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

Semester Report
Semester I / 2018

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

1. Economic and financial situation

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

Analysis of the result elements

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

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

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

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

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

The financial indicators on June 30th 2018 are the following:

Indicators according to IFRS (Lei)	June-17	June-18	Difference	
			value	%
Operational revenues, out of which:	**70,712,758**	**46,153,218**	**(24,559,540)**	**-35%**
Revenue from the sale of residential inventories	67,462,519	41,891,355	(25,571,164)	-38%
Revenue from rental and tenants utilities recharged	2,045,386	2,531,715	486,239	24%
Revenue from sale of investments properties	-	-	-	-
Activity performed and capitalized by the entity	-	-	-	-
Other revenue of operational nature	1,204,853	1,730,148	525,295	44%
Operational expenses, out of which:	**(56,925,965)**	**(39,717,828)**	**17,208,237**	**-30%**
Accounting value of the sold residential inventories	(43,238,929)	(22,546,149)	20,692,780	-48%
Operating costs related to rented and sold properties	(1,589,433)	(1,795,161)	(205,728	13%
Book value of investments properties	-	-	-	-
Expenditure on raw materials and supplies	(456,075)	(583,620)	(127,545)	28%
Services provided by third parties	(4,796,711)	(4,757,413)	39,298	-1%
Employee benefits expenses	(4,398,408)	(5,603,666)	(1,205,258)	27%
Other expenses of operational nature	(2,446,409)	(4,431,819)	(1,985,410)	81%
Operational result	**13,786,793**	**6,435,490**	**(7,351,403)**	**-53%**
Operational result % from the total operational revenues	**19.5%**	**13,9%**	**-**	**-**
Depreciation and amortization expenses	(375,438)	(582,127)	(206,689)	55%
Assets loss of value other than investments properties	345,593	(468,918)	(814,511)	n/a
Gains / (losses) in investments properties fair value	-	-	-	-
Operational result	**13,756,948**	**5,384,345**	**(8,372,603)**	**-61%**
Net financial cost	(1,276,570)	(3,380,835)	(2,104,265)	165%
Gross profit / loss	**12,480,378**	**2,003,510**	**(10,476,868)**	**-84%**
Income tax	**(243,605)**	(1,281,261)	(1,037,656)	426%
Gross profit / loss of the period	**12,236,773**	**722,249**	**(11,514,524)**	**-94%**

Financial result	30- June-17	30-June-18	Difference	
			Value	%
Financing costs	(957,482)	(3,697,634)	(2,740,152)	286%
Financial income	(117,225)	492,750	609,975	n/a
Exchange rate differences	11,505	(98,220)	(109,725)	n/a
Other financial items, net	(213,368)	(77,731)	135,637	-64%
Financial result	**(1,276,570)**	**(3,380,835)**	**(2,104,265)**	**165%**

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

Analysis of the balance sheet items

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

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

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

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

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

Analysis of the cash flow items

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

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

Economic and financial indicators – evolution:

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

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

Stock Exchange Indicators - evolution:

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

2. Analysis of the company's activity

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

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

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

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

Details are available in the Notes to the financial statements.

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

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

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

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

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

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

The Board of Directors consists of 5 members:

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

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

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

The Company's Executive Management

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

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

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

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

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

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

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

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Consolidated Semester Report
Semester I / 2018

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

1. Consolidated economic and financial situation

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

Analysis of the result elements

In the first semester of 2018, IMPACT has recorded operating income of **45.8 million lei, 37% lower** compared to the same period of the previous year.

Profit is influenced by the donation of the lands with an area of 6.000 sq. m. to the Bucharest Municipality.
The lands were donated to the Bucharest Municipality in order to provide a compensation to Romsilva S.A. according to the procedures stipulated in Law No. 46/2008 art. 37, with the option to grant public access between Aleea Privighetorilor and Drumul Padurea Pusnicu, according to the Decision of the General Council of Bucharest No. 281/2017 and No. 608/2017 and to the Decision of the Local Council of District 1 No. 278/2017 and No. 345/2017. The offer has been accepted by the Decision of the General Council of Bucharest No. 513/2017.

Indicatorii financiari la data de 30 iunie 2018 sunt urmatorii:

Indicators according to IFRS (RON)	2017_S1	2018_S1	%
Operational revenues, out of which:	**72,724,324**	**45,831,129**	**-37%**
Revenue from the sale of residential inventories	69,444,573	41,891,699	-40%
Revenue from rental and tenants utilities recharged	1,990,505	2,502,462	26%
Revenue from sale of investments properties	0	0	0%
Activity performed and capitalized by the entity	0	0	0%
Other revenues of operational nature	1,289,246	1,495,713	16%

Other operational revenues - ANAF Litigation	0	0	0%
Operational expenses, out of which:	**(58,788,617)**	**(39,487,081)**	**-33%**
Book value of the sold residential inventories	(45,110,884)	(22,546,149)	-50%
Operating costs related to rented and sold properties	(1,591,043)	(1,795,484)	-13%
Book value of investments properties	0	0	0%
Expenditure on raw materials and supplies	(498,620)	(617,282)	-24%
Services provided by third parties	(3,904,739)	(4,033,481)	3%
Employee benefits expenses	(5,217,626)	(5,969,773)	14%
Other expenses of operational nature	(2,465,705)	(4,524,913)	84%
Operational result	**13,935,707**	**6,344,047**	**-54%**
Depreciation and amortization expenses	(378,320)	(-453,987)	20%
Assets loss of value other than investments properties	562,365	(644,490)	n/a
Gains / (losses) in investments properties fair value	0	0	0%
Operational result	**14,119,752**	**5,245,571**	**-63%**
Net financial cost	(1,276,521)	(3,417,633)	168%
Gross profit / loss	**12,843,231**	**1,827,937**	**-86%**
Income tax	(243,605)	(1,769,232)	626%
Gross profit / loss of the period	**12,599,626**	**58,705**	**-100%**

In the first half of 2018 sales reached 90 buildings (apartments and houses) and 10 parking spaces with a total gross area of 9,219 sq m, which is 42% lower compared to the previous year when sales reached a number of 175 properties (apartments and houses) and 22 parking spaces, with a total gross area of 16,032 sqm.

The decrease of the sales in terms of units is partially compensated by the increase of the sales in terms of value due to the fact that the average unit price has grown by over 21%, from approximately 378,571 lei/ unit in semester I 2017, to 459,399 lei/unit in semester I 2018.
The sales figures achieved in the 2nd quarter of 2017 include a number of 71 apartments, sales completed as a result of the reception of phases 5 and 6 starting February 2017. As a comparison, a number of 40 apartment presales performed in Q II 2018 shall be completed during Q III and the beginning of Q IV as a result of the reception of phases 7.2 and 7.3 scheduled for September 2018.

The operational expenses have dropped 33% compared to the similar period of 2017, mainly due to reduction of inventory tunover rate.

Compared to an operational result of 14.12 million lei on June 30th 2017, in 2018 the operational result was 5.24 million lei (-63%).

Financial result	**31-June-17**	**30-June-18**	**%**
Financing costs	(957,482)	(3,300,617)	245%
Financial income	(117,176)	58,934	n/a
Exchange rate differences	11,505	(98,220)	n/a
Other financial items, net	(213,368)	(77,731)	64%
Financial result	***(1,276,521)***	***(3,417,633)***	**168%**

Interest expenses have increased due to the attraction of funds from bonds issues for the future development of residential projects and using bank loans in order to finance the completion of phases 7.2 and 7.3 of the Platanilor Assembly and starting the construction works for phase 7.1.

