



## IMPACT DEVELOPER & CONTRACTOR COMPANY PRESENTATION SEMESTