4,333
Interest income	(582)	(14)
Foreign exchange differences, net	2,976	1,465
Gain / loss from the sale of fixed assets	11	1
	18,675	**31,275**
Changes in:		
Inventories	(19,111)	(31,487)
Trade and other receivables	(3,625)	(59,482)
Trade and other payables	(11,402)	33,576
Cash from operating activities	**(15,463)**	**(26,118)**
Income tax paid	(4,208)	(4,528)
Interest paid	(4,279)	(4,508)
Net cash from operating activities	**(23,950)**	**(35,154)**
Cash flows from investing activities:		
Acquisitions of tangible non-current assets	(3,276)	(2,202)
Acquisitions of intangible non-current assets	(50)	(129)
Net cash used in investing activities	**(3,326)**	**(2,331)**
Cash flow from financing activities:		
Dividends paid	(6)	(1)
Loan repayments	(13,751)	(13,751)
Loan proceeds	43,333	43,333
Acquisitions of own shares	(9,329)	(4,055)
Net cash from (used in) financing activities	**20,246**	**25,526**
Net increase/ (decrease) of cash and cash equivalents	**(7,029)**	**(11,959)**
Cash and cash equivalents on January 1	**45,462**	**30,740**
Cash and cash equivalents on June 30	**38,433**	**18,781**

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

(all amounts are expressed in thousand RON, unless stated otherwise)

1. REPORTING ENTITY

These financial statements are the consolidated financial statements of Impact Developer & Contractor S.A ("the Company") and its subsidiaries (together "the Group") as at and for the period of 2020 ended 30 June 2020.

The registered office of the Company is Willbrook Platinum Business &Convention center 172 -176 Bucuresti Ploiesti Building A 1st floor Bucharest, 1st district.

The shareholding structure of Impact Developer & Contractor SA as at 30 June 2020 and 31 December 2019 is disclosed in Note 11.

The Consolidated Financial Statements of the Company as at 30 June 2020 include the Company and its subsidiaries (together referred to as the „Group") as follows:

	Country of registration	Nature of activity	% of shareholding at 30 June 2020	% of shareholding at 31 December 2019
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Actual Invest SRL	Romania	Property management	100%	100%
Bergamot Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Rent SRL	Romania	Real Estate development	100%	100%

The Company is one of the first companies active in real estate development sector in Romania, being constituted in 1991 through public subscription. Initially, its first activities were renting and maintenance of deluxe villas in Bucharest area. In 1995, the Company introduced the residential concept on the Romanian market and, consequently, it changed into a pure real estate developer. Starting 1996, the Company's securities are publicly traded in Bucharest Stock Exchange (BVB).

In the first half of 2020, the business of the Group consisted mainly in the development of the Greenfield residential project, of the Luxuria Domenii Residence residential complex, both projects in Bucharest, sector 1 and of the Boreal Plus residential complex in Constanta.

2. BASIS OF PREPARATION

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union ("EU IFRS").

The financial statements have been prepared on a gaoing concern basis and under the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated Financial Statements are presented in Romanian Lei ("RON"), this being also the functional currency of the Group. All financial information is presented in thousand RON.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been constantly applied by all of the Group's entities, for all periods presented in these Consolidated Financial Statements.

Below is presented the summary of the significant accounting policies.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

(b) Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currency at the date of reporting are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rate prevailing at the date of the determination of fair value. The non-monetary elements denominated in a foreign currency that are carried at historical cost are converted using the exchange rate prevailing at the date of transaction.

The exchange rate differences resulted from translation are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Land and buildings held for use in production, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

The estimated useful lives of property, plant and equipment are as follows:

- buildings 40 years
- plant, equipment and vehicles 3–5 years
- fixtures and fittings 3–12 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting.

(d) Intangible assets acquierd separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including Property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

All of the Group's property interests held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

When the use of a property is changed, such that it is reclassified to property, plant and equipment or inventories, its fair value as of the date of reclassification becomes the cost of the property for the purpose of subsequent accounting.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment property (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(g) Trade and other receivables

Trade receivables on normal terms excluding derivative financial instruments do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. The carrying amount of trade and other receivables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

(i) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity at its value net of any fiscal effects.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares are classified as treasury shares and are presented in the treasury share reserves. When treasury shares are sold or subsequently reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Dividends

Dividends are recognised in the period when their allocation is approved.

(k) *Own shares*

Own shares consist of treasury shares and shares held within an employee benefit trust. The group has an employee benefit trust to satisfy the exercise of share options that have vested under the group's share option schemes.

Own shares are recognised at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds from the original cost being taken to retained earnings. No gain or loss is recognised in the performance statements on transactions in own shares.

(l) Borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to the profit or loss account when the qualifying asset impacts the profit or loss.

To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned from the temporary investment of specific loans pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss account in the period in which they are incurred.

(m) Trade payables and other payables

Trade payables on normal terms are not interest-bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs. The carrying amount of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provosions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the Present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Revenue

The Group has applied IFRS 15 for the first time on January 1, 2018.

Revenues are recognized when the customer acquires control over the goods or services rendered, at the amount which reflects the price, which the Group expects to receive in exchange of those goods or services. Revenues are recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Revenues comprise the fair value of the consideration received or receivable, net of value added tax, after eliminating sales within the Group. Revenues and profit are recognized as follows:

(i) Revenue from the sale of residential property inventories

Revenues from the sale of residential property inventories during the ordinary course of business are valued at fair value of the amount collected or to be collected on completion. The revenues are recognized when the significant risks and rewards of ownership have been transferred to the customer, this being deemed to be when title of the property passes to the customer upon legal completion, and the associated costs and possible return of goods can be estimated reliably. This is the point where all performance obligations are satisfied and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable for certain rebates to be granted, and their value can be measured reliably, then these are recognized as a reduction of the revenues when the sale revenues are recognized. This is not considered to be a significant financing component in contracts with customers, as the period between the recognition of revenue and the payment is almost always less than one year, the company has also installment payments over a period exceeding one year but those are not significant.

(ii) Revenue from re-charging utilities

The revenues from recharge of utilities are recognised when they are realised, together with the utilities expenses invoiced by the suppliers. The Group recharges the utilities by adding a profit margin, as administrative costs. These revenues refer to the rented properties, to the properties sold without the transfer of ownership (sales in installments) and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utilities suppliers in their own name.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account, because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantially enacted until the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable based on differences between the book value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, and deductible temporary differences can be applied thereto.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising from investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is measured on a non-updated basis using the tax rates and laws that have been subsequently enacted or substantially enacted, until the balance sheet date.

The book value of deferred tax receivables is revised on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the profit or loss account, except where it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(q) Share-based payments

The Group has applied the requirements of IFRS 2 ‘Share-based payment’. The Group makes equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value on the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of shares that will eventually vest after adjusting the effect of vesting conditions that do not depend on the market price.

(r) Financial instruments – fair values and risk management

The risk management function within the Group is related to financial risks. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Operating leases

Rentals payable under operating leases are charged to the profit or loss account on a straight-line basis over the term of the relevant lease. Benefits received and receivable (and costs paid and payable) as an incentive to enter into an operating lease are also registered on a straight-line basis over the lease term.

(t) Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or several uncertain future events not entirely within the control of the Group; or

(b) a present obligation that arises from past events that is not recognized because:

- i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Group’s financial statements, but disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or several uncertain future events not entirely within the control of the Group.

A contingent asset is not recognized in the Group’s financial statements but disclosed when an inflow of economic benefits is probable.

(u) Contingent liabilities

Events occurring after the reporting date June, 30 2020, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(v) Segment reporting

The Group operates only in Romania. The main operating segment is considered to be the development of real estate.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the book values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Fair value measurements and valuation process

Valuation and recoverable amounts of the property developed for sale, investment properties and tangible non-current assets.

The Group has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Group's investment properties, properties developed for sale and tangible non-current assets in their current state. The last valuation of investment properties took place on December 31, 2018. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third party developer.

The development projects' valuation or recoverable amount was determined based on the best estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. Had a different assessment been made of the assumptions underlying the valuation report the estimated fair values of the assets would have been higher or lower as at the above mentioned date.