Analysis of the balance sheet items

Asset items	31-Dec-17	30-June-18	%
Tangible non-current assets	8,916,883	9,105,701	2%
Intangible non-current assets	193,238	138,895	-28%
Non-current investments	193,342,626	193,342,626	0%
Financial assets	-	-	-
Non-current receivables	6,183,956	9,852,698	59%
Total non-current assets	**208,636,703**	**212,439,920**	**2%**

Inventories	363,622,778	356,588,364	-2%
Trade receivables and other receivables	7,095,796	16,016,600	126%
Prepayments	145,223	191,280	32%
Cash and cash equivalents	47,476,223	45,254,729	-5%
Total current assets	***418,340,019***	***418,053,973***	**0%**
Total assets	***626,976,721***	***630,493,893***	**1%**

The trade receivables have registered an increase compared to the previous year due to the initiation of the LUXURIA-DOMENII project.

The company's cash holdings have dropped -5% during the first half of 2018, due to the investments made in the new phases of the Platanilor Assembly and the decrease in sales.

The total assets remained at approximately the same level as at the end of the year 2017 (3%)

Liabilities items	31-Dec-17	30-June-18	%
Shareholders' Equity	***427,449,455***	***431,172,046***	***1%***
Loans	133,401,233	130,465,272	-2%
Trade payables and other liabilities	1,032,684	1,572,526	52%
Deferred tax	22,024,185	21,210,871	4%
Total long term liabilities	***156,458,102***	***153,248,669***	-2%
Loans	30,152,062	30,114,809	0%
Trade payables and other liabilities	12,592,951	15,952,413	27%
Provisions for risks and charges	324,152	5,956	-98%
Total current liabilities	***43,069,165***	***46,073,178***	**7%**
Total liabilities	***199,527,267***	***199,321,847***	**0%**
Total equity and liabilities	***626,676,721***	***630,493,894***	**1%**

The loans have registered a slight decrease of -2% due to the maturity of the instalments.

The equities remained at approximately the same level as at the end of 2017 (1%).

Analysis of the cash flow items

Decrease in cash at the end of the first semester of 2018 (-5%) is based on the investments made for the completion of phases 7.2 and 7.3 from phase 7, as well as on the initiation of the last construction phase 7.1) from the sale phase of Platanilor Assembly.

Indicator (RON)	**30-June-18**
Cash at the beginning of the period	***47,476,223***
Net cash derived from operating activities	3,802,192
Net cash derived from investment activities	(3,050,473)
Net cash derived from financing activities	(2,973,214)
Cash at the end of the period	***45,254,729***

2. Analysis of the company's activity

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

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

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

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

Details are available in the Notes to the financial statements.

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

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

within an improved concept, adapted to the current market conditions, and to attract investors/operators in order to improve the facilities/services ancillary to the residential area.

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

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

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

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

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

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

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

The Board of Directors consists of 5 members:

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

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

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

The Company's Executive Management

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

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

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

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

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

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

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

IMPACT DEVELOPER & CONTRACTOR SA

Individual and unaudited financial statements

as of June 30th 2018

prepared according to International Financial Reporting Standards
adopted by the European Union

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Statement of Financial Position on June 30th 2018

	31-Dec-17	30-June-18
ASSETS		
Tangible non-current assets	8,684,244	8,492,840
Intangible non-current assets	144,339	101,485
Investment properties	193,342,626	193,342,626
Financial assets	56,190,196	56,190,196
Non-current receivables	4,948,961	-
Total non-current assets	***263,310,366***	***258,127,147***
Inventories	297,294,269	282,659,894
Trade and trade receivables	26,171,573	52,321,539
Prepayments	90,403	159,966
Cash and cash equivalents	44,515,734	38,155,887
Total current assets	***368,071,979***	***373,297,286***
Total assets	***631,382,345***	***631,424,433***
Share capital	285,330,158	285,330,158
Share premiums	68,760,070	68,445,070
Revaluation reserves	3,024,548	3,024,548
Other reserves	8,430,119	8,430,119
Reported result	14,002,677	66,309,380
Net profit for the period	52,306,703	722,249
Total shareholders' equity	***431,854,275***	***432,261,524***
Loans	132,900,915	144,196,806
Trade and other payables	1,028,434	1,585,464
Deferred taxes	21,210,395	21,210,395
Total long-term liabilities	***155,139,744***	***166,992,665***
Trade and other payables	15,811,049	18,095,720
Loans	28,253,125	14,068,568
Provisions for risk and charges	324,152	5,956
Total current liabilities	***44,388,326***	***32,170,244***
Total liabilities	***199,528,070***	***199,162,909***
Total equity and liabilities	***631,382,345***	***631,424,433***

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

Statement of comprehensive result on *June 30th 2018*

	30-June-17	30-June-18
Revenues from sale of residential inventories	67,462,519	41,891,355
Book value of sold residential inventories	(43,238,929)	(22,546,149)
Profit/loss from sale of residential properties	***24,223,590***	***19,345,206***
Rental incomes	365,491	736,582
Incomes from operational costs recharged to tenants	1,679,895	1,795,133
Operating expenses related to rented/sold properties	(1,589,433)	(1,795,161)
Net income from recharged costs	***90,462***	***(28)***
Income from sale of investment properties	-	-
Book value of sold investment properties	-	-
Profit/loss from sale of investment properties	***-***	***-***
Revenues from services rendered	91,169	933
Raw materials and consumables used	(456,075)	(583,620)
Capitalization incomes	-	-
Third party services	(4,796,711)	(4,757,413)
Activity performed and capitalized by the entity	-	-
Employee benefits expense	(4,398,408)	(5,603,666)
Other operating incomes	1,113,684	1,729,215
Other operating expenses	(2,446,409)	(4,431,819)
Other operating incomes - ANAF Litigation	-	-
Other operating income / (expenses), net	***(10,892,750)***	***(13,646,370)***
Earnings before interest, taxation, depreciation and amortization (EBITDA)	***13,786,793***	***6,435,390***
Depreciation and amortization expenses	(375,438)	(582,127)
Impairment of assets, other than investment properties	345,593	(468,918)
Depreciation and related impairment charges / reversals, other than related to investment properties	***(29,845)***	***(1,051,045)***
Earnings / (losses) at fair value of real estate investments, net	-	-
Earnings before interest and taxation (EBIT)	***13,756,948***	***5,384,345***
Financing costs	(957,482)	(3,697,634)
Financing income	(117,225)	492,750
Foreign exchange differences	11,505	(98,220)
Other financial items, net	(213,368)	(77,731)
Financial result	***(1,276,570)***	***(3,380,835)***
Gross profit (EBT)	***12,480,378***	***2,003,510***
Current income tax expenses	(243,605)	(1,281,261)

Deferred incomes tax (Expenses) / Income	-	-
Income tax	***(243,605)***	***(1,281,261)***
Net profit / (loss) for the period	***12,236,773***	***722,249***

