IMPACT

Developing Sustainable Communities
Since 1991

QUARTERLY REPORT
Q3 2021

12 NOVEMBER 2021

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Report date:	12 November 2021
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
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Fully subscribed and paid-up capital: 393,750,00 RON

Regulated market where the issued securities are traded: Bucharest Stock Exchange

HIGHLIGHTS

THE FIRST 9 MONTHS OF 2021 ("9M 2021")

51% record increase in sales commitments, compared to 9 months prior year comparable. Increase in volume of construction with projects in Bucharest, Constanta, Iasi.

KEY FINANCIAL AND OPERATIONAL MATTERS

- **51% increase** in sales commitments (pre-sales) signed in 9M 2021 vs. 9M 2020 with new projects accounting for 75% of the sales commitments.
- **379** sales commitments and reservations as at 30 Sep 2021, with a package value of **EUR 40.9 million (RON 200 million),** out of which EUR 31 million (RON 152 million) will translate in sales, as apartments will be finalised in the following periods. **145** apartments sold in 9M 2021 (258 in 9M 2020) and revenues booked in the same period, of which 121 apartments in LUXURIA EXPOZITIEI REZIDENCE ("LUXURIA EXPOZITIEI"), 21 apartments in GREENFIELD BANEASA RESIDENCE ("GREENFIELD BANEASA") and 3 units in older projects developed by **IMPACT GROUP ("IMPACT")**.
- **RON 109.5 million** revenues and **RON 36 million** gross profit in 9M 2021 (RON 135.3 million revenues and RON 51 million gross profit in 9M 2020). This reflects the current stage of **IMPACT**'s activity, namely a new development cycle translating into low completed inventory for which sales and related revenues can be recorded. As at 30 Sep 2021, there were 1,623 permitted units located in Bucharest and Constanta (1,056 already in construction) while additional 2,655 units located in Iasi, Bucharest and Constanta are in various stages of permitting.
- Acquisition of a plot of land of **2.6 ha** in Iasi that completes the land acquired late 2020. The entire **5 ha** plot of land will used to develop GREENFIELD COPOU (1,062 apartments), in one of the city's prime locations near the botanical garden.
- The process of **expanding IMPACT's activity and its nationwide presence** was secured through additional financing resulting in 10% increase in loans and borrowings balance, as well as through Company own resources and 65% decrease in cash compared to 31 Dec 2020. As approved by the majority of the shareholders the Company plans to secure further financing from **share capital increase and bonds issuance**.
- Loans and borrowings stood at **27%** of total assets as at 30 Sep 2021 (26% as at 31 Dec 2020). In the first nine months of 2021, **IMPACT** used bank loans for the financing of the last 130 apartments of LUXURIA EXPOZITIEI, the first 209 apartments developed in BOREAL PLUS and 138 apartments developed in GREENFIELD BANEASA, as well as a working capital line.
- GREENFIELD PLAZA BANEASA advanced stage of construction added value to GREENFIELD BANEASA project. GREENFIELD PLAZA BANEASA is a community centre with a strip-mall covering the communities necessities and a wellness center.

- Strong land bank owned by **IMPACT** (approximately **73.5 ha**) with potential for development of **6 projects** GREENFIELD BANEASA (new phases), BOREAL PLUS, GREENFIELD COPOU RESIDENCE ("GREENFIELD COPOU"), LUXURIA CITY CENTER, GREENFIELD WEST and LOTUS with an estimated market value of **1.8 billion euro.**
- Completion of construction for **41** new apartments in GREENFIELD BANEASA (reception with authorities competed, dismantling and registration estimated to be finalised in November 2021) and for the last **130** apartments in LUXURIA EXPOZITIEI (reception with the authorities and dismantling / registration being pending and are estimated to take place by the end of 2021). Also, for the **18** villas in BOREAL PLUS reception with the authorities and dismantling / registration was completed in October 2021, with one house being sold in October 2021.
- Equity stood at **62%** of total assets as at 30 Sep 2021 and slightly increased compared to 31 Dec 2020, due to positive net results for the first nine months of 2021 (RON 647.3 million as at 30 Sep 2021 vs. RON 640.8 million as at 31 Dec 2021).

OUTLOOK FOR THE NEXT 12 MONTHS

- **Start Pre-Sales** for project phases for which construction is estimated to start in Q4 2021 – 2022.
- Start sale for the apartments for which the construction was completed in 9M 2021, namely 41 apartments in GREENFIELD BANEASA, 130 apartments in LUXURIA EXPOZITIEI.
- Continuing sales for villas in BOREAL PLUS.
- Completion of **829** apartments in GREENFIELD BANEASA and **209** apartments in BOREAL PLUS (sales estimated to start in Q4 2022).
- Completion of GREENFIELD PLAZA BANEASA and the HQ building of **IMPACT.**
- Obtaining building permits and starting the works for related phases in GREENFIELD BANEASA, BOREAL PLUS, GREENFIELD COPOU, GREENFIELD WEST and LUXURIA CITY CENTER.
- Obtaining financing for the ongoing projects, inclusive through bond issuance and share capital increase.
- Potential acquisition of new plots of land, in line with Company strategy to complete land bank.

OTHER ASPECTS

- Election of the members of the Board of Directors of **IMPACT** for a term of four years (28 April 2021 – 28 April 2025), namely: Iuliana Mihaela Urda (Chairman of the Board of Directors), Alina Scarlat, Daniel Pandele, Petru Vaduva (Intrepid Gem SRL) and Sorin Apostol.
- Appointment of Mr. Constantin Sebesanu as General Manager for a term of four years, starting with 28 April 2021. He replaced Mr. Sorin Apostol, who holds the position of Executive Director, starting with the same date. In order to accommodate its ambitious development strategy, the Company's management team was strengthen through appointment of a HR manager (July 2021), ESG & Compliance Officer (July 2021) and Head of Development Department (October 2021).

- Increase of **IMPACT Developer & Contractor** share capital, by contribution in cash, by one or more issuances of new ordinary shares, with a cumulative number of shares not exceeding 775,000,000 was decided by the Extraordinary General Meeting of Shareholders held on 20 August 2021, meeting held following the request of the majority shareholder Mr. Iaciu Gheorghe. Further steps were taken by the Board of Directors on 20 September 2021, in accordance with the mandate given by the Extraordinary General Meeting of Shareholders, with increase of share capital expected to take place by private placement.
- In the first 9 months of the year, **IMPACT** established the **ESG (Environmental, Social and Governance) department**, responsible with drawing and implementing the principles and objectives of environment, social and corporate governance, in line with the values assumed by the company in its real estate development activity – integrity, transparency, innovate and lead, respect the environment and build sustainably, responsibility and motivation. The ESG department manages the application of the **Green Bond Framework**, on the basis of which **IMPACT** intends to issue green bonds to finance and refinance existing projects, built using green, sustainable technologies and contributing to the environmental objective of climate change mitigation and to the achievement of the United Nations Sustainable Development Goals.
- As at 30 Sep 2021, main litigations involving **IMPACT** refer to the land located in Barbu Vacarescu (regarding the severance of the joint tenancy with Cefin), the land located in Blvd. Timisoara – Ghencea and to the permits for GREENFIELD BANEASA. For detail refer to the Other Matters section and to the notes to the financial statements as at 30 Sep 2021.

OPERATIONAL ACTIVITY

THE FIRST 9 MONTHS OF 2021

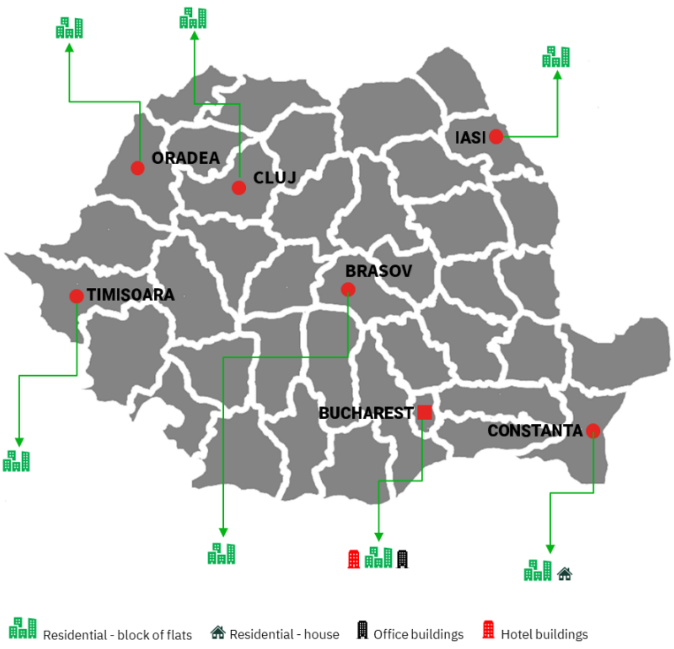
PROJECTS IN DEVELOPMENT

IMPACT is committed to develop sustainable communities, with a focus on medium affordable housing projects. The environmental and social aspects are top of mind for **IMPACT** and are translated into its developments that are planned to be GREEN projects (e.g., BREEAM Excellent certification, nZEB construction standard applicable to all new buildings with permit obtained starting Jan 2021), use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds.

IMPACT has a strong landbank supporting current and future projects in attractive locations in Bucharest, Iasi, Constanta and Oradea. Also, **IMPACT**'s strategy is to expand its nationwide presence in big cities like Timisoara, Cluj, Brasov and is actively looking for land plots that are suitable for developing sustainable communities.

In the first 9 months of 2021, **IMPACT** focus was on developing the projects that are currently under construction as well as on the process for obtaining the necessary permits for developments for which the construction is planned to start in 2022-2023, projects developed on the landbank already owned. The projects are planned and developed in several phases and stages that can span for more than 3 - 10 years (including permitting, construction start), depending on the size of the project.

Also, during 9M 2021, **IMPACT** finalised the construction of the last 130 apartments of LUXURIA EXPOZITIEI R (the reception with authorities and dismantling / registration being pending and are estimated to take place by the end of 2021) and of 41 new apartments in GREENFIELD BANEASA (dismantling and registration of apartments estimated to be finalised in November 2021).



Projects in development on the landbank owned

Construction started

- GREENFIELD BANEASA RESIDENCE in Bucharest
- BOREAL PLUS in Constanta

Construction estimated to start in 2022 - 2023

- GREENFIELD COPOU RESIDENCE in Iasi
- LUXURIA CITY CENTER in Bucharest
- GREENFIELD WEST in Bucharest

Construction estimated to start after 2023

- LOTUS in Oradea

Development strategy 2020 – 2027, residential developments estimate in summary

Project	City	Project Total		Under construction		Pipeline		Construction		GDV Estimated 2022-2027	GM Estimated 2022-2027
		GBA sqm	units	units	sqm	units	sqm	start	delivery	EUR'000	EUR'000
Greenfield Baneasa	Bucharest	414,316	4,250	1,264	116,751	2,986	297,565	2020	2030	301,680	121,557
Luxuria City Center	Bucharest	80,000	596	-	-	596	80,000	2023	2027	128,140	53,818
Greenfield West	Bucharest	494,040	5,528	-	-	5,528	494,040	2022	2031	233,613	87,431
Greenfield Copou	Iasi	89,575	1,062	-	-	1,062	89,575	2021	2024	152,042	67,104
Boreal Plus	Constanta	66,571	691	359	34,391	332	32,180	2020	2024	70,110	22,052
Lotus	Oradea	24,440	277	-	-	277	24,440	2025	2027	20,673	7,236
Total		**1,168,942**	**12,404**	**1,623**	**151,142**	**10,781**	**1,017,800**			**906,258**	**359,198**

Estimated as of September 2021
The Under construction figures refer to projects with building permit; The Pipeline figures refer to projects with land, without building permit
GBA represents the Gross Build Area of the Project, including common spaces and excluding parking
GDV and GM – 2022-2027 estimations, the rest of the figures are total project estimates

The 6 projects mentioned above are expected to be completed with new projects at national level, as new plots of land will be acquired to replace developed land, aligned with Company strategy. As of 30 Sep 2021, the Company already identified several opportunities.

Details can be found on www.impactsa.ro, where **IMPACT**'s strategy for 2020 – 2027 is published and the table above should be red in the context and together with the strategy presentation.

GREENFIELD BANEASA RESIDENCE

- Flagship project located in the northern area of Bucharest, near Baneasa forest
- Started in 2007, with 6,839 units in total of which 2,589 units completed as at 30 Sep 2021
- Zoning (PUZ) for more than 3,650 units in development, of which 1,264 units with building permit and 598 units with the process for obtaining the building permit started. Out of the permitted units 829 are in construction and 41 units have been completed.
- Value added to the project through GREENFIELD PLAZA BANEASA, a community centre with a strip-mall (extensive stores network covering the communities necessities) and a wellness centre (indoor swimming pools, outdoor swimming pool, tennis courts, squash facilities, dedicated spinning room and other gym facilities) currently in an advanced stage of construction.
- Includes also the Company office building
- The first public school and kindergarten to be constructed in a new residential compound. The school and kindergarten will be constructed by the City Hall on the land provided by the Company, the building permit being issued in September 2020.
- Other facilities planned for residents include church.

BOREAL PLUS

- Located in the northern area of Constanta with quick access to the highway, city center and learning facilities (campus and university), Ovidius hospital, close to commercial centers and with a view to Siutghiol lake.
- Building permits in place for 359 units (341 apartments and 18 villas); process for obtaining building permits for the remaining 332 apartments started.
- The 18 villas were completed in October 2021 with 1 being sold in the same month.

LUXURIA CITY CENTER

- Located in Barbu Văcărescu, near the central and business areas of Bucharest, one of the hottest areas for real estate development in the recent years
- Process for obtaining building permits to start
- To include a 5* Hotel & Suits and a commercial area of approximately 8,000 sqm GBA

GREENFIELD WEST

- Located in south-west area of Bucharest, Blvd. Timisoara – Blvd. Ghencea
- Zoning (PUD) in place, process for obtaining building permits started for 683 units
- To include GREENFIELD WEST PLAZA, a community centre that includes a strip-mall, gym and wellness centre

GREENFIELD COPOU RESIDENCE

- Located on Copou Hill on a 5ha plot of land, close to botanical garden one of the best location in Iasi city
- Zoning (PUZ) in place, process for obtaining building permits started for 1,062 units
- To include GREENFIELD PLAZA COPOU, a community centre that includes a strip-mall, gym and wellness centre

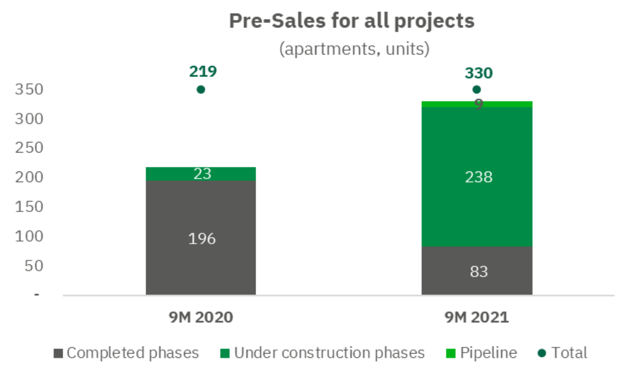
PRE-SALES AND SALES

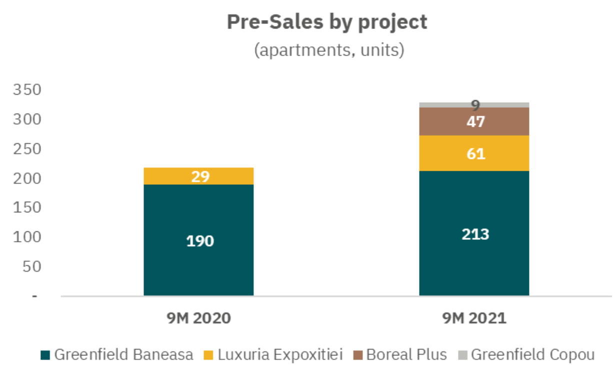
Pre-Sales for 9M 2021

Pre-Sales recorded in the first nine months of 2021 were 51% higher compared to the same period of 2020, namely 330 apartments pre-sold in 9M 2021 (26,807 sqm, built saleable area) vs. 219 apartments pre-sold in 9M 2020 (18,576 sqm, built saleable area).

These were driven by projects or project phases under development which account for 75% of the Pre-Sales made in 9M 2021 (11% in 9M 2020), as **IMPACT** managed to sell almost entirely the completed developments and entered a new development cycle.

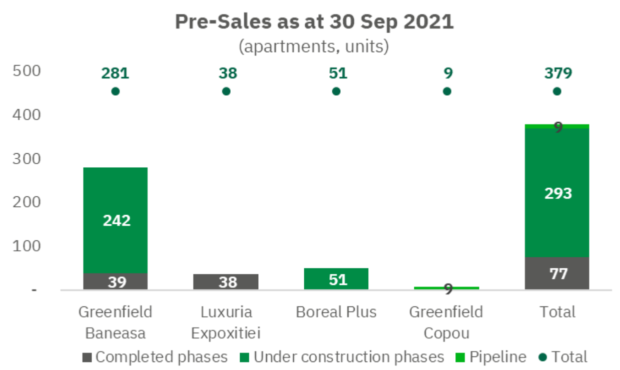
Pre-Sales refer to pre-sale contracts and reservation and are not recorded as revenues until the apartments are sold, i.e. apartments are delivered to customers and the sale-purchase contracts are concluded.

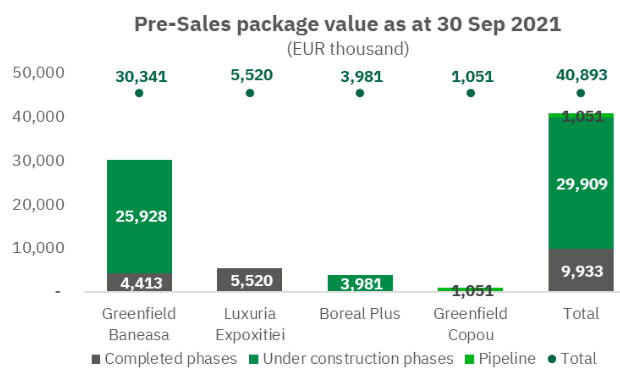




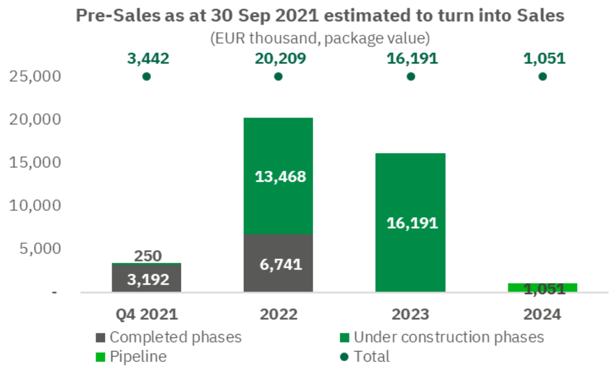
Pre-Sales as at 30 Sep 2021

As at 30 Sep 2021, **IMPACT** had in place pre-sale contracts and reservations for 379 apartments (29,166 sqm, built saleable area) with a package value of EUR 40.9 million expected to translate into revenues in Q4 2021 – 2024. Of these, 80% refer to project or project phases under development (302 apartments, EUR 31 million package value) and 20% refer to completed projects (77 apartments, EUR 9.9 million package value).





Pre-Sales in place as at 30 Sep 2021 are estimated to be translated into revenues as presented below.



Q4 2021: 14 apartments in GREENFIELD BANEASA, 8 apartments in LUXURIA EXPOZITIE and 1 villa in BOREAL PLUS

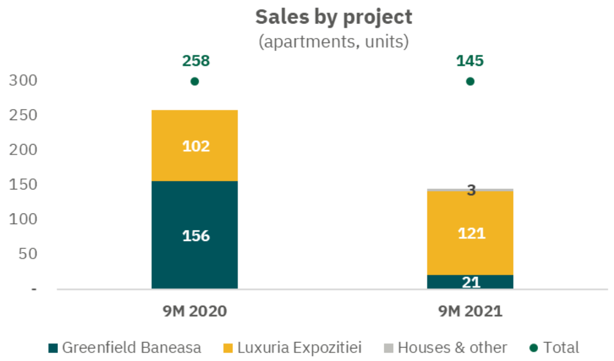
2022: 111 apartments in GREENFIELD BANEASA, 30 apartments in LUXURIA EXPOZITIEI and 50 apartments in BOREAL PLUS

2023: 156 apartments in GREENFIELD BANEASA

2024: 9 apartments in GREENFIELD COPOU

Sales for 9M 2021

Sales recorded in 9M 2021 reflect the new development cycle of **IMPACT**'s projects, as such projects under development and future developments will contribute to revenues as they are completed and sales are made. For the most part, the new developments are mixed projects, so that they will generate income from their commercial component as well.



9M 2021: 145 units, of which 142 apartments in GREENFIELD BANEASA and LUXURIA EXPOZITIEI (13,214 sqm built saleable area, plus related parking spots, storage and court yards), 1 house and 2 units in older projects.

Additionally, 71 individual parking spots were sold.

9M 2020: 258 apartments in GREENFIELD BANEASA and LUXURIA EXPOZITIEI (21,877 sqm built saleable area, plus related parking spots, storage and court yards).

Additionally, 5 individual parking spots were sold.

Pre-Sales and Sales for completed and under construction project phases as at 30 Sep 2021

As at 30 Sep 2021, approximately 90% of completed units during 2007-2021 were contracted, considering both Sales and Pre-Sales. Completed units for GREENFIELD BANEASA, the product addressed to the middle segment of the residential market, were 99% contracted as at 30 Sep 2021.

IMPACT had 1,623 units under construction as at 30 Sep 2021 (i.e. with building permits in place), of which for 1,056 the construction was started and the construction for the remaining 567 units is expected to start in Q4 2021 – Q1 2022.

Approximately 28% of under construction units for which the construction was started were pre-sold as at 30 Sep 2021. On a project basis, these were 29.2% pre-sold units for GREENFIELD BANEASA and 22.5% pre-sold units for BOREAL PLUS.

Completed phases 2007 - 2021 as at 30 Sep 2021

Project	City	Total Apartments	Sales	Pre-Sales	Sales & Pre-Sales		Available for sale	Construction	
		units	units	units	units	%	units	start	delivery
Greenfield Baneasa*	Bucharest	2,589	2,528	39	2,567	99.2%	22	2007	2021
Luxuria Expozitiei**	Bucharest	630	284	38	322	51.1%	308	2018	2021
Total		**3,219**	**2,812**	**77**	**2,889**	**89.7%**	**330**		

* 41 apartments for which dismantling and registration of apartments are estimated to be finalized in November 2021
** 130 apartments for which the construction was completed, the reception with the authorities and dismantling / registration being pending and are estimated to take place by the end of 2021

Under construction phases as at 30 Sep 2021

Project	City	Total Apartments	Sales	Pre-Sales	Sales & Pre-Sales		Available for sale	Construction	
		units	units	units	units	%	units	start	delivery
Construction started		829	-	242	242	29.2%	587	2020	2022
Construction to be started		435	-	-	-	0.0%	435	2022	2023
Greenfield Baneasa	**Bucharest**	**1,264**	**-**	**242**	**242**	**19.1%**	**1,022**	**2020**	**2023**
Construction started		227	-	51	51	22.5%	176	2020	2022
Construction to be started		132	-	-	-	0.0%	132	2021	2023
Boreal Plus	**Constanta**	**359**	**-**	**51**	**51**	**14.2%**	**308**	**2020**	**2023**
Total construction started		1,056	-	293	293	27.7%	763	2020	2022
Total construction to be started		567	-	-	-	0.0%	567	2021	2023
Total		**1,623**	**-**	**293**	**293**	**18.1%**	**1,330**		

Under construction - projects with building permit as at 30 Sep 2021
Boreal Plus – 18 villas with construction completed; dismantling end registration finalised in October 2021

LAND OWNED

At the end of September 2021, **IMPACT** owns 90.6 ha of land with a book value of RON 606 million, land mainly intended for the development of new projects and related to infrastructure. Of this, approximately 73.5 ha represent the land bank on which new projects are to be developed.

Compared to 31 Dec 2020, except for the acquisition of a 2.6 ha plot of land in Iasi where the GREENFIELD COPOU project is developed, there were no important changes for the land owned by **IMPACT**,.

The EPRA value of the land was estimated based revaluations performed by Colliers Valuation and Advisory as at 31 Dec 2020 (market approach), except for two plots of land located in Constanta and Neptun for which the EPRA value was amended as at 30 June 2021.

The EPRA value of land estimated as at 30 Sep 2021 was of RON 679 million, 12% higher than the IFRS book value at the same date.

Land owned by IMPACT as at 30 Sep 2021

Location	City	Project	Surface (ha)	IFRS book value (RONm)	IFRS book value (EURm)	EPRA value (RONm)	EPRA value (EURm)
Baneasa	Bucharest	Greenfield Baneasa	39.6	295.1	60.6	334.4	67.6
Blvd. Timisoara - Ghencea	Bucharest	Greenfield West	25.9	105.7	21.7	107.4	21.7
Barbu Vacarescu	Bucharest	Luxuria City Center	2.6	137.3	28.2	139.5	28.2
Zenit	Constanta	Boreal Plus	4.7	10.7	2.2	35.6	7.2
Iasi	Iasi	Greenfield Copou	5.0	37.4	7.7	39.6	8.0
Oradea	Oradea	Lotus	3.0	2.9	0.6	3.0	0.6
Blvd. Expozitiei	Bucharest	Luxuria Expozitiei	0.7	13.6	2.8	13.6	2.8
Other	Neptun, Voluntari	n.a.	9.1	2.9	0.6	5.4	1.1
Total			**90.6**	**605.6**	**124.4**	**678.5**	**137.2**

Note 1: The EPRA value considers the market value based on the revaluations performed by Colliers Valuation and Advisory as at 31 Dec 2020, except for two plots of land located in Constanta and Neptun for which the EPRA value was amended as at 30 Jun 2021

Note 2: 0.59 ha for Luxuria Expozitiei and 0.33 ha for Greenfield Baneasa refer to 130 apartments and 41 apartments in Luxuria Expozitiei and Greenfield Baneasa, respectively for which the construction works were completed and for which the apartments dismantling is to take place after 30 Sep 2021

Note 3: 12.45 ha represent infrastructure for the already developed projects, of which 7.8 ha for Greenfield Baneasa, 0.11 ha for Luxuria Expozitiei and 4.54 ha for other projects (Voluntari mainly). These were considered at net book value for EPRA calculation

Note 4: The FX rate used to translate the RON denominated amounts in EUR - 4.8694 RON/EUR for the book value and 4.9471 RON/EUR for the EPRA value

FINANCIAL RESULTS

THE FIRST 9 MONTHS OF 2021

FINANCIAL PERFORMANCE HIGHLIGHTS (Consolidated)

Revenues, Gross profit and EBITDA recorded in 9M 2021 reflect the current stage of **IMPACT**'s activity, namely a new development cycle translating into low completed inventory for which sales and related revenues can be recorded, especially for GREENFIELD BANEASA (the product addressed to the middle segment of the residential market) that was the driver for **IMPACT**'s revenues in previous periods. At the beginning of 2021, there were 41 completed apartments in GREENFIELD BANEASA and no apartments from the new developments were completely finalised in 9M 2021 for both GREENFIELD BANEASA and the other projects in development.

Revenues are recorded when the sale-purchase agreement is in place and the apartment can be handed over to the customer. Amounts collected from Pre-Sales are recorded as advance payments from customers and are not recognised as revenues.

In 9M 2021, were sold 145 apartments / dwellings (258 in 9M 2020) in relation to which revenues were booked, of which 121 units in LUXURIA EXPOZITIE (102 in 9M 2020) and 21 units in GREENFIELD BANEASA (156 in 9M 2020). In terms of revenue structure, in 9M 2021, the number of apartments sold for the upper-class segment LUXURIA EXPOZITIEI represents 83% (40% in 9M 2020), while those in GREENFIELD BANEASA contributed 14% (60% in 9M 2020). The average selling price for LUXURIA EXPOZITIEI and GREENFIELD BANEASA had a positive impact recording a 24% increase, from EUR 1,152 / sqm built sealable in 9M 2020 to EUR 1,431 / sqm built sealable in 9M 2021.

In 9M 2021, revenues include RON 3 million recognises in relation to the shale of a land plot located in Constanta.

In 9M 2021 and Q3 2021, operating expenses include RON 1,838 thousand representing stamp tax in relation to the litigation involving the land located in Barbu Vacarescu, this being the reason for the 8% increase in total net operating expenses in 9M 2021 compared to 9M 2020.

RON thousand	9M 2021	9M 2020	Var %	Q3 2021	Q3 2020	Var %
Revenue from real estate inventories	109,536	135,349	(19%)	40,595	69,541	(42%)
Gross profit	36,128	51,279	(30%)	14,645	24,971	(41%)
Gross margin %	*33%*	*38%*	*(13%)*	*36%*	*36%*	*0%*
Operating expenses, net	(25,884)	(23,974)	*8%*	(10,744)	(14,818)	*(27%)*
Operating expenses % of revenue	*24%*	*18%*	*33%*	*26%*	*21%*	*24%*
EBITDA	11,125	28,739	*(61%)*	4,205	11,041	*(62%)*
EBITDA margin %	*10%*	*21%*	*(52%)*	*10%*	*16%*	*(35%)*
EBIT	18,657	27,546	*(32%)*	12,314	10,394	*18%*
EBIT margin %	*17%*	*20%*	*(16%)*	*30%*	*15%*	*103%*
Net result	7,507	13,278	*(43%)*	10,278	4,622	*122%*
Net result margin %	*7%*	*10%*	*(30%)*	*25%*	*7%*	*281%*

FINANCIAL POSITION HIGHLIGHTS (Consolidated)

Assets

Inventories account for 47% of total assets as at 30 Sep 2021 and recorded a 14% increase compared to 31 Dec 2020, increase driven by the expansion of the **IMPACT**'s activity and construction works for new projects / project phases in GREENFIELD BANEASA and BOREAL PLUS, construction works for the last 130 apartments developed in LUXURIA EXPOZITIEI and the acquisition of a 25,930 sqm plot of land in Iasi for the GREENFIELD COPOU project.

Investment property accounts for 46% of total assets as at 30 Sep 2021 and mainly includes land owned by **IMPACT** in Bucharest and Oradea. The 4% increase in investment property compared to 31 Dec 2020 is mainly due to construction works for GREENFIELD PLAZA BANEASA.

The 55% increase in trade and other receivables compared to 31 Dec 2020 is driven by advance payments made to constructors and recoverable VAT, reflecting the expansion of **IMPACT**'s activity.

Equity and liabilities

External and own funds were used to fund the expansion of **IMPACT**'s activity, resulting in a 10% increase and 65% decrease in loans and borrowings and cash, respectively compared to 31 Dec 2020.

Equity stood at 62% of total assets as at 30 Sep 2021 and slightly increased compared to 31 Dec 2020, due to positive net results for the first nine months of 2021.

Loans and borrowings stood at 27% of total assets as at 30 Sep 2021 (26% as at 31 Dec 2020). In the first nine months of 2021, **IMPACT** used bank loans for the financing of the last 130 apartments of LUXURIA EXPOZITIEI, the first 209 apartments developed in BOREAL PLUS and 138 apartments developed in GREENFIELD BANEASA, as well as a working capital line.

The increase in trade and other payables compared to 31 Dec 2020 stems from advance payments related to Pre-Sales made for new developments and payables to constructors, reflecting the expansion of **IMPACT**'s activity.

RON thousand	30-Sep-2021	31-Dec-2020	Var %
Non-current assets, of which	489,056	467,552	*5%*
Investment property	477,997	457,706	*4%*
Property, plant and equipment	8,716	7,552	*15%*
Current assets, of which	559,619	520,337	*8%*
Inventories	497,700	434,741	*14%*
Trade and other receivables	41,149	26,574	*55%*
Cash and cash equivalents	20,770	59,022	*(65%)*
Total assets	**1,048,675**	**987,889**	***6%***
Liabilities, of which	401,360	347,061	*16%*
Loans and borrowings	280,934	255,836	*10%*
Trade and other payables	63,639	35,258	*80%*
Equity	647,315	640,828	*1%*
Total equity and liabilities	**1,048,675**	**987,889**	***6%***

A SUSTAINABLE IMPACT (ESG)

IMPACT is committed to implement the best social, corporate governance and sustainability practices in order to ensure a green, durable future to all communities developed by the company in the country.

Sustainability lies in the operating policy of **IMPACT** and the flagship projects are a proof. Taking care of the 3 „P's" of sustainability that have a strong impact over the business is a regular practice, since the planet, the people and the profit are essential assets for **IMPACT**.

In the first 9 months of the year, we focused on consolidating and implementing the company's "green" values in order to build a sustainable future. Thus, **IMPACT established the ESG (Environmental, Social and Governance) department**, responsible with drawing and implementing the principles and objectives of environment, social and corporate governance, in line with the values assumed by the company in its real estate development activity – integrity, transparency, innovate and lead, respect the environment and build sustainably, responsibility and motivation.

The ESG department manages the application of the Green Bond Framework, on the basis of which **IMPACT** intends to issue green bonds to finance and refinance existing projects, built using green, sustainable technologies and contributing to the environmental objective of climate change mitigation and to the achievement of the United Nations Sustainable Development Goals.

In the first 9 months of 2021, we have been actively involved in several social responsibility projects, in various domains:

EDUCATION

- The Bucharest General Council approved the project for **public school and kindergarten** in GREENFIELD BANEASA, the first ones in a new residential compound. **IMPACT** donated to the Bucharest City Hall a plot of land of 9,620 sq m, together with the building project of a public school and kindergarten in GREENFIELD BANEASA, in order to ensure easy schooling access to children who live in the northern part of the capital. The total value of the land and the project amounts to **EUR 1.75 million**. The project will be developed in 24 months and it will be a complete educational center, with school, kindergarten, gym, library, arts/music workshops, pedestrian alleys, green spaces, playgrounds, parking places and all the things necessary for an ultramodern educational center. The building permit was issued in September 2021.
- We believe that a green future can be ensured by a collective awareness of the need to implement sustainability standards. In this respect, **IMPACT** was present at the conference dedicated to sustainability, organized by Business Review, where the Company talked about building sustainable residential compounds, at BREEAM Excellent and nZEB standards. At the same time, we published a series of articles in the press regarding the benefits of housing units built at BREEAM Excellent and nZEB standards.

PUBLIC TRANSPORT

- This year, a second STB line to **Greenfield Baneasa** neighborhood was introduced, the 203 route.
- At the same time, according to the approved urban planning for **GREENFIELD BANEASA, IMPACT** made available to the municipality, free of charge, near the school and kindergarten, plots of land for a modern **STB terminal** and for mixed public functions. For the implementation of these functions and infrastructure elements, **IMPACT** allocated a budget of more than **EUR 3 million** (excluding VAT).

CARING FOR THE ENVIRONMENT

- Impact sponsored the **Great Cleaning**, the annual event organized by the residents of Greenfield. Being at the third edition**, 210 people** participated in the event this year, cleaning **80 ha of forest** and collecting approximately **2 tons** of garbage.
- Given its strong commitment to reducing the impact on the environment, Impact took the decision to replace the current fleet of 'traditional' automobiles (internal combustion engines) with one of **electric cars**. The specialists of the ESG department have calculated that just by replacing the current fleet of cars Impact contributes to **reducing carbon emissions by about 125 tons** in the next 5 years.

COMUNITY INVOLVMENT

- IMPACT supported the **Romanian Creative Week festival in Iasi**, the first big event with audiences organized this year in Romania. During the festival, the Iasi community was able to participate to concerts, fashion festivals, film, visual arts and architecture, as well as contests, fairs, exhibitions, conferences, workshops and parties, between 02.06.2021 – 06.06.2021.
- On the occasion of the 1st of June, **IMPACT** organized **a contest** among the children from Greenfield Baneasa. The participants prepared and distributed on social media a video with the theme **"Childhood in Greenfield".** The three winners of the contest were rewarded with a voucher for the purchase of sporting goods.
- We are concerned about the quality of life in developed communities, which is why we periodically ask for feedback from residents so as to provide them with a pleasant living environment. This year we conducted **a study** on 619 Bucharest residents, divided into residents of various neighborhoods and **GREENFIELD BANEASA** residents, to see the perspectives on the quality of life during the pandemic and the aspects that contribute to the well-being of the inhabitants. The study shows that during the pandemic, GREENFIELD BANEASA residents considered as main advantages of the neigborhood the possibility to get outside to fresh air, the quietness, the lifestyle and the communication with neighbors. Due to the district's location, the residents have felt less exposed to the COVID-19 risks, less limited in terms of options to get outside to fresh air, and less bored. Alongside these benefits, the quality of the house, together with the outdoor green space, including the view from the home, represented the most important housing criterion for a third of Greenfield Baneasa residents.