Management considers that the valuation of its property developed for sale and investment properties is currently subject to an increased degree of professional judgment and an increased likelihood that actual proceeds from a sale may differ from the book value.

Land assets are mainly valued using the sales comparison approach. The principle assumptions underlying the market value of the groups land assets are:

- the selection of comparable land plots resulting in order to determine the "offer price" which is taken as the basis to form an indicative price
- the quantum of adjustments to apply against the offer price to reflect deal prices, and diffrerences in location and condition.

The key inputs are summarised in note 7. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.

(ii) Legal issues

The management of the Group analyses regularly the status of all ongoing litigation, and, following a consultation with the Board of Administration decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the consolidated financial statements.

As at 31 December 2018, a group subsidiary is engaged in a dispute with Cluj County Council. The company is seeking reimbursement of costs amounting to RON 17 million plus expenses. Based on advice from the Group lawyers, management believes that the outcome of the case will not result in an adverse outcome in these financial statements. However, the matter is highly judgmental and in the event that recoveries are less than the book value of the asset then a financial loss will result.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(iii) Cost allocation

In order to determine the profit that the Group should recognize from its developments in a specific period, the Group has to allocate site-wide development costs between units sold in the current year and to be sold in future years. Industry practice does vary in the methods used and in making these assessments there is a degree of inherent uncertainty. In the event that there is a change in future development plans from those currently anticipated then the result would be fluctuations in cost and profit recogntion over different project phases.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted and applied the following accounting standards issued by the International Accounting Standards Board that are mandatory for financial years beginning on or after 1 January 2019.

- **IFRS 16:** Leases
- **IFRS 9 :** Prepayment features with negative compensation (Amendment)
- **IAS 28:** Long-term Interests in Associates and Joint Ventures (Amendments)
- **IAS 19:** Plan Amendment, Curtailment or Settlement (Amendments)

The impact of the adoption of these new standards on the Group's financial statements is explained below. None of these standards had a material impact on the financial statements of the Company.

- **IFRS 16: Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The adoption of IFRS 16 did not have a material impact on the Group financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

The adoption of IFRS 9 did not have a material impact on the Group financial statements.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.

The adoption of IAS 28 amendmends did not have a material impact on the Group financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

The adoption of IFRIC 23 did not have a material impact on the Group financial statements.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs.**

  - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
  - **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
  - **IAS 23 Borrowing Costs**: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

The Group asess that none of these amendments have a significant impact on the financial statements.

(all amounts are expressed in thousand RON, unless stated otherwise)

7. INVESTMENT PROPERTIES

Reconciliation of book value and investment properties:

	30-Jun-2020	31-Dec-2019
Balance on January 1st.	**384,223**	**217,113**
Additions	3,233	12,300
Transfer form tangible non-current assets	-	1,000
Transfer from inventory	-	94,379
Transfer to inventory	-	(85,129)
Disposals	(1,904)	-
Changes in fair value on projects transferred from inventory	-	144,559
Balance on June 30 / December 31st.	**385,551**	**384,223**

Investment properties mainly include land held for capital increase or lease towards third parties.

Valuation processes

The Group's investment properties were valued at 31 December 2019 by independent professionals Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having recent experience regarding the location and nature of the properties evaluated.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valution technique used in determination of the fair value of invenstment property.

The land held for capital appreciation, amounting to 385,551 as at 30 June 2020 (2019: 384,223) has a total surface of 547,983 sqm (2019: 544,354 sqm). This land is located in Bucharest – 485,961 sqm (2019: 482,332 sqm) and in other regions – 62,022 sqm (Constanta, Oradea).

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorised as Level 3 fair value at 31 December 2019. The classification is considered appropriate given the extent of adjustments which are applied to observed data for comparable land and building valuations. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques

The following table presents the valuation techniques used in the determination of the fair value of investment properties categorised as a Level 3 fair value.

Valuation technique	**Key inputs**
The fair values are determined through the application of the market comparison technique. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in and active and transparent market. The valuation derived by external expert were adjusted downwards by management to take into account the legal status of certain assets.	• Offer price per square meter for land in Bucharest (98 Euro/square meter up to 200 Euro per square meter) (2018: 93 Euro/square meter up to 149 Euro per square meter) • Adjustments to observable offer prices to reflect deal prices, location and condition (-25% discount to +30% premium) (2018: -22% discount to -5% discount).

(all amounts are expressed in thousand RON, unless stated otherwise)

8. INVENTORIES

	30-Jun-2020	31-Dec-2019
Finished goods and goods for resale	147,195	64,011
Residential developments:		
- Land	167,500	173,004
- Development and construction costs	133,904	193,710
	448,599	**430,725**

9. TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	30-Jun-2020	**31-Dec-2019**	**30-Jun-2020**	**31-Dec-2019**
Trade receivables	13,256	9,369	-	-
Receivables from affiliates	-	-	-	-
Sundry debtors	1,411	2,388	-	-
Receivables from State	10,369	12,568	-	-
Advance payments to suppliers (for services)	9,772	8,558	-	-
	34,808	**32,884**	**-**	**-**

10. CASH AND CASH EQUIVALENTS

	30-Jun-2020	31-Dec-2019
Current accounts	38,420	45,457
Petty cash	9	4
Cash advances	4	1
	38,433	**45,462**

Current accounts are held with Romanian commercial banks. Out of the total balance of cash as at 30 June 2020, 7,371 thousand RON is restricted cash, representing amounts advanced by clients and amounts held in respect of VAT and loan repayments.

(all amounts are expressed in thousand RON, unless stated otherwise)

11. SHARE CAPITAL

	30-Jun-2020	31-Dec-2019
Share capital	281,907	281,907
	281,907	**281,907**

The shareholding structure of Impact Developer & Contractor SA at the end of each reported period was as follows:

	30-Jun-2020		31-Dec-2019	
	No of shares	**%**	**No of shares**	**%**
Gheorghe Iaciu	155,943,046	56.82%	155,943,046	56.82%
Andrici Adrian	42,350,335	15.43%	42,350,335	15.43%
SWISS CAPITAL	32,235,114	12.11%	33,537,000	12.22%
Other	42,915,039	15.64%	42,621,081	15.53%
	274,443,532	**100%**	**274,443,532**	**100%**

All shares are ordinary and have equal ranking related to the Company's residual assets, The nominal value of one share is 1 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per one shares during the meetings of the Company.

Dividends

During the first 6 months of 2020 ended 30 June 2020, the Group declared and paid dividends to its shareholders in total amount of 6.28 thousand RON.

During the financial year ended 31 December 2019, the Group declared and paid dividends to its shareholders in total amount of 9.094 thousand RON.

12. OWN SHARES

In accordance with the Company's articles of association, authority was sought at the AGM dated 15.06.2017 to purchase up to 2.56% of the company's shares in issue as at the date of the decision. The authority, that has been exercised, was approved and remains exercisable for 24 months from the approval date.

The AGM held on 24.04 2019 approved the purchase of maximum 10,000,000 own shares (ten million) for a period of maximum 18 months starting from publishing in the Romanian Official Gazette, representing maximum 3.60% of the subscribed and paid shared capital.

The own shares reserve represents the cost of shares in IMPACT purchased in the market, to satisfy options and conditional share awards under the Group's share option plans.

As at 30 June 2020, the Group has in balance 13,040 thousand own shares (31 decembre 2019: 6,457), at an average price of 1.0827 RON / share, with a nominal value of 17,100 (2019: 7,771).

13. IMPRUMUTURI

This note discloses information related to the contractual terms of the interest bearing loans and borrowings of the Group, valued at amortised cost.

	30-Jun-2020	31-Dec-2019
Non-current liabilities		
Secured bank loans	59,775	23,091
Issued bonds	86,229	115,722
	146,004	**138,813**
Current liabilities		
Current portion of secured bank loans	62,217	-
Short-term borrowings	30,809	58,822
	93,026	**58,822**

Terms and repayment schedules

Terms and repayment schedules of loans and borrowings are as follows:

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30-Jun-2020 (thousand RON)	Balance at 31-Dec-2019 (thousand RON)
Împrumuturi					
Credit Value Investments	EUR	11.07.2021	12,000	59,443	58,586
Bondholders through the Bucharest Stock Exchange	EUR	12.12.2022	12,060	57,595	58,902
Libra Internet Bank	RON	17.07.2020	19,700	-	-
UniCredit Bank	EUR	31.08.2021	20,696	59,297	21,579
UniCredit Bank	RON	31.08.2021	17,605	477	1,512
UniCredit Bank	EUR	30.04.2021	17,841	61,235	57,057

The interest rates at which the Group borrowed the loans in RON are between 5.63% and 7.05%.