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

Statement of changes in equity on June 30th 2018

	Share capital	Capital premiums	Revaluation reserves	Other reserves	Forwarded Result	Total	Interest without control	Total equities
Balance on January 1st 2017	**285,330,158**	**84,175,480**	**3,137,863**	**5,418,842**	**12,714,221**	**390,776,564**	**-**	**390,776,564**
Total comprehensive income for the period								
Result of the period	-	-	-	-	52,306,703	52,306,703	-	52,306,703
Other comprehensive result items								
Revaluation reserves for the period	-	-	-	-	15,415,410	15,415,410	-	15,415,410
Adjustments compared to the previous year								
Achievement of the revaluation reserve related to the sold assets								
Reclassifications	-	(15,415,410)	(113,315)	110,133		(15,418,592)	-	(15,418,592)
Established legal reserves				2,901,144	(2,901,144)		-	
Cancelation of revaluation reserve related to depreciated assets								
Deferred tax assets related to revaluation reserve								
Total other items of the comprehensive result	**-**	**(15,415,410)**	**(113,315)**	**3,011,277**	**12,514,266**	**(3,182)**	**-**	**(3,182)**
Total comprehensive result for the period	**-**	**(15,415,410)**	**(113,315)**	**3,011,277**	**64,820,969**	**52,303,521**	**-**	**52,303,521**
Transactions with shares directly registered in equities								
Share capital increase								
Subsidiaries transfers								
Acquisition of subsidiaries, without uncontrolled interests								
Subsidiaries merger movements								
Distributed dividends	-	-	-	-	(11,225,810)	(11,225,810)	-	(11,225,810)
Total changes in held shares								
Total transactions with shareholders	**-**	**-**	**-**	**-**	**(11,225,810)**	**(11,225,810)**	**-**	**(11,225,810)**
Balance on December 31st 2017	**285,330,158**	**68,760,070**	**3,024,548**	**8,430,119**	**66,309,380**	**431,854,275**		**431,854,275**

	Share capital	Capital premiums	Revaluation reserves	Other reserves	Forwarded result	Total	Interests without control	Total equities
Balance on January 1st 2018	**285,330,158**	**68,760,070**	**3,024,548**	**8,430,119**	**66,309,380**	**431,854,275**	**-**	**431,854,275**
Total comprehensive result for the period								
Result for the period	-	-	-	-	722,249	722,249	-	722,249
Other comprehensive result items								
Revaluation reserves for the period								
Adjustments compared to the previous year								
Achievement of the revaluation reserve related to the sold assets								
Reclassifications								
Established legal reserves								
Cancelation of revaluation reserve related to depreciated assets								
Deferred tax assets related to revaluation reserve								
Total other items of the comprehensive result	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive result for the period	**-**	**-**	**-**	**-**	**722,249**	**722,249**	**-**	**722,249**
Transactions with shares directly registered in equities								
Share capital increase								
Subsidiaries transfers								
Acquisition of subsidiaries, without uncontrolled interests								
Subsidiaries merger movements								
Distributed dividends		(315,000)				(315,000)		(315,000)
Total changes in held shares								
Total transactions with shareholders	**-**	**(315,000)**	**-**	**-**	**-**	**(315,000)**	**-**	**(315,000)**
Balance on June 30th 2018	**285,330,158**	**68,445,070**	**3,024,548**	**8,430,119**	**67,031,629**	**432,261,524**	**-**	**432,261,524**

Chief Executive Officer
Bogdan Oslobeanu

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Giani Iulian Kacic

Statement of cash flow on *June 30th 2018*

	30-June-18
Cash flows from operating activities:	
Net profit / (Net loss) for the period	***722,249***
Adjustments for:	
Amortization expenses of tangible non-current assets	358,576
Amortization expenses of intangible non-current assets	47,980
Provisions for tangible non-current assets, establishment/(reversal), net	(16,742)
Net variation of provisions for risks and charges	(318,196)
Aj for the depreciation of financial non-current assets, establishment / (reversal), net	175,571
Income tax expenses	1,281,261
Impairment from transfer of tangible non-current assets	35,352
Adjustments for depreciation of receivables, establishment/(reversal), net	485,660
Expenses for litigation provisions	-
Financing costs	4,666,682
Interest income	(492,750)
Foreign exchange differences	333,089
Operational result before working capital variation	***7,278,733***
Working capital movements:	
Inventories	14,426,908
Trade and other receivables	(21,931,801)
Trade and other payables	2,841,700
Cash generated by operational activities	***(4,663,191)***
Interest paid	(4,635,324)
Tax paid	(924,321)
Net cash from operational activities	***(5,559,645)***
Net cash from operational activities	***(2,944,103)***
Cash flows from investment activities:	
Acquisition of tangible non-current assets	(192,617)
Acquisition of intangible non-current assets	(5,126)
Interest collected	54,732
Proceeds from sale of tangible non-current assets	8,133
Net cash used in investment activities	***(134,877)***

Cash flow from financing activities:	
Increase in / (Decrease of) share capital and share premiums	(315,000)
Loan reimbursements	(6,383,570)
Loan drawdowns	3,417,704
Net cash from (used in) financing activities	***(3,280,867)***
Cash and cash equivalents on January 1st	44,515,734
Net increase in / (decrease of) cash and cash equivalents	***(6,359,847)***
Effect of foreign exchange variation upon cash	-
Cash and cash equivalent on June 30th 2018	***38,155,887***

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

Notes to the financial statements

1. The reporting entity

The joint stock company IMPACT Developer & Contractor S.A. (the "Company") is a private company registered in Romania, which offers complete residential solutions.

The Company is the first company active in real estate development sector in Romania, being established in 1991 through public subscription. Initially, its first activities were renting and maintenance of deluxe villas in Bucharest area. In 1995, the Company introduced for the first time in Romania the residential concept and, consequently, it gradually changed into a pure real estate developer. Starting 1996, the Company's securities are publicly traded in Bucharest Stock Exchange (BVB). In 2006, Company's shares were promoted to 1st category of the Stock Exchange, becoming the first company in the real estate development and construction sector to achieve this. Since January 2015 the company shares are traded on Premium category according with the new local capital market segmentation.

Until 2013 IMPACT Developer & Contractor finalized 17 small and medium projects, which comprised over 3,000 residences and over 25,000 square meters of office and commercial spaces. IMPACT's activity is dominated by a major project: GREENFIELD residential complex in Bucharest.

On 6th of November 2014 the launch of the new development stage of GREENFIELD neighborhood took place. Until present, it consists in Salcamilor Assembly - 35 buildings of flats with a height regime of GF+5, consisting of 924 apartments with 2, 3 and 4 rooms each, Platanilor Assembly respectively - 39 buildings with over 944 apartments, which will be completed in phases. In the first quarter of 2017, 12 buildings were completed, Phases 5 and 6 of the Platanilor Assembly, a number of 476 apartments. Work also started on another 12 buildings in phase 7, 276 apartments with scheduled completion in the third quarter of 2018.

Company's organization

The Board of Directors is responsible with fulfilling all necessary and useful acts for developing the company's business object, except for those involving the General Shareholders Assembly, as stipulated by the law.

The company operates in compliance with an integrated management system (Quality – Environment – Occupational Security and Health) implemented in compliance with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards, as certified during the first half of year 2015 by Lloyd's Register LRQA.

2. Share capital

Originally called SC IMPACT SA, the Company was established in 1991, according to the Law 31/1990. As of 4th October, 2006 the Company moved its headquarters from Bucharest District no 1, to Ilfov, Voluntari City to Construdava office building. At the same date, the company changed its name, as well.
On May 24th 2018, the Company moved its headquarters from Ilfov County, Voluntari City to the office building Willbrook Platinum Business & Convention Center, Bucharest.
The identification data of the company are:
Name: IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st floor, Bucharest, District no 1, postal code 015016
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Fully subscribed and paid up share capital: 277,866,574 RON
Registered with the Trade Registry's Office seconded to the Bucharest Court under the No. J40/7228/2018, tax registration No. RO 1553483
Company's fully subscribed and paid up share capital on June 30th 2018 is 277,866,574 lei.

All shares are ordinary and have equal ranking related to the Company's residual assets. The nominal value of one share is 1 Leu.

The holders of ordinary shares have the right to receive dividends, as declared at certain moments in time, and have the right to one vote per 10 shares during the meetings of the Company.

The consolidated synthetic structure of holders of financial instruments, which hold at least 10% of the share capital on the date of June 19th 2018, is as follows:

Shareholder	Ownership*)
Iaciu Gheorghe	56.05%
Andrici Adrian	15.67%
SWISS CAPITAL / SAI SWISS CAPITAL AM / FDI ACTIVE DINAMIC / APOSTOL SORIN	12.13%
Other individuals and legal entities	16.15%
Total	**100.00%**

*) according to the statement of the Central Depositary and reports to the Bucharest Stock Exchange.