  The study is available on the company's website.

IMPACT ON THE CAPITAL MARKET

IMPACT Developer & Contractor SA ("IMPACT D&C") has been listed on 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 D&C**'s shares have been traded in the Premium category, according to the new segmentation of the Bucharest Stock Exchange.

As at 30 Sep 2021, the share capital of **IMPACT D&C** consisted of a number of 1,575,000,000 shares with a nominal value of RON 0.25 / share. In the first nine months of 2021, there were changes in the share capital of **IMPACT D&C** as presented below.

At the General Shareholders' Meeting held on 19.02.2021 and 21.04.2021, respectively, the following changes in the **IMPACT D&C**'s share capital were decided:

- Reduction of the share capital from RON 265,000,000 to RON 262,500,000 by reducing the number of shares from 265,000,000 shares to 262,500,000 shares as a result of the cancellation of a number of 2,500,000 own shares, acquired by **IMPACT D&C**;
- The increase of the share capital by RON 131,250,000 by incorporating the capital premiums in the amount of RON 69,487,043 and the result carried forward from 2020 in the amount of RON 61,762,957. The capital increase was achieved by issuing a number of 131,250,000 new shares granted free of charge to shareholders as of 25 June 2021 (1 free share for 2 shares held);
- The split of the shares resulting from the above operations (393,750,000 shares) and of the nominal value of the shares in a 1: 4 split ratio.

The process of the share capital change, as decided at the GMS held on 21.04.2021, was started in June 2021 and was completed at the beginning of July 2021.

IMPACT D&C share price vs. BET (2017 – 5 Nov 2021)

- RON 0.7 / share as at 30 Sep 2021, representing an increase of 190% y-o-y
- RON 1.1 bn market capitalization (EUR 223 million) as at 30 Sep 2021, representing more than double value compared to 31 Dec 2020
- 1,575 million shares and RON 394 million share capital, following the split of the shares and the increase of share capital by reserves incorporation in 9M 2021
- BRK Financial Group acting as Market Maker

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 D&C**, 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.

EPRA NET ASSET VALUE

In October 2019, the European Public Real Estate Association ('EPRA') published new performance measures for EPRA Net Assets, namely three new measures of net asset value were introduced: Net Reinvestment Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV). These three new measures are replacing the previous EPRA Net Assets measure.

METRICS	31-Dec-2019	31-Dec-2020	30-Sep-2021
IFRS (consolidated)			
Net profit (RON thousand)	154,484	74,856	7,507
Net asset value ("NAV", RON thousand)	583,941	640,828	647,315
NAV/Share (RON)	0.37	0.41	0.41
EPRA* Net Asset Value (consolidated)			
EPRA NRV (RON thousands)	818,273	917,518	968,353
EPRA NTA (RON thousands)	795,145	889,732	940,602
EPRA NDV (RON thousands)	772,303	862,218	913,123
EPRA NRV/Share (RON)	0.52	0.58	0.61
EPRA NTA/Share (RON)	0.50	0.56	0.60
EPRA NDV/Share (RON)	0.49	0.55	0.58

**European Public Real Estate Association*

Metric / share considering 1,575 million shares for all periods

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

	31-Dec-2019			31-Dec-2020			30-Sep-2021		
RON thousand	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
NAV per the IFRS financial statements	**583,941**	**583,941**	**583,941**	**640,828**	**640,828**	**640,828**	**647,315**	**647,315**	**647,315**
Include:									
i) Revaluation of property developed for sale	39,796	39,796	39,796	126,663	126,663	126,663	101,056	101,056	101,056
ii) Revaluation of land and WIP held as inventory	148,566	148,566	148,566	94,727	94,727	94,727	155,367	155,367	155,367
iii) Revaluation of land held as investment property	-	-	-	-	-	-	9,385	9,385	9,385
Exclude:									
iv) Deferred tax	45,970	22,985	-	55,300	27,650	-	55,230	27,615	-
v) Intangibles as per the IFRS financial statements	-	(143)	-	-	(136)	-	-	(136)	-
EPRA Net Assets	**818,273**	**795,145**	**772,303**	**917,518**	**889,732**	**862,218**	**968,353**	**940,602**	**913,123**

The Colliers valuations as of 31 Dec 2020 were used to determine the EPRA value on 31 Dec 2020 and 30 Sep 2021 (market approach), except for the items specified below for the computation for 30 Sep 2021. Also, the foreign exchange difference between 31 Dec 2020 and 30 Sep 2021 is considered (NBR rate RON/EUR - 4.8694 as at 31 Dec 2020 and 4.9471 as at 30 Sep 2021).

i) Revaluation of property developed for sale

December 2020: The inventories/finished goods (apartments) were revaluated at market value by Colliers Valuation and Advisory on 31 Dec 2020 for GREENFIELD BANEASA and LUXURIA EXPOZITIEI. The increase/difference between the market value resulted after the revaluation and the book value of apartments at the reporting date (the lowest value between the cost and the net realizable value) was included in the Net Asset Value according to EPRA.

September 2021: The market value of finished goods was determined internally by **IMPACT** using **a)** the value of the pre-sale agreements and reservations existing on 30 Sep 2021 and **b)** the updated average list price for the stocks for which pre-sale agreements / reservations were not concluded on 30 Sep 2021. The stocks of finished goods are related to the first two phases of the LUXURIA EXPOZITIEI project and the completed phases in GREENFIELD BANEASA.

ii) Revaluation of land and WIP held as inventory

December2020: The land held as inventory and the WIP for the 3rd phase of LUXURIA EXPOZITIEI was revaluated on 31 Dec 2020 by Colliers Valuation and Advisory. The adjustment was done to reflect the market value of the plots of land and WIP was included in inventories, as they are held at cost in the IFRS financial statements. The market value for the land located in GREENFIELD is EUR 228/sqm and for the land located in Constanta (Zenit) is EUR 145/sqm.

September 2021: The market value of work in progress was determined internally by **IMPACT** using **a)** the value of the pre-sale agreements and reservations existing on 30 Sep 2021 and **b)** the updated average list price for the units for which pre-sale agreements / reservations were not concluded on 30 Sep 2021. The works in progress are related to the third phase of the LUXURIA EXPOZITIEI project, 138 apartments from GREENFIELD BANEASA and the villas developed in BOREAL PLUS in Constanta.

The market value for a plot of land of 18,000 sqm located in Constanta was 166 EUR / sqm and was determined by an independent appraiser.

iii) Revaluation of land held as investment property

Land classified as investment property is recorded in IFRS financial statements at the market value as of 31 Dec 2020 determined by Colliers Valuation and Advisory. On 30 Sep 2021, for a plot of land of 37,562 sq m located in Neptun, Constanta county, the market value considered for the EPRA value was 26.3 EUR / sqm, estimated internally by **IMPACT** based on public offers for similar lands (15 EUR / sqm recorded in the IFRS financial statements).

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 (plots of land). Fully adjusted for EPRA NRV, 50% adjusted for EPRA NTA and nil adjustment for EPRA NDV.

v) Intangibles as per the IFRS financial statements are fully adjusted for EPRA NTA. No adjustment is required for EPR NRV and EPRA NDV.

OTHER MATTERS

OUTLOOK FOR THE NEXT 12 MONTHS

- **Start Pre-Sales** for project phases for which construction is estimated to start in Q4 2021 – 2022.
- Start sale for the apartments for which the construction was completed in 9M 2021, namely 41 apartments in GREENFIELD BANEASA, 130 apartments in LUXURIA EXPOZITIEI.
- Continuing sales for villas in BOREAL PLUS.
- Completion of **829** apartments in GREENFIELD BANEASA and **209** apartments in BOREAL PLUS (sales estimated to start in Q4 2022).
- Completion of GREENFIELD PLAZA BANEASA and the HQ building of **IMPACT.**
- Obtaining building permits and starting the works for related phases in GREENFIELD BANEASA, BOREAL PLUS, GREENFIELD COPOU, GREENFIELD WEST and LUXURIA CITY CENTER.
- Obtaining financing for the ongoing projects, inclusive through bond issuance and share capital increase.
- Potential acquisition of new plots of land, in line with Company strategy to complete land bank.

CORPORATE GOVERNANCE

On 21 April 2021, in the General Shareholders' Meeting, the members of the Board of Directors of **IMPACT** were elected for a term of four years (28 April 2021 – 28 April 2025), namely: Iuliana Mihaela Urda (Chairman of the Board of Directors), Alina Scarlat, Daniel Pandele, Petru Vaduva (Intrepid Gem SRL) and Sorin Apostol.

On 27 April 2021, the Board of Directors of **IMPACT** decided to appoint Mr. Constantin Sebesanu as General Manager for a term of four years, starting with 28 April 2021. He replaced Mr. Sorin Apostol, who holds the position of Executive Director, starting with the same date.

SHARE CAPITAL INCREASE

On 19 July 2021, following the request of the majority shareholder Mr. Iaciu Gheorghe, the Company convened the Extraordinary General Meeting of Shareholders for 20/21 August 2021, with the proposal of delegating and authorizing the Board of Directors that, for a period of one (1) year starting with the registration date with the Trade Register of the Company's articles of incorporation revised in this respect, it shall decide and implement the increase of the Company's share capital, by contribution in cash, by one or more issuances of new ordinary shares, with a cumulative number of shares not exceeding 775,000,000. Further steps were taken by the Board of Directors on 20 September 2021, in accordance with the mandate given by the Extraordinary General Meeting of Shareholders, with increase of share capital expected to take place by private placement.

LITIGATIONS

As at 30 Sep 2021, main litigations involving **IMPACT** refer to the land located in Barbu Vacarescu (regarding the severance of the joint tenancy with Cefin), the land located in Blvd. Timisoara – Prelungirea Ghencea and to the permits for GREENFIELD BANEASA.

The litigation related to permits for GREENFIELD BANEASA was initiated by a non-profit organisation named "Greenfield Neighbourhood Residents Association". Despite the arguments presented and the relevant defences made by **IMPACT**, there is the risk of suspending the construction works during the trial, as well as the risk of pronouncing an unfavourable court decision, a situation that may generate adverse effects on the business and financial situation of **IMPACT**.

Although it is called the Greenfield Neighbourhood Residents Association, from the verifications made by **IMPACT** in June 2021, this association does not have extended representation in the GREENFIELD BANEASA, being constituted in 2020 by 3 founding members.

For detail on litigations involving **IMPACT** refer to the notes to the financial statements as at 30 Sep 2021.

COVID 19

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

Iuliana-Mihaela Urda Chairman of the Board of Directors	**Constantin Sebeșanu** Chief Executive Officer	**Giani-Iulian Kacic** Chief Financial Officer

APPENDIX 1 - RATIOS

IMPACT Developer & Contractor SA

Financial ratios as at 30 Sep 2021

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

IMPACT - Individual

Ratio	30-Sep-2021	Calculation method
Current ratio	3.73	Current assets/Current liabilities
Gearing ratio	28.99%	Borrowed capital/Equity x 100
Receivable's turnover	159.07	Average balance for receivables/Revenues x 270
Non-Current assets turnover	0.03	Revenues/Non-current assets

IMPACT - Consolidated

Ratio	30-Sep-2021	Calculation method
Current ratio	3.97	Current assets/Current liabilities
Gearing ratio	43.40%	Borrowed capital/Equity x 100
Receivable's turnover	28.70	Average balance for receivables/Revenues x 270
Non-Current assets turnover	0.22	Revenues/Non-current assets

B. Gearing ratio calculated based on EPRA NAV

IMPACT - Individual & Consolidated

Ratio	30-Sep-2021	Calculation method
Gearing ratio (individual)	21.20%	Borrowed capital/EPRA NRV x 100
Gearing ratio (consolidated)	29.01%	Borrowed capital/EPRA NRV x 100

Note: The financial ratios were calculated based on the unaudited individua and consolidated financials as at 30 Sep 2021, both the ones calculated according to the ASF Regulation No. 5/2018 and the Gearing ratio calculated based on EPRA NRV.

IMPACT DEVELOPER & CONTRACTOR S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2021

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

UNAUDITED

This is a free translation from the original Romanian version.

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

	Note	30 September 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant, and equipment		8,716	7,552
Intangible assets		136	136
Investment property	**7**	477,997	457,706
Investments accounted for using the equity method		2,207	2,158
Total non-current assets		**489,056**	**467,552**
Current assets			
Inventories	**8**	497,700	434,741
Trade and other receivables	**9**	41,149	26,574
Cash and cash equivalents	**10**	20,770	59,022
Total current assets		**559,619**	**520,337**
Total assets		**1,048,675**	**987,889**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**11**	401,214	272,464
Share premium		(4,475)	65,711
Revaluation reserve		3,001	3,001
Other reserves		13,305	13,305
Own shares	**12**	(841)	(2,675)
Retained earnings		235,111	289,022
Total equity		**647,315**	**640,828**
Non-current liabilities			
Loans and borrowings	**13**	209,197	167,457
Trade and other payables	**14**	5,293	1,909
Deferred tax liability		55,230	55,300
Total non-current liabilities		**269,720**	**224,666**

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

	Note	30 September 2021	31 December 2020
Current liabilities			
Loans and borrowings	**13**	71,737	88,379
Trade and other payables	**14**	58,346	33,349
Provisions for risks and charges	**15**	1,557	667
Total current liabilities		**131,640**	**122,395**
Total liabilities		**401,360**	**347,061**
Total shareholders' equity and liabilities		**1,048,675**	**987,889**

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu	**Iuliana Mihaela Urda**	**Giani Iulian Kacic**
Chief Executive Officer	President BOD	Chief Financial Officer

	Note	30 September 2021	30 September 2020
Revenue from real estate inventories	**16**	109,536	135,349
Costs of real estate inventories		(73,408)	(84,070)
Gross profit		**36,128**	**51,279**
Net rental income		591	535
General and administrative expenses	**17**	(16,241)	(13,908)
Marketing expenses		(4,388)	(3,107)
Other income/expenses	**18**	(4,965)	(6,060)
Depreciation and amortization		(881)	(1,434)
Operating profit		**10,244**	**27,305**
Gains from investment property		8,413	241
Annual operating profit		***18,657***	**27,546**
Finance costs, net	**19**	(9,082)	(10,599)
Profit before income tax		**(9,575)**	**16,947**
Income tax credit/(charge)	**20**	(2,068)	(3,669)
Profit for the period		**7,507**	**13,278**
Total comprehensive income attributable to:			
Owners of the Company		7,507	13,278
Total comprehensive income for the period		**7,507**	**13,278**

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu	**Iuliana Mihaela Urda**	**Giani Iulian Kacic**
Chief Executive Officer	President BOD	Chief Financial Officer

(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 at 1 January 2021		**272,464**	**65,711**	**3,001**	**13,305**	**(2,675)**	**289,022**	**640,828**
Comprehensive income								
Profit for the year		-	-	-	-	-	7,507	7,507
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**7,507**	**7,507**
Transactions with shareholders of the Company								
Share capital increase	**11**	131,250	(69,487)	-	-	-	(61,763)	-
Own shares acquired and cancelled during the year	**11,12**	(2,500)	(699)	-	-	3,199	-	-
Own shares acquired	**12**	-	-	-	-	(1,365)	-	(1,365)
Share-based payment		-	-	-	-	-	-	-
		128,750	**(70,186)**	**-**	**-**	**1,834**	**(61,763)**	**(1,365)**
Contributions and distributions		-	-	-	-	-	-	-
Dividends to the owners of the Company								
Other changes in equity		-	-	-	-	-	-	-
Set up of legal reserves		-	-	-	-	-	-	-
Revaluation reserve		-	-	-	-	-	-	-
Transfer of other reserves to retained		-	-	-	-	-	345	345
Balance at 30 SEPTEMBER 2021		**401,214**	**(4,475)**	**3,001**	**13,305**	**(841)**	**235,111**	**647,815**

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu
Chief Executive Officer

Iuliana Mihaela Urda
President BOD

Giani Iulian Kacic
Chief Financial Officer

(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 at 1 January 2020		**281,907**	**68,760**	**3,001**	**9,179**	**(7,771)**	**228,865**	**583,941**
Comprehensive income								
Profit for the year		-	-	-	-	-	74,856	74,856
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**74,856**	**74,856**
Transactions with shareholders of the Company								
Own shares acquired and cancelled during the year	**12**	(9,443)	(3,049)	-	-	12,492	-	-
Own shares acquired	**12**	-	-	-	-	(9,610)	-	(9,610)
Share-based payment	**12**	-	-	-	-	2,214	-	2,214
		(9,443)	**(3,049)**	**-**	**-**	**5,096**	**-**	**(7,396)**
Contributions and distributions		-	-	-	-	-	(10,449)	(10,449)
Dividends to the owners of the Company								
Other changes in equity		-	-	-	4,126	-	(4,126)	-
Set up of legal reserves		-	-	-	-	-	-	-
Revaluation reserve		-	-	-	-	-	(143)	(143)
Transfer of other reserves to retained		-	-	-	-	-	(124)	(124)
Balance at 31 December 2020		**272,464**	**65,711**	**3,001**	**13,305**	**(2,675)**	**289,022**	**640,828**

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu
Chief Executive Officer

Iuliana Mihaela Urda
President BOD

Giani Iulian Kacic
Chief Financial Officer

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

	Note	30 September 2021	30 September 2020
Cash flows from operating activities:			
Profit for the period		**7,507**	**13,278**
Adjustments for:			
Depreciation of tangible non-current assets		809	914
Amortization of intangible non-current assets		72	75
Impairment of tangible non-current assets, net		16	37
Result from sale of shares, net		-	-
Result from disposal of assets, net		(69)	11
Impairment of inventories, net		1,773	1,237
Impairment of trade and other receivables, net		(60)	284
Write-offs, net		348	-
Changes in fair value of investment property		-	-
Income tax	**20**	2,068	3,669
Net changes in provisions for risks and charges	**15**	890	-
Interest expenses	**19**	6,937	6,618
Interest income	**19**	(4)	(330)
Foreign exchange differences, net	**19**	3,656	4,323
Other		(1,507)	-
Cash generated in operations before changes to working capital		**22,436**	**28,336**
Changes in:			
Inventories		(64,732)	(24,587)
Trade and other receivables		(11,969)	(3,008)
Trade and other payables		32,053	(17,423)
Net cash generated from operations		**(22,212)**	**(16,681)**
Income tax paid		(4,297)	(4,276)
Interest paid		(6,909)	(8,246)
Net cash used in operating activities		**(33,418)**	**(29,203)**
Cash flows from investing activities:			
Purchases of property, plant and equipment and investment property		(22,235)	(5,879)
Purchases of intangible assets		(72)	(75)
proceeds from sale of shares held		-	-
Proceeds from sale of property, plant and equipment		75	-
Net cash from investing activities		**(22,332)**	**(5,954)**

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

	Note	30 September 2021	30 September 2020
Cash flows from financing activities:			
Dividends paid		(7)	(10,344)
Repayments of borrowings		(3,526)	(44,309)
Proceeds from borrowings		22,191	104,861
Acquisitions of own shares		(1,365)	(17,381)
Other		204	-
Net cash used in financing activities		**17,497**	**32,827**
Net increase / (decrease) of cash and equivalents		**(38,252)**	**(2,330)**
Cash and equivalents at 1 January	**10**	**59,022**	**45,462**
Cash and equivalents as at 30 June	**10**	**20,770**	**43,132**

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu	**Iuliana Mihaela Urda**	**Giani Iulian Kacic**
Chief Executive Officer	President BOD	Chief Financial Officer

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

1. REPORTING ENTITY

These financial statements are the consolidated financial statements of Impact Developer & Contractor S.A ("the Company" or "the Parent") and its subsidiaries (together "the Group") as at and for the period 1 January - 30 September 2021.

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

The shareholding structures as at 30 September 2021 and 31 December 2020 are disclosed in Note 11.

The Consolidated Financial Statements of the Company for the period of 2021 ended 30 June 2021 include the Company and its subsidiaries (together referred to as the „Group") as follows:

	Country of registration	Nature of activity	% of shareholding at 30 September 2021	% of shareholding at 31 December 2020
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Actual Invest House SRL	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real Estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real Estate development	100%	-
Greenwise Development SRL	Romania	Real Estate development	100%	-
Greenfield Property Management SRL	Romania	Property management	100%	-

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

In the first six months of 2021, the business of Impact Group is mainly related to the following residential projects: Greenfield Baneasa in Bucharest, Boreal Plus in Constanta and Luxuria Domenii in Bucharest.

As at 30 September 2021, the Company holds 22.357% in the share capital of Star Residence Invest SRL.

2. BASIS OF PREPARATION

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

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

Going concern

The Group has prepared forecasts, including certain sensitivity tests considering the principal business risks. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Consequently, the financial statements were prepared on a going concern basis.

The Group made an initial assessment of the risks and uncertainties. Therefore, management considered different scenarios, considering the following:
• Sales and pre-sales
• Prices
• Evolution of real estate projects
• Cash and external financing

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated Financial Statements are presented in RON, this being also the functional currency of the Group. All financial information is presented in thousand RON, unless stated otherwise.

4. SIGNIFICANT ACCOUNTING POLICIES

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

Below is presented the summary of the significant accounting policies.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June / 31 December each year. Control is achieved when the Company:

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

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Loss of control

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, as well as non-controlling interests and other elements of the subsidiary's equity. Any resulting gain or loss is recognized in the income statement. Any remaining holding in the former subsidiary is measured at fair value at the time of loss of control or measured using the equity method as an investment in affiliates, as the case may be.

Investments measured under the equity method

Investments of the Group measured using the equity method consist of investments in associates. Associates are those entities over which the Group exercises significant influence but does not have control over financial and operational policies.

Associates are accounted for using the equity method. They are initially recognized at cost, which includes the cost of transactions. After initial recognition, in the consolidated financial statements, the Group recognizes profit and loss pro rata, as well as other comprehensive income of the associate, until the date when the significant influence ceases.

(b) Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currency at the date of reporting are translated to the functional currency at the exchange rate prevailing at that date. The gains and losses from exchange rate differences related to monetary items are computed as the difference between the amortized cost in functional currency at the beginning of the year, adjusted by the effective interest, payments, and collections during the year, on one side and the amortized cost in foreign currency translated using the exchange rate prevailing at the end of the year.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant, and equipment

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

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

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

Freehold land is not depreciated.

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

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

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

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

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

(d) Intangible assets acquired separately

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment property

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

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

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

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

(f) Inventories

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

The valuation of inventories upon entry into the company is done using the following techniques:

- ✓ Residential properties — specific identification
- ✓ Land — weighted average cost
- ✓ Other — first in-first out(FIFO)

(g) Trade and other receivables

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

Derecognition of financial assets

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Cash and cash equivalents

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

(i) Share capital

Ordinary shares

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

Repurchase and reissue of ordinary shares (treasury shares)

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

(j) Dividends

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

(k) Own shares

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

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

(l) Borrowings

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

Borrowing costs

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade payables and other payables

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

Derecognition of financial liabilities

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

(n) Leases

The Group analyses at the commencement of the contract the extent to which a contract is, or contains a lease. Namely, the extent to which the contract confers the right to use an identifiable asset for a period in exchange for the consideration.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and low-value assets. The Group recognizes lease payables for lease payments and the right to use the assets representing the right to use the underlying asset. i) Right to use assets: The Group recognizes the right to use assets at the date of commencement of a lease (i.e. the date on which the underlying asset is available for use). The right to use the assets is measured at cost excluding accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The cost of the right to use the assets includes the amount of the recognized lease liability incurred at initial direct costs and lease payments made on or before the commencement date excluding any lease benefits received. The right to use the assets is amortized on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

• Land and buildings: 1 -2 years
• Other equipment: 1 -2 years

If ownership of a leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a call option, depreciation is calculated using the asset's estimated useful life. The duration of the lease contract was considered the irrevocable period of the lease contract, without considering the option of extension. The right to use assets is also subject to impairment.

At the date of commencement of the lease, the Group recognizes the lease payables measured at the current value of the lease payments to be made throughout the lease. Lease payments include fixed payments (including fixed payments as a substance) excluding any lease benefits receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under the residual value guarantee. Lease payments also include the exercise price of a call option that is reasonably certain to be exercised by the Group and penalty payments for the termination of the lease, if the lease term reflects the group's option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or conditions that determine the payments occur.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

To calculate the current value of lease payments, the Group uses the incremental loan rate at the commencement date of the lease because the default interest rate of the lease is not readily determinable. After the start date, the amount of the lease liability is increased to reflect the accretion of interest and decreased for the lease payments made. In addition, the carrying amount of the lease is re-measured if there is a change, a modification in the lease term, a change in lease payments (change in future payments resulting from a change in an index or instalment rate used to determine those lease payments) or a change in the valuation of an underlying asset purchase option. Lease liabilities are included in Note 14 - Trade and other payables.

(o) Provisions

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

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

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

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

(p) Revenue

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 Group 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, after eliminating sales within the Group. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 instalments) 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.

(q) 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 against which deductible temporary differences can be utilised.

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 on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at 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 income statement, except when 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share-based payments

The Company has applied the requirements of IFRS 2 "Share-based payment". The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

(s) Financial instruments – fair values and risk management

The risk management function within the Group is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, 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.

(t) Contingent liabilities

A contingent liability is:

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

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

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

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

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

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

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

(u) Subsequent events

Events occurring after the reporting date 30 June 2021, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements. When the going concern, assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Segment reporting

The Group operates only in Romania. The main operating segment is related to real estate development.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 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

The Group has obtained a report from an international valuation company, Colliers Valuation and Advisory SRL, setting out the estimated market values for the Group's investment property and property developed for sale in their current state as of 31 December 2020. Colliers is an independent valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation assumed as to the best use of each property by a third-party developer.

In the Romanian market actual transaction values for real estate deals are not publicly available and there is not a high volume of transactions in larger land plots. The sales comparable method therefore has inherent limitations, and a significant degree of judgement is required in its application.

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

- The selection of comparable land plots resulting 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 including the status of any legal dispute.

The key inputs are summarised in Note 7.

Management agrees that the valuation of the fair value of the Group's land portfolio, performed by Colliers Valuation and Advisory S.R.L., may lead to different receipts from a sale that may differ from the carrying amount.

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

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

IAS 40 (investment property) requires the 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 Greenfield West and Barbu Vacarescu projects, in 2019 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 a portion of the Greenfield land, management considers that a potential development will not take place in the following 3-4 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, than the financial statements may have been significantly different because of the differing measurement approach of inventory and investment properties.

(iii) Legal issues

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

(iv) Cost allocation

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

(v) Effects of the Coronavirus pandemic

The Company has been closely monitoring the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will adjust its strategy in order to mitigate the impact of the pandemic and respect its commitments to its clients, financers and shareholders.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted and applied the following accounting standards issued by the International Accounting Standards Board that are mandatory for financial years beginning on or after 1 January 2020.

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.

- **Conceptual Framework in IFRS standards**

  The International Accounting Standards Board ("IASB") issued the revised Conceptual Framework for Financial Reporting on March 29, 2018. The Conceptual Framework establishes a comprehensive set of concepts for financial reporting, standard setting, guidance for the preparers of financial statements in developing consistent accounting policies and assistance for users in understanding and interpreting standards. The IASB also issued a separate attached document, Amendments to the References to the Conceptual Framework to IFRS standards, which sets out the amendments to the affected standards to update the revised references to the Conceptual Framework. The objective of the document is to support the transition to the revised Conceptual Framework for entities that develop accounting policies using the Conceptual Framework when no IFRS standard applies to a particular transaction. For those who prepare financial statements and develop accounting policies based on the Conceptual Framework, the document enters into force for annual periods starting on or after January 1, 2020.

- **IFRS 3: Business Combinations (Amendments)**

  The IASB has issued amendments to the definition of a business (Amendments to IFRS 3) in order to address the challenges that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are in effect for business combinations for which the acquisition date falls within the annual reporting period beginning on or after January 1, 2020 or later and for asset acquisitions occurring on or after the beginning of that period, and early application is permitted. Management considered that this amendment did not have a significant impact on the Group's financial statements.

- **IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of "Material" (Amendments)**

  The amendments clarify the definition of "material" and how it should be applied. The new definition states that "information is material if its omission, concealment or misrepresentation could, in a reasonable scenario, influence users' economic decisions based on financial statements that present financial information about a specific entity." Also, the explanations that accompany the definition have been improved. The amendments also ensure the consistent definition of the term "material" in all IFRS standards. The changes take effect for annual periods beginning on or after January 1, 2020 and early application is permitted. Management estimated that this amendment did not have a significant impact on the Group's financial statements.

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

- **Interest rate benchmark reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 concluding the first phase of its activity to address the effects of the Interbank Offered Interest Rate ("IBOR") reform on financial reporting. The published amendments address issues that have an impact on financial reporting prior to the replacement of an IBOR with an alternative reference rate and address the implications of the specific requirements for the application of hedge accounting in IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement, which requires a predictive analysis. The amendments provide for temporary exemptions applicable to all hedging relationships that are directly affected by the IBOR reform, which allow for the continuation of hedge accounting in the period of uncertainty before replacing an IBOR with an alternative reference rate with almost no risk. There are also amendments to IFRS 7 - Financial Instruments: Disclosures regarding additional uncertainty arising from the IBOR reform. The amendments shall enter into force for annual periods beginning on or after 1 January 2020 and shall be applied retroactively. The second stage (exposure draft) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced by a risk-free interest rate (RFR). Management considered that this amendment did not have a significant impact on the Group's financial statements.

This year, a number of non-binding amendments to IFRS were issued by the International Accounting Standards Board (IASB) and the Group did not opt for early application.

- **Amendment to IFRS 10 - Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments refer to an inconsistency identified between the requirements of IFRS 10 and those of IAS 28 in connection with the sale or asset contribution of an investor in favour of the associate or joint venture. The main consequence of the changes is that a total gain or loss is recognized when the transaction involves a business (whether or not it is in the form of a subsidiary). A partial gain or loss is recognized when a transaction involves assets that do not represent a business, even if they are in the form of a subsidiary. In December 2015, the IASB postponed indefinitely the date of entry into force of this amendment pending the results of a research project on accounting using the equity method. The changes have not yet been adopted by the European Union.

- **IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments)**

The changes take effect for annual reporting periods beginning on or after January 1, 2022 and early application is permitted. However, in response to the COVID-19 pandemic, the Board postponed the date of entry into force by one year, respectively to 1 January 2023, in order to give companies more time to implement the required classification changes. The amendments aim to promote consistency in the application of classification requirements by helping companies determine whether, in the statement of financial position, liabilities and other payment obligations with uncertain settlement dates should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change the existing requirements for measuring or recognizing any asset, liability, income or expense, nor the information that entities present regarding these items. The amendments also clarify the requirements for classifying liabilities that can be settled by the company by issuing equity instruments. These changes have not yet been adopted by the EU.

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

- **IFRS 3 - Business Combinations; IAS 16 - Property, plant, and equipment; IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, and Annual Improvements 2018-2020 (Amendments)**
The changes take effect for annual periods beginning on or after January 1, 2022 and early application is permitted. The IASB has issued amendments with a reduced scope to the following IFRS standards:

  - **IFRS 3 - Business Combinations (Amendments)** - updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting, without changing the accounting requirements for business combinations.
  - **IAS 16 - Property, plant, and equipment (Amendments)** - The amendments prohibit a company from deducting from the costs of property, plant and equipment the amounts received from the sale of items produced, while the company prepares the asset for operation. Instead, a company will recognize these sales receipts and the related cost in the profit or loss account.
  - **IAS 37 - Provisions, contingent liabilities, and contingent assets (Amendments)** -changes indicate exactly what costs a company includes when determining the cost of performing a contract in order to assess whether a contract is onerous.
  - **The annual improvements 2018-2020** bring minor changes to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture and the Illustrative Examples that accompany IFRS 16 - Leases.

  The changes have not yet been adopted by the European Union.

- **IFRS 16 - Leases – COVID-19-Related Rent Concessions (Amendments)**
The amendments apply retrospectively for annual reporting periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements that have not yet been authorized to be issued by May 28, 2020. The IASB has amended the standard by granting tenants exemptions from the application of the requirements of IFRS 16 regarding the treatment of amendments to leases for leases that arise as a direct consequence of the COVID-19 pandemic. The amendments provide a practical expedient for lessees to account for any change in lease payments resulting from the lease concession that arises because of COVID-19 in the same way that it would register the change, in accordance with IFRS 16, if it were not a change of lease. The facilities can be applied only if all the following conditions are met:

  - The modification of the lease payments results in a revised consideration for the lease which is, substantially, similar, or lower than the consideration for the lease immediately prior to the modification.
  - Any reduction in lease payments only affects payments initially due on or before June 30, 2021.
  - There were no substantive changes to the other terms and conditions of the lease.

  Management considered that this amendment did not have a significant impact on the Group's financial statements.

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

- **Interest rate benchmark reform – Phase Two - IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published the Interest Rate Benchmark Reform - Phase Two - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, complementing its work to address the effects of the IBOR reform. The amendments provide temporary exemptions that address the effects on financial reporting when IBOR is replaced by an almost risk-free reference (RFR). The amendments provide, in particular, a practical expedient when accounting for changes in the basis for determining contractual cash flows related to financial assets and liabilities, requiring the adjustment of the effective interest rate - treatment similar to an event to update the reference rate in the contract. The amendments also provide for exemptions from the termination of the hedging relationship, including a temporary exemption from the need to identify the hedged component separately when an RFR instrument is designated in a hedging relationship against a hedged component. In addition, the amendments to IFRS 4 are intended to allow insurers that continue to apply IAS 39 to obtain the same exemptions as those provided for in the amendments to IFRS 9. There are also amendments to IFRS 7 *Financial Instruments: Disclosures* to allow users of financial statements to understand the effects of IBOR reform on financial instruments and risk management strategy. The changes take effect for annual periods beginning on or after January 1, 2021 and early application is permitted. Although the application is retrospective, the entities do not have to make restatements for the previous periods.

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

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

7. INVESTMENT PROPERTY

Reconciliation of carrying amount

	30 September 2021	31 December 2020
Balance on 1 January	**457,706**	**384,223**
Additions through subsequent expenditures	11,878	3,504
Transfers from	-	5,981
Transfers to	-	(330)
Disposals	-	-
Changes in fair value during the year	8,413	64,328
Balance at 30 September / 31 December	**477,997**	**457,706**

Investment property comprises primarily land plots held with the purpose of capital appreciation or to be rented to third parties.

Main real estate investments in land

	30 September 2021		31 December 2020	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	210,209	207,789	210,209	207,789
Barbu Vacarescu land (Bucharest)	26,322	137,399	26,322	137,399
Blvd. Ghencea – Timisoara land (Bucharest)	258,925	105,908	258,925	105,908
Total	**495,456**	**451,096**	**495,456**	**451,096**

In 2019, the Group decided to reclassify the land located in Barbu Vacarescu Blvd. (2.63 ha) and Ghencea-Timisoara Blvd. (15.55 ha) from inventory to investment property. The decision was made based on the analysis of the legal cases involving the land (more details below) which showed that a definitive and irrevocable Court decision would be expected in the foreseeable future. As such, the Group would have to analyse the market conditions at those points in time to decide the best use of the land, namely if it will be used to construct to sell or to construct to rent.

As such, the Group considers that at the end of 2020 and as at 30 June 2021 there is sufficient evidence that the future use of these lands is uncertain and thus these should be classified as investment property and not as inventory, in accordance with IAS 40 provision regarding "land held for a currently undetermined future use".

In determining the value of the land on Blvd. Barbu Vacarescu , additional potential expenses of RON 2,479 thousand were taken into account, estimated in December 2019, as it was not known at that date which plot will be returned to Impact Developer & Constructor of the land. When the plot belonging to the Company will be clarified, then a better estimate of the respective expenses will be available.

The Company 's management estimates that the dispute will be closed by the end of 2021.