On 17 July 2019 Impact Developer & Contractor SA concluded a revolving finance agreement with Libra Internet Bank for a facility of 19,700.

On 14 October 2019 Bergamot Development SRL has concluded a loan agreement with UniCredit Bank having 2 facilities with the following destination:

a) Facility 1 represents a development loan in amount of 20,696 thousand EUR which shall be used by the beneficiar for financing/refinancing of maximum 65% from Project's development net cost. This facility is not a revolving credit. The mechanism of repayment is agreed at 80% paid at final collection from client.

b) Facility 2 represents a Revolving Type Credit in amount of 17,605 which shall be used by the beneficiary for financing the VAT payments.

On 14 August 2018 Bergamot Development SRL has concluded a loan agreement with UniCredit Bank having 2 facilities with the following destination:

a) Facility 1 represents a development loan in amount of 16,341 thousand EUR which shall be used by the beneficiary for financing/refinancing of maximum 65% from Project's development net cost. This facility is not a revolving credit. The mechanism of repayment is agreed at 75% paid at final collection from client.

b) Facility 2 consists of a revolving loan amounting to 6,989 thousand RON (1,500 thousand EUR) to be used for financing the VAT payments.

On July 10th, 2017, the Company offered 120 A series-bearer bonds for subscription, each with a face value of EUR 100 thousand and a total face value of EUR 12,000 thousand issued in physical form, to two funds of investments managed by Credit Value Investments Sp. z o, (CVI), who accepted the Offer on the same date. The bonds were initially offered at a price of EUR 98,400 per Bond (or EUR 11,808 thousand per Bond total). The bonds were issued on 11th of July 2017 and are due on the date on which they are 54 months from the date of the issue, provided that 42 months after the issue date, the Company will repurchase 50% of the nominal value of the Bonds. Bonds are interest-bearing at a fixed rate of 6.00% per annum, payable twice a year.

Income from the Bond Issuance was used to fund land acquisition through Bergamot Developments SRL to develop and build residential projects. The bonds are mainly secured by a first-rate mortgage covering the obligations arising from the Bonds up to the guaranteed maximum amount of EUR 18,000 thousand (eighteen million) on nine plots of land with a total area of 196,407 sqm located in Bucharest, 1st District, Romania, which are the exclusive property of the Company, as well as their accessories. The Company has an early redemption option for the Bonds, which can be exercised from the second interest payment date, provided that the minimum redeemed amount is at least EUR 1,000 thousand.

Bucharest Stock Exchange S.A. approved the application for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. of the bonds issued by the Company, unsecured at a fixed annual interest rate of 5,75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525 thousand.

As at 30 June 2020, Impact has repurchased a number of 93 bonds with a nominal value of 5,000 EUR / bond.

In July 2020, the extension of the credit line from Libra Internet Bank was approved until 17.07.2021.

(all amounts are expressed in thousand RON, unless stated otherwise)

14. TRADE AND OTHER PAYABLES

	30-Jun-2020	31-Dec-2019
Non-current liabilities		
Guarantees	330	330
	330	**330**
Current liabilities		
Trade payables	30,075	33,789
Customer deposits	18,168	19,837
Divides payable	10,918	199
Payable to affiliates	-	-
Other payables	457	19,364
	59,618	**73,189**
	59,948	**73,519**

15. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigations	Other provisions	Total
Balance at 1 January 2020	**319**	**588**	**907**
Provisions made during the year	-	-	-
Provisions used during the year	-	-	-
Balance at 30 June 2020	**319**	**588**	**907**

16. REVENUE

A disagregation of the Group's revenue is as follows:

	30-Jun-2020	30-Jun-2019
Revenue from sales of residential properties	65,808	79,531
	65,808	**79,531**

17. GENERAL AND ADMINISTRATIVE EXPENSES

	30-Jun-2020	30-Jun-2019
Consumables	103	240
Administration expenses	3,620	2,846
Staff costs	5,133	5,683
	8,856	**8,769**

(all amounts are expressed in thousand RON, unless stated otherwise)

18. OTHER OPERATING EXPENSES/INCOME

	30-Jun-2020	30-Jun-2019
Other operating income	(3,464)	(459)
Rent expenses	307	294
(Profit) / Loss on disposal of property, plant and equipment	11	166
Fines and penalities (income)/expenses	46	183
Other operating expenses	1,414	1,292
Revalution result	-	-
Losses related to financial assets	-	-
	(1,686)	**1,476**

19. FINANCE COSTS/INCOME

	30-Jun-2020	30-Jun-2019
Interest expense	3,655	1,491
Interest income	(234)	(14)
Foreign exchange result	2,976	1,465
Other financial reserves	59	370
	6,456	**3,312**

20. TAXATION

(i) Amounts recognised in profit or loss

	30-Jun-2020	30-Jun-2019
Deferred tax (income) / expense	(338)	-
Tax on profit	2,377	4,229
Total cheltuieli cu impozitele	**2,040**	**4,229**

21. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Group's policies regarding the risk management are defined so as to ensure identification and analysis of the risks the Group is dealing with, setting limits and adequated controls, as well as risk monitoring and compliance with the set limits. The policies and system meant to manage risks are regularly reviewed to reflect the changes occurred in the market conditions and Group's operations. The Group, through its standards and procedures for coaching and managing, aims to develop an orderly and constructive control environment, where all and each employee understand his/her role and duties.

(a) Credit risk

The Company's exposure to the credit risk is mainly influenced by the individual features of each customer. Nevertheless, the management also considers the demographic features of the Company's customer pool, including the non-payment risk specific for the business field and the country in which the customer operates, taking into account that all these factors affect the credit risk.

For the purpose of monitoring the credit risk related to customers, the Company checks monthly the payment arrears and takes the measures deemed necessary, on a case-by-case basis.

(b) Liquidity risk

The available cash risk is the risk that the Group encounters difficulties in the performance of its obligations associated to financial liabilities that are covered in cash or by the transfer of another financial asset. The Group's approach related to the available cash risk is to make sure, to the extent possible, that it permanently holds sufficient available cash amounts to pay its debts upon their maturity, both under normal circumstances and under stressful conditions, without suffering unacceptable loss or endangering the Group's reputation.

(c) Market risk

The Group's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Group aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

Currency risk

The Group is exposed to currency risk to the extent that sales, purchases and borrowings are denominated in different currencies than the Group's functional currency (Romanian Leu), foremost euro.

The Group did not conclude any hedging engagements related to the obligations denominated in foreign currencies or to the exposure to the interest rate risk.

22. CAPITAL COMMITMENTS

As at 30 June 2020, the Group has no capital commitments contracted.

23. RELATED PARTIES

Related party transactions

The Group didn't have any other transactions and balances with related parties during and for the period ended 30 June 2020.

Transactions with key management personnel

Remuneration of key management personnel comprises salaries and related contributions (social and medical contributions, unemployment contributions and other similar contributions). Company's management is employed contractual based. The remuneration of the directors and board of directors, who are the key management personnel of the Group, for the period ended 30 June 2020 is 908 thousand RON.

24. EVENIMENTE ULTERIOARE

The Group closely monitors the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will take all necessary measures to minimize the impact and respect its commitments towards customers, financers and shareholders.

The rapid development of the Covid-19 virus and its social and economic impact in Romania and globally may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular management expects the assumptions and estimates used in determining to be affected. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

Group's management does not consider that any events occurring subsequent to 30 June 2020 up to the date of the approval of these financial statements would require adjustments.

Sorin Apostol,	**Giani Kacic,**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.

