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

Quarterly Report
1st Quarter 2020

Report date: 15.05.2020
Name of the issuing company: **IMPACT DEVELOPER & CONTRACTOR SA**
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal code 015016
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83
Fully subscribed and paid up capital: 274,443,532 RON
Regulated market where the issued securities are traded: Bucharest Stock Exchange

THE FIRST 3 MONTHS OF 2020 ("3M 2020") – HIGHLIGHTS

- **286** pre-sale agreements and reservations on March 31, 2020 expected to be translated into sales in 2020 and 2021
- **50** dwellings sold (4,338 sq. m. gross area)
- Continuing the procedures for obtaining the building permit for Greenfield IV (Teilor Assembly); Greenfield IV is the new development phase of Greenfield Baneasa Residence and will include Greenfield Plaza, a trade and leisure center
- Identifying solutions for framing the next stages of Greenfield development in green buildings category and identifying the appropriate funding sources
- Continuing the construction works for the 3 phases of the Luxuria Domenii Residence ("Luxuria") project, 630 apartments estimated to be delivered as follows: 232 apartments in the second quarter of 2020, 268 apartments in the second half of 2020 and 130 apartments in the first half of 2021
- Continuing the procedures for obtaining the building permit for the residential projects Boreal Plus that will be developed in Constanta and which will bring to the market 676 apartments in 3 development phases
- Market prospecting for financing the 3rd phase of the Luxuria project, Greenfield IV and Boreal Plus Constanta
- Identifying locations/plots of land in Bucharest and in other cities throughout the country for future developments (e.g. Timisoara, Cluj, Iasi)

MAIN FINANCIAL PERFORMANCE INDICATORS - CONSOLIDATED

LEI thousand	3M 2020	3M 2019	Var %
Revenue from real estate inventories	23,062	50,876	(55%)
Gross profit	10,924	25,484	(57%)
Gross margin %	*47.4%*	*50.1%*	*(5.4%)*
Operating expenses	(6,472)	(6,307)	*3%*
Operating expenses % of revenue	*28%*	*12%*	*126%*
EBITDA	4,733	19,383	*(76%)*
EBITDA margin %	*21%*	*38%*	*(46%)*
EBIT	4,486	18,776	*(76%)*
EBIT margin %	*19%*	*37%*	*(47%)*
Net result	627	11,988	*(95%)*
Net result margin %	*3%*	*24%*	*(88%)*

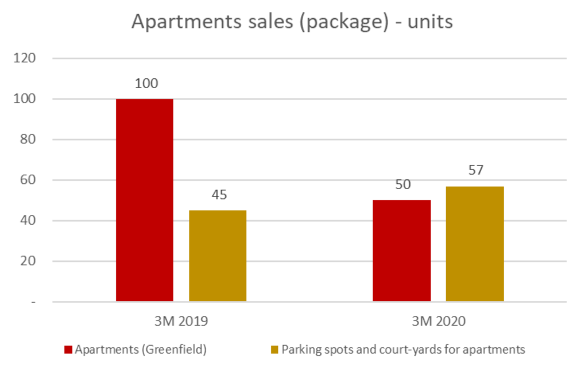
The results recorded in 3M 2019 include the sale of 70 apartments to the Bucharest City Hall ("PMB"). Without these, the revenues from the sale of apartments registered an increase of 69% in 3M 2020 compared to 3M 2019 (50 apartments sold in 3M 2020 vs. 30 apartments sold in 3M 2019).

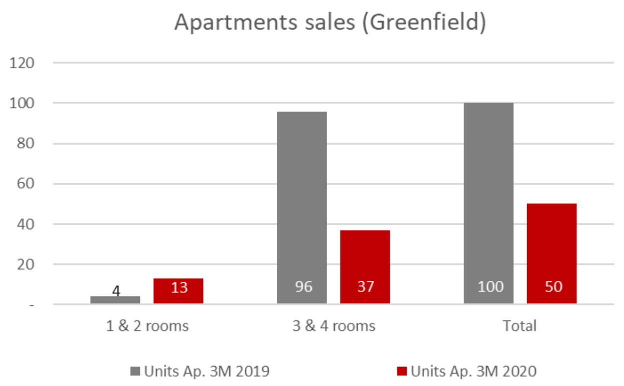
On March 31, 2020, in addition to the registered sales, there were pre-sale agreements concluded for apartments whose value is not reflected in revenues in 3M 2020. The value of these pre-sale agreements is of 158.4 mLEI, estimated to translate into revenues in 2020 and 2021. Additionally, in the second half of 2020, is expected to record 15.25 mLEI as revenues related to the sale of a plot of land in Constanta for which a sale contract was concluded at the end of 2019, with certain conditions that must be met by Impact.

In 3M 2020, were recorded foreign exchange losses, particularly related to the revaluation of bonds and investment loans for the two phases of the Luxuria project at the end of March 2020 as the exchange rate has risen to 4.8254 RON/EUR from 4.7793 as on December 31, 2019 (2.28 mLEI).