3. The company's management

Board of Directors

The Board of Directors 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 limits provided by the law and by the Articles of Incorporation.

The Board of Directors consists of 5 members:

- Gabriel Vasile, Director;

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

Company's Executive Management

The Board of Directors has decided that Mr. Gabriel Vasile, Director, is authorized to represent the company, in accordance with the provisions of art. 1432 (5) of the Company Law no. 31/1990, starting 09.01.2017.

On 19.01.2018, Impact's Board of Directors decided to appoint Mr. Bogdan Oslobeanu as Chief Executive Officer, for a four-year mandate, starting 01.03.2018 until 28.02.2022. He replaced Mr. Bartosz Puzdrowski, who asked the Company to terminate his mandate for personal reasons, starting 01.03.2018.

4. Financial assets

The company Impact holds investments in the following affiliates:

	30-June-18			
	Ownership title	**Gross value**	**Depreciation**	**Book value**
Clearline Development and Management SRL	100.00%	22,420,000	(8,022,774)	14,397,226
Bergamot Developments SRL	99%	41,790,990	-	41,790,990
Actual Invest House SRL	6.23%	109,950	(109,950)	-
Bergamot Developments Phase II SL	99%	990	-	990
Impact Finance & Developments SRL	99%	990	-	990
		64,322,920	**(8,132,724)**	**56,190,196**

Societatea Clearline Development and Management SRL detine restul de investitii de 93.77% in Actual Invest House SRL.

a) **Actual Invest House S.R.L**, a company within the Group, provides management services to new residential development projects.

b) **Clearline Development and 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 has a litigation amounting to 17,053,000 lei, plus legal interest, a file that is currently on trial with the Arges Court and it is currently carrying out the expertise (Urban Planning and Construction) as ordered in the case. On 11.09.2017, 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 lei.

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 52,262 sq. m. gross, namely 500 apartments on a land of approximately 16,776 sq. m., which is the first phase of the residential project Luxuria Domenii Residence. The total gross area including basements is approximately 74,852 sq. m., located 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 B (130 apartments) of the residential project Luxuria Domenii Residence, with a gross area of 14,136 sq. m., built on a land of 5,769 sq. m. The total gross area including basements is approximately 20,100 sq. m., in the Expozitiei-Domenii area.

e) **Impact Finance & Developments S.R.L.** has an important role in the diversification of services related to the sale of dwellings. Impact Finance&Developments collaborates with major financial institutions from Romania in order to provide solutions for attractive credit facilities in the shortest time possible for customers who acquire dwellings.

5. Affiliates

Transactions with affiliates for Semester I 2018 appear as follows:

	Transactions value as of 30-June-18	Balance as of 30-June-18
Sale of goods and services		
Subsidiaries		
Actual Invest House	6,201	47,820
Clearline Development and Management	3,772	50,425
Bergamot Developments	2,794	5,328,659
Bergamot Developments Phase II	2,794	895
Impact Finance	22,834	11,883
Total	**38,394**	**5,439,681**

	Transactions value as of 30-June-18	Balance as of 30-June-18
Purchase of goods and services		
Subsidiaries		
Actual Invest House	704,003	1,710,741
Clearline Development and Management	-	-
Bergamot Developments	-	-
Bergamot Developments Phase II	-	-
Impact Finance	-	-
Total	**704,003**	**1,710,741**

	Transactions value as of	Balance as of
	30-June-18	30-June-18
Interest incomes		
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management	-	-
Bergamot Developments	396,828	1,355,249
Bergamot Developments Phase II	36,497	36,572
Impact Finance	568	568
Total	**433,893**	**1,392,389**

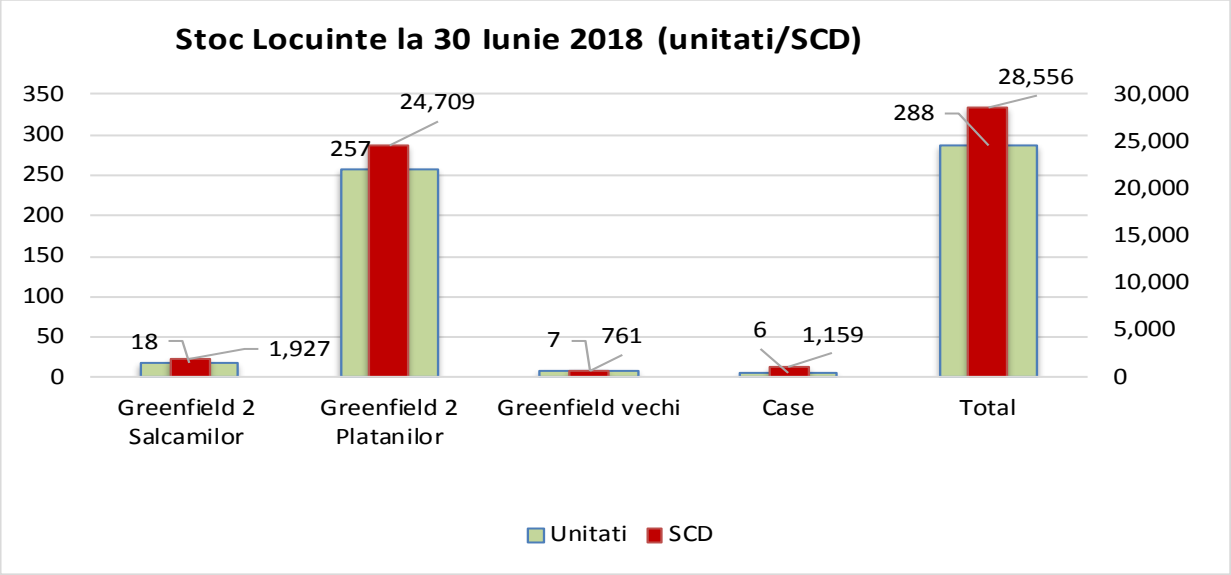
	Transactions value as of	Balance as of
	30-June-18	30-June-18
Granted loans		
Subsidiaries		
Actual Invest House	0	0
Clearline Development and Management	0	0
Bergamot Developments	0	12,210,000
Bergamot Developments Phase II	15,787,000	15,787,000
Impact Finance	0	10,000
	15,787,000	**28,007,000**

6. Inventories and investment properties

a) Apartments and houses

On 30th of June 2017 the inventory includes a number of 288 houses and apartments fully completed, with a gross developed surface of 28,556 sq. m. and a book value of RON 71.10 million. Apartments and houses registered as Investment Properties, registered as Fixed Assets and inventories, have been re-valuated in accordance with market value as of 31.12.2017 by Colliers Valuation and Advisory SRL, external evaluator, independent, authorized by the National Union of Authorized Evaluators in Romania ("ANEVAR"), with recent experience in terms of location and category of the evaluated property.