7. INVESTMENT PROPERTY (continued)

In the previous period, the Company recorded expenses of RON 5,376 thousand with notarial fees related to the litigation for leaving the division. These were calculated based on the entire value of the land, although the Company has the right of ownership and recorded in accounts only 1/3 of the value of the land. Following the finalization of the litigation, based on a court decision, an estimated amount of RON 3,584 thousand related to 2/3 of the land owned by Cefin is to be recovered from the latter by the Company.

Valuation processes

The Company's investment properties were valued at 31 December 2020 by independent professionals Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having 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.

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorised as Level 3 fair value at 31 December 2020. The classification is considered appropriate given the extent of adjustments which are applied to observed data for comparable land and building valuations. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

Valuation techniques

Fair values are determined applying the comparison method. The evaluation model is based on a price per square meter of land, obtained from observable data of existing price offers on the market. The estimate established by the independent expert was diminished by the management in order to take into account the legal situation of the various assets.

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

7. INVESTMENT PROPERTY (continued)

The table below presents a summary of the most significant assets and key assumptions used:

Asset	Main parameters at 31 December 2020
Greenfield Baneasa land	• Price offer per square meter for land used as comparable: from 170 EUR / sqm to 300 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location and condition: from -30% discount to + 40% premium
Barbu Vacarescu Blvd.land	• Price offer per square meter for land used as comparable: from 1,327 EUR/sqm to 2.600 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -5% to -50% • Additionally, an additional discount rate of 4% was applied for a period of 2 years to consider the current aspects of the disputes
Ghencea- Timisoara Blvd. land	• Price offer per square meter for land used as comparable: from 100 EUR/sqm to 150 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -3% to -30%

The carrying value as at 30 September 2021 of the land plots pledged is of 153,133 K RON (31 December 2020: 153,133 K RON).

8. INVENTORIES

	30 September 2021	31 December 2020
Finished goods and goods for resale	140,883	205,981
Residential developments:		
- Land	147,789	130,470
- Development and construction costs	209,028	98,290
	497,700	**434,741**

Lands with a carrying amount of 147,789 K RON at 30 September 2021 (2020: 130,470 K RON) consist of land owned by the Group for the development of new residential properties and related infrastructure, mainly in Bucharest, as well as land the Group intends to sell directly.

The real estate properties finished with a carrying amount of 140,883 K RON at 30 September 2021 (2020: 205,978 K RON) refer to apartments held for sale by the Group.

The carrying value as at 30 September 2021 of the finished goods inventories pledged is of 129,867 K RON.

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

9. TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade receivables	8,865	8,417	-	-
Sundry debtors	4,634	1,038	-	-
Prepaid expenses	5,599	5,106	-	-
Receivables from State	12,858	6,395	-	-
Advance payments to suppliers (for services)	9,193	5,618	-	-
	41,149	**26,574**	**-**	**-**

An allowance has been made for estimated irrecoverable amounts from trade receivables of 1,586 K RON (2020: 1,529 K RON).

The trade receivables include the amount of 10,450 K RON (2020: 9,946 K RON) in relation with contracts with customers for sale of residential properties.

10. CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Current accounts	20,756	59,005
Petty cash	4	11
Cash advances	10	6
	20,770	**59,022**

11. SHARE CAPITAL

	30 September 2021	31 December 2020
Share capital	393,750	265,000
Adjustments of the share capital (hyperinflation)	7,464	7,464
	401,214	**272,464**

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

The shareholding structure at the end of each reported period was as follows:

	30 September 2021	31 December 2020
	%	%
Gheorghe Iaciu	59.97%	59.41%
Andrici Adrian	15.92%	15.98%
Swiss Capital*	12.51%	12.53%
Other shareholders	11.60%	12.08%
	100%	**100%**

*Swiss Capital SA, Sorin Apostol and FDI Active Dinamic/SAI Swiss CAP AM

All shares are ordinary and have equal ranking related to the Group's residual assets. The nominal value of one share is 0.25 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 1 share during the meetings of the Group.

The General Meetings of Shareholders held on 19.04.2021 and 21.04.2021 decided changes in the share capital as follows:

- Reduction of the share capital from RON 265,000,000 to RON 262,500,000 by reducing the number of shares from 265,000,000 shares to 262,500,000 shares as a result of the cancellation of a number of 2,500,000 own shares, acquired by the Company;
- The increase of the share capital by RON 131,250,000 by incorporating the capital premiums in the amount of RON 69,487,043 and the result carried forward from 2020 in the amount of RON 61,762,957. The capital increase was achieved by issuing a number of 131,250,000 new shares granted free of charge to shareholders as of 25 June 25 2021 (1 free share for 2 shares held);
- The split of the shares resulting from the above operations (393,750,000 shares) and the nominal value of the shares in a 1: 4 split ratio.

The process of the share capital change, as decided at the GMS held on 21.04.2021, was started in June 2021 and was completed at the beginning of July 2021. On 5 July 2021, the share capital of Impact Developer & Contractor consisted of a number of 1,575,000,000 shares with a nominal value of RON 0.25 / share.

On July 19, 2021, following the request of the majority shareholder Mr. Iaciu Gheorghe, the Company convened the Extraordinary General Meeting of Shareholders for August 20/21, 2021 with the proposal of delegation and authorization of the Board of Directors for a period of 1 (one) year starting with the date of registration with the Trade Register of the articles of association of The Company updated in this respect, to decide and implement the increase of the share capital of the Company, by cash contribution, through one or more issues of new ordinary shares, with a cumulative number of shares not exceeding 775,000,000.

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

Dividends

During the financial year ended 31 December 2020, the Group paid dividends to its shareholders in total amount of RON 10,448,000.

During the first nine months of 2021, the Group paid dividends to its shareholders in total amount of RON 7,000.

12. OWN SHARES

	30 September 2021	31 December 2020
Balance at 1 January	**2,675**	**7,771**
Purchase of own shares	1,365	9,610
Own shares cancelled during the year	(3,199)	(12,492)
Share-based payments	-	(2,214)
Balance at 30 June / 31 December	**841**	**2,675**

In accordance with the parent's articles of association, authority was sought at the AGM dated 15.06.2017 to purchase up to 2.56% of the parent'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.

The AGM held on 24.04.2019 approved the purchase of maximum 10,000,000 own shares (ten million) for a period of maximum 18 months starting from publishing in the Romanian Official Gazette representing maximum 3.60% of the shared capital subscribed and paid at the settlement date.

The AGM held on 21.04.2021 approved the purchase of maximum 30,000,000 own shares (thirty million) for a period of maximum 18 months starting from publishing in the Romanian Official Gazette representing maximum 1.905% of the shared capital subscribed and paid at the settlement date.

The own shares reserve represents the cost of shares in the parent purchased in the market, to satisfy options and conditional share awards under the Group's share-based payment schemes.

As at 30 September 2021 the parent has in balance own shares with a nominal value of RON 841,000 (2020: RON 2,675,000).

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

13. LOANS AND BORROWINGS

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

	30 September 2021	31 December 2020
Non-current liabilities		
Secured bank loans	116,885	19,060
Issued bonds	92,312	148,397
	209,197	**167,457**
Current liabilities		
Current portion of secured loans and bonds	69,678	86,561
Short-term borrowings and interest	2,059	1,818
	71,737	**88,379**

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

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30 September 2021	Balance at 31 December 2020
Binding loans					
Credit Value Investments	EUR	11.01.2022	12,000	59,148	58,226
				59,148	**58,226**
Bucharest Stock Exchange SA	EUR	19.12.2022	12,525	59,751	58,123
Private placement bonds	EUR	24.12.2026	6,581	32,560	32,048
				92,311	**90,171**
Secured bank loans					
UniCredit	EUR	30.04.2021	17,841	-	9,741
UniCredit Bank	EUR	31.08.2021	20,696	-	76,423
UniCredit	RON	31.08.2021	17,605	-	-
First Bank	EUR	05.08.2023	5.920	18,873	-
First Bank	RON	05.08.2023	4.500	450	-
CEC Bank	EUR	27.11.2023	9,800	9,315	-
CEC Bank	RON	27.01.2023	3,500	1,391	-
				30,029	**86,164**
Libra Bank	RON	17.06.2021	19,700	-	397
Libra Bank	EUR	22.09.2024	8,676	41,678	19,060
Libra Bank	EUR	05.03.2024	5.769	55,709	-
				97,387	**19,457**
Interest				2,059	1,818
				280,934	**255,836**

13. LOANS AND BORROWINGS (continued)

On 17 July 2019 Impact Developer & Contractor SA concluded a revolving finance agreement with Libra Bank for a facility of 19,700,000 RON.

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

a) Facility 1 represents a development loan in amount of 20,696,000 EUR for financing/refinancing of maximum 65% from net development cost of Luxuria Residence. This facility is not a revolving credit. The mechanism of repayment is agreed at 75-80% paid at final collection from client.

b) Facility 2 represents a Revolving Type Credit in amount of 17,605,000 RON for financing the VAT payments.

On 16 August 2018, Bergamot Development concluded a loan agreement with UniCredit Bank having 2 facilities with the following destination:

- Facility 1 represents a development loan in amount of 16,341,000 EUR for financing/refinancing of maximum 65% from the net development cost of Luxuria Residence. This facility is not a revolving credit. The mechanism of repayment is agreed at 75-80% paid at final collection from client.

- Facility 2 consists of a revolving loan amounting to 6,989,000 RON for financing the VAT payments.

- In August 2021, Bergamot Developments reimbursed completely both credit facilities

In February 2021, the Company contracted two credit facilities from First Bank for developing Panoramic Assembly from Greenfield Baneasa. The first facility is an investment facility with a total value 5,921,000 EUR, maturity 30 months from granting date; the second facility is in RON (4,500,000 RON) and it is for financing VAT, maturity 30 months from granting date.

In March 2021, Bergamot Development contracted a credit line of 5,769,000 EURO from Libra Bank to finance the current activity.

In May 2021, the Company contracted the following investment loans, loans that were not used on 30 June 2021:

- CEC Bank SA : EUR 9,880 thousand the investment facility and RON 3,500 thousand the VAT facility in order to finance the first phase of the Boreal Plus project in Constanta;
- Libra Internet Bank SA : EUR 8,624 thousand for financing the first phase of the Teilor Assembly and EUR 4,705 thousand for financing Greenfield Plaza and the office building (Impact Developer & Contractor headquarters), both investments being part of the Greenfield Baneasa Rezidence project located in Bucharest.

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

13. LOANS AND BORROWINGS (continued)

Bonds are interest-bearing at a fixed rate of 6.00% per annum, payable twice a year. On 1 February 2021, the Group signed an agreement to extend the maturity for the amount of EUR 6,000,000 until the maturity of the bonds, i.e. January 2022.

The bonds are mainly secured by a first-rate mortgage covering the obligations arising from the Bonds up to the guaranteed maximum amount of EUR 18,000,000 (eighteen million) on seven plots of land with a total area of 154,308 sqm located in Bucharest, 1st District, Romania, which are the exclusive property of the Company, as well as their accessories. The Company has an early redemption option for the Bonds, which can be exercised from the second interest payment date, provided that the minimum redeemed amount is at least EUR 1,000,000.

Bucharest Stock Exchange S.A. approved the application for admission to trading on the regulated market administered by the Bucharest Stock Exchange S.A. of the bonds issued by the Company, unsecured at a fixed annual interest rate of 5,75% denominated in EUR, with a maturity of 5 years and a total nominal value of EUR 12,525,000.

The bonds were issued following the offer addressed to the Eligible Investors, as defined in the prospectus dated November 28, 2017 approved by the FSA by approval decision no. 1710 of November 28, 2017, amended by the amendment of December 8, 2017 approved by the FSA by approval decision no. 1766 of December 8, 2017 and by the amendment of December 13 approved by the FSA by approval decision no. 1816 of December 13, 2017.

In December 2020, the parent conducted a new issuance of Private Placement bonds worth EUR 6,581,000 at a fixed interest rate of 6.4% p.a., due twice a year. The bonds were issued by the parent dated 24 December 2020, have a maturity of 6 years and were listed on the BSE regulated market in the first quarter of 2021.

All the financial covenants provided for in the long-term bank loan agreements were achieved at 30 June 2021.

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

14. TRADE AND OTHER PAYABLES

	30 September 2021	31 December 2020
Non-current liabilities		
Guarantees	3,892	508
Lease payables	1,401	1,401
	5,293	**1,909**
Current liabilities		
Trade payables	23,557	6,956
Customer deposits	30,711	18,262
Divides payable	191	200
Payable to affiliates	-	-
Other payables	3,887	7,932
	58,346	**33,350**
	63,639	**35,259**

Lease liabilities

The Group concluded leases for office space, equipment rentals and for car access transit necessary within its activity. Leases have a duration between 1 and 3 years. All leases have fixed rates.

15. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance at 1 January 2021	**271**	**396**	**667**
Provisions made during the year	-	890	890
Provisions used during the year	-	-	-
Balance at 30 June 2021	**271**	**1,286**	**1,557**

	Provisions for litigation	Other provisions	Total
Balance at 1 January 2020	**319**	**588**	**907**
Provisions made during the year	-	-	-
Provisions used during the year	48	192	240
Balance at 31 December 2020	**271**	**396**	**667**

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

16. REVENUES

A disaggregation of the Group's revenues is as follows:

	30 Septembrie 2021	30 September 2020
Revenues from sales of residential properties	108,543	133,993
Others	933	1,356
	109,536	**135,349**

17. GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2021	30 September 2020
Consumables	285	1,133
Administration expenses	6,736	5,201
Staff costs	9,220	7,574
	16,241	**13,908**

18. OTHER OPERATING EXPENSES/INCOME

	30 September 2021	30 September 2020
Other operating income	(2,365)	(2,136)
Rent expenses	462	463
(Profit) / Loss on disposal of property, plant and equipment	(69)	11
Fines and penalties (income)/expenses	50	(456)
Taxes	3,820	1,427
Other operating expenses	3,067	6,750
	4,965	**6.060**

19. FINANCE COST/INCOME

	30 September 2021	30 September 2020
Interest expense	6,936	5,902
Interest income	(4)	(236)
Foreign exchange result	3,656	4,323
Other financial (income)/costs	(1,506)	610
	9,082	**10,599**

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

20. TAXATION

Amounts recognised in profit or loss

	30 September 2021	30 September 2020
Deferred tax expense	(70)	(610)
Tax on profit	2,138	4,279
Total expense related to tax	**2,068**	**3,669**

21. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk management

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

- credit risk
- liquidity risk
- market risk

Risk management framework

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

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Group's trade receivables and financial assets.

Trade and other receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. All these considered, the management considers the demographic characteristics of the customer database, including the collection risk specific to the sector and to the country in which the customer activates, bearing in mind that all these factors influence the credit risk.

In order to monitor customer credit risk, the Company monitors monthly payment delays and takes the steps deemed necessary on a case-by-case basis.

21. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's obligations.

(c) Market risk

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

Currency risk

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

The Group has not entered into hedging contracts with respect to foreign currency obligations or exposure to interest rate risk.

22. CAPITAL COMMITMENTS

As at 30 September 2021, the Group has no capital commitments contracted.

23. CONTINGENCIES

Litigation

At the date of these individual financial statements, the Company is involved in ongoing litigation, both as plaintiff and defendant. The most significant trials are described below.

The Company's management regularly reviews the status of all ongoing litigation and, after consultation with the Board of Directors, decides regarding the need to create provisions relating to the amounts involved or to disclose them in the individual Financial Statements.

i) The litigation regarding the land situated in Blvd. Barbu Văcărescu

In 2017, the Company initiated a lawsuit against Cefin Real Estate Development BV S.R.L. ("**Cefin**") requesting the cessation of the joint ownership having as object the land with an area of 78,119 sqm in Bucharest, Blvd. Barbu Văcărescu, land from which the Company has a share of 1/3, and Cefin has a share of 2/3. The dispute is the object of File No. 5642/300/2017.

23. CONTINGENCIES (continued)

On September 30, 2021, the District 2 Court of Bucharest pronounced Decision no. 9923, by which it ordered the following:

a) Assignment to the Company of a land area of 25,424 sqm - the lot from the North (referring to the expertise performed in the file, Lot 1 from Variant 2 of parcelling);

b) Assignment to Cefin of a land area of 50,848 sqm - the central lot and the South lot (referring to the expertise performed in the file, Lot 2 and Lot 3 of Plot Variant 2, each with an area of 25,424 sqm);

c) Obligation of the Company to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision;

d) Obligation of Cefin to pay to Impact the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and attorney's fees).

The decision is with the right to appeal within 30 days from the communication. The decision was communicated on October 19, 2021. Until the reporting date, neither party appealed.

ii) *The litigation regarding the land situated in Blvd. Prelungirea Ghencea*

In File No. 5737/3/2018 initiated by the Company having as its object a claim against the Romanian State and the Bucharest City Hall regarding the land situated in Blvd. Prelungirea Ghencea 402-412 (“Ghencea Land”), the Company obtained favorable decisions pronounced by the Bucharest Tribunal and the Bucharest Court of Appeal.

According to Decision No. 2651 dated 22.11.2019, Bucharest Tribunal stated that the Company has a valid property right over the Ghencea Land, and by Decision No. 1246 dated 06.10.2020, the Court of Appeal rejected the appeals filed by the adverse parties and upheld Decision No. 2651 dated 22.11.2019 of the Bucharest Tribunal as thorough and legal.

Decision No. 2651 dated 04.10.2021 issued by Bucharest Court of Appeal was communicated to the company on 04.10.2021. The Romanian state appealed. The appeal will be resolved by the ICCJ..

iii) The litigation initiated by Asociația Locuitorilor Cartier Greenfield

In the file No. 5856/3/2021 registered with the Bucharest Tribunal, Administrative and Fiscal Litigation Section, the Company was subpoenaed as Defendant.

The file was initiated by the *Asociația Locuitorilor Cartier Greenfield* and has as its object the suspension and annulment of the administrative act HCGMB 705 / 18.12.2019 approving the Aleea Teisani Zonal Urban Plan - Black Forest Road no. 56-64, suspension and annulment of Building Permits no. 434/35 / P / 2020 and no. 435/36/ P / 2020, annulment of preliminary approvals, cancellation of works. The application for legal action was initially filed against the Municipality of Bucharest, CGMB, the Mayor of Sector 1 Bucharest, the Bucharest Environmental Protection Agency and the Company.