SALE OF DWELLINGS

In 3M 2020, sales have reached a number of 50 dwellings (apartments, plus parking spots and court yards included in the packages (100 in 3M 2019) and 1 parking spots (5 in 3M 2019). The apartments sold in 3M 2020 totalized a gross area of 4,338 sq. m., (9,397 sq. m. in 3M 2019). In 3M 2019, 70 out of the 100 apartments were sold to PMB following the winning of the public auction.



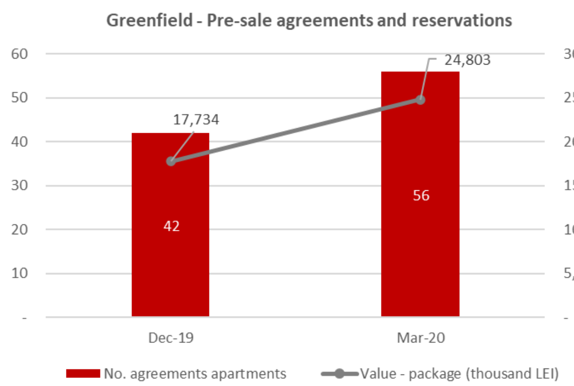


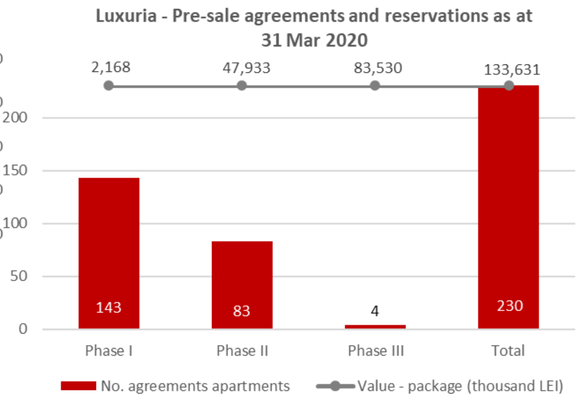
In 3M 2020, the apartments sold in Greenfield were located in Platanilor Assembly. In 3M 2019, from the total number of sold apartments sold in Greenfield, 3 apartments (372 sq. m.) were sold in Salcamilor Assembly and 97 apartments (9,025 sq. m.) were sold in Platanilor Assembly.

Pre-sales of apartments

In addition to the 50 sale agreements, whose value is reflected in the revenues booked in 3M 2020, on March 31, 2020, there were opened pre-sale agreements and reservations for 286 apartments located in Greenfield and Luxuria, with a value of approximately 158.4 mLEI, estimated to be transformed into revenues as follows:

- Quarter II & III of 2020: 24.8 mLEI related to 56 pre-sale agreements and reservations for finalized apartments in Greenfield;
- Quarter II & III of 2020: 83.5 mLEI for the first phase of Luxuria;
- Second half of 2020: 47.9 mLEI for the second phase of Luxuria;
- First half of 2021: 2.2 mLEI for the third phase of Luxuria.





Greenfield (the first three phases completed) – dwellings sold until March 31, 2020

On March 31, 2020, 2,394 apartments (94%) were signed, out of the 2,548 apartments already built in the Greenfield project. *[NB: Including pre-sale agreements and reservations as at March 31, 2020]*

- ***Greenfield I***: 680 apartments completed and fully sold (except for 3 apartments that are rented out);
- ***Greenfield II (Salcamilor Assembly)***: for the 924 completed apartments, 923 agreements were concluded (99.9%), all being sale agreements;
- ***Greenfield III (Platanilor Assembly)***: for the 944 apartments completed, 796 agreements were concluded (84.3%), whereof 740 sale agreements and 56 pre-sale agreements and reservations.

MAIN INDICATORS OF THE FINANCIAL POSITION – CONSOLIDATED

LEI thousand	**31-Mar-2020**	**31-Dec-2019**	**Var %**
Non-current assets, of which	**394,356**	**392,901**	***0%***
Investment property	383,910	384,223	*(0%)*
Property, plant and equipment	10,293	8,535	*21%*
Current assets, of which	**529,148**	**509,071**	***4%***
Inventories	437,993	430,725	*2%*
Trade and other receivables	43,126	32,884	*31%*
Cash and cash equivalents	48,029	45,462	*6%*
Total assets	**923,504**	**901,972**	***2%***
Liabilities, of which	**345,752**	**318,031**	***9%***
Loans and borrowings	232,553	197,635	*18%*
Equity	**577,752**	**583,941**	***(1%)***
Total equity and liabilities	**923,504**	**901,972**	***2%***

The net assets were 1% lower on March 31, 2020 compared to December 31, 2019, particularly due to own shares repurchased by Impact in 3M 2020.

The 2% increase in inventories as at March 31, 2020 compared to December 31, 2019 is due to the construction works for Luxuria and the start of Greenfield IV and Boreal Plus Constanta in conjunction with the sale of completed apartments in Greenfield.