Detailed statement on houses and apartments inventories as of June 30th 2018 is the following:

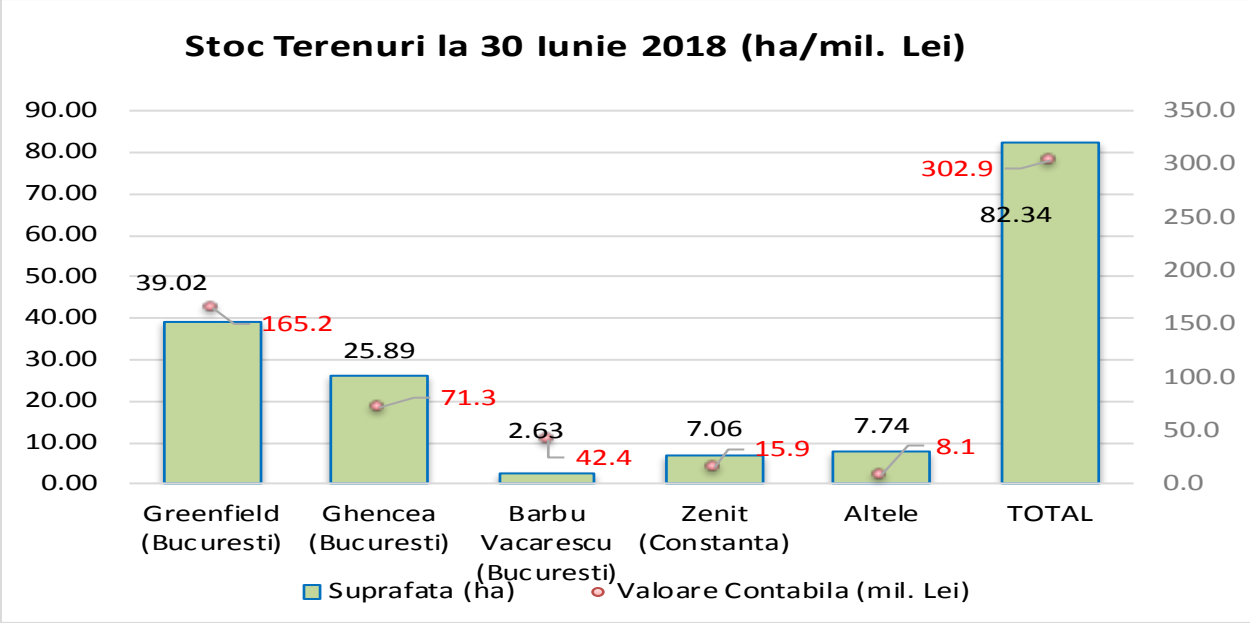


Phases 7.2 and 7.3 of Platanilor Assembly- 12 buildings (276 apartments totaling 27,500 sq. m.), shall be completed in stages, during the 3rd quarter of 2018.

b) Lands

At the end of the first semester of 2018, the inventory included approximately 82.34 ha of land with a book value of 302.9 mil. lei, for the sale and development of new projects. The land plots registered as Investment Properties and as Fixed Assets, have been re-valuated in accordance with market value as of 31.12.2017 by Colliers Valuation and Advisory SRL, external evaluator, independent, authorized by the National Union of Authorized Evaluators in Romania ("ANEVAR"), with recent experience in terms of location and category of the evaluated property.

The structure by cities of the land plots inventory is shown in the graph below:



c) Products and works in progress (apartments, fit-outs, utility networks and roads)

The structure of products and works in progress as of 30.06.2018 appears as follows:

	Transactions value as of	Balance as of
	30-June-18	30-June-18
Ghencea (Rozelor and Crizantemelor)	199,970	10,534,662
Greenfield	6,482,497	64,829,289
Zenit Constanta	1,816,841	5,100,417
Greenfield Master Plan	332,049	2,432,641
Other	2,276,610	10,246,402
	11,107,968	**93,143,412**

7. Cash and cash equivalents

	31-Dec-17	30-June-18
Current accounts	44,504,098	38,141,793
Cash	11,635	11,042
Advance for settlement	-	3,052
	44,515,734	**38,155,887**

8. Long and short-term loans

On June 30th 2018, the status of the bank loans was the following:

Contract No.	Name	Currency	Maturity	Contract value	Balance before revaluation /drawdown	Reimbursements	Balance on 30.06.2018	Short term	Long term
				(Lei)	(Lei)	(Lei)	(Lei)	(Lei)	(Lei)
2093/28.07.2017	Piraeus Bank	(Lei)	28/07/2020	32,730,000	18,605,636		18,605,636	9,619,643	8,985,992
175/04.05.2017	Banca Transilvania	(Lei)	27/02/2020	3,861,180	2,925,971	0	2,925,971	2,872,837	53,134
176/04.05.2017	Banca Transilvania	(Lei)	27/02/2020	20,322,000	15,467,310	0	15,647,310	15,120,194	527,117
BA1562/23.09.2016	Libra Internet Bank	(Lei)	23/09/2020	35,000,000	35,000,000	27,631,507	7,368,493	7,368,493	-
Total				**91,913,180**	**72,178,917**	**27,631,507**	**44,547,410**	**34,981,167**	**9,566,243**

The company's loans are subject to the following interest rates: 4.42% + ROBOR 3 months and (3.25% and 5%) + ROBOR 6 months.

During 2018 the company has the following ongoing bank loans:

a) Banca Transilvania: Contract No. 175/04.05.2017 and contract 176/04.05.2017 with maturity on 27.02.2020;

b) Piraeus Bank: Contract No. 2093/28.07.2017 with maturity on 28.07.2020;

c) Libra Internet Bank: Contract No. BA1562/23.09.2016 maturity on 23.09.2020;

Contract No.	Name	Currency	Maturity	Contract value	Subscription premiums	Net value	Interest balance 30.06.2018	Net value 30.06.2018	Interest balance 31.03.2018	Short term	Long term
				EUR	EUR	EUR	EUR	Lei	Lei	Lei	Lei
Ctr. 05.07.2017	Credit Value Investments Sp. z o. o.	EUR	11.07.2021	12,000,000	192,000	11,808,000	278,137	55,237,142	1,572,259	1,572,259	55,237,142
Ctr. 29.11.2017	Bursa de Valori București S.A.	EUR	12.12.2022	12,525,000	377,138	12,147,863	23,677	56,798,200	110,363	110,363	56,798,200
Total				**24,525,000**	**569,138**	**23,955,863**	**301,814**	**112,035,342**	**1,682,622**	**1,682,622**	**112,035,342**

On July 10th 2017, the Company has offered for subscription 120 series A bearer bonds, each of them with a nominal value of EUR 100,000 and a total nominal value of EUR 12,000,000, issued in material form, to two investment funds managed by Credit Value Investments Sp. z o. o. (CVI), who have accepted the offer on the same date. The bonds are bearing interest at a fixed rate of 6.00% per annum, payable twice a year.

On December 20th 2017 by the Decision 97, Bursa de Valori București S.A. (Bucharest Stock Exchange) has approved the request for transacting on the regulated market managed by Bursa de Valori București S.A. the bonds issued by the Company, unsecured, with a yearly fixed interest rate of 5.75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525,000.

The bonds were issued further to an offer addressed to the Eligible Investors, as defined in the prospect from 28th 2017 approved by ASF by the approval decision No. 1710 dated November 28th 2017, amended by the amendment dated December 8th 2017 approved by ASF by the approval decision No. 1766 dated

December 8th 2017 and by the amendment dated December 13th approved by ASF by the approval decision No. 1816 dated December 13th 2017.

9. Provisions

On June 30th 2018 there are no significant changes in the structure of the established provisions, except for the provision for the execution of the general infrastructure for the Greenfield II project, where according to the Master Plan for further fit-out of roads, access ways and future city networks, provisions have been set up amounting to 1,074,494 lei. The provision is established for the sold area in sq. m.

10. Operational revenues recorded on June 30th 2018

The main revenue sources are from sales of dwellings and land plots, revenues from rents and services provided.

