

IMPACT DEVELOPER & CONTRACTOR SA

Registered office: Willbrook Platinum Business & Convention Center, 172-176 Bucharest – Ploiesti Road, Building A, 1st floor, Bucharest, 1st District, Phone: 021– 230.75.70/71/72, Fax: 021– 230.75.81/82/83

Subscribed and paid up share capital: RON 274,443,532.

Registered with the Trade Registry Office within Bucharest Court under no. J40/7228/2018, S.R.C. RO 1553483

To: Bucharest Stock Exchange

Financial Supervisory Authority,

CURRENT REPORT

According to the provisions of Law No.24/2017 on issuers of financial instruments and market operations and Regulation No. 5/2018 of FSA on Issuers of Financial Instruments and Market Operations, and also the provisions the Code of the Bucharest Stock Exchange

Report date:	28.04.2020
Name of Issuer Company:	IMPACT DEVELOPER & CONTRACTOR SA
Registered office:	Willbrook Platinum Business & Convention Center, 172-176 Bucharest – Ploiesti Road, Building A, 1 st Fl, Bucharest, 1 st District
Phone number/fax:	Tel.:021–230.75.70/71/72, Fax: 021–230.75.81/82/83
Sole Registration Code ORC:	1553483
Trade Registry Office number:	J40/7228/2018
Subscribed and paid up capital:	274.443.532 RON
Regulated market:	BVB
LEI CODE	315700KVJ0DVBH5IBI827

Important event to be reported:

THE ORDINARY GENREAL ASSEMBLY OF THE SHAREHOLDERS OF “IMPACT DEVELOPER & CONTRACTOR“ S.A.

headquarter of building A, from Willbrook Platinum Business & Convention Center, Sos. Bucuresti-Ploiesti, no.172-176, Sector 1, Bucharest,

DECISION No. 02/28.04.2020, 10:30 am

I. Convening

The Ordinary Shareholders' General Assembly of the Company (hereinafter referred to as "AGOA") has been duly convened by:

- Convening notice published in:
 - Romanian Official Gazette Part IV no 1191/27.III.2020;
 - „Romania Libera” newspaper of 27.03.2020;

- Notification to the Bucharest Stock Exchange on 25.03.2020, and to ASF on 26.03.2020;
- Display at the Company's headquarters and on Company's website www.impactsa.ro.

II. The quorum

At the Ordinary Shareholders' General Assembly of the Company IMPACT DEVELOPER& CONTRACTOR S.A. (hereinafter referred to as "the Company"), were present the shareholders representing 91.29% of the total voting rights and 87.92% of the subscribed and paid up share capital, namely:

- 241,302,085 shares of the total number of 274.443.532 shares,
- 241,302,085 votes of the total number of 264.305.594 voting rights.

The Ordinary Shareholders' General Assembly of the Company is statutory in accordance with the provisions of the art. 13 of the Articles of Incorporation of the company and legal in accordance with the provisions of the Law no. 31 of 1990, republished, as amended.

II. The meeting

Regarding the items on the agenda, the following decisions were adopted:

1. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the Report of the Board of Directors (individual and consolidated) for the fiscal year 2019.
2. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the individual annual financial statements for 2019 prepared in accordance with IFRS standards and audited according to the Report of the financial auditor for the fiscal year 2019.

STATEMENT OF FINANCIAL POSITION

Thousand LEI	31 December 2019	31 December 2018
<u>ASSETS</u>		
Non-current assets		
Tangible assets	6,309	5,629
Intangible assets	128	67
Investment property	383,285	217,113
Financial assets	56,191	56,190
Long term trade and other receivables	-	19,043
	<u>445,914</u>	<u>298,042</u>

Total non-current assets		
Current assets		
Inventories	201,787	264,627
Trade and other receivables	91,938	41,244
Cash and cash equivalents	35,357	26,676
Total current assets	329,081	332,547
Total assets	774,995	630,590