INDIVIDUAL FINANCIAL STATEMENTS
AS OF 30 JUNE 2020

DRAFTED ACCORDING TO THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION

UNAUDITED

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IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF FINANCIAL POSITION
ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	30-Jun-2020	31-Dec-2019
ASSETS			
Non-current assets			
Tangible non-current assets		6,819	6,309
Intangible non-current assets		123	128
Investment properties	**8**	385,781	383,285
Financial assets	**10**	56,191	56,191
Trade and other receivables		-	-
Total non-current assets		**448,915**	**445,914**
Current assets			
Inventories	**9**	189,043	201,787
Trade and other receivables		113,333	91,938
Cash and cash equivalents	**11**	20,391	35,357
Total current assets		**322,767**	**329,081**
Total assets		**771,682**	**774,995**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**12**	281,907	281,907
Share premium		68,760	68,760
Revaluation reserves		3,001	3,001
Other reserves		8,787	8,787
Own shares	**13**	(17,100)	(7,771)
Retained earnings		220,272	76,858
Net profit for the period		8,814	154,139
Total equity		**574,440**	**585,681**
Long-term liabilities			
Loans	**14**	86,229	115,723
Trade and other payables	**15**	330	330
Deferred tax		45,714	46,051
Total long-term liabilities		**132,273**	**162,105**
Current liabilities			
Loans	**14**	30,809	1,765
Trade and other payables	**15**	33,252	24,537
Provisions for risk and charges	**16**	907	907
Total current liabilities		**64,968**	**27,209**
Total liabilities		**197,241**	**189,314**
Total shareholders' equity and liabilities		**771,682**	**774,995**

Sorin Apostol	**Giani Kacic**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	**30-Jun-2020**	**30-Jun-2019**
Revenue from sale of residential properties	**17**	41,146	79,531
Costs related to residential properties		(21,255)	(42,347)
Gross profit		**19,891**	**37,185**
Net rental income	**17**	496	(4)
General and administrative expenses	**18**	(8,374)	(9,177)
Marketing expenses		(1,426)	(1,705)
Amortization		(351)	(370)
Other operating income/expenses	**19**	1,942	(591)
Total other income / expenses		**(7,713)**	**(11,848)**
Adjusted operating profit before exceptional items and impairment of other non-current assets		**12,178**	**25,337**
Impairment of assets		247	(295)
Operating profit		**12,425**	**25,042**
Financial costs, net	**20**	(2,137)	(4,173)
Profit before tax		**10,288**	**20,869**
Income tax expenses	**21**	(1,474)	(4,228)
Result for the period		**8,814**	**16,641**

Sorin Apostol	**Giani Kacic**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1st 2020		**281,907**	**68,760**	**3,001**	**8,787**	**(7,771)**	**230,996**	**585,681**
Comprehensive income								
Profit for the year		-	-	-	-	-	8,814	8,814
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**8,814**	**8,814**
Transactions with owners of the Company								
Own shares acquired during the year	13	-	-	-	-	(9,329)	-	(9,329)
Paid dividends		-	-	-	-	-	(10,725)	(10,725)
Share capital reduction by cancelling shares		-	-	-	-	-	-	-
Other changes in equity								
Set up of legal reserves		-	-	-	-	-	-	-
Transfer of reserves		-	-	-	-	-	-	-
Revaluation reserves		-	-	-	-	-	-	-
Balance on June 30 2020		**281,907**	**68,760**	**3,001**	**8,787**	**(17,100)**	**229,086**	**574,440**

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(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1st 2019		**285,330**	**68,760**	**3,064**	**730**	**(3,038)**	**94,020**	**448,866**
Comprehensive income								
Profit for the year		-	-	-	-	-	154,139	154,139
Other comprehensive income		-	-	-	-	-	26	26
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**154,165**	**154,165**
Transactions with owners of the Company								
Own shares acquired during the year	13	-	-	-	-	(8,156)	-	(8,156)
Paid dividends		-	-	-	-	-	(9,195)	(9,195)
Share capital reduction by cancelling shares		(3,423)	-	-	-	3,423	-	-
Other changes in equity								
Set up of legal reserves		-	-	-	8,058	-	(8,058)	-
Transfer of reserves		-	-	(63)	-	-	63	-
Revaluation reserves		-	-	-	-	-	-	-
Balance on December 31st 2019		**281,907**	**68,760**	**3,001**	**8,787**	**(7,771)**	**230,996**	**585,681**

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IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 2020 ENDED ON 30 JUNE 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	30-Jun-2020	30-Jun-2019
Cash flows from operating activities:		
Profit for the period	**8,814**	**16,641**
Adjustments for:		
Amortization of tangible non-current assets	284	325
Amortization of intangible non-current assets	41	38
Depreciation of tangible non-current assets, net	37	-
Depreciation of inventories	613	2,978
Depreciation of trade and other receivables, net	(284)	973
Income tax	1,474	4,228
Net changes in provisions for risk and charges	-	(6)
Interest expenses	3,768	4,045
Interest income	(3,219)	(1,675)
Foreign exchange differences, net	1,588	1,434
Other	11	1
	4,313	**12,341**
Changes in:		
Inventories	12,131	19,346
Trade and other receivables	(15,848)	(48,164)
Trade and other payables	11,446	12,071
Cash from operating activities	**20,856**	**12,235**
Income tax paid	(4,205)	(4,526)
Interest paid	(3,283)	(4,227)
Net cash from operating activities	**13,368**	**3,482**
Cash flows from investing activities:		
Acquisitions of tangible non-current assets and investment property, net	(3,088)	(2,273)
Acquisitions of intangible non-current assets	(36)	(10)
Net cash used in investing activities	**(3,124)**	**(2,283)**
Cash flow from financing activities:		
Dividends paid	(6)	(1)
Loan repayments	(9,021)	(13,751)
Loan proceeds	9,106	19,961
Loans granted to affiliates	(16,045)	(14,209)
Repayment of loans granted to affiliates	85	-
Acquisitions of own shares	(9,329)	(4,055)
Net cash from (used in) financing activities	**(25,210)**	**(12,055)**
Net increase/ (decrease) of cash and cash equivalents	**(14,966)**	**(10,857)**
Cash and cash equivalents on January 1	**35,357**	**26,676**
Cash and cash equivalents on June 30	**20,391**	**15,820**

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Iuliana Mihaela Urda
Chairman of the Board of Directors

1. REPORTING ENTITY

Impact Developer & Contractor S.A ("the Company") is a Company registered in Romania whose business object is real estate development.

The registered office of the Company is Willbrook Platinum Business & Convention Center, 172 -176 Sos. Bucuresti-Ploiesti, Building A, 1st floor, district 1, Bucharest.

The shareholding structure on June 30, 2020 is described in Note 12.

The Company controls several other entities and prepares consolidated financial statements. According to the provisions of Law no. 24/2017, these entities are required to also prepare individual financial statements.

The Company is one of the first companies active in real estate development sector in Romania, being established in 1991 through public subscription. Initially, its main activities were rental and maintenance of deluxe villas in the Bucharest area. In 1995, the Company introduced the residential concept on the Romanian market and, consequently, progressively changed into a pure real estate developer. Since 1996, the Company is listed at the Bucharest Stock Exchange (BVB).

During the first 6 months of 2020, Impact's activity was mainly focused on the development of the Greenfield residential project in Bucharest and Boreal Plus in Constanta.

2. THE BOARD OF ADMINISTRATION

The Board of Administration represents the decision-making body on all significant aspects for the Company as a whole due to its strategic, financial or reputational implications. The Board delegates the management powers of the Company, under the conditions and to the extent provided for by law and by the Articles of Association.

The Board of Administration consists of 5 members:

- Iuliana Mihaela Urda, chairperson of the Board of Administration
- Intrepid Gem SRL, through Ion Petru Vaduva, Administrator
- Ruxandra-Alina Scarlat, Administrator
- Daniel Pandele, Administrator
- Laviniu Dumitru Beze, Administrator

In the Ordinary General Meeting of Shareholders dated April 24, 2019 the election of a member of Impact's Board of Administration was approved, namely the company INTREPID GEM SRL, acting by a natural person, the permanent representative of the legal entity, specifically Mr. Vaduva Petru Ion, based on a mandate starting April 24, 2019 until April 27, 2021.

Executive Management of the Company

On 19.01.2018, the Impact Board of Administration decided to designate Mr. Bogdan Oslobeanu as General Manager of the Company, on a four-year term, starting with 01.03.2018 until 28.02.2022.