The structure of operational revenues is the following:

	30-June-17	30-June-18	Value	%
Revenues from sale of finished products	67,462,519	41,891,355	(25,571,164)	-38%
Revenues from rentals	365,491	736,582	371,091	102%
Revenues from recharged utilities	1,679,895	1,795,133	115,238	7%
Other revenues of operational nature	1,204,853	1,730,148	525,295	44%
Total	**70,712,758**	**46,153,218**	**(24,559,540)**	**-35%**

Dwelling sales from the Greenfield Assembly had in Semester I 2018 an evolution influenced by seasonality and the market conditions according to the estimated budget.

a) Sales of apartments and houses

In the first semester of 2018 sales reached a number of 90 properties (apartments and houses) and 10 parking places totaling a gross area of 9.219 sq. m., 42% less compared to the previous year when the sales have reached a number of 175 properties (apartments and houses) and 22 parking places, totaling a gross area of of 16,032 sq. m.

The decrease of the sales in terms of units is partially compensated by the increase of the sales in terms of value due to the fact that the average unit price has grown by over 21%, from approximately 378,571 lei/ unit in semester I 2017, to 459,399 lei/unit in semester I 2018.

The sales figures achieved in the 2nd quarter of 2017 include a number of 71 apartments, sales completed as a result of the reception of phases V and VI starting February 2017. As a comparison, a number of 40 apartment presales performed in Q II 2018 shall be completed during Q III and the beginning of Q IV as a result of the reception of phases 7.2 and 7.3 scheduled for September 2018.

b) Sales of land plots

In the 1st Semester 2018, the sale of a land plot of 410 sq. m. was recorded, compared to the previous period, when land plot sales for a total area of 1,747 sq. m. were recorded.

c) Rentals

The activity of apartment lease was no longer a priority for the Company in the past years. Most of the dwellings on which lease contracts were terminated starting with 2015, were sold and therefore, at the end of the first semester of 2018, only 8 lease contracts are still active.

11. Operational expenses recorded as of June 30th 2018

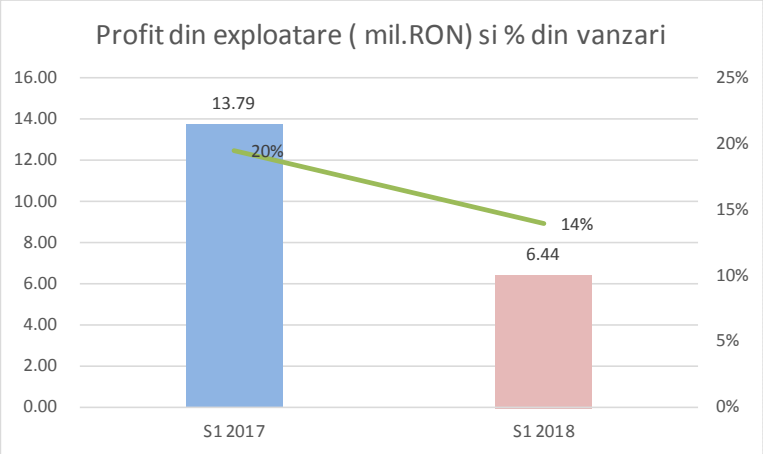
Operational expenses have decreased by 30 % compared to the similar period of 2017.

	30-June-17	30-June-18	Value	%
Book value of sold residential inventories	(43,238,929)	(22,546,149)	20,692,780	-48%
Operational costs related to sold/leased properties	(1,589,433)	(1,795,161)	(205,728)	13%
Raw materials and supplies consumption	(456,075)	(583,620)	(127,545)	28%
Third party services	(4,796,711)	(4,757,413)	39,298	-1%
Employee benefits expenses	(4,398,408)	(5,603,666)	(1,205,258)	27%
Other operating expenses	(2,446,409)	(4,431,819)	(1,985,410)	81%
Total	**(56,925,965)**	**(39,717,828)**	**17,208,137**	**-30%**

Position "Other operating expenses" includes the donation of the lands with an area of 6,000 sq. m. in favor of Bucharest Municipality.

The lands were donated to the Bucharest Municipality in order to provide a compensation to Romsilva S.A. according to the procedures stipulated in Law No. 46/2008 art. 37, with the option to grant public access between Aleea Privighetorilor and Drumul Padurea Pusnicu, according to the Decision of the General Council of Bucharest No. 281/2017 and No. 608/2017 and to the Decision of the Local Council of District 1 No. 278/2017 and No. 345/2017. The offer has been accepted by the Decision of the General Council of Bucharest No. 513/2017.

The operational result (EBITDA) is 14% of the total operational income earned in Semester I 2018 influenced by the decrease of sales, compared to 20% achieved during the same period of the year 2017.



12. Financial revenues and expenses recorded in Semester I 2018

Interest expenses have significantly increased in Semester I 2018 compared to the similar period of the previous year, as during 2017 the company has attracted significant financial resources for future development projects by 2 bonds issues amounting to 114,227,640 lei.

As the subscription of bonds was done in EUR, these transactions have generated a significant increase in foreign exchange differences compared to the same period of the previous year.

The increase of financial revenues is due to the loan granted by the company to Bergamot Developments S.R.L., a company within the group, in order to finance the residential assembly Luxuria Domenii Residence, in the Expozitiei-Domenii area.

	30-June-17	30-June-18	Variation	%
Financing costs	(957,482)	(3,697,634)	(2,74,152)	286%
Financial revenues	(117,225)	492,750	609,975	-520%
Foreign exchange differences	11,505	(98,220)	(109,725)	-954%
Other financial items, net	(213,368)	(77,731)	135,637	-64%
Total	**(1,276,570)**	**(3,380,835)**	**(2,104,265)**	**165%**

13. Strategic directions and activity guidelines of IMPACT in *2018*

On June 30th 2018, IMPACT has residential developments in progress in four cities throughout the country, projects of various sizes, being in various completion stages.
The company's activity in 2017 and continued in Semester I 2018 was dominated by the development of a major residential project: ***Greenfield Baneasa residential complex***, launched in November 2016, consisting of:

- **Salcamilor Assembly** - **35 buildings** with height regime GF+5, consisting of 924 apartments 2, 3 and 4 rooms each, fully delivered in 2016.
- **Platanilor Assembly** - **39 buildings** with height regime GF+5 and GF+4, having over 944 apartments, whereof 21 buildings (476 apartments) were completed during the first quarter of 2017.

Moreover, also in 2017 works were started for another 12 buildings (276 apartments) with scheduled completion in the third quarter of 2018. For the last 6 buildings (192 apartments), works were started in the first semester of 2018, to be delivered in the second half of the year 2019.

Furthermore, the company's activity is focused on preparing the documents necessary to build the urban center Greenfield Plaza, with a total area of 10,400 sq. m., to include a SPA center, trade premises and services, of approximately 8,000 sq. m. and an administrative office of 2,400 sq. m.

Also in 2017, the basic concept was completed and the Luxuria Domenii Residence project was launched, designed to the premium segment, for which Impact, acting by its subsidiary Bergamot Developments S.R.L., has acquired in 2017 a plot of land with an area of 2.25 ha in Bucharest, in the Expozitiei-Domenii neighborhood; the residential complex shall contain 9 buildings of 630 apartments each.

In line with the strategic vison of Impact's management team, of continuous adjustment to the evolution of the real estate market and retaining efficiency, the Company has set for this year certain objectives, whereby it responds to the demands of the market, its customers and partners.

The optimistic views to the market, but also to the relationship between Impact and its customers is based on the diversification of both the real estate products and the financial ones, whereas the Company succeeds in managing the difficult access to financing sources and the higher and higher expectations of its customers in regard of the habitat's quality.

14. Capital Market

IMPACT share price evolution
(July 2017 – June 2018)

IMPACT DEVELOPER & CONTRACTOR SA is listed at the Bucharest Stock Exchange (BVB) since 1996. Starting 2006 its shares are quoted in the 1st category of BVB, and since January 2015 the IMPACT shares, amounting to 277,866,574 are traded in the Premium category, according to the new BVB segmentation.