At the first court hearing on June 25, 2021, *Asociația Locuitorilor Cartier Greenfield* modified its application for legal action with an additional claim requesting the admission of the exception of illegality of the Building Permit issued in favor of S.C. Apa Nova Bucharest S.A. and extended the litigation against S.C. Apa Nova Bucharest S.A., as defendant.

23. CONTINGENCIES (continued)

In the interest of the plaintiff, *Asociația Locuitorilor Cartier Greenfield*, but also in the interest of the Company, an association filed an intervention, but the court postponed the decision on the admissibility of the intervention.

Based on the verifications and studies carried out and with the support of the employed consultants, both in legal and urban (architectural) field, the Company filed a statement of defense requesting the court, mainly, to reject the application for legal action as ungrounded.

Despite the arguments presented and the relevant defenses made by the Company, there is a risk of suspending the construction works during the litigation, as well as the risk of pronouncing an unfavorable court decision, cases that may generate adverse effects on the business and financial situation of the Company.

Although the plaintiff is called the *Asociația Locuitorilor Cartier Greenfield*, according to verifications made in June 2021, this association does not have extended representation in the Greenfield, being constituted in 2020 by 3 founding members.

The next court hearing is scheduled for November 19, 2021.

iv) Litigation initiated by the Company regarding Lomb residential project in Cluj-Napoca

The Company and its subsidiary - 100% owned by the Company (Clearline Development & Management SRL - "Clearline") are involved in two litigation against the Municipality of Cluj-Napoca, in connection with an association agreement concluded in 2007 for the development of Lomb residential project in Cluj-Napoca .

In both cases, the Company and respectively, Clearline, requested the recovery from Municipality of Cluj-Napoca the funds invested to carry out the real estate project.

In the File No. 79/1285/2012, the Company requested the recovery of the amount of 4,786,324 lei principal plus penalties of 2,238,738 lei. The application for legal action was rejected by Cluj Tribunal. The litigation is currently in the appeal stage before the Cluj Court of Appeal.

The next court hearing is scheduled for September 3, 2021.

The litigation initiated by Clearline (File No. 1032/1259/2012), by which it requested the recovery of the amount of approx. 17 million lei is registered with Arges Tribunal, in the first procedural phase, in the stage of administration of evidence.

The next court hearing is scheduled for November 25, 2021.

24. RELATED PARTIES

Transactions with associates

At 30 September 2021, the Group has to collect from Star Residence the amount of RON 1,819,546 representing the VAT related to the goods contributed to the share capital.

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

25. SUBSEQUENT EVENTS

The Company's management does not consider that there are any significant subsequent events from September 30, 2021 until the date of approval of these individual financial statements that would require their adjustment.

• On October 11, 2021, the Company sold the remaining shares (10,742,547) held in Star Residence.
• In October 2021, the Company concluded with Libra Bank a new financing line worth 2.3 million EURO for the development needs of the company and its projects.
• On September 30, 2021, the Bucharest District 2 Court issued Decision no. 9923, by which it ordered the following:

- Assigning to the Company a land area of 25,424 sqm - the lot from the North (referring to the expertise performed in the file, Lot 1 from Variant 2 of parcelling);
- Assigning to Cefin a land area of 50,848 sqm - the central lot and the South lot (referring to the expertise performed in the file, Lot 2 and Lot 3 of Variant 2 of plots, each with an area of 25,424 sqm);
- Obligation of the Company to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision;
- Obligation of Cefin to pay to Impact the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and lawyer's fees).

The decision is with the right to appeal within 30 days from the communication. The decision was communicated on October 19, 2021. Until the reporting date, neither party appealed.

The consolidated financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebeșanu	**Iuliana Mihaela Urda**	**Giani Iulian Kacic**
Chief Executive Officer	President BOD	Chief Financial Officer

IMPACT DEVELOPER & CONTRACTOR SA

SEPARATE FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2021

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

CONTENT:	PAGE:

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

	Note	30 September 2021	31 December 2020
ASSETS			
Non-current assets			
Tangible assets		5,451	4,244
Intangible assets		125	136
Investment property	**8**	476,637	456,768
Financial assets	**10**	58,581	58,340
Total non-current assets		**540,794**	**519,488**
Current assets			
Inventories	**9**	221,688	147,927
Trade and other receivables	**11**	135,583	140,911
Cash and cash equivalents	**12**	16,077	52,065
Total current assets		**373,348**	**340,903**
Total assets		**914,142**	**860,391**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**13**	401,214	272,464
Share premium		(4,475)	65,711
Revaluation reserve		3,001	3,001
Other reserves		12,389	12,389
Own shares	**14**	(841)	(2,675)
Retained earnings		221,772	286,193
Total equity		**633,060**	**637,083**
Non-current liabilities			
Loans and borrowings	**15**	121,891	148,396
Trade and other payables	**16**	3,793	510
Deferred tax liability		55,230	55,300
Total non-current liabilities		**180,914**	**204,206**

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

	Note	30 September 2021	31 December 2020
Current liabilities			
Loans and borrowings	**15**	61,657	2,215
Trade and other payables	**16**	36,955	16,220
Provisions for risks and charges	**17**	1,557	667
Total current liabilities		**100,169**	**19,102**
Total liabilities		**281,083**	**223,308**
Total equities and liabilities		**914,143**	**860,391**

The separate financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebesanu,
CEO

Giani Iulian Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD OF 2021 ENDED 30 SEPTEMBER 2021
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	30 September 2021	30 September 2020
Revenue from real estate inventories	**18**	16,790	73,914
Costs of real estate inventories on stock		(7,196)	(37,624)
Gross profit		**9,594**	**36,289**
Net rental income	**18**	920	778
General and administrative expenses	**19**	(13,365)	(12,772)
Marketing expenses		(2,749)	(2,170)
Depreciation and amortization		(534)	(538)
Other operating income/expenses	**20**	(2,893)	(5,461)
Operating profit		**(9,027)**	**16,126**
Gains from investment property		8,413	121
Annual operating profit		**(614)**	**16,248**
Finance costs, net	**21**	(2,114)	(3,339)
Profit before tax		**(2,728)**	**12,908**
Income tax expense	**22**	70	(2,185)
Profit of the period		**(2,658)**	**10,723**

The separate financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebesanu,
CEO

Giani Iulian Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF 2021 ENDED 30 SEPTEMBER 2021
(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 1, 2021		**272,464**	**65,711**	**3,001**	**12,389**	**(2,675)**	**286,193**	**637,083**
Comprehensive income								
Profit for the year		-	-	-	-	-	(2,658)	(2,658)
Other comprehensive income		-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**(2,658)**	**(2,658)**
Transactions with shareholders of the Company								
Own shares acquired during the year	14	-	-	-	-	(1,365)	-	(1,365)
Paid dividends		-	-	-	-	-	-	-
Share capital increase	13	131,250	(69,487)	-	-	-	(61,763)	-
Share capital reduction by cancelling shares	13	(2,500)	(699)	-	-	3,199	-	-
Share-based payments		-	-	-	-	-	-	-
Other changes in equity								
Set up of legal reserves		-	-	-	-	-	-	-
Transfer of reserves		-	-	-	-	-	-	-
revaluation reserves		-	-	-	-	-	-	-
Balance on September 30, 2021		**401,214**	**(4,475)**	**3,001**	**12,389**	**(841)**	**221,772**	**633,060**

The separate financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebesanu,
CEO

Giani Iulian Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF 2021 ENDED 30 SEPTEMBER 2021
(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 1, 2020		**281,907**	**68,760**	**3,001**	**8,788**	**(7,771)**	**230,996**	**585,681**
Comprehensive income								
Profit for the year		-	-	-	-	-	69,247	69,247
Other comprehensive income		-	-	-	-	-	-	**-**
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**69,247**	**69,247**
Transactions with shareholders of the Company								
Own shares acquired during the year	14	-	-	-	-	(9,610)	-	(9,610)
Paid dividends		-	-	-	-	-	(10,449)	(10,449)
Share capital reduction by cancelling shares	13	(9,444)	(3,049)	-	-	12,492	-	-
Share-based payments		-	-	-	-	2,214	-	2,214
Other changes in equity								
Set up of legal reserves		-	-	-	3,601	-	(3,601)	-
Transfer of reserves		-	-	-	-	-	-	-
revaluation reserves		-	-	-	-	-	-	-
Balance on December 31, 2020		**272,464**	**65,711**	**3,001**	**12,389**	**(2,675)**	**286,193**	**637,083**

The separate financial statements have been authorized for issue by the management on 19 August 2021 and signed on its behalf by:

Constantin Sebesanu,
CEO

Giani Iulian Kacic,
CFO

Iuliana Mihaela Urda,
BoD President

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF 2021 ENDED 30 SEPTEMBER 2021
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	30 September 2021	30 September 2020
Cash flows from operating activities:			
Profit for the period		**(2,658)**	**10,723**
Adjustments for:			
Depreciation of tangible non-current assets		473	450
Amortization of intangible non-current assets		60	62
Impairment of tangible non-current assets, net		(49)	77
Impairment of inventories, net		305	2,004
Impairment of trade and other receivables, net		(49)	(198)
Corporate tax	**22**	(70)	2,185
Interest expenses	**21**	7,025	5,798
Interest income	**21**	(5,103)	(4,615)
Foreign exchange differences, net	**21**	1,967	2,192
Other		(886)	5,928
Cash generated in operations before changes to working capital		**1,015**	**13,846**
Inventories		(10,781)	24,077
Long term trade and other receivables		(74,066)	(1,450)
Trade and other payables		28,591	686
Cash generated from operations		**(55,241)**	**47,883**
Income tax paid		(2,789)	(4,766)
Interest paid/received, net		6,103	(4,985)
Net cash generated from operations		**(51,927)**	**38,132**
Cash flows from investing activities:			
Acquisitions of tangible assets and investment property		(21,743)	(3,319)
Acquisitions of intangible assets		(49)	(40)
Others		5	-
Net cash used for investing activities		**(21,787)**	**(3,359)**

IMPACT DEVELOPER & CONTRACTOR SA
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF 2021 ENDED 30 SEPTEMBER 2021
(All amounts are expressed in thousand RON, unless stated otherwise)

	Note	30 September 2021	30 September 2020
Cash flows from financing activities:			
Paid dividends	**13**	(7)	(10.344)
Repayment of borrowings		5,875	(16,532)
Cashing from loans		21,238	20,299
Loans granted to affiliates		(13,450)	(37,386)
Repayment of loans granted to affiliates		25,231	2,331
Acquisitions of new shares		(1,365)	(9,610)
Other		205	30
Net cash from (used for) investing activities		**37,727**	**(51,273)**
Net increasing/ (decreasing) of cash and cash equivalents		**(35,987)**	**(14,966)**
Cash and cash equivalents on January 1st		**52,065**	**35,357**
Cash and cash equivalents on June 30st	**12**	**16,077**	**18,858**

The separate financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebesanu,	**Giani Iulian Kacic,**	**Iuliana Mihaela Urda,**
CEO	CFO	BoD President

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

1. REPORTING ENTITY

Impact Developer & Contractor SA ("the Company") is a Company registered in Romania whose activity is the development of real estate.

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

The shareholding structure on September 30st, 2021 and December 31st, 2020 is presented in Note 13.
The Company controls several other entities and prepares consolidated financial statements. According to the provisions of Law no. 24/2017, such entities shall also prepare separate financial statements.

The Company and its subsidiaries (together referred to as the „Group") are as follows:

	Country of registration	**Nature of activity**	**% of shareholding at 30 September 2021**	**% of shareholding at 31 December 2020**
Clearline Development and Management SRL	Romania	Real estate development	100%	100%
Actual Invest House SRL	Romania	Property management	100%	100%
Bergamot Development Phase II SRL	Romania	Real estate development	100%	100%
Bergamot Development SRL	Romania	Real estate development	100%	100%
Impact Finance SRL	Romania	Administration	100%	100%
Greenfield Copou Residence SRL	Romania	Real Estate development	100%	100%
Greenfield Copou Residence Phase II SRL	Romania	Real Estate development	100%	-
Greenwise Development SRL	Romania	Real Estate development	100%	-
Greenfield Property Management SRL	Romania	Administration	100%	-

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

In 2021 the business of Impact Developer & Contractor revolved around the Greenfield residential complex in Bucharest and Boreal Plus in Constanta.

2. THE BOARD OF ADMINISTRATION

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

The Board of Administration consists of 5 members:

- Iuliana Mihaela Urda, chairperson of the Board of Administration
- Intrepid Gem SRL through Petru Vaduva, Administrator
- Ruxandra-Alina Scarlat, Administrator
- Daniel Pandele, Administrator
- Sorin Apostol, Administrator

Executive Management of the Company

On 27.04.2021, the Board of Directors of Impact decided to appoint Mr. Constantin Sebeșanu, as General Manager for a term of four years, starting with April 28, 2021. He replaced Mr. Sorin Apostol, who holds the position of Executive Director, starting with April 28, 2021. Mr. Constantin Sebeșanu has experience in project development and asset management, for over 25 years, he attended courses at the Bucharest Polytechnic Institute and holds specializations in Strategic and Financial Management, acquired at Cornell and Boston Universities.

Mr. Constantin Sebeșanu continues the development strategy of 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 separate financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union (“EU IFRS”). The separate Financial Statements are available on the company and Bucharest Stock Exchange website once they are approved by the Board of Directors.

The financial statements have been prepared on an ongoing concern basis and under the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

The going concern principle

The Company has prepared forecasts, including certain sensitivities considering the principal business risks, at the Company’s and Impact Group level. Having considered these forecasts, the Directors remain of the view that the Company’s financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Company to conduct its business for at least the next 12 months. Accordingly, the financial statements have been prepared on a going concern basis.

The Company made an initial assessment of the risks and uncertainties. Therefore, management considered different scenarios, considering the following:

- Sales and pre-sales
- Prices
- Evolution of real estate projects
- Cash and external financing

4. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in RON, this being also the functional currency of the Company. All financial information is presented in thousand RON, unless stated otherwise.

5. SIGNIFICANT ACCOUNTING POLICIES

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

Below is presented the summary of the significant accounting policies.

(a) Foreign currency

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

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

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

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

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

Freehold land is not depreciated.

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

• building	40 years
• plant, equipment, and vehicles	3–5 years
• fixtures and fittings	3–12 years

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

(c) Intangible assets acquired separately

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

(d) Investment property

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

After initial recognition, investment property is measured at fair value.

All the Company's property interests held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

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

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

(e) Inventories

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

The valuation of inventories upon entry into the company is done using the following techniques:

✓ Residential properties	specific identification
✓ Land	weighted average cost
✓ Other	first in-first out (FIFO)

(f) Trade and other receivables

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

- **Derecognition of financial assets**

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

(g) Cash and cash equivalents

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

(h) Share capital

- **Ordinary shares**

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Dividends

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

(j) Own shares

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

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

(k) Borrowings

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

- **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the 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 profit or loss when the qualifying asset impacts 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 on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(l) Trade payables and other payables

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **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 carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(m) Provisions

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

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

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

When some or all 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

Revenues are 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. Revenues are recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Revenues comprises the fair value of the consideration received or receivable, net of value added tax, after eliminating sales within the Company. 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Revenues from re-charging utilities

The revenues from recharge of utilities are recognised when they are realized, together with the utilities expenses invoiced by the suppliers. The Company 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 instalments) 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it 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 substantively enacted by the balance sheet date.

- **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized 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 recognized for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at 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 income statement, except when 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-based payments

The Company has applied the requirements of IFRS 2 “Share-based payment”. The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date they are granted. The fair value is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

(q) Financial instruments – fair values and risk management

The risk management function within the Company is carried out in respect of 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 currency risk, 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 leasing agreements

The Company analyses at the commencement of the contract the extent to which a contract is or contains a lease. Namely, the extent to which the contract confers the right to use an identifiable asset for a period in exchange for the consideration.

The Company applies a single recognition and measurement approach to all leases, except for short-term leases and low-value assets. The Company recognizes lease payables for lease payments and the right to use the assets representing the right to use the underlying asset. Right to use assets:

The Company recognizes the right to use assets at the date of commencement of a lease (i.e., the date on which the underlying asset is available for use). The right to use the assets is measured at cost excluding accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

The cost of the right to use the assets includes the amount of the recognized lease liability incurred at initial direct costs and lease payments made on or before the commencement date excluding any lease benefits received. The right to use the assets is amortized on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

• Land and buildings: 1 -2 years

• Other equipment: 1 -2 years

If ownership of a leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a call option, depreciation is calculated using the asset's estimated useful life. The duration of the lease contract was considered the irrevocable period of the lease contract, without considering the option of extension. The right to use assets is also subject to impairment.

At the date of commencement of the lease, the Company recognizes the lease payables measured at the current value of the lease payments to be made throughout the lease. Lease payments include fixed payments (including fixed payments as a substance) excluding any lease benefits receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under the residual value guarantee. Lease payments also include the exercise price of a call option that is reasonably certain to be exercised by the Company and penalty payments for the termination of the lease, if the lease term reflects the group's option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or conditions that determine the payments occur.

To calculate the current value of lease payments, the Company uses the incremental loan rate at the commencement date of the lease because the default interest rate of the lease is not readily determinable. After the start date, the amount of the lease liability is increased to reflect the accretion of interest and decreased for the lease payments made, In addition, the carrying amount of the lease is re-measured if there is a change, a modification in the lease term, a change in lease payments (change in future payments resulting from a change in an index or instalment rate used to determine those lease payments) or a change in the valuation of an underlying asset purchase option. Lease liabilities are included in Note 16 Trade and other payables.

(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 more uncertain future events not wholly within the control of the Company; or

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

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

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

Contingent liabilities are not recognized in the 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 on-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

(t) Subsequent events

Events occurring after the reporting date June 30, 2021, 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) Segment reporting

The Company operates only in Romania. The single operating segment is 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 are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts 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 relevant.

Actual results may differ from these forecasts. Estimates and hypothesis on which these are based on are under ongoing review. 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 of investment property

Valuation of 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 31, 2020. 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.

In the Romanian market actual transaction values for real estate deals are not publicly available and there is not a high volume of transactions in larger land plots. The sales comparable method therefore has inherent limitations, and a significant degree of judgement is required in its application.

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

- the selection of comparable land plots resulting 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.

Management agrees that the valuation of the fair value of the Group's land portfolio, performed by Colliers Valuation and Advisory S.R.L., may lead to different receipts from a sale that may differ from the carrying amount.