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity		
Share capital	281,907	285,330
Share premium	68,760	68,760
Revaluation reserve	3,001	3,064
Other reserves	8,787	730
Own shares	(7,771)	(3,038)
Retained earnings	230,996	94,021
Total equity	585,681	444,866
Non-current liabilities		
Loans and borrowings	115,723	114,100
Trade and other payables	330	1,151
Deferred tax liability	46,051	25,009
Total non-current liabilities	162,105	140,261
Current liabilities		
Loans and borrowings	1,765	28,786
Trade and other payables	24,537	12,075
Provisions for risks and charges	907	601
Total current liabilities	27,209	41,462
Total liabilities	189,314	181,723
Total equities and liabilities	774,995	630,590

STATEMENT OF PROFIT OR LOSS

Thousand LEI	31 December 2019	31 December 2018
Revenue from real estate inventories	156,695	101,469
Costs of real estate inventories	(83,266)	(60,207)
Gross profit	73,429	41,261
Net rental income	72	1,978

General and administrative expenses	(19,929)	(20,300)
Marketing expenses	(3,871)	(1,819)
Depreciation and amortization	(745)	(796)
Other operating income/expenses	(3,509)	(3,302)
Total other income / expenses	(27,983)	(24,240)
Gains on transfer from inventory to investment property	80,922	-
Other gains from investment property	63,637	23,394
Total gains from investment property	144,559	23,394
Adjusted operating profit before exceptional items and impairment of long term assets	190,006	40,415
Impairment of other long term assets	253	(2,208)
Other income expense (exceptional)	-	(3,676)
Annual operating profit	190,259	34,532
Finance costs, net	(7,150)	(7,258)
Profit before tax	183,109	27,274
Income tax expense	(28,970)	(7,287)
Profit of the period	154,139	19,987
Total comprehensive income attributable to:		
Company shareholders	154,139	19,987
Total comprehensive income for the period	154,139	19,987

STATEMENT OF CASH FLOWS

Thousand LEI	2019	2018
Cash flows from operating activities:		
Profit for the period	154,139	19,987
Adjustments for:		
Depreciation of tangible non-current assets	629	702
Amortization of intangible non-current assets	73	94
Impairment of tangible non-current assets, net	(86)	1,226
Result from disposal of assets, net	(122)	1,017
Impairment of inventories, net	4,596	1,028
Impairment of trade and other receivables, net	(167)	(47)
Legal settlements	612	3,676

Changes in fair value of investment property	(144,559)	(23,394)
Corporate tax	28,970	7,287
Net changes in provisions for risks and charges	306	7
Interest expenses	9,095	8,654
Interest income	(4,450)	(1,822)
Foreign exchange differences, net	2,505	185
Other	(63)	157
Profit/loss from selling real estate investments	(638)	-
	(103,300)	18,757
Changes in:		
Inventories	62,840	31,384
Long term trade and other receivables	11,014	533
Trade and other payables	(11,557)	(5,455)
	113,136	50,016
Cash generated from operations		
Income tax paid	(6,384)	(2,795)
Interest paid	(8,483)	(8,893)
	98,269	38,328
Net cash generated from operations		
Cash flows from investing activities:		
Acquisitions of tangible assets and investment property	(15,882)	(1,016)
Acquisitions of intangible assets	(134)	(17)
Cash in from selling tangible assets	-	400
	(16,016)	(632)
Net cash used for investing activities		
STATEMENT OF CASH FLOWS (continued)		
Thousand LEI	2019	2018
Cash flows from financing activities:		
Paid dividends	(9,094)	(20)
Repayment of borrowings	(69,816)	(25,939)
Cashing from loans	41,030	8,314
Loans granted to affiliates	(41,654)	(34,537)
Repayment of loans granted to affiliates	14,117	-
Acquisitions of new shares	(8,156)	(3,353)
	(73,573)	(55,535)
Net cash from (used for) investing activities		
Net increasing/ (decreasing) of cash and cash equivalents	8,681	(17,840)
Cash and cash equivalents on January 1st	26,676	44,516
Cash and cash equivalents on December 31st	35,357	26,676

3. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91,29

% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the consolidated annual financial statements for 2019 prepared in accordance with IFRS standards and audited according to the Report of the financial auditor for the fiscal year 2019.