The company's stock exchange capitalization at the end of June 2018 is 244,522,585 Lei.

There are no restrictions regarding securities transfer and voting rights, there are no holders of securities with special control rights.

Evolution of BET Index vs IMP (July 2017 – June 2018)

On June 30th 2018 the BET index has recorded an increase of 3% compared to the same period of the previous year, while the IMP shares have recorded an increase of 10% (0,798 lei/share on 30.06.2017 compared to 0.88 lei/share on 30.06.2018).

15. Performance indicators

Economic and financial indicators – evolution:

Indicators	31-Dec-16	30-June-17	31-Dec-17	30-June-18
Return on Assets	6.11%	2.44%	8.29%	0.11%
Return on Equity	7.58%	3.13%	12.11%	0.17%
Indebtedness rate (Debts vs Assets)	19.37%	22.0%	31.53%	31.54%
Indebtedness rate (Equity vs Assets)	80.63%	78.01%	68.40%	68.46%
Indebtedness rate (Loans vs Equity)	14.65%	15.41%	37.32%	36.61%
Current liquidity	6.39	5.68	8.29	11.6
Immediate liquidity	0.67	0.63	1.59	2.82

Indicators	31-Dec-16	30-June-17	31-Dec-17	30-June-18
Price per share	0.7	0.798	1.05	0.88
No. of shares	277,866,574	277,866,574	277,866,574	277,866,574
Stock exchange capitalization (Lei)	194,506,602	221,737,526	291,759,903	244,522,585
Exchange rate	4.5411	4.5539	4.6597	4.6611
Stock exchange capitalization (EUR)	42,832,486	48,691,786	62,613,452	52,460,274
Book net asset (Lei)	390,776,564	390,521,694	431,854,275	432,261,524
Book net asset (EUR)	86,053,283	85,755,439	92,678,558	92,738,093
Result (Lei)	29,610,137	12,236,773	52,306,703	722,249
Result (EUR)	6,593,511	2,697,582	11,282,966	155,200
Gain by share (Lei)	0.107	0.044	0.188	0.003
Gain by share (EUR)	0.024	0.010	0.041	0.001
NAV/Share (Lei)	1.406	1.405	1.554	1.556
NAV/Share (EUR)	0.31	0.31	0.33	0.33
Premium/discount compared to net book assets	-50%	-43%	-32%	-43%

EPRA[1] Net Book Assets:

Description	31-Dec-17	30-June-18
IFRS Net Book Assets	**431,854,275**	**432,261,524**
Number of shares	**277,866,574**	**277,866,574**
IFRS Net Book Assets/Share	***1.55***	***1.55***
EPRA Net Book Assets	**586,207,603**	**586,614,852**
EPRA Net Book Assets/Shares	***2.11***	***2.11***

The objective of the **EPRA Net Book Value** indicator is to show the fair value of net assets on an ongoing analysis basis on a long term.

Adjustments are considering the revaluation of assets and land available for sale to net achievable value.

[1]**"EPRA**" European Public Real Estate is an association representing public real estate companies listed in Europe.

16. Auditors

By the Decision of the General Meeting of Shareholders dated April 26th 2018, the contract with the current external financial auditor of the Company, DELOITTE AUDIT SRL, was extended for a one-year mandate.

The financial statements as of June 30th 2018 **are not audited**.

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

IMPACT DEVELOPER & CONTRACTOR SA

Consolidated and unaudited financial statements
as of June 30th 2018

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Statement of financial position *on June 30th 2018*

	CONSOLIDATED	CONSOLIDATED
ASSETS	31-Dec-17	30-Jun-18
Tangible assets	8,916,883	9,105,701
Intangible assets	193,238	138,895
Investment property	193,342,626	193,342,626
Financial assets	-	-
Non-current receivables	6,183,956	9,852,698
Total non-current assets	***208,636,703***	***212,439,920***
Inventories	363,622,778	356,588,364
Trade and other receivables	7,095,796	16,019,600
Prepayments	145,223	191,280
Cash and cash equivalents	47,476,223	45,254,729
Total current assets	***418,340,019***	***418,053,973***
Total assets	***626,976,721***	***630,493,893***
Share capital	285,330,158	285,330,158
Share capital premiums	68,760,070	68,445,070
Revaluation reserves	3,031,970	3,024,548
Other reserves	10,408,663	8,709,043
Result for the previous year	59,918,595	65,604,522
Net profit for the period		58,705
Total shareholders' equity	***427,449,455***	***431,172,046***
Loans and borrowings	133,401,233	130,465,272
Trade and other payables	1,032,684	1,572,526
Deferred taxes	22,024,185	21,210,871
Total long-term liabilities	***156,458,102***	***153,248,669***
Loans and borrowings	12,592,951	15,952,413
Trade and other payables	30,152,062	30,114,809
Provisions for risk and charges	324,152	5,956
Total current liabilities	***43,069,165***	***46,073,178***
Total liabilities	***199,527,266***	***199,321,847***
Total shareholders' equity and liabilities	***626,976,221***	***630,493,893***

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

Statement of the comprehensive result *on June 30th 2018*

	CONSOLIDATED	CONSOLIDATED
	30-Jun-17	30-Jun-18
Income from sale of real estate inventories	69,444,573	41,891,699
Book value of sold residential real estate inventories	(45,110,884)	(22,546,149)
Profit/loss from the sale of residential real estate	***24,333,689***	***19,345,551***
Rental income	310,610	708,204
Operating costs re-charged to the tenants	1,679,895	1,794,257
Operating expenses related to the properties rented	(1,591,043)	(1,795,484)
Net rental income	***88,852***	***(1,226)***
Income from sale of investment properties	-	-
Book value of investment properties	-	-
Profit/loss from the sale of investment properties	***-***	***-***
Revenues from service rendered	1,342,904	(58,746)
Raw materials and consumables used	(498,620)	(617,282)
Third party services	(3,904,739)	(4,033,481)
Employee benefit expenses	(5,217,626)	(5,969,773)
Other operating income	(53,658)	1,495,713
Other operating expenses	(2,465,705)	(4,524,913)
Other operating income / (expenses), net	***(10,797,444)***	***(13,708,482)***
Profit before interest, taxation, depreciation and amortization	***13,935,707***	***6,344,046***
Depreciation and amortization expenses	(378,320)	(453,987)
Impairment of assets, other than investment properties	562,365	(644,490)
Depreciation and related impairment charges / reversals, other than related to investment properties	***184,045***	***(1,098,477)***
Profit before interest and taxation	***14,119,752***	***5,245,571***
Financing costs	(957,482)	(3,300,617)
Financial income	(117,176)	58,934
Foreign exchange differences	11,505	(98,220)
Other financial items, net	(213,368)	(77,731)
Financial result	***(1,276,521)***	***(3,417,633)***
Gross profit	***12,843,231***	***1,827,937***
Profit tax	***(243,605)***	***(1,769,232)***
Net profit / (loss) for the period	***12,599,626***	***58,705***