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

In 3M 2020, there were utilized the loans granted by UniCredit Bank for the financing of the first two phases of Luxuria this being the main reason for the 18% increase in the outstanding balance of loans and borrowings as at March 31, 2020 compared to December 31, 2019.

LAND PORTFOLIO AS AT March 31, 2020

At the end of March 2020, the Company owned **76.5 ha** of land with a book value of **502.8 mil LEI**, land intended for sale and the development of new projects.

In 3M 2020, Impact's land portfolio was not subject to significant changes compared to December 31, 2019.

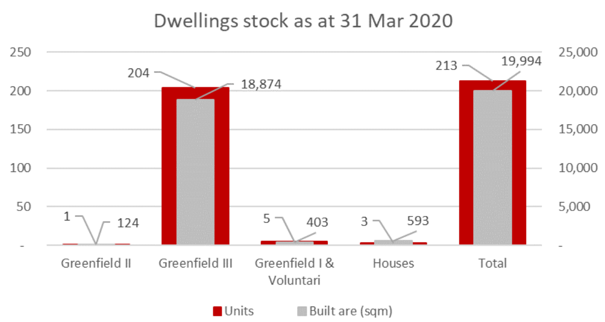
Location	City	Surface (ha)	IFRS book value (mRON)	IFRS book value (mEUR)	EPRA value (mRON)	EPRA value (mEUR)
Greenfield Baneasa	Bucharest	33.4	260.5	54.5	301.6	63.1
Luxuria Domenii	Bucharest (Expozitiei Blvd.)	0.6	12.4	2.6	33.0	6.9
Bd. Timisoarei - Bd. Ghencea	Bucharest	25.9	94.2	19.7	94.2	19.7
Barbu Vacarescu	Bucharest	2.6	116.1	24.3	116.1	24.3
Zenit, Neptun, Boreal	Constanta	10.2	17.2	3.6	41.1	8.6
Other	Bucharest, Oradea	3.8	2.4	0.5	2.4	0.5
Total		**76.5**	**502.8**	**105.2**	**588.4**	**123.1**

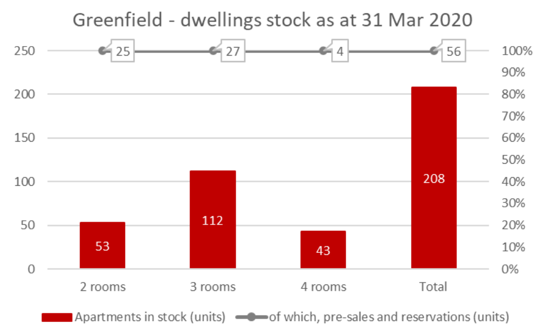
Note 1: The EPRA value considers the fair market value based on the market value according to the revaluations performed by Colliers Valuation and Advisory as at 31 Dec 2019, except for land located in Greenfield Baneasa and Luxuria Domenii for which the investment value was used. The investment value for Greenfield Baneasa of 190 EUR / sqm (market value – 176 EUR / sqm) was determined by Colliers as at 31 Dec 2019 by using the income approach (residual value) for the 6 new phases of the Greenfield Baneasa neighborhood that
Note 2: The FX rate used to translate the RON denominated amounts in EUR - 4.7793 RON/EUR

DWELLINGS INVENTORY AS AT March 31, 2020

As at March 31, 2020, the inventory included 213 apartments and houses fully completed, with a built area of 19,994 sq. m. and a book value of app. 50.2 mLEI.

The detailed status of the inventory of apartments and houses as at March 31, 2020 is the following:





PROJECTS UNDER DEVELOPMENT

Impact's activity during the first 3 months of 2020 was dominated by the development of two residential projects located in Bucharest, specifically **Greenfield Residence Baneasa** and **Luxuria Domenii Residence**.

Luxuria Domenii Residence (Bucharest)

Luxuria Domenii Residence is a new development concept of Impact and is addressed to the premium segment of the residential market. The Luxuria Domenii Residence project was commenced in 2018, shall be developed on an area of app. 2.25 ha and shall bring to the market 630 apartments, estimated for delivery as follows: 232 apartments during the second quarter of 2020, 268 apartments during the second half of 2020 and 130 apartments during the first half of 2021.

In 3M 2020, the development/construction works for the first two phases of the project estimated for delivery in 2020 continued. Also, the development of the third phase of the Luxuria project was continued.

Greenfield Baneasa Residence (Bucharest)

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

In the first 3 months of 2020, the procedures for obtaining the building permit for Greenfield IV were continued. Greenfield IV shall include the Greenfield Plaza, to incorporate a Strip Mall, an office area, a SPA area and a gym/sports hall. These phases will be designed to include Smart City facilities and buildings that meet the design principles of green buildings, minimizing energy consumption and using energy from renewable sources to minimize the carbon footprint of these phases.

Boreal Plus (Constanta)

In 2019, was obtained the PUZ for Boreal Plus residential project, which will be developed in Constanta and will bring to the market over 690 homes (blocks and houses), of which 676 apartments related to the block component of the project will be delivered in three phases.

In 3M 2020, the steps for obtaining the construction authorization for the block component of the Boreal Plus project were continued. The construction permit for the houses was obtained in 2019.

CSR ACTIVITIES

From the perspective of the pollution degree, Bucharest is considered the most polluted European capital. Air pollution is closely related to general health, which can lead to quite serious diseases.

Being an activist of healthy living, Impact Developer & Contractor has installed in the Greenfield neighborhood, since the end of 2019, a sensor that measures air quality, the values being available for public consultation, on the website greenfieldresidence.ro

Since the beginning of 2020, an information campaign has been launched on the effects that air has on health. The aim is to familiarize residents with the values they need to know (PM10, PM 2.5, CO, NO2) and to hold them aware on pollution importance and the harmful effects of outdoor and indoor air on their health.

Greenfield Air Quality

Indicators	**LIVE Values**	**MAX Values***
Temp.	12.24°C	
PM 10	10 μg/m^3	50 μg/m^3
PM 2.5	14 μg/m^3	20 μg/m^3
CO	0.33 mg/m^3	10 mg/m^3
NO_2	0.53 μg/m^3	40 μg/m^3
Humidity	46.10%	

*daily average

Values at 13 May 2020

IMPACT ON THE CAPITAL MARKET

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

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

Evolution of Impact share price (IMP) Apr2016 – Mar2020

Relative evolution of IMP vs. BET index Apr2017 – Mar2020

Blue line – IMP   Orange line – BET index

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

METRICS	31-Dec-17	31-Dec-18	31-Dec-19	31-Mar-20
Price per share (LEI)	1.05	0.99	1.49	1.35
Number of shares (Impact Developer & Contractor)	277,866,574	277,866,574	274,443,532	274,443,532
Market capitalization (LEI)	291,759,903	275,087,908	408,920,863	370,498,768
IFRS (consolidated)				
Net profit (LEI)	51,098,000	20,828,000	154,484,000	627,261
Net asset value ("NAV")	427,450,000	446,807,255	583,941,000	577,752,000
NAV/Share (LEI)	1.54	1.61	2.13	2.11
EPRA* (consolidated)				
Net asset value ("NAV")	599,972,909	720,021,200	839,419,797	803,846,632
NAV/Share (LEI)	2.16	2.59	3.06	2.93

**European Public Real Estate Association*

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

LEI	31-Dec-17	31-Dec-18	31-Dec-19	31-Mar-20
NAV per the IFRS financial statements	**427,450,000**	**446,807,255**	**583,941,000**	**577,752,000**
Include:				
i) Revaluation of property developed for sale	77,743,519	32,208,675	39,796,419	33,294,137
ii) Revaluation of land and WIP held as inventory	68,574,389	203,296,632	148,565,856	125,322,548
iii) Revaluation of land held as fixed assets / investment property	-	7,760,639	21,146,521	21,426,946
Exclude:				
iv) Deferred tax	26,205,000	29,948,000	45,970,000	46,051,000
EPRA NAV	**599,972,909**	**720,021,200**	**839,419,797**	**803,846,632**

i) Revaluation of property developed for sale.

The inventories/finished goods (apartments) were revaluated at market value on 31 Dec 2019 by Colliers Valuation and Advisory. The increase / difference between the market value resulted after the revaluation and the book value (the lowest value between the cost and the net realisable value) has been included in the Net Asset Value according to EPRA.

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

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

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

OTHER ASPECTS

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

PERSPECTIVES FOR APRIL - DECEMBER 2020

- Completion of the first two phases of the Luxuria project (232 & 268 apartments);
- Continuing the works for the third phase of Luxuria project (130 apartments);
- Estimating of obtaining building permits and starting the works for Greenfield IV and Boreal Plus Constanta;
- Prospecting for obtaining financing for the third phase of the Luxuria project, Greenfield IV and Boreal Plus Constanta.

CONSOLIDATED ENTITIES

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

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

ANNEX 1 – CONSOLIDATED STATEMENT OF PROFIT OR LOSS – 3M 2020 (UNAUDITED)

LEI thousand	**31-Mar-2020**	**31-Mar-2019**
Revenue from real estate inventories	23,062	50,876
Costs of real estate inventories	(12,138)	(25,392)
Gross profit	**10,924**	**25,484**
Net rental income	(29)	(255)
General and administrative expenses	(5,305)	(4,214)
Marketing expenses	(1,094)	(1,086)
Depreciation and amortization	(281)	(205)
Other operating income/expenses	237	(546)
Total other income / expenses	**(6,472)**	**(6,307)**
Unrealised gains / (loss) on investment property	-	-
Adjusted operating profit before exceptional items and impairment of long term assets	**4,452**	**19,177**
Impairment of assets	34	(401)
Other income/expense (exceptional)	-	-
Operating profit	**4,486**	**18,776**
Finance costs, net	(2,636)	(3,762)
Profit before income tax	**1,850**	**15,014**
Income tax credit/(charge)	(1,223)	(3,026)
Profit / (loss) for the period	**627**	**11,988**

ANNEX 2 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (UNAUDITED)