On 29.01.2020 the Board of Administration of Impact decided to appoint Mr. Apostol Sorin as General Manager of the Company for 6 (six) months, starting with 01.02.2020, with the option to change it to a permanent designation. He replaced Mr. Bogdan Ionut Oslobeanu, who requested his mandated to be terminated to follow other carrier opportunities, starting with de 31.01.2020.

On 27.07.2020, the Board of Directors of Impact decided to extend the General Manager mandate for Mr. Apostol Sorin for 12 months starting 02.08.2020.

Mr. Apostol Sorin shall continue his strategy to develop the Company to the level of the existing projects and shall initiate new projects to consolidate the company's current top position on the residential market

3. BASIS OF PREPARATION

These financial statements have been prepared according to the International Financial Reporting Standards adopted by the European Union („EU IFRS").

The financial statements have been prepared according to the going concern principle, at the historical cost, except for the revaluation of certain properties and financial instruments that are measured at their revalued amounts or fair values. The historical cost is generally based on the fair value of the consideration granted in exchange for goods and services.

Going concern principle

The financial statements have been prepared based on the going concern principle.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements are presented in Romanian Lei („RON"), this being also the functional currency of the Company. All financial information is presented in thousand RON.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been constantly applied by the Company, for all periods presented in these Financial Statements.

The significant accounting policies are presented below.

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company's entities using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currency at the date of reporting are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rate prevailing at the date of the determination of fair value. The non-monetary elements denominated in a foreign currency that are valuated at their historical cost are converted using the exchange rate prevailing at the date of transaction.

The exchange rate differences resulted from translation are recognized in the statement of profit or loss and other comprehensive income.

(b) Tangible non-current assets

Land and buildings held for use in production, or for administrative purposes, are stated in the statement of the financial position at their revalued amounts, which is the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses.

Any revaluation increase arising from the revaluation of such land and buildings is credited to the non-current assets revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recorded as an expense, in which case the increase is credited to the profit or loss account to the extent that the decrease was previously expensed. A decrease in the book value arising from the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the non-current assets revaluation reserve relating to a previous revaluation of that asset.

The depreciation of revalued buildings is recorded in the profit or loss account. On the subsequent sale or transfer of a revalued property, the attributable revaluation surplus remaining in the non-current assets revaluation reserve shall be transferred directly to retained earnings.

The land shall not be depreciated.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixtures and equipment are stated at their cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, as follows:

The estimated useful lives of tangible non-current assets are as follows

- buildings 40 years
- plant, equipment and vehicles 3–5 years
- fixtures and fittings 3–12 years

The estimated useful lives, residual values and depreciation method are revised on each reporting date.

(c) Intangible non-current assets acquired separately

Intangible assets with finite useful lives that acquired separately are recorded at their cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are revised at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible non-current assets with indefinite useful lives that are acquired separately are valuated at their cost less accumulated impairment losses.

(d) Investment properties

Investment properties, representing properties held for the purpose of earning rentals and/or for capital appreciation (including properties under construction for such purposes) are valuated initially at their cost, including transaction costs. Subsequent to initial registration, investment properties are valuated at their fair value.

All investment properties held by the Company for the purpose of earning rentals and/or for capital appreciation are recorded as investment properties and are measured using the fair value model. Profits or losses arising from changes in the fair value of investment properties are included in the profit or loss account in the period during which they arise.

When the use of a property is changed, so that it is reclassified as a tangible non-current asset or inventories, its fair value as of the date of reclassification becomes the cost of the non-current asset for the purpose of subsequent registration.

An investment property is de-registered upon transfer or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the transfer. Any profit or loss arising from the derecognition of the property (calculated as the difference between the net proceeds from the transfer and the book value of the asset) shall be included in the profit or loss account in the period during which it is de-registered.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost comprises direct materials and, where applicable, direct labour costs and overheads costs that have been incurred for bringing the inventories to their current location and condition. The net realisable value represents the estimated sale price less all estimated costs of completion and the costs to be incurred for marketing, sale and distribution.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and other receivables

Regular trade receivables, excluding derivative financial instruments do not carry any interest and are valuated at their nominal value as reduced by appropriate provisions for estimated unrecoverable amounts. The book value of the trading transactions and of other receivables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows generated by the asset expire or when transferring the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substentially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it might have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company shall continue to recognize the financial asset and also a secured loan for the received proceeds.

(g) Cash and cash equivalents

Cash and cash equivalents include the cash held by the Company, as well as short term bank deposits with an original maturity of less than three months and that are subject to an insignificant risk of changes in value.

(h) Share capital

- **Ordinary shares**

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity at its value net of any fiscal effects.

- **Repurchase and reissue of ordinary shares (treasury shares)**

When the share capital recognised as equity is repurchased, the amount of the consideration paid, which includes also other directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as treasury share reserves. When treasury shares are sold or subsequently reissued, the amount received is recognised as an increase in equity and the surplus or deficit resulting from the transaction is presented as a share premium.

(i) Dividends

Dividends are recognised as liabilities in the period when their allocation is approved.

(j) *Own shares*

Own shares consist of treasury shares and shares held within an employee benefit plan. The Company has an employee benefit plan designed to satisfy the exercise of share purchase options that have been vested under the Company's share purchase option schemes.

Own shares are recognised at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds from the original cost being recovered in retained earnings. No profit or loss is recognised in the performance statements on transactions in own shares.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Loans

Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

- **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to the profit or loss account when the qualifying asset impacts the profit or loss.

To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned from the temporary investment of specific loans pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss account in the period in which they are incurred.

(l) Trade and other payables

Regular trade payables are not interest-bearing and are stated at their nominal value. Long-term trade payables, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs. The book value of trade and other payables that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the book value of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss account.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Company will be required to settle that obligation and a reliable estimate can be made related to the amount of that obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation on the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its book value shall be the updated value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenues

The Company has initially applied IFRS 15 starting 1 January, 2018.

Revenue is recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Company is expected to be entitled to receive in exchange of those goods or services. Revenue is recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Revenue comprises the fair value of the consideration received or receivable, net of value added tax. Revenue and profit are recognized as follows:

(i) Revenue from sale of residential properties

Revenue from sale of residential properties during the ordinary course of business are valued at fair value of the amount collected or to be collected on legal completion. The revenues are recognised when the significant risks and rewards of ownership have been transferred to the customer, this is deemed to be when title of the property passes to the customer on legal completion, the associated costs and possible return of goods can be estimated reliably. This is the point at which all performance obligations are satisfied and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable for certain rebates to be granted, and their value can be measured reliably, then these are recognised as a reduction of the revenues when the sale revenues are recognised. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the payment is almost always less than one year, the company has also instalments payments over a period more than one year but those are not significant.

(ii) Revenues from re-charging utilities

The revenues from recharge of utilities are recognised when they are realised, together with the utilities expenses invoiced by the suppliers. The Group recharges the utilities under the form of administrative costs. These revenues refer to the rented properties, to the properties sold without the transfer of ownership (sales in installments) and to the sales of properties fully paid, up to the moment when the buyer concludes contracts with the utilities suppliers in their own name.

(o) Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

- **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account, because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted until the balance sheet date.

- **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable based on differences between the book value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, and deductible temporary differences can be applied thereto.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising from investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is measured on a non-updated basis using the tax rates and laws that have been subsequently enacted or substantially enacted, until the balance sheet date.

The book value of deferred tax receivables is revised on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the profit or loss account, except where it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(p) Share-based payments

The Company has applied the requirements of IFRS 2 'Share-based payment'. The Company makes equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value on the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest after adjusting the effect of vesting conditions that do not depend on the market price.

(q) Financial instruments – fair values and risk management

The risk management function within the Company is related to financial risks. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and - then ensure that exposure to risks stays within these limits.

(r) Operating leases

Rentals payable under operating leases are charged to the profit or loss account on a straight-line basis over the term of the relevant lease. Benefits received and receivable (and costs paid and payable) as an incentive to enter into an operating lease are also registered on a straight-line basis over the lease term.

(s) Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or several uncertain future events not entirely within the control of the Group; or

(b) a present obligation that arises from past events that is not recognized because:

   i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   ii. the amount of the obligation cannot be measured with enough reliability.