STATEMENT OF FINANCIAL POSITION

	31 December 2019	31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	8,535	6,855
Intangible assets	143	95
Investment property	384,223	217,113
Long term trade and other receivables		1,178
Total non-current assets	392,901	225,241
Current assets		
Inventories	430,725	365,753
Trade and other receivables	32,884	25,817
Cash and cash equivalents	45,462	30,740
Total current assets	509,071	422,310
Total assets	901,972	647,551
	31 December 2019	31 December 2018
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	281,907	285,330
Share premium	68,760	68,760
Revaluation reserve	3,001	3,072
Other reserves	9,179	3,462
Own shares	(7,771)	(3,038)
Retained earnings	228,865	89,222
Total equity	583,941	446,808
Non-current liabilities		
Loans and borrowings	138,813	114,100
Trade and other payables	330	1,151
Deferred tax liability	45,970	25,823
Total non-current liabilities	185,113	141,074
Current liabilities		
Loans and borrowings	58,822	34,894

Trade and other payables	73,189	24,176
Provisions for risks and charges	907	601
Total current liabilities	132,918	59,671
Total liabilities	318,031	200,745
Total shareholders' equity and liabilities	901,972	647,553

STATEMENT OF PROFIT OR LOSS

Thousand LEI	31 December 2019	31 December 2018
Revenue from real estate inventories	156,681	101,534
Costs of real estate inventories	(83,904)	(61,484)
Gross profit	72,777	40,050
Net rental income	3	3,083
General and administrative expenses	(20,859)	(18,416)
Marketing expenses	(4,647)	(1,776)
Other income/expenses	(1,799)	(5,207)
Depreciation and amortization	(927)	(895)
Total other income / expenses	44,548	(23,211)
Gains on transfer from inventory to investment property	80,922	-
Other gains from investment property	63,637	23,394
Total gains from investment property	144,559	23,394
Adjusted operating profit before exceptional items and impairment of other long term assets	189,107	40,233
(Impairment)/ Reversal of other long term assets	192	(2,207)
Other gains and losses (exceptional)	-	(3,676)
Operating profit	189,299	34,350
Finance costs, net	(5,922)	(5,943)
Profit before income tax	183,377	28,406
Income tax credit/(charge)	(28,893)	(7,579)
Profit for the period	154,484	20,827

Total comprehensive income attributable to:		
Owners of the Company	154,484	20,827
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Total comprehensive income for the period	154,484	20,827
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STATEMENT OF CASH FLOWS

Thousand LEI	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Profit for the period	154,484	20,827
	<hr/>	<hr/>
Adjustments for:		
Depreciation of tangible non-current assets	838	780
Amortization of intangible non-current assets	89	115
Impairment of tangible non-current assets, net	(85)	1,226
Result from disposal of assets, net	43	1,023
Impairment of inventories, net	-	1,028
Impairment of trade and other receivables, net	107	(47)
Write-offs, net	(3,921)	3,676
Changes in fair value of investment property	(144,559)	(23,394)
Income tax	28,893	7,579
Net changes in provisions for risks and charges	305	6
Interest expenses	2,749	6,140
Interest income	(196)	(152)
Foreign exchange differences, net	3,055	(44)
	<hr/>	<hr/>
	41,802	18,764
	<hr/>	<hr/>
Changes in:		
Inventories	(64,972)	(3,158)
Trade and other receivables	(6,097)	(19,173)
Trade and other payables	39,493	11,466
	<hr/>	<hr/>
Net cash generated from operations	10,226	7,899
	<hr/>	<hr/>
Income tax paid	(5,891)	(3,284)
Interest paid	(2,508)	(5,494)
	<hr/>	<hr/>
Net cash used in operating activities	1,826	(879)
	<hr/>	<hr/>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(15,882)	(1,445)
Purchases of intangible assets	(48)	(17)
Proceeds from sale of property, plant and equipment	493	400
	<hr/>	<hr/>
Net cash from investing activities	(15,437)	(1,082)
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STATEMENT OF CASH FLOWS (continued)

Thousand LEI	2019	2018
Cash flows from financing activities:		
Dividends paid	(9,094)	(20)
Repayments of borrowings	(36,393)	(25,939)
Proceeds from borrowings	81,976	14,244
Acquisitions of own shares	(8,156)	(3,353)
Other	-	315
Net cash used in financing activities	28,333	(14,773)
Net increase / (decrease) of cash and equivalents	14,722	(16,736)
Cash and equivalents at 1 January	30,740	47,476
Cash and equivalents as at 31 December	45,462	30,740

4. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved distribution of the net profit achieved in 2019, amounting to RON 154.139.394,93 in accordance with the proposals of the Board of Directors, as follows:
- a) Net profit to be distributed: RON 154,139,394.93;
 - b) Legal reserve: RON 8,057,843;
 - c) Granting dividends: RON 10,724,877; the gross dividend/share being RON 0.04;
 - d) Undistributed result carried forward: RON 135,356,674.
5. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the date of 17.08.2020 as the dividend payment date. The dividends shall be distributed to the shareholders in accordance with the legal provisions, and the costs related to the payment shall be borne by the shareholders out of the net dividend value.

6. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 240,568,513 votes "in favor", representing 99,69% of the total number of votes held by the shareholders attending the Assembly and 733,572 votes "abstention" representing 0,31% of the total number of votes held by the shareholders attending the Assembly was approved the release of liability of the administrators for the fiscal year 2019.
7. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29 % of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the activity program and approval of the income and expense budget for the year 2020.

CONSOLIDATED PROFIT & LOSS STATEMENT

EURO	2020 Budget	% Revenues
Revenues from Residential	69,085,269	92%
Revenues Land Constanta & Other	6,284,640	8%
Revenues	75,369,909	100%
Gross Margin Residential	22,614,269	33%
Gross Margin Land Constanta & Other	4,135,482	66%
Gross Margin	26,749,751	35%
Marketing expenses	(1,320,765)	2%
Sales commissions	(1,327,808)	2%
General & Administrative expenses	(3,293,895)	4%
Operational Costs	(5,942,468)	8%
Other costs, net	(1,623,886)	2%
EBITDA	19,183,397	25%
Depreciation & Amortization	(243,413)	0%
EBIT	18,939,984	25%
Financing costs, net	(1,850,854)	2%
EBT	17,089,130	23%
Income tax	(2,653,446)	4%
Net Profit	14,435,683	19%

8. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the remuneration of the members of the Board of Directors and the Chairperson of the Board of Directors: *i.e.* EUR 3,000 gross/month and EUR 4,600 gross/month of the Chairperson of the Board of Directors.
9. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and

91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved was approved election of Deloitte Audit SRL, the external financial auditor, for the fiscal year 2020. SECRET VOTE

10. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29 % of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the participation of the members of the Board of Directors in the "stock option plan" type program implemented by the Company

Approval of the participation of the members of the Board of Directors in the "stock option plan" type program under the following conditions:

- (a) The members of the Board of Directors having specific positions within the Board of Directors, according to the regulation on its activity, have the right to participate in the "stock option plan" type program, which represents additional remuneration according to Art. 153¹⁸ (2) of Company Law No. 31/1990, being distributed a total maximum number of seven hundred seventy thousand (770,000) shares for which options shall be granted according to this program.
- (b) The Board of Directors shall determine the amount of the additional remuneration for each member of the Board of Directors, based on the remuneration committee's recommendations, according to Art. 153¹⁸ (2) and (4) of Company Law No. 31/1990.
- (c) For the members of the Board of Directors, the option right may be exercised after a period of 12 months from the date of granting the option right.
- (d) The option rights shall be granted until 31 August 2020.
- (e) After the lapse of the 12 month-period from the date of granting the option right, the members of the Board of Directors shall have to exercise this option right within one month.

11. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the date of 27.07.2020 as a registration date that serves for the identification of the Company's shareholders upon which the effects of the decisions passed within the Meeting (the "**Registration Date**").

12. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and 91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved the date of 24.07.2020 as *Ex - Date*.

13. With a total number of 241,302,085 valid votes, representing 241,302,085 shares and 87.92% of the subscribed and paid up share capital of the Company and

91.29% of the total voting rights out of which 241,302,085 votes "in favor", representing 100% of the total number of votes held by the shareholders attending the Assembly, was approved empowerment, with the possibility of substitution, of Mrs. Iuliana-Mihaela Urda to sign in the name of the shareholders the Meeting resolution, as well as any other documents in relation thereto and to fulfill any and all the formalities stipulated by law in order to obtain the registration and to ensure the opposability of the Meeting resolution towards third parties.

Chairperson of the Board of Directors

Iuliana-Mihaela Urda