LEI thousand	31-Mar-2020	31-Dec-2019
ASSETS		
Non-current assets		
Property, plant and equipment	10,293	8,535
Intangible assets	153	143
Investment property	383,910	384,223
Financial assets	-	-
Long term trade and other receivables	-	-
Total non-current assets	**394,356**	**392,901**
Current assets		
Inventories	437,993	430,725
Trade and other receivables	43,126	32,884
Cash and cash equivalents	48,029	45,462
Total Current Assets	**529,148**	**509,071**
Total Assets	**923,504**	**901,972**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	281,907	281,907
Share premium	68,760	68,760
Revaluation reserves	3,001	3,001
Other reserves	9,179	9,179
Own shares	(12,417)	(7,771)
Retained earnings	226,695	74,381
Result for the period	627	154,484
Total equity	**577,752**	**583,941**
Non-current liabilities		
Loans and borrowings	139,308	138,813
Trade and other payables	330	330
Deferred tax liability	46,051	45,970
Total non-current liabilities	**185,689**	**185,113**
Current liabilities		
Loans and borrowings	93,245	58,822
Trade and other payables	65,911	73,189
Provisions for risk and charges	907	907
Total current liabilities	**160,063**	**132,918**
Total liabilities	**345,752**	**318,031**
Total shareholders' equity and liabilities	**923,504**	**901,972**

IMPACT DEVELOPER & CONTRACTOR S.A.

INDIVIDUAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2020

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

UNAUDITED

CONTENTS: **PAGE:**

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF FINANCIAL POSITION
ON 31 MARCH 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	31-Mar-2020	31-Dec-2019
ASSETS			
Non-current assets			
Tangible non-current assets		6,410	6,309
Intangible non-current assets		143	128
Investment properties		383,910	383,285
Financial assets	**8**	-	-
Trade and other receivables		-	-
Total non-current assets		**446,655**	**445,914**
Current assets			
Inventories	**9**	191,500	201,787
Trade and other receivables		105,597	91,938
Cash and cash equivalents	**11**	32,783	35,357
Total current assets		**329,881**	**329,081**
Total assets		**776,535**	**774,995**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**12**	281,907	281,907
Share premium		68,760	68,760
Revaluation reserves		3,001	3,001
Other reserves		8,787	8,787
Own shares	**13**	(12,417)	(7,771)
Retained earnings		230,996	76,858
Net profit for the period		3,402	154,139
Total equity		**584,436**	**585,681**
Long-term liabilities			
Loans	**14**	88,030	115,723
Trade and other payables	**15**	330	330
Deferred tax		46,051	46,051
Total long-term liabilities		**134,412**	**162,105**
Current liabilities			
Loans	**14**	30,715	1,765
Trade and other payables	**15**	26,065	24,537
Provisions for risk and charges	**16**	907	907
Total current liabilities		**57,687**	**27,209**
Total liabilities		**192,099**	**189,314**
Total shareholders' equity and liabilities		**776,535**	**774,995**

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

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM 2020 ENDED ON 31 MARCH 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	31-Mar-2020	31-Mar-2019
Revenue from sale of residential properties	**17**	23,062	50,876
Costs related to residential properties		(12.139)	(25,392)
Gross profit		**10,923**	**25,484**
Net rental income	**17**	(10)	(239)
General and administrative expenses	**18**	(4,866)	(4,344)
Marketing expenses		(808)	(763)
Amortization		(182)	(172)
Other operating income/expenses	**19**	1,061	(280)
Total other income / expenses		**(4,806)**	**(5,799)**
Adjusted operating profit before exceptional items and impairment of other non-current assets		**6,117**	**19,685**
Impairment of assets		34	(401)
Operating profit		**6,152**	**19,284**
Financial costs, net	**20**	(1,528)	(3,429)
Profit before tax		**4,624**	**15,855**
Income tax expenses	**21**	(1,222)	(3,026)
Result for the period		**3,402**	**12,829**

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

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 2020 ENDED ON 31 MARCH 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	Note	Share capital	Share premium	Revaluation reserve	Other reserves	Own shares	Retained earnings	Total equity
Balance on January 1st 2020		**281,907**	**68,760**	**3,001**	**8,787**	**(7,771)**	**230,996**	**585,681**
Comprehensive income								
Profit for the year		-	-	-	-	-	3,402	3,402
Other comprehensive income		-	-	-	-	-	-	,
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**3,402**	**3,402**
Transactions with owners of the Company								
Own shares acquired during the year	13	-	-	-	-	(4,467)	-	(4,467)
Paid dividends		-	-	-	-	-	-	-
Share capital reduction by cancelling shares		-	-	-	-	-	-	-
Other changes in equity								
Set up of legal reserves		-	-	-	-	-	-	-
Transfer of reserves		-	-	-	-	-	-	-
revaluation reserves		-	-	-	-	-	-	-
Balance on March 31st 2020		**281,907**	**68,760**	**3,001**	**8,787**	**(12,417)**	**234,399**	**584,436**

Sorin Apostol
Chief Executive Officer

Giani Kacic
Chief Financial Officer

Iuliana Mihaela Urda
Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 2020 ENDED ON 31 MARCH 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

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

Sorin Apostol
Chief Executive Officer

Giani Kacic
Chief Financial Officer

Iuliana Mihaela Urda
Chairman of the Board of Directors

IMPACT DEVELOPER & CONTRACTOR S.A.
STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 2020 ENDED ON 31 MARCH 2020
(all amounts are expressed in thousand RON, unless stated otherwise)

	31-Mar-2020	31-Mar-2019
Cash flows from operating activities:		
Profit for the period	**3,402**	**12,829**
Adjustments for:		
Amortization of tangible non-current assets	162	140
Amortization of intangible non-current assets	20	24
Depreciation of tangible non-current assets, net	29	-
Result from transfer of assets, net	-	-
Depreciation of inventories	833	1,920
Depreciation of trade and other receivables, net	(64)	-
Income tax	1,222	3,026
Net changes in provisions for risk and charges	-	(6)
Interest expenses	1,912	1,974
Interest income	(1,616)	(786)
Foreign exchange differences, net	1,232	2,074
Other	-	1
	3,731	**8,367**
Changes in:		
Inventories	10,286	11,158
Trade and other receivables	(2,710)	(45,886)
Trade and other payables	754	24,676
Cash from operating activities	**15,462**	**11,114**
Income tax paid	(573)	(1,500)
Interest paid	(1,590)	(1,958)
Net cash from operating activities	**13,299**	**7,686**
Cash flows from investing activities:		
Acquisitions of tangible non-current assets and investment property, net	(1,107)	(1,142)
Acquisitions of intangible non-current assets	(35)	(7)
Net cash used in investing activities	**(1,142)**	**(1,149)**
Cash flow from financing activities:		
Dividends paid	(2)	-
Loan repayments	(4,121)	(17,450)
Loan proceeds	3,833	7,770
Loans granted to affiliates	(9,795)	(1,445)
Repayment of loans granted to affiliates	-	-
Acquisitions of new shares	(4,647)	(429)
Net cash from (used in) financing activities	**(14,732)**	**(5,017)**
Net increase/ (decrease) of cash and cash equivalents	**(2,574)**	**(11,263)**
Cash and cash equivalents on January 1	**35,357**	**26,676**
Cash and cash equivalents on March 31	**32,783**	**21,660**

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

1. REPORTING ENTITY

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

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

The shareholding structure on March 31, 2020 is described in Note 12.

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

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

During the first 3 months of 2020, Impact's activity was mainly focused on the development of the Greenfield residential project in Bucharest.

2. THE BOARD OF ADMINISTRATION

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

The Board of Administration consists of 5 members:

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

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

Executive Management of the Company

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

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

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

3. BASIS OF PREPARATION

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

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

Going concern principle

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

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

5. SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies are presented below.

(a) Foreign currency

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

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

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

(b) Tangible non-current assets

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

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

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

The land shall not be depreciated.

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

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

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

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

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

(c) Intangible non-current assets acquired separately

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

(d) Investment properties

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

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

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

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

(e) Inventories

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

(f) Trade and other receivables

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

- **Derecognition of financial assets**

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

(g) Cash and cash equivalents

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

(h) Share capital

- **Ordinary shares**

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

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

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

(i) Dividends

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

(j) *Own shares*

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

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

(k) Loans

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

- **Borrowing costs**

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

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

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

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

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

(l) Trade and other payables

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

- **Derecognition of financial liabilities**

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

(m) Provisions

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

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

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

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

(n) Revenues

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

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

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

(i) Revenue from sale of residential properties

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

(ii) Revenues from re-charging utilities

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

(o) Taxation

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

- **Current tax**

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

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

- **Deferred tax**

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

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

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

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

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

(p) Share-based payments

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

(q) Financial instruments – fair values and risk management

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

(r) Operating leases

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

(s) Contingent liabilities

A contingent liability is:

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

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

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

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

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

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

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

(t) Subsequent events

Events occurring after the reporting date September 30, 2019, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

(u) Segmental reporting

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

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(i) Fair value measurements and valuation processes

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Legal issues

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

On March 31st. 2020, a subsidiary company is engaged in a dispute with Cluj City Council. The company is seeking reimbursement of costs amounting to RON 17 million plus expenses. Based on advice from the Groups lawyers, management believes that the outcome of the case will not result in an adverse outcome in these financial statements. However, the matter is judgmental and, in the event, that recoveries are less than the carrying value of the asset then a financial loss will result.

(iv) Cost allocation

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

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

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

- **IFRS 16: Leases**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. INVESTMENT PROPERTIES

Reconciliation of book value and investment properties

	31-Mar-20	31-Dec-19
Balance on January 1st.	**383,285**	**217,113**
Additions	625	12,300
Entries by transfer	-	95,381
Disbursements by transfer	-	(85,130)
Disposals	-	(939)
Changes in fair value on projects transferred from inventory	-	144,559
Balance on March / December 31st.	**383,910**	**383,285**

Investment properties mainly include land held for capital increase or lease towards third parties.
During the first 3 months of 2020, the Company has acquired land with an area of 896 sqm. and an acquisition value of 533 thousand RON.

Valuation processes

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

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

The land held for capital appreciation, amounting 385,250 thousand RON as at March 31, 2020 (2019: 384,343 thousand RON), with a total surface of 545,250 sqm (2019: 544,354 sqm). As at March 31, 2020, 483,228 sqm of this land is located in Bucharest and 62,022 sqm in other regions (Constanta, Oradea).

Fair value hierarchy

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

Valuation techniques

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

Approach	**Key inputs**
The fair values are determined through the application of the market comparison technique. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market. The valuation derived by the external expert were adjusted downwards by management to take into account the legal status of certain assets.	• Offer price per square meter for land in Bucharest (98 Euro /square meter up to 200 Euro per square meter) (2018: 93 Euro /square meter up to 149 Euro per square meter) • Adjustments to observable offer prices to reflect deal prices, location and condition (-25% discount +30% premium) (2018: -22% discount to -5%% premium). • An overall reduction in value of with a range of 1% up to 13%% was applied to Ghencea and Barbu Vacarescu as an estimate of the impact of legal matters on the asset value.

The carrying value on March 31, 2020 of the land plots pledged is of 165,209 thousand RON.

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

9. INVENTORIES

	31-Mar-20	31-Dec-19
Finished products and products intended for resale	53,446	64,685
Residential projects:		
- Land	121,880	121,925
- Development and construction costs	16,175	15,177
	191,500	**201,787**

Land with a book value of 121,800 thousand RON on March 31, 2020 consists of land held by the Company for the development of new residential properties, mainly in Bucharest, as well as land that the Company intends to trade by direct sale.

Completed investment properties with a book value of 53,446 thousand RON on March 31, 2020 relate entirely to apartments held for sale purposes by the Company.

10. FINANCIAL ASSETS

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

The Company holds participations in the following affiliates:

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

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

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

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

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

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

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

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

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

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

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

11. CASH AND CASH EQUIVALENTS

	31-Mar-2020	31-Dec-2019
Current accounts	32,759	35,346
Cash	17	4
Cash advance payments	7	7
	32,783	**35,357**

12. SHARE CAPITAL

	31-Mar-20	31-Dec-19
Balance on January 1	281,907	281,907
Share capital changes	-	-
Balance on March/December 31	**281,907**	**281,907**

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

	31-Mar-2020	31-Dec-2019
	%	%
Gheorghe Iaciu	56.82%	56.82%
Andrici Adrian	15.43%	15.43%
SWISS CAPITAL	12.14%	12.22%
Other shareholders	15.61%	15.53%
	100%	**100%**

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

13. OWN SHARES

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

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

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

On March 31, 2020 the Company's balance shows 9,665 thousand own shares at an average price of 1.0475 RON/share with a book value of 12,417 thousand RON (2019: 7,771 thousand RON). In the first 3 months of 2020, the Company has not granted any shares to the employees.

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

14. LOANS

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

	31-Mar-20	31-Dec-19
Long-term liabilities		
Secured bank loans	-	-
Issued bonds	88,030	115,723
	88,030	**115,723**
Short-term liabilities		
Current portion of secured bank loans	-	-
Short-term loans and bonds	30,715	1,765
	30,715	**1,765**

Loan terms and maturity

The loan terms and conditions are the following:

Lender	Currency	Maturity	Loan value in the original currency	Balance on 31/03/2020	Balance on 31/12/2019
Loans					
Credit Value Investments	EUR	11.07.2021	12,000	58,318	58,586
Bondholders through Bucharest Stock Exchange S.A.	EUR	12.12.2022	12,525	60,427	58,902
Libra Internet Bank	RON	17.07.2020	19,700	-	-

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

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

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

The Bucharest Stock Exchange has approved the request to trade on the regulated market managed by the Bucharest Stock Exchange the non-secured bonds issued by the Company, at a fixed annual interest of 5.75% denominated in EUR, with a maturity of 5 years and a total nominal value of 12,525 thousand EUR.

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

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

15. TRADE AND OTHER PAYABLES

	31-Mar-2020	31-Dec-2019
Non-current liabilities		
Guarantees	330	330
	330	**330**
Current liabilities		
Trade payables	2,913	3,225
Customer deposits	2,773	1,721
Divides payable	197	199
Payable to affiliates	149	275
Other payables	20,033	19,117
	26,065	**24,537**
Total liabilities	**26,395**	**24,867**

16. PROVISIONS FOR RISK AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2020	**319**	**588**	**907**
Provisions established during the period	-	-	-
Provisions carried forward during the period	-	-	-
Balance on March 31, 2020	**319**	**588**	**907**

17. REVENUE

The Company’s revenue is presented as follows:

	31-Mar-2020	31-Mar-2019
Revenue from sale of residential properties	23,007	50,876
Other revenues	55	-
	23,062	**50,876**