Contingent liabilities are not recognized in the Company's financial statements, but disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or several uncertain future events not entirely within the control of the Company.

A contingent asset is not recognized in the Company's financial statements but disclosed when an inflow of economic benefits is probable.

(t) Subsequent events

Events occurring after the reporting date June 30, 2020, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(u) Segmental reporting

The Group operates only in Romania. The main operating segment is be considered the development of real estate.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 5, the directors (managers) are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the book values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Fair value measurements and valuation processes

Valuation and recoverable amounts of the property developed for sale, investment property and property, plant and equipment.

The Company has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Company's investment property, property developed for sale and property, plant and equipment in their current state. The most recent real estate investment assessment took place on December 31st. 2019. Colliers is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

For inventory the development projects' recoverable amount was determined based on the best estimates of future cash flows, supported by the terms of any existing contracts and by external evidence such as current market prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

For investment property assets are mainly valued using the sales comparison approach. The key assumptions underlying the market value of the groups land assets are:

- the selection of comparable land plots resulting in order to determine the "offer price" which is taken as the basis to form an indicative price

- the quantum of adjustments to apply against the offer price to reflect deal prices, and differences in location and condition.

The key inputs are summarized in note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation.

The management considers that the valuation of its property developed for sale and investment property is currently subject to an increased degree of judgment and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

(ii) Transfers of assets both from and to investment property

IAS 40 (investment property) requires that transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgemental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

- For the Ghencea and Barbu Vacarescu projects, management has taken the view that legal restrictions on the use of assets are an indication of change in use and Consequently these assets are reclassified to investment property and recorded at fair value as at the balance sheet date.

For the Greenfield project, management consider that activities with a view to sale have not yet commenced on phases which are projected to be developed more than two years from the balance sheet date. Consequently, these assets continue to be accounted for at fair value within investment property.

Had different judgements been applied in determining a change in use, then the financial statements may have been significantly different as a result of the differing measurement approach of inventories and investment properties.

(iii) Legal issues

The management of the Company analyses regularly the status of all ongoing litigations, and, following a consultation with the Board of Administration decides upon the necessity of recognizing provisions related to the amounts involved or their disclosure in the individual financial statements.

On 30 June 2020, a subsidiary company is engaged in a dispute with Cluj City Council. The company is seeking reimbursement of costs amounting to RON 17 million plus expenses. Based on advice from the Groups lawyers, management believes that the outcome of the case will not result in an adverse outcome in these financial statements. However, the matter is judgmental and, in the event, that recoveries are less than the carrying value of the asset then a financial loss will result.

(iv) Cost allocation

In order to determine the profit that the Company should recognize from its developments in a specific period, the Company has to allocate site-wide development costs between units sold in the current year and to be sold in future years. Industry practice does vary in the methods used and in making these assessments there is a degree of inherent uncertainty. In the event that there is a change in future development plans from those currently anticipated then the result would be fluctuations in cost and profit recogntion over different project phases.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company has adopted and applied the following accounting standards issued by the International Accounting Standards Board that are mandatory for financial years beginning on or after 1 January 2019.

- **IFRS 16:** Leases
- **IFRS 9:** Prepayment features with negative compensation (Amendment)
- **IAS 28:** Long-term Interests in Associates and Joint Ventures (Amendments)

- **IAS 19:** Plan Amendment, Curtailment or Settlement (Amendments)

The impact of the adoption of these new standards on the Group's financial statements is explained below. None of these standards had a material impact on the financial statements of the Company.

- **IFRS 16: Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The adoption of IFRS 16 did not have a material impact on the Company's financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.

The adoption of IAS 28 amendments did not have a material impact on the Company's financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

The adoption of IFRIC INTERPETATION 23 did not have a material impact on the Company's financial statements.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs.**

  - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- **IAS 23 Borrowing Costs**: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

The Company asesses that none of these amendments have a significant impact on the financial statements.

(all amounts are expressed in thousand RON, unless stated otherwise)

8. INVESTMENT PROPERTIES

Reconciliation of book value and investment properties

	30-Jun-20	31-Dec-19
Balance on January 1st.	**383,285**	**217,113**
Additions	2,826	12,300
Entries by transfer	-	95,381
Disbursements by transfer	-	(85,130)
Disposals	(330)	(939)
Changes in fair value on projects transferred from inventory	-	144,559
Balance on June 30 / December 31st.	**385,781**	**383,285**

Investment properties mainly include land held for capital increase or lease towards third parties.
During the first 6 months of 2020, the Company has acquired land with an area of 3,629 sqm and an acquisition value of 2,826 thousand RON.

Valuation processes

The Company's investment properties were valued at December 31, 2019 by independent professionally Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having recent experience regarding the location and nature of the properties evaluated.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valuation technique used in determination of the fair value of investment property.

The land held for capital appreciation, amounting 386,968 thousand RON as at June 30, 2020 (2019: 384,343 thousand RON), with a total surface of 547,983 sqm (2019: 544,354 sqm). As at June 30, 2020, 485,961 sqm of this land is located in Bucharest and 62,022 sqm in other regions (Constanta, Oradea).

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorized as Level 3 fair value at December 31st, 2019. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques

The following table presents the valuation techniques used in the determination of the fair value of investment properties categorized as a Level 3 fair value

Approach	**Key inputs**
The fair values are determined through the application of the market comparison technique. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market. The valuation derived by the external expert were adjusted downwards by management to take into account the legal status of certain assets.	• Offer price per square meter for land in Bucharest (98 Euro /square meter up to 200 Euro per square meter) (2018: 93 Euro /square meter up to 149 Euro per square meter) • Adjustments to observable offer prices to reflect deal prices, location and condition (-25% discount +30% premium) (2018: -22% discount to 5% premium).

(all amounts are expressed in thousand RON, unless stated otherwise)

9. INVENTORIES

	30-Jun-20	31-Dec-19
Finished products and products intended for resale	45,718	64,685
Residential projects:		
- Land	121,831	121,925
- Development and construction costs	21,494	15,177
	189,043	**201,787**

Land with a book value of 121,831 thousand RON on June 30, 2020 consists of land held by the Company for the development of new residential properties, mainly in Bucharest, as well as land that the Company intends to trade by direct sale.

Completed investment properties with a book value of 45,718 thousand RON on June 30, 2020 relate entirely to apartments held for sale purposes by the Company.

10. FINANCIAL ASSETS

	30-Jun-2020	31-Dec-2019
Participation in affiliates	64,324	64,324
Provisions for impairment of participation in affiliates	(8,133)	(8,133)
	56,191	**56,191**

The Company holds participations in the following affiliates:

	30 June 2020			
	Percentage	**Gross value**	**Impairment**	**Book value**
Actual Invest House	6.23%	110	(110)	-
Clearline Development & Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	1	-	1
Impact Finance & Developments	99%	1	-	1
Greenfield Rent	99%	1	-	1
		64,324	**(8,133)**	**56,191**

(all amounts are expressed in thousand RON, unless stated otherwise)

10. FINANCIAL ASSETS (continued)

	31 December 2019			
	Percentage	**Gross value**	**Impairment**	**Book value**
Actual Invest House	6.23%	110	(110)	-
Clearline Development & Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	1	-	1
Impact Finance & Developments	99%	1	-	1
Greenfield Rent	99%	1	-	1
		64,324	**(8,133)**	**56,191**

Clearline Development & Management SRL hold the rest of 93.77% in Actual Invest House S.R.L.

a) Actual Invest House S.R.L, a company that provides management services for residential projects developed by Impact Developer & Contractor SA.

b) Clearline Development & Management S.R.L. (formerly Lomb SA) is the project company through which IMPACT was to develop a residential project in Cluj-Napoca in partnership with the local authority. For investments made by Clearline Development & Management SRL in the development of the Lomb project in Cluj, the project company, as plaintiff, has a litigation amounting to 17,053 thousand RON, plus legal interest, a case that is currently pending with the Arges Court and currently, evidence (expert report) is submitted in the case. On September 11, 2017, by the Decision of the Board of Directors of Impact, the share capital of the company Clearline was increased by new contributions in cash, with the amount of 20,000 RON.

c) Bergamot Developments S.R.L., a company within the Group, whose main business object is in real estate development, and starting 2018 shall develop a residential complex of approximately 51,382 sq. m., namely 500 apartments, on a land of approximately 17,213 sq. m., which is the first phase of the residential project Luxuria Domenii Residence, comprising a total area of app. 65,000 sq. m. built on a land of app. 22,982 sq. m. located in Bucharest, in the Expozitiei-Domenii area.

d) Bergamot Developments Phase II S.R.L., a company within the Group, whose main business object is in real estate development, about to develop phase II (130 apartments) of the residential project Luxuria Domenii Residence, with an area of 13,618 sq. m., built on a land of 5,769 sq. m.

e) Impact Finance & Developments S.R.L. plays a major role in the diversification of services related to the sale of residences. Impact Finance&Developments collaborates with major financial institutions in Romania in order to provide solutions for attractive credit facilities for customers who acquire residences.

f) Greenfield Rent S.R.L., a company within the group having as main object of activity the lease and sublease of its own or of rented property has been incorporated in December 2019.