(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.

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

- For the Ghencea and Barbu Vacarescu projects, in 2019, management has taken the view that legal restrictions on the use of assets are an indication of change in use. Consequently, these assets are reclassified to investment property and recorded at fair value as at the balance sheet date.

- For a portion of the Greenfield land, management considers that a potential development will not take place in the following 3-4 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 result of the differing measurement approach of inventories and investment properties.

(iii) Legal issues

The management of the Company regularly analyses 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 separate financial statements.

(iv) Cost allocation

To determine the profit that the Company should recognize on 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 case that there is a change in future development plans from those currently anticipated then the result would be fluctuations in cost and profit recognition over different project phases.

(v) Effects of the Coronavirus pandemic

The Company has been closely monitoring for one year the effects of the Coronavirus pandemic and its effects on the real estate market and the economic environment in the country and will adjust its strategy to mitigate the impact of the pandemic and respect its commitments to its clients, financers, and shareholders.

7. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company 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 2020.

- **Conceptual Framework in IFRS standards**
  The International Accounting Standards Board ("IASB") issued the revised Conceptual Framework for Financial Reporting on March 29, 2018.The Conceptual Framework establishes a comprehensive set of concepts for financial reporting, standard setting, guidance for the preparers of financial statements in developing consistent accounting policies and assistance for users in understanding and interpreting standards. The IASB also issued a separate attached document. Amendments to the References to the Conceptual Framework to IFRS standards, which sets out the amendments to the affected standards to update the revised references to the Conceptual Framework.

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

The objective of the document is to support the transition to the revised Conceptual Framework for entities that develop accounting policies using the Conceptual Framework when no IFRS standard applies to a particular transaction. For those who prepare financial statements and develop accounting policies based on the Conceptual Framework, the document enters into force for annual periods starting on or after January 1, 2020.

- **IFRS 3: Business Combinations (Amendments)**
  The IASB has issued amendments to the definition of a business (Amendments to IFRS 3) in order to address the challenges that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are in effect for business combinations for which the acquisition date falls within the annual reporting period beginning on or after January 1, 2020, or later and for asset acquisitions occurring on or after the beginning of that period, and early application is permitted. Management considered that this amendment did not have a significant impact on the Group's financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of “Material” (Amendments)**
  The amendments clarify the definition of "material" and how it should be applied. The new definition states that "information is material if its omission, concealment or misrepresentation could, in a reasonable scenario, influence users' economic decisions based on financial statements that present financial information about a specific entity." Also, the explanations that accompany the definition have been improved. The amendments also ensure the consistent definition of the term "material" in all IFRS standards. The changes take effect for annual periods beginning on or after January 1, 2020, and early application is permitted. Management estimated that this amendment did not have a significant impact on the Group's financial statements.

- **Interest rate benchmark reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**
  In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 concluding the first phase of its activity to address the effects of the Interbank Offered Interest Rate (“IBOR”) reform on financial reporting. The published amendments address issues that have an impact on financial reporting prior to the replacement of an IBOR with an alternative reference rate and address the implications of the specific requirements for the application of hedge accounting in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which requires a predictive analysis. The amendments provide for temporary exemptions applicable to all hedging relationships that are directly affected by the IBOR reform, which allow for the continuation of hedge accounting in the period of uncertainty before replacing an IBOR with an alternative reference rate with almost no risk. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional uncertainty arising from the IBOR reform. The amendments shall enter into force for annual periods beginning on or after 1 January 2020 and shall be applied retroactively. The second stage (exposure draft) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced by a risk-free interest rate (RFR). Management considered that this amendment did not have a significant impact on the Group's financial statements.

This year, several non-binding amendments to IFRS were issued by the International Accounting Standards Board (IASB) and the Company did not opt for early application.

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

- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments refer to an inconsistency identified between the requirements of IFRS 10 and those of IAS 28 in connection with the sale or asset contribution of an investor in favour of the associate or joint venture. The main consequence of the changes is that a total gain or loss is recognized when the transaction involves a business (whether or not it is in the form of a subsidiary). A partial gain or loss is recognized when a transaction involves assets that do not represent a business, even if they are in the form of a subsidiary. In December 2015, the IASB postponed indefinitely the date of entry into force of this amendment pending the results of a research project on accounting using the equity method. The changes have not yet been adopted by the EU.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments)**
  The changes take effect for annual reporting periods beginning on or after January 1, 2022 and early application is permitted. However, in response to the COVID-19 pandemic, the Board postponed the date of entry into force by one year, respectively to 1 January 2023, in order to give companies more time to implement the required classification changes. The amendments aim to promote consistency in the application of classification requirements by helping companies determine whether, in the statement of financial position, liabilities and other payment obligations with uncertain settlement dates should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change the existing requirements for measuring or recognizing any asset, liability, income or expense, nor the information that entities present regarding these items. The amendments also clarify the requirements for classifying liabilities that can be settled by the company by issuing equity instruments. These changes have not yet been adopted by the EU.

- **IFRS 3 Business Combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and Annual Improvements 2018-2020 (Amendments)**

  The changes take effect for annual periods beginning on or after January 1, 2022 and early application is permitted. The IASB has issued amendments with a reduced scope to the following IFRS standards:
  - **IFRS 3 Business Combinations (Amendments)** - updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting, without changing the accounting requirements for business combinations.
  - **IAS 16 Property, plant and equipment (Amendments)** - The amendments prohibit a company from deducting from the costs of property, plant and equipment the amounts received from the sale of items produced, while the company prepares the asset for operation, Instead, a company will recognize these sales receipts and the related cost in the profit or loss account.
  - **IAS 37 Provisions, contingent liabilities and contingent assets (Amendments)** -changes indicate exactly what costs a company includes when determining the cost of performing a contract in order to assess whether a contract is onerous.
- **The annual improvements 2018-2020** bring minor changes to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples that accompany IFRS 16 Leases. The changes have not yet been adopted by the EU.

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

- **IFRS 16 Leases - Covid-19-Related Rent Concessions (Amendments)**
  The amendments apply retrospectively for annual reporting periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements that have not yet been authorized to be issued by May 28, 2020. The IASB has amended the standard by granting tenants exemptions from the application of the requirements of IFRS 16 regarding the treatment of amendments to leases for leases that arise as a direct consequence of the COVID-19 pandemic. The amendments provide a practical expedient for lessees to account for any change in lease payments resulting from the lease concession that arises because of COVID-19 in the same way that it would register the change, in accordance with IFRS 16, if it were not a change of lease.

  The facilities can be applied only if all the following conditions are met:

  - The modification of the lease payments results in a revised consideration for the lease which is, substantially, similar, or lower than the consideration for the lease immediately prior to the modification.
  - Any reduction in lease payments only affects payments initially due on or before June 30, 2021.
  - There were no substantive changes to the other terms and conditions of the lease.

  Management considered that this amendment did not have a significant impact on the Group's financial statements.

- **Interest rate benchmark reform – Phase Two - IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**
  In August 2020, the IASB published the Interest Rate Benchmark Reform - Phase Two - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, complementing its work to address the effects of the IBOR reform. The amendments provide temporary exemptions that address the effects on financial reporting when IBOR is replaced by an almost risk-free reference (RFR). The amendments provide a practical expedient when accounting for changes in the basis for determining contractual cash flows related to financial assets and liabilities, requiring the adjustment of the effective interest rate - treatment similar to an event to update the reference rate in the contract. The amendments also provide for exemptions from the termination of the hedging relationship, including a temporary exemption from the need to identify the hedged component separately when an RFR instrument is designated in a hedging relationship against a hedged component. In addition, the amendments to IFRS 4 are intended to allow insurers that continue to apply IAS 39 to obtain the same exemptions as those provided for in the amendments to IFRS 9. There are also amendments to IFRS 7 *Financial Instruments: Disclosures* to allow users of financial statements to understand the effects of IBOR reform on financial instruments and risk management strategy. The changes take effect for annual periods beginning on or after January 1, 2021 and early application is permitted. Although the application is retrospective, the entities do not have to make restatements for the previous periods.

The Company assesses 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 PROPERTY

Reconciliation of carrying amount of property investments

	30 September 2021	31 December 2020
Balance on January 1	**456,768**	**383,285**
Additions	19,869	3,504
Entries by transfer	-	5,981
Disbursements by transfer	-	-
Disposals	-	(330)
Changes in fair value on projects transferred from inventory	-	64,328
Balance on June 30 / December 31	**474,637**	**456,768**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties. Also, the investment property includes the work in progress related to office building and the mall located in Greenfield Residence Baneasa. The estimated date for reception of the works is March 2022.

Main real estate investments in land

	30 September 2021		31 December 2020	
Asset	**sqm**	**thousand RON**	**sqm**	**thousand RON**
Greenfield Baneasa land (Bucharest)	210,209	207,789	197,085	165,779
Barbu Vacarescu land (Bucharest)	26,322	137,399	26,322	118,503
Blvd, Ghencea – Timisoara land (Bucharest)	258,925	105,908	258,925	95,286
Total	**495,456**	**451,096**	**482,332**	**379,568**

In determining the value of the land on Blvd. Barbu Vacarescu , additional potential expenses of RON 2,479 thousand were taken into account, estimated in December 2019. On September 30, 2021 the Court issued the decision regarding the allocation of the land plot. The management of the Company decided that the risk considered is no longer in place, consequently the risk provision was reversed.

In the previous period, the Company recorded expenses of RON 5,376 thousand with notarial fees related to the litigation for leaving the division. These were calculated based on the entire value of the land, although the Company has the right of ownership and recorded in accounts only 1/3 of the value of the land. Following the finalization of the litigation, based on a court decision, an estimated amount of RON 3,584 thousand related to 2/3 of the land owned by Cefin is to be recovered from the latter by the Company.

Valuation processes

The Company's investment properties were valued at December 31, 2020 by independent professionally Colliers Valuation and Advisory SRL, external, independent evaluators, authorized by ANEVAR, having experience regarding the location and nature of the properties evaluated.

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

8. INVESTMENT PROPERTY (continued)

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.

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 31, 2020. 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 table below presents a summary of the most significant assets and key assumptions used:

Asset	**Main parameters at 31 December 2020**
Greenfield Baneasa land	• Price offer per square meter for land used as comparable: from 170 EUR / sqm to 300 EUR / sqm • Observable offer price adjustments to reflect transaction prices, location and condition: from -30% discount to + 40% premium
Barbu Vacarescu Blvd.land	• Price offer per square meter for land used as comparable: from 1,327 EUR/sqm to 2.600 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -5% to -50% • Additionally, an additional discount rate of 4% was applied for a period of 2 years to consider the current aspects of the disputes
Ghencea- Timisoara Blvd. land	• Price offer per square meter for land used as comparable: from 100 EUR/sqm to 150 EUR/sqm • Observable offer price adjustments to reflect transaction prices, location and condition: discount from -3% to -30%

The carrying value as at 30 September 2021 of the land plots pledged is of 153,133,000 RON (31 December 2020: 153,133,000 RON).

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

9. INVENTORIES

	30 September 2021	31 December 2020
Finished goods and goods for resale	8,135	14,587
Residential developments:		
- Land	97,645	97,042
- Development and construction costs	115,908	36,298
	221,688	**147,927**

Land with a carrying amount of RON 97,645 thousand as at 30 September 2021 (2020: RON 97,042 thousand) consists of land held by the Company for development of new residential properties and infrastructure, mainly in Bucharest, as well as land which the Company intends to realize value through direct sale.

Completed residential properties with a carrying value of RON 8,135 thousand as of 30 September 2021 (2020: RON 14,587 thousand) refer entirely to apartments held for sale by the Company. The decrease of the stock is determined by the fact that the Company sold an important part of the apartments finalised (the stock of apartments in Greenfield Residence Baneasa is 12 pieces), and the new apartments are not finalised yet.

The projects in Bucharest – Greenfield Residence Baneasa and Constanta – Boreal Plus includes both apartments and houses. The residential projects have a different execution level, the completion terms are between Q4 2021 and 2023. Below are detailed the values of the projects under construction as of September 30, 2021:

	30 September 2021
Greenfiled – Proiect Teilor	35.203
Greenfield – Proiect Panoramic	30.064
Boreal Plus – Faza 1	39.575
Boreal Plus - case	11.067
	115.908

The carrying value as of 30 September 2021 of the finished goods inventories pledged is of 0 RON.

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

10. FINANCIAL ASSETS

	30 September 2021	31 December 2020
Interests in affiliates and associates	66,713	66,473
Impairment of interest in affiliates and associates	(8,133)	(8,133)
	58,581	**58,340**

The Company holds interests in the following affiliates:

	30 September 2021			
	Percentage	Gross value	Impairment	Book value
Actual Invest House	6.23%	110	(110)	-
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	49	-	49
Impact Finance	99%	1	-	1
Greenfield Copou Residence	99%	49	-	49
Greenfield Copou Residence Phase II	99%	49	-	49
Greenwise Development	99%	49	-	49
Greenfield Property Management	99%	49	-	49
Total affiliates		**64,565**	**(8,133)**	**56,432**
Star Residence	22.35%	2,149	-	2,149
Total associates		**2,149**	**-**	**2,149**
Total affiliates and associates		**66,713**	**(8,133)**	**58581**

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

10. FINANCIAL ASSETS (continued)

	31 December 2020			
	Percentage	**Gross value**	**Impairment**	**Book value**
Actual Invest House	6.23%	110	(110)	-
Clearline Development and Management	100%	22,420	(8,023)	14,397
Bergamot Developments	99%	41,791	-	41,791
Bergamot Developments Phase II	99%	1	-	1
Impact Finance	99%	1	-	1
Greenfield Copou Residence	99%	1	-	1
Total affiliates		**64,324**	**(8,133)**	**56,191**
Star Residence	22.35%	2,149	-	2,149
Total associates		**2,149**	**-**	**2,149**
Total affiliates and associates		**66,473**	**(8,133)**	**58,340**

Clearline Development and 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 new residential developments.

b) Clearline Development and Management S.R.L., (former 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 realization of the Lomb project in Cluj, the project company has a litigation amounting to 17,053 thousand RON, plus legal interest, a file that is currently pending at the Court in Arges and is currently carrying out the expertise (Urban and Construction) in the file.

c) Bergamot Developments S.R.L., company within the group with main object of activity real estate development, which starting with 2018 developed a residential ensemble of approx., 51,382 square meters, 500 apartments, on a land of approximately 17,213 sqm, respectively the first phase of the residential complex Luxuria Domenii Residence

d) Bergamot Developments Phase II S.R.L., a company within the group having as main object of activity the real estate development, which is to develop the Phase II (130 apartments) of the residential complex Luxuria Domenii Residence, consisting of 13,618 square meters built on a plot of 5,769 sqm.

e) Impact Finance & Developments S.R.L., has a role in diversifying the range of services related to home sales. Impact Finance & Developments collaborates with financial institutions in Romania in order to offer advantageous lending solutions for clients who purchase dwellings.

f) Greenfield Copou Residence S.R.L., a company within the group having as main object of activity the real estate development, which is to develop the Greenfield Copou -the residential complex in Iasi. The company has been incorporated in December 2019.

g) Star Residence Invest S.A., a company whose main object of activity is the letting and sub-letting of real estate. in which Impact holds 22% ownership at the end of 2020. Star Residence SRL is a private company founded on October 7, 2020, being 100% owned by the Company, on December 23, 2020, 77,62% of the shares of Star Residence SRL were sold to private investors.

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

h) Greenfield Copou Residence Phase II S.R.L., a company within the group having as main object of activity real estate development has been incorporated in February 2021.

i) Greenwise Development S.R.L., a company within the group having as main object of real estate development has been incorporated in February 2021.

j) Greenfield Property Management S.R.L., was established in May 2021 and has as main object of activity the administration of real estate.

11. TRADE AND OTHER RECEIVABLES

	Short term		Long term	
	30 September 2021	**31 December 2020**	**30 September 2021**	**31 December 2020**
Trade receivables	2,120	3,970	-	-
Receivables from affiliates	105,339	127,067	-	-
Sundry debtors	4,019	(613)	-	-
Receivables from State	7,783	1,044	-	-
Advance payments to suppliers (for services)	11,394	4,847	-	-
Other receivables	4,962	4,596	-	-
	135,583	**140,911**	**-**	**-**

As of 30 September 2021, the Company did not have any trade receivables and other pledged receivables.

12. CASH AND CASH EQUIVALENT

	30 September 2021	**31 December 2020**
Current accounts	16,058	52,048
Petty Cash	4	8
Cash advances	15	9
	16,077	**52,065**

The cash equivalents decreased because of the financing of the SPV’s for the projects under development. Also, there was an acquisition of a land plot in Iasi (the land was purchased by Greenfield Copou Residence SRL, but it was financed by Impact through an intercompany loan)

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

13. SHARE CAPITAL

	30 September 2021	31 December 2020
Share capital paid in	393,750	265,000
Adjustments of the share capital (hyperinflation)	7,464	7,464
	401,214	**272,464**

The shareholding structure at the end of each reported period was as follows:

	30 September 2020	31 December 2020
	%	%
Gheorghe Iaciu	59.97%	59.41%
Andrici Adrian	15.92%	15.98%
SWISS CAPITAL*	12.51%	12.53%
Other shareholders	11.60%	12.08%
	100%	**100%**

*Swiss Capital SA, Sorin Apostol and FDI Active Dinamic/SAI Swiss CAP AM

All shares are ordinary and have equal ranking related to the Company's residual assets. The nominal value of one share is 0.25 RON. The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 1 share during the meetings of the Company.

The General Meetings of Shareholders held on 19.04.2021 and 21.04.2021 decided changes in the share capital as follows:

- Reduction of the share capital from RON 265,000,000 to RON 262,500,000 by reducing the number of shares from 265,000,000 shares to 262,500,000 shares as a result of the cancellation of a number of 2,500,000 own shares, acquired by the Company;
- The increase of the share capital by RON 131,250,000 by incorporating the capital premiums in the amount of RON 69,487,043 and the result carried forward from 2020 in the amount of RON 61,762,957. The capital increase was achieved by issuing a number of 131,250,000 new shares granted free of charge to shareholders as of 25 June 25 2021 (1 free share for 2 shares held);
- The split of the shares resulting from the above operations (393,750,000 shares) and the nominal value of the shares in a 1: 4 split ratio.