Chief Executive Officer
Bogdan Oslobeanu,

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Giani Iulina Kacic

Statement of the cash flow *on June 30th 2018*

	30-Iun -2018
Cash flows from operating activities:	
Loss for the period	**58,705**
Adjustments for:	
Amortization expenses for tangible non-current assets	4,718,602
Amortization expenses for intangible non-current assets	76,461
Loss from depreciation of tangible non-current assets, net	-
Net changes in provisions for risk and charges	(318,196)
Loss from results of investments in shareholders and affiliated parties	-
Loss from transfer of tangible non-current assets	1,973,652
(Profit) / Loss from transfer of investment properties	-
Loss from inventory depreciation	2,148,988
Loss / (loss reversal) from depreciation of trade and other receivables	(51,696)
Changes in the fair value of investment properties	
Income from deferred profit tax	2,257,202
Expenses for provisions for litigation	
Financing costs	3,378,500
Interest income	(58,934)
Foreign exchange differences	(3,088)
	14,180,196
Changes in:	
Inventories	4,885,425
Trade and other receivables	(30,085,636)
Trade and other payables	19,124,702
Cash from operating activities	**(6,075,509)**
Taxes paid	(923,995)
Interest paid	(3,378,500)
Net cash from operating activities	**3,802,192**
Cash flow from investing activities:	
Acquisition of tangible non-current assets	(2,976,255)
Acquisition of intangible non-current assets	(22,118)
Acquisition of investment properties	-
Proceeds from sale of financial assets, net	
Proceeds from sale of investment properties	
Interest collected	(58,934)
Proceeds from sale of tangible non-current assets	6,834

	30-Iun -2018
Net cash used in investing activities	**(3,050,473)**
Cash flow from financing activities:	
Increase in share capital and share capital premiums	-
Dividends paid	-
Loan reimbursements	-
Loan drawdowns	(2,973,214)
Net cash from (used in) financing activities	**(2,973,214)**
Net increase / (decrease) in cash and cash equivalent	**(2,221,495)**
Cash and cash equivalents on January 1st	**47,476,223**
Effect of foreign exchange variations upon cash	-
Cash and cash equivalent on June 30th 2018	**45,254,729**

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

Notes to the financial statements

1. The reporting entity

The joint stock company Impact Developer & Contractor S.A. (the "Company") is a company registered in Romania, whose basic activity is the development of real estate projects.

The address of the Company's registered office is: Willbrook Platinum Business & Convention Center, 172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal code 015016

The Company's consolidated financial statements for the first semester of 2018 include the Company and its subsidiaries (hereinafter referred to jointly with the Company the "Group") and the Group's interest in associated entities and partnerships.

The Company's Subsidiaries (the "Subsidiaries") and the nature of their activity are as follows:

	Country of registration	Nature of activity	2018	2017
Clearline Development and Management SRL	Romania	Real estate development	✓	✓
Actual Invest House SRL	Romania	Real estate development	✓	✓
Bergamot Developments SRL	Romania	Real estate development	✓	✓
Impact Finance & Developments SRL	Romania	Activities auxiliary to financial intermediation	✓	✓

The Company is **the first company** active in real estate development sector in Romania, being established in 1991 through public subscription. Initially, its first activities were renting and maintenance of deluxe villas in Bucharest area. In 1995, the Company **introduced for the first time** in Romania the residential concept and, consequently, it gradually changed into a pure real estate developer. Starting 1996, the Company's securities are publicly traded in Bucharest Stock Exchange (BVB). In 2006, Company's shares were promoted to 1st category of the Stock Exchange, becoming **the first** company in the real estate development and construction sector to achieve this. Since January 2015 the company shares are traded on **Premium** category according with the new local capital market segmentation.

Until 2013 IMPACT Developer & Contractor finalized **17 small and medium projects**, which comprised over **3,000 residences** and over 25,000 square meters of office and commercial spaces. Since March 31st 2017, the company has in progress residential developments located in four cities in the country, each project having different sizes and being in various stages of completion. IMPACT's activity is dominated by a major project: **GREENFIELD residential complex** in Bucharest.

On 6th of November 2014 the launch of the new development stage of GREENFIELD neighborhood took place. Until present, it consists in **Salcamilor Assembly** - 35 buildings of flats with a height regime of GF+5, consisting of 924 apartments with 2, 3 and 4 rooms each, **Platanilor Assembly** respectively - 39 buildings with over 944 apartments, which will be completed in phases. In the first quarter of 2017, 12 buildings

were completed, Phases 5 and 6 of the Platanilor Assembly, a number of 476 apartments. Work also started on another 12 buildings in phase 7, 276 apartments with scheduled completion in the third quarter of 2018.

Also in 2017, the basic concept was completed and the project **Luxuria Domenii Residence** was launched, being designed for the premium segment, for which Impact, via its branch Bergamot Developments S.R.L., has acquired in 2017 a plot of land with an area of 2.25 ha in Bucharest, in the Expozitiei-Domenii neighborhood; the residential complex shall comprise 9 buildings of 630 apartments each.

The project shall be continued in 2018 by starting the construction of the first 232 apartments.

In line with the strategic vison of Impact's management team, of continuous adjustment to the evolution of the real estate market and retaining efficiency, the Company has set for this year certain objectives, whereby it responds to the demands of the market, its customers and partners.

The optimistic views to the market, but also to the relationship between Impact and its customers is based on the diversification of both the real estate products and the financial ones, whereas the Company succeeds in managing the difficult access to financing sources and the higher and higher expectations of its customers in regard of the habitat's quality.

2. Affiliates

a) ***Actual Invest House S.R.L***, a company within the Group, providing management services to new residential developments and services for furnishing and interior decoration by partnering with leading suppliers at competitive prices, using high quality materials.

b) ***Clearline Development and 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 has a litigation amounting to 17,053,000 lei, plus legal interest, a file that is currently on trial with the Arges Court and it is currently carrying out the expertise (Urban Planning and Construction) as ordered in the case.

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 52,262 sq. m. gross, namely 500 apartments on a land of approximately 16,776 sq. m., which is the first phase of the residential project Luxuria Domenii Residence. The total gross area including basements is approximately 74,852 sq. m., located 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 B (130 apartments) of the residential project Luxuria Domenii Residence, with a gross area of 14,136 sq. m., built on a land of 5,769 sq. m. The total gross area including basements is approximately 20,100 sq. m., in the Expozitiei-Domenii area.

e) ***Impact Finance & Developments S.R.L.,*** has an important role in the diversification of services related to the sale of dwellings. Impact Finance&Developments collaborates with major financial institutions from Romania in order to provide solutions for attractive credit facilities in the shortest time possible for customers who intend to purchase a dwelling.

Transactions with affiliates

	Transactions value as of	Balance as of
Sale of goods and services	**30-Iun-18**	**30-Iun-18**
Subsidiaries		
Actual Invest House	6,201	47,820
Clearline Development and Management	3,772	50,425
Bergamot Developments	2,794	5,328,659
Bergamot Developments Phase II	2,794	895
Impact Finance	22,834	11,883
Total	**38,394**	**5,439,681**

	Transactions value as of	Balance as of
	30-Iun-18	**30-Iun-18**
Purchase of goods and services		
Subsidiaries		
Actual Invest House	704,003	1,710,741
Clearline Development and Management	-	-
Bergamot Developments	-	-
Bergamot Developments Phase II	-	-
Impact Finance	-	-
Total	**704,003**	**1,710,741**

	Transactions value as of	Balance as of
	30-Iun-18	30-Iun-18
Interest income		
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management	-	-
Bergamot Developments	396,828	1,355,249
Bergamot Developments Phase II	36,497	36,572
Impact Finance	568	568
Total	**433,893**	**1,392,389**

	Transactions value as of	Balance as of
	30-Iun-18	30-Iun-18
Granted loans		
Subsidiaries		
Actual Invest House	0	0
Clearline Development and Management	0	0
Bergamot Developments	0	12,210,000
Bergamot Developments Phase II	15,787,000	15,787,000
Impact Finance	0	10,000
Total	**15,787,000**	**28,007,000**

3. Subsequent Events

No subsequent events to be reported.

4. Auditors

By the Decision of the General Meeting of Shareholders dated April 26th 2018, the contract with the current external financial auditor of the Company, DELOITTE AUDIT SRL, was extended for a one-year mandate.

The consolidated financial statements as of June 30th 2018 **are not audited**.

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