(all amounts are expressed in thousand RON, unless stated otherwise)

11. CASH AND CASH EQUIVALENTS

	30-Jun-2020	31-Dec-2019
Current accounts	20,372	35,346
Cash	9	4
Cash advance payments	10	7
	20,391	**35,357**

12. SHARE CAPITAL

	30-Jun-20	31-Dec-19
Balance on January 1	281,907	281,907
Share capital changes	-	-
Balance on June 30 /December 31	**281,907**	**281,907**

Shareholding structure at the end of the reporting periods was the following:

	30-Jun-2020	31-Dec-2019
	%	%
Gheorghe Iaciu	56.82%	56.82%
Andrici Adrian	15.43%	15.43%
SWISS CAPITAL	12.11%	12.22%
Other shareholders	15.64%	15.53%
	100%	**100%**

All shares are ordinary and have the same ranking in terms of the Company's residual assets. The nominal value of a share is 1 RON. The holders of ordinary shares are entitled to receive dividends, as declared after various time periods, and to one vote for every share at the Company's meetings.

13. OWN SHARES

In accordance with the Company's articles of association, authority was sought at the AGM dated 15.06.2017 to purchase up to 2.56% of the company's shares in issue as at the date of the decision. (Maximum 7,000,000 shares). The authority, that has been exercised, was approved and remains exercisable for 24 months from the approval date.

At the AGM dated 24.04.2019, the buy back of a maximum number of 10,000,000 (ten millions) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 3.60 % of the subscribed and paid in share capital, representing a maximum of 3.60 % of the paid in share capital on the date of the resolution.

The own shares reserve represents the cost of shares in IMPACT purchased in the market, to satisfy options and conditional share awards under the Company's share option plans.

On June 30, 2020 the Company's balance shows 13,040 thousand own shares, at an average price of 1,0827 RON/share, with a book value of 17,100 thousand RON (2019: 7,771 thousand RON). In the first 6 months of 2020, the Company has not granted any shares to the employees.

14. LOANS

This note provides information related to the contractual terms of interest-bearing loans of the Company, valuated at amortized cost.

	30-Jun-20	31-Dec-19
Long-term liabilities		
Secured bank loans	-	-
Issued bonds	86,229	115,723
	86,229	**115,723**
Short-term liabilities		
Current portion of secured bank loans	-	-
Short-term loans and bonds	30,809	1,765
	30,809	**1,765**

Loan terms and maturity

The loan terms and conditions are the following:

Lender	Currency	Maturity	Loan value in the original currency	Balance on 30/06/2020 (thousand RON)	Balance on 31/12/2019 (thousand RON)
Loans					
Credit Value Investments	EUR	11.07.2021	12,000	59,443	58,586
Bondholders through Bucharest Stock Exchange S.A.	EUR	12.12.2022	12,060	57,595	58,902
Libra Internet Bank	RON	17.07.2020	19,700	-	-

The interest rate applicable to the Company is between 5.3% and 7.05% for loans in RON.

On July 10, 2017, the Company has offered for subscription 120 A-series bearer bonds with a nominal value of 100 thousand EUR each and a total nominal value of 12,000 thousand EUR, issued in material form, to two investment funds managed by Credit Value Investments Sp. z o. o. (CVI). The bonds were issued on July 11, 2017 and are due on the anniversary of 54 months since their issuance, provided that, after 42 months from the issuance date, the Company repurchases mandatorily 50% of the nominal value of the Bonds. The bonds are interest-bearing, at a fixed rate of 6.00% per annum, payable twice a year.

Bonds are mainly secured by a first-rank mortgage covering the obligations arising from the Bonds, up to the maximum secured value of 18,000 thousand EUR (eighteen million Euros), established over nine plots of land with a total area of 196,407 sq. m. located in Bucharest, District 1, Romania, exclusively owned by the Company, and over their accessories. The Company has an anticipated Bond repurchase option, which may be exercised starting with the second payment date of the interest, provided that the minimum value of the repurchase is 1,000 thousand EUR.

The Bucharest Stock Exchange has approved the request to trade on the regulated market managed by the Bucharest Stock Exchange the non-secured bonds issued by the Company, at a fixed annual interest of 5.75% denominated in EUR, with a maturity of 5 years and a total nominal value of 12,060 thousand EUR.

The Bonds were issued based on the offer addressed to the Eligible Investors, as defined in the prospect issued on November 28, 2017, approved by ASF by the approval decision No. 1710 dated November 28, 2017, altered by the amendment dated December 8, 2017, approved by ASF by the approval decision No. 1766 dated December 8, 2017 and by the amendment dated December 13 approved by ASF by the approval decision No. 1816 dated December 13, 2017.

(all amounts are expressed in thousand RON, unless stated otherwise)

As at 30 June 2020, Impact has repurchased a number of 93 bonds with a nominal value of 5,000 EUR / bond.

In July 2020, the extension of the credit line from Libra Internet Bank was approved until 17.07.2021.

15. TRADE AND OTHER PAYABLES

	30-Jun-2020	31-Dec-2019
Non-current liabilities		
Guarantees	330	330
	330	**330**
Current liabilities		
Trade payables	3,156	3,225
Customer deposits	2,389	1,721
Divides payable	10,918	199
Payable to affiliates	280	275
Other payables	16,509	19,117
	33,252	**24,537**
Total liabilities	**33,582**	**24,867**

16. PROVISIONS FOR RISK AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2020	**319**	**588**	**907**
Provisions established during the period	-	-	-
Provisions carried forward during the period	-	-	-
Balance on June 30, 2020	**319**	**588**	**907**

17. REVENUE

The Company's revenue is presented as follows:

	30-Jun-2020	30-Jun-2019
Revenue from sale of residential properties	41,055	79,531
Other revenues	91	-
	41,146	**79,531**

	30-Jun-2020	30-Jun-2019
Rental income	232	178
Income from utilities recharge	2,253	1,840
Operating expenses directly related to rented properties	(1,989)	(2,021)
Net revenues from rental	**496**	**(4)**

(all amounts are expressed in thousand RON, unless stated otherwise)

18. GENERAL AND ADMINISTRATIVE CHARGES

	30-Jun-2020	30-Jun-2019
Consumables	26	189
Third-party services	3,858	3,607
Personnel expenses	4,490	5,381
	8,374	**9,177**

19. OTHER OPERATING EXPENSES/INCOMES

	30-Jun-2020	30-Jun-2019
Other operating incomes (+) / expenses (-)	(3,077)	(919)
Rental charges	220	244
(Profit) / Loss from transfer of tangible non-current assets	11	1
(Income)/Expenses for fines and penalties	38	183
Other expenses	866	1,082
	(1,942)	**591**

20. FINANCING COSTS/INCOME

	30-Jun-2020	30-Jun-2019
Interest charges	3,751	4,325
Interest income	(2,951)	(1,675)
Result from foreign currency exchange	1,588	1,434
Other financial reserves	(251)	89
	2,137	**4,173**

21. PROFIT TAX

(i) Tax recognized in the profit and loss account

	30-Jun-2020	30-Jun-2019
Profit tax	1,474	4,228
Total tax expenses	**1,474**	**4,228**

22. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial risk management

The Company is exposed to the following risks from the use of financial instruments:

- credit risk
- available cash risk
- market risk

General framework for risk management

The Company's risk management policies are defined in such manner as to ensure the identification and analysis of the risks faced by the Company, the determination of adequate limits and verifications, and the monitoring of risks and compliance with the set limits. Risk management policies and systems are revised on a regular basis to reflect the changes occurred in the market conditions and in the Company's activities. The Company, by its training and leadership standards and procedures, aims to develop an orderly and constructive control environment, where all employees understand their roles and responsibilities.