	31-Mar-2020	31-Mar-2019
Rental income	123	88
Income from utilities recharge	928	655
Operating expenses directly related to rented properties	(1,061)	(982)
Net revenues from rental	**(10)**	**(239)**

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

18. GENERAL AND ADMINISTRATIVE CHARGES

	31-Mar-2020	31-Mar-2019
Consumables	118	74
Third-party services	2,056	1,638
Personnel expenses	2,692	2,632
	4,866	**4,344**

19. OTHER OPERATING EXPENSES/INCOMES

	31-Mar-2020	31-Mar-2019
Other operating incomes (+) / expenses (-)	(1,689)	(268)
Rental charges	106	126
(Profit) / Loss from transfer of tangible non-current assets	-	1
(Income)/Expenses for fines and penalties	35	1
Other expenses	489	420
	(1,061)	**280**

20. FINANCING COSTS/INCOME

	31-Mar-2020	31-Mar-2019
Interest charges	1.895	2,114
Interest income	(1.509)	(786)
Result from foreign currency exchange	1.232	2,074
Other financial reserves	(90)	27
	1,528	**3,429**

21. PROFIT TAX

(i) Tax recognized in the profit and loss account

	31-Mar-2020	31-Mar-2019
Profit tax	1,222	3,026
Total tax expenses	**1,222**	**3,026**

22. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial risk management

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

- credit risk
- available cash risk
- market risk

General framework for risk management

The Company has no formal commitments designed to fight financial risks. Despite the lack of formal commitments, financial risks are monitored by top management, with an emphasis on the Company's needs to compensate efficiently opportunities and threats.

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

(a) Credit risk

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

Trade and other receivables

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

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

(b) Available cash risk

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

(c) Market risk

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

Foreign exchange risk

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

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

23. AFFILIATES

Company's subsidiaries

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

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

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

Amounts in RON	**Transaction value on 31-Mar-2020**	**Balance on 31-Mar-2020**
Sale of goods and services		
Subsidiaries		
Actual Invest House	5,320	10,161
Clearline Development & Management	1,436	62,900
Bergamot Developments	275,111	377,221
Bergamot Developments Phase II	1,436	341
Impact Finance & Developments	10,181	4,050
Greenfield Rent	1,436	2,513
	294,920	**457,186**

Amounts in RON	**Transaction value on 31-Mar-2020**	**Balance on 31-Mar-2020**
Acquisition of goods and services		
Subsidiaries		
Actual Invest House	203,771	-
Clearline Development & Management	5,595	664
Bergamot Developments	-	-
Bergamot Developments Phase II	-	-
Impact Finance & Developments	-	-
Greenfield Rent	-	-
	209,366	**664**

Amounts in RON	**Transaction value on 31-Mar-2020**	**Balance on 31-Mar-2020**
Interest income		
Subsidiaries		
Actual Invest House	-	-
Clearline Development & Management	1,068	3,645
Bergamot Developments	939,356	6,123,028
Bergamot Developments Phase II	376,931	2,067,338
Impact Finance & Developments	-	-
Greenfield Rent	80	80
	1,317,434	**8,194,091**

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

Amounts in RON	**Gross value**	**Impairment**	**Book value**
Granted loans			
Subsidiaries			
Clearline Development & Management	65,000	-	65,000
Bergamot Developments	57,777,872	-	57,777,872
Bergamot Developments Phase II	26,157,000	-	26,157,000
Impact Finance & Developments	85,000	-	85,000
Greenfield Rent	10,000	-	10,000
	84,094,872	**-**	**84,094,872**

24. SUBSEQUENT EVENTS

The Company's management does not opine that there are any events subsequent to March 31, 2020, until the approval date of these individual financial statements, which should be disclosed or adjusted.

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

Impact Developer & Contractor SA

Financial ratios as at March 31, 2020

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

Impact - Individual

Ratio	31-Mar-2020	Calculation method
Current ratio	5.72	Current assets/Current liabilities
Gearing ratio	20.32%	Borrowed capital/Equity x 100
Receivables turnover	44.47	Average balance for receivables/Revenues x 90
Non-Current assets turnover	0.05	Revenues/Non-current assets

Impact - Consolidated

Ratio	31-Mar-2020	Calculation method
Current ratio	3.31	Current assets/Current liabilities
Gearing ratio	40.25%	Borrowed capital/Equity x 100
Receivables turnover	38.21	Average balance for receivables/Revenues x 90
Non-Current assets turnover	0.06	Revenues/Non-current assets

B. Gearing ratio calculated based on EPRA NAV

Impact - Individual & Consolidated

Ratio	31-Mar-2020	Calculation method
Gearing ratio (individual)	16.29%	Borrowed capital/EPRA NAV x 100
Gearing ratio (consolidated)	28.93%	Borrowed capital/EPRA NAV x 100

Note: The financial ratio were calculated based on the unaudited individua and consolidated financials as at March 31, 2020, both the ones calculated according to the ASF Regulation No. 5/2018 and the Gearing ratio calculated based on EPRA NAV

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