The process of the share capital change, as decided at the GMS held on 21.04.2021, was started in June 2021 and was completed at the beginning of July 2021. On 5 July 2021, the share capital of Impact Developer & Contractor consisted of a number of 1,575,000,000 shares with a nominal value of RON 0.25 / share.

During the meeting dated August 20, 2021, the Shareholders aproved and delegates to the Board of Directors the process to increase the share capital by new payments, issuing new shares, the increase of the capital should not exceed the value of RON 193.750.000. Subsequent, the meeting dated 20.09.2021, the Board of

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

Directors decided that the new increase of share capital to be subscribed during a private payment.

14. DIVIDENDS

During the first nine months of the financial year 2021, the Company paid dividends to its shareholders in the amount of RON 7 thhousand, related to dividends registered in previous years.

15. OWN SHARES

At the AGM dated April 28,2020, was approved the buy back of a maximum number of 10,000,000 (ten million) shares, for a maximum period of 18 months from the date the resolution is published the Romanian Official Gazette, representing a maximum of 3,64 % of the subscribed and paid in share capital.

The AGM held on 21.04.2021 approved the purchase of maximum 30,000,000 own shares (thirty million) for a period of maximum 18 months starting from publishing in the Romanian Official Gazette representing maximum 1.905% of the shared capital subscribed and paid at the settlement date.

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.

As of 30 September 2021, the Company has in balance own shares with a nominal value of RON 841 thousand (2020: RON 2,675 thousand).

16. LOANS AND BORROWINGS

This note discloses information related to the contractual terms of the interest-bearing loans and borrowings of the Company, valued at amortized cost. Information related to the Company’s exposure to interest rate risk, foreign currency risk and liquidity risk is included in Note 23.

	30 September 2021	**31 December 2020**
Non-current liabilities		
Secured bank loans	28,188	-
Debenture loans	92,311	148,396
	120,499	**148,396**
Current liabilities		
Current portion of bank and debenture loans	61,496	-
Short-term borrowings and interest	2,059	2,215
	63,049	**2,215**

Terms and repayment schedules

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

16. LOANS AND BORROWINGS (continued)

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

Lender	Currency	Maturity	Amount of the facility, in original currency	Balance at 30 June 2021*	Balance at 31 December 2020*
Loans					
Credit Value Investments	EUR	11.01.2022	12,000	59,654	59,896
Bucharest Stock Exchange S,A	EUR	19.12.2022	12,525	60,738	58,225
Private placement bonds	EUR	24.12.2026	6,581	33,126	32,093
Total bonds				**153,518**	**150,214**
Libra Internet Bank	RON	17.06.2021	19,700	-	397
First Bank	EUR	05.08.2023	5,921	18,873	-
First Bank	RON	05.08.2023	4,500	451	-
CEC Bank	EUR	27.11.2023	9,880	9,315	
CEC Bank	RON	27.01.2023	3,500	1,391	
Total bank loans				**30,030**	**397**
Total				**183,548**	**150,611**

** Including outstanding interest payable, where applicable*

On July 10, 2017, the Company offered 120 A series-bearer bonds for subscription, each with a face value of EUR 100 thousand and a total face value of EUR 12,000 thousand issued in physical form, to two funds of investments managed by Credit Value Investments Sp. z o. o. (CVI). The bonds were issued on 11th of July 2017 and are due on the date on which they are 54 months from the date of the issue. The bonds bear a fixed interest rate of 6,00% per year, payable twice a year. On 1 February 2021, the Group signed an agreement to extend the maturity for EUR 6,000 thousand until the maturity of the bonds, i.e., January 2022.

The bonds are mainly secured by a first-rate mortgage covering the obligations arising from the bonds up to the guaranteed maximum amount of EUR 18,000 thousand (eighteen million) on seven plots of land with a total area of 154,308 sqm located in Bucharest, 1st District, Romania, which are the exclusive property of the Company, as well as their accessories. The Company has an early redemption option for the Bonds, which can be exercised from the second interest payment date, provided that the minimum redeemed amount is at least EUR 1,000 thousand.

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

The bonds were issued following the offer addressed to Eligible Investors, as defined in the prospectus of 28th of November 2017 approved by ASF through the approval decision no, 1710 of November 28th, 2017, amended by the amendment of 8th of December 2017 approved by the ASF by the approval decision no, 1766 of 8th of December 2017 and by the amendment of 13th of December approved by the ASF by the approval decision no, 1816 of 13th of December 2017.

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

16. LOANS AND BORROWINGS (continued)

In December 2020, the Company conducted a new issuance of Private Placement bonds worth EUR 6,581 thousand at a fixed interest rate of 6,4% p.a. due twice a year. The bonds were issued by the Company dated 24th of December 2020, have a maturity of 6 years and are listed on the Regulated Market of the BSE starting date 25th March 2021.

In February 2021, The Company contracted two credit facilities from First Bank for developing Panoramic Residential project from Greenfield Baneasa Rezidence Bucharest. The first facility is investment facility total value 5,921 thousand EUR, maturity 30 months from granting date; the second facility is in RON (4,500 thousand) and it is for financing VAT, maturity 30 months from granting date.

In May 2021, the Company contracted the following investment loans, loans that were not used on 30 June 2021 :

- CEC Bank SA : 9,880 K EUR the investment facility and 3,500 K RON the VAT facility in order to finance the first phase of the Boreal Plus project in Constanta ;

- Libra Internet Bank SA : 8,624 K EUR for financing the first phase of the Teilor Assembly and 4,705 K EUR for financing Greenfield Plaza and the office building (Impact Developer & Contractor headquarters), both investments being part of the Greenfield Baneasa Rezidence project located in Bucharest.

All the financial covenants provided for in the long-term bank loan agreements were achieved at 30 September 2021.

17. TRADE AND OTHER PAYABLES

	30 September 2021	31 December 2020
Non-current liabilities		
Guarantees	3,793	510
	3,793	**510**
Current liabilities		
Trade payables	14,228	3,373
Customer deposits	21,982	6,086
Divides payable	1902	200
Payable to affiliates	(296)	67
Other payables	851	6,494
	36,955	**16,220**

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

18. PROVISIONS FOR RISKS AND CHARGES

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2021	**271**	**396**	**667**
Provisions established during the period	-	890	890
Provisions written back during the period	-	-	-
Balance on September 30, 2021	**271**	**1,286**	**1,557**

	Provisions for litigation	Other provisions	Total
Balance on January 1, 2020	**319**	**588**	**907**
Provisions established during the period	-	-	-
Provisions written back during the period	48	192	240
Balance on December 31, 2020	**271**	**396**	**667**

19. REVENUES

Revenues of the Company:

	30 September 2021	30 September 2020
Revenue from sale of residential properties	16,521	72,553
Other revenues	269	1,361
	16,790	**73,914**

Net rental income	30 September 2021	30 September 2020
Revenues from rentals	368	338
Revenue from re-charging utilities	2,204	3,134
Operating expenses directly related to properties rented	(1,651)	(2,694)
	920	**778**

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

20. GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2021	30 September 2020
Consumables	225	1,062
Services provided to third parties	5,303	4,985
Staff costs	7,836	6,726
	13,365	**12,772**

21. OTHER OPERATING EXPENSES/INCOME

	30 September 2021	30 September 2020
Other operating income	(1,181)	(1,329)
Rent expenses	331	329
(Profit) / Loss on disposal of property, plant and equipment	(69)	11
Fines and penalties (income)/expenses	(82)	(22)
Other operating expenses	3,894	6,472
	2,893	**5,461**

22. FINANCE COST/INCOME

	30 September 2021	30 September 2020
Interest expense	7,025	5,673
Interest income	(5,103)	(4,568)
Foreign exchange result	1,967	2,192
Other financial expenses	(1,776)	42
	2,114	**3,339**

23. INCOME TAX

Taxes recognized in the account of profit and loss

	30 Septembrie 2021	30 Septembrie 2020
Current income tax	-	2,185
Deferred tax	(70)	
Tax income expenses	**(70)**	**2,185**

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

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial risk management

The Company is exposed to the following risks arising from financial instruments:
- credit risk
- liquidity risk
- market risk

General risk management framework

The Company does not have any formal commitments to overcome the financial risks. Despite the inexistence of formal commitments, the financial risks are monitored by the Company's top management, emphasizing its needs to efficiently compensate opportunities and threats.

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

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company's trade receivables and financial assets.

The net carrying value of the financial assets represent the maximum exposure to credit risk. The maximum exposure to the credit risk at reporting date was:

(a) Credit Risk (continued)

	Nota	30 September 2021	31 December 2020
Trade and other receivables	11	135,583	140,911
Cash and cash equivalents	12	16,077	52,065
		151,660	**192,976**

Trade receivables and other receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer All these considered, the management considers the demographic characteristics of the customer database, including the collection risk specific to the sector and to the country in which the customer activates, bearing in mind that all these factors influence the credit risk.

To monitor customer credit risk, the Company monitors monthly payment delays and takes the steps deemed necessary on a case-by-case basis.

24. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's obligations.

(c) Market risk

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

Currency risk

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

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

25. CAPITAL COMMITMENTS

As of 30 September 2021, the Company has no capital commitments contracted.

26. CONTINGENCIES

Litigations

At the date of these individual financial statements, the Company is involved in ongoing litigation, both as plaintiff and defendant. The most significant trials are described below.

The Company's management regularly reviews the status of all ongoing litigation and, after consultation with the Board of Directors, decides regarding the need to create provisions relating to the amounts involved or to disclose them in the individual Financial Statements.

i) The litigation regarding the land situated in Blvd. Barbu Văcărescu

In 2017, the Company initiated a lawsuit against Cefin Real Estate Development BV S.R.L. ("**Cefin**") requesting the cessation of the joint ownership having as object the land with an area of 78,119 sqm in Bucharest, Blvd. Barbu Văcărescu, land from which the Company has a share of 1/3, and Cefin has a share of 2/3. The dispute is the object of File No. 5642/300/2017.

26. CONTINGENCIES (continued)

On September 30, 2021, the District 2 Court of Bucharest pronounced Decision no. 9923, by which it ordered the following:

a) Assignment to the Company of a land area of 25,424 sqm - the lot from the North (referring to the expertise performed in the file, Lot 1 from Variant 2 of parcelling);

b) Assignment to Cefin of a land area of 50,848 sqm - the central lot and the South lot (referring to the expertise performed in the file, Lot 2 and Lot 3 of Plot Variant 2, each with an area of 25,424 sqm);

c) Obligation of the Company to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision.

Obligation of Cefin to pay to Impact the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and lawyer's fees).

The decision is with the right to appeal within 30 days from the communication. The decision was communicated on October 19, 2021. Until the date of this quarterly report, neither party appealed. The next court hearing is scheduled for September 2, 2021.

ii) The litigation regarding the land situated in Blvd. Prelungirea Ghencea

In File No. 5737/3/2018 initiated by the Company having as its object a claim against the Romanian State and the Bucharest City Hall regarding the land situated in Blvd. Prelungirea Ghencea 402-412 (“Ghencea Land”), the Company obtained favorable decisions pronounced by the Bucharest Tribunal and the Bucharest Court of Appeal.

According to Decision No. 2651 dated 22.11.2019, Bucharest Tribunal stated that the Company has a valid property right over the Ghencea Land, and by Decision No. 1246 dated 06.10.2020, the Court of Appeal rejected the appeals filed by the adverse parties and upheld Decision No. 2651 dated 22.11.2019 of the Bucharest Tribunal as thorough and legal.

Decision No. 1246 dated 06.10.2020 issued by Bucharest Court of Appeal may be challenged within 30 days from the communication.

Decision no. 2651 of 22.11.2019 was communicated to the Company on October 4, 2021.

The Romanian state appealed. The appeal will be resolved by the ICCJ.

iii) The litigation initiated by Asociația Locuitorilor Cartier Greenfield

In the file No. 5856/3/2021 registered with the Bucharest Tribunal, Administrative and Fiscal Litigation Section, the Company was subpoenaed as Defendant.

The file was initiated by the *Asociația Locuitorilor Cartier Greenfield* and has as its object the suspension and annulment of the administrative act HCGMB 705 / 18.12.2019 approving the Aleea Teisani Zonal Urban Plan - Black Forest Road no. 56-64, suspension and annulment of Building Permits no. 434/35 / P / 2020 and no. 435/36/ P / 2020, annulment of preliminary approvals, cancellation of works. The application for legal action was initially filed against the Municipality of Bucharest, CGMB, the Mayor of Sector 1 Bucharest, the Bucharest Environmental Protection Agency and the Company.

At the first court hearing on June 25, 2021, *Asociația Locuitorilor Cartier Greenfield* modified its application for legal action with an additional claim requesting the admission of the exception of illegality of the Building

26. CONTINGENCIES (continued)

Permit issued in favor of S.C. Apa Nova Bucharest S.A. and extended the litigation against S.C. Apa Nova Bucharest S.A., as defendant.

In the interest of the plaintiff, *Asociația Locuitorilor Cartier Greenfield*, but also in the interest of the Company, an association filed an intervention, but the court postponed the decision on the admissibility of the intervention.

Based on the verifications and studies carried out and with the support of the employed consultants, both in legal and urban (architectural) field, the Company filed a statement of defense requesting the court, mainly, to reject the application for legal action as ungrounded.

Despite the arguments presented and the relevant defenses made by the Company, there is a risk of suspending the construction works during the litigation, as well as the risk of pronouncing an unfavorable court decision, cases that may generate adverse effects on the business and financial situation of the Company.

Although the plaintiff is called the *Asociația Locuitorilor Cartier Greenfield*, according to verifications made in June 2021, this association does not have extended representation in the Greenfield, being constituted in 2020 by 3 founding members.

The next court hearing is scheduled for November 19, 2021.

iv) Litigation initiated by the Company regarding Lomb residential project in Cluj-Napoca

The Company and its subsidiary - 100% owned by the Company (Clearline Development & Management SRL - "Clearline") are involved in two litigation against the Municipality of Cluj-Napoca, in connection with an association agreement concluded in 2007 for the development of Lomb residential project in Cluj-Napoca .

In both cases, the Company and respectively, Clearline, requested the recovery from Municipality of Cluj-Napoca the funds invested to carry out the real estate project.

In the File No. 79/1285/2012, the Company requested the recovery of the amount of 4,786,324 lei principal plus penalties of 2,238,738 lei. The application for legal action was rejected by Cluj Tribunal. The litigation is currently in the appeal stage before the Cluj Court of Appeal.

The next court hearing is scheduled for September 3, 2021.

The litigation initiated by Clearline (File No. 1032/1259/2012), by which it requested the recovery of the amount of approx. 17 million lei is registered with Arges Tribunal, in the first procedural phase, in the stage of administration of evidence.

The next court hearing is scheduled for November 25, 2021.

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

27. RELATED PARTIES

Company subsidiaries

The Company's subsidiaries and the nature of their activity are as follows:

	Registration country	Scope of activity
Clearline Development and Management SRL	Romania	Real estate development
Actual Invest House SRL	Romania	Property management
Bergamot Developments SRL	Romania	Real estate development
Bergamot Developments Phase II SRL	Romania	Real estate development
Impact Finance Developments SRL	Romania	Ancillary activities to financial intermediations
Greenfield Copou Residence SRL	Romania	Real estate development
Greenfield Copou Residence Phase II SRL	Romania	Real estate development
Greenwise Developments SRL	Romania	Real estate development
Greenfield Property Management SRL	Romania	Property management

Transactions and balances with related parties during and for the period ended 30 September 2021

Sales of goods and services	**Transactions at 30 September 2021**	**Balance at 30 September 2021**
Subsidiary		
Actual Invest House	38	21
Clearline Development and Management	4	124
Bergamot Developments	485	2,315
Bergamot Developments Phase II	307	360
Impact Finance Developments	15	-
Greenfield Copou Residence	4	230
Greenfield Copou Residence Phase II	4	3
Greenwise Developments	4	3
Greenfield Property	3	-
Total	**864**	**3,061**

Acquisition of goods and services	**Transactions at 30 September 2021**	**Balance at 30 September 2021**
Subsidiary		
Actual Invest House	769	(59)
Clearline Development and Management	-	(1)
Greenfield Copou Residence	-	-
Total	**769**	**(60)**

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

27. RELATED PARTIES (continued)

Loans granted	**Principal balance at 30 September 2021**	**Interest balance at 30 September 2021**
Subsidiary		
Clearline Development and Management	80	11
Bergamot Developments	18,164	158
Bergamot Developments Phase II	37.997	4.767
Greenfield Copou Residence	37,520	1.683
Total	**93,761**	**6,620**

Transactions with associates

At 30 September 2021, the Group has to collect from Star Residence the amount of RON 1,819 thousand representing the VAT related to the goods contributed to the share capital

Associates

	Country of origin	**Object of activity**
Star Residence Invest S.A.	Romania	Lease of real estate

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

28. SUBSEQUENT EVENTS

The Company's management does not consider that there are any significant subsequent events from September 30, 2021 until the date of approval of these individual financial statements that would require their adjustment.

• On October 11, 2021, the Company sold the remaining shares (10,742,547) held in Star Residence.
• In October 2021, the Company concluded with Libra Bank a new financing line worth 2.3 million EURO for the development needs of the company and its projects.
• On September 30, 2021, the Bucharest District 2 Court issued Decision no. 9923, by which it ordered the following:

- Assigning to the Company a land area of 25,424 sqm - the lot from the North (referring to the expertise performed in the file, Lot 1 from Variant 2 of parcelling);
- Assigning to Cefin a land area of 50,848 sqm - the central lot and the South lot (referring to the expertise performed in the file, Lot 2 and Lot 3 of Variant 2 of plots, each with an area of 25,424 sqm);
- Obligation of the Company to pay to Cefin a sum in the amount of EUR 1,418,540.64, within 6 months from the date of finality of the decision;
- Obligation of Cefin to pay to Impact the amount of RON 3,708,054.53, as court costs (2/3 of the stamp duty and lawyer's fees).

The decision is with the right to appeal within 30 days from the communication. The decision was communicated on October 19, 2021. Until the reporting date, neither party appealed.

The separate financial statements have been authorized for issue by the management on 12 November 2021 and signed on its behalf by:

Constantin Sebesanu,	**Giani Iulian Kacic,**	**Iuliana Mihaela Urda,**
CEO	CFO	BoD President