(a) Credit risk

The credit risk is the risk that the Company suffers financial loss as a result of the failure by a customer to fulfill contractual his obligations or a consideration to a financial instrument, whereas this risk mainly results from the Company's trade receivables and financial investments.

Trade and other receivables

The Company's exposure to the credit risk is mainly influenced by the individual features of each customer. Nevertheless, the management also considers the demographic features of the Company's customer pool, including the non-payment risk specific for the business field and the country in which the customer operates, taking into account that all these factors affect the credit risk.

For the purpose of monitoring the credit risk related to customers, the Company checks monthly the payment arrears and takes the measures deemed necessary, on a case-by-case basis.

(b) Available cash risk

The available cash risk is the risk that the Company encounters difficulties in the performance of its obligations associated to financial liabilities that are covered in cash or by the transfer of another financial asset. The Company's approach related to the available cash risk is to make sure, to the extent possible, that it permanently holds enough available cash amounts to pay its debts upon their maturity, both under normal circumstances and under stressful conditions, without suffering unacceptable loss or endangering the Company's reputation.

(c) Market risk

The Company's activities expose it to the financial risk of a change in the foreign exchange rate and interest rate. The Company intends to manage the exposure to such risks by using fixed or variable rate loans, loans in foreign currency and derivate financial instruments.

Foreign exchange risk

The Company is exposed to the foreign exchange risk due to the sales, acquisitions and other loans denominated in a currency that is different from the functional currency of the Company's entities (Romanian Leu), mainly EUR.
The Company has not concluded any hedging agreements related to its obligations in foreign currency or to the exposure to the interest rate risk.

(all amounts are expressed in thousand RON, unless stated otherwise)

23. AFFILIATES

Company's subsidiaries

The Company's subsidiaries and the nature of their business are presented below:

	Country of origin	Business object
Clearline Development & Management S.R.L.	Romania	Real estate development
Actual Invest House S.R.L.	Romania	Property management
Bergamot Developments S.R.L.	Romania	Real estate development
Bergamot Developments Phase II S.R.L.	Romania	Real estate development
Impact Finance & Developments S.R.L.	Romania	Activities ancillary to financial brokerage
Greenfield Rent SRL	Romania	Renting activities

Transactions and balances for affiliates in and for the period January – June 2020:

Amounts in RON	**Transaction value on 30-Jun-2020**	**Balance on 30-Jun-2020**
Sale of goods and services		
Subsidiaries		
Actual Invest House	17,352	15,543
Clearline Development & Management	2,886	64,625
Bergamot Developments	554,538	1,005,267
Bergamot Developments Phase II	2,886	341
Impact Finance & Developments	20,431	4,069
Greenfield Rent	2,886	4,238
	600,980	**1,094,083**

Amounts in RON	**Transaction value on 30-Jun-2020**	**Balance on 30-Jun-2020**
Acquisition of goods and services		
Subsidiaries		
Actual Invest House	599,995	365,199
Clearline Development & Management	5,595	664
Bergamot Developments	-	-
Bergamot Developments Phase II	-	-
Impact Finance & Developments	-	-
Greenfield Rent	-	-
	605,590	**365,863**

Amounts in RON	**Transaction value on 30-Jun-2020**	**Balance on 30-Jun-2020**
Interest income		
Subsidiaries		
Actual Invest House	-	-
Clearline Development & Management	2,136	4,713
Bergamot Developments	1,888,678	7,072,350
Bergamot Developments Phase II	825,677	2,516,084
Impact Finance & Developments	-	-
Greenfield Rent	347	347
	2,716,838	**9,593,494**

(all amounts are expressed in thousand RON, unless stated otherwise)

Amounts in RON	**Gross value**	**Impairment**	**Book value**
Granted loans			
Subsidiaries			
Clearline Development & Management	65,000	-	65,000
Bergamot Developments	57,777,872	-	57,777,872
Bergamot Developments Phase II	32,397,000	-	32,397,000
Impact Finance & Developments	-	-	-
Greenfield Rent	20,000	-	20,000
	90,259,872	**-**	**90,259,872**

24. SUBSEQUENT EVENTS

Impact closely monitors the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will take all necessary measures to minimize the impact and respect its commitments towards customers, financers and shareholders.

The rapid development of the Covid-19 virus and its social and economic impact in Romania and globally may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular management expects the assumptions and estimates used in determining to be affected. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The Company’s management does not opine that there are any events subsequent to June 30, 2020, until the approval date of these individual financial statements, which should be disclosed or adjusted.

Sorin Apostol	**Giani Kacic**	**Iuliana Mihaela Urda**
Chief Executive Officer	Chief Financial Officer	Chairman of the Board of Directors

Impact Developer & Contractor SA

Financial ratios as at 30 June 2020

A. Annex 13 A to the ASF Regulation No. 5/2018

Impact - Individual

Ratio	30-Jun-2020	Calculation method
Current ratio	4.97	Current assets/Current liabilities
Gearing ratio	20.37%	Borrowed capital/Equity x 100
Receivables turnover	50.57	Average balance for receivables/Revenues x 180
Non-Current assets turnover	0.09	Revenues/Non-current assets

Impact - Consolidated

Ratio	30-Jun-2020	Calculation method
Current ratio	3.40	Current assets/Current liabilities
Gearing ratio	41.76%	Borrowed capital/Equity x 100
Receivables turnover	30.09	Average balance for receivables/Revenues x 180
Non-Current assets turnover	0.17	Revenues/Non-current assets

B. Gearing ratio calculated based on EPRA NAV

Impact - Individual & Consolidated

Ratio	30-Jun-2020	Calculation method
Gearing ratio (individual)	16.42%	Borrowed capital/EPRA NAV x 100
Gearing ratio (consolidated)	28.07%	Borrowed capital/EPRA NAV x 100

Note: The financial ratio were calculated based on the unaudited individua and consolidated financials as at 30 June 2020, both the ones calculated according to the ASF Regulation No. 5/2018 and the Gearing ratio calculated based on EPRA NAV

Chief Executive Officer
Sorin Apostol

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Giani Iulian Kacic

IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center, 172-176 Bucharest – Ploiesti Road, Building A, 1st floor, Bucharest, 1st District, Phone:+40 21.230.75.70/71/72, Fax: +40 21.230.75.81/82/83
Subscribed and paid up share capital: RON 265,000,000.
Registered with the Trade Registry Office within Bucharest Court under no. J40/7228/2018, S.R.C. RO 1553483

AFFIDAVIT

The undersigned, Mihaela Iuliana Urda, in capacity of Chairman of the Board of Directors, Sorin Apostol, in capacity of General Manager and Giani Iulian Kacic, in capacity of Chief Financial Officer of Impact Developer & Contractor S.A. (hereinafter referred to as the „Company"), in consideration of the provisions of art. 63 of Law no. 24/2017 regarding issuers of financial instruments and market operations and art. 223 of the ASF Regulation no. 5/2018 regarding issuers and securities related operations,

hereby declare that, to the best of our knowledge, the half year (individual and consolidated) financial statements on June 30, 2020, prepared in compliance with the applicable accounting standards offer an accurate and true image of the assets, liabilities, financial standing, profit and loss account of the Company and, respectively, of its subsidiaries included in the process of consolidation of the financial statements, and the Half Year Reports (on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as laid down by the Order of the Ministry of Public Finance no. 2844/2016 with all subsequent ammendments) comprise a correct analysis of the Company's and its subsidiaries development and performance, as well as a description of the main risks and uncertainties specific to the performed activity.

Presidend of the Board of Directors
Mihaela Iulia Urda

General Manager
Sorin Apostol

Chief Financial Officer
Giani Iulian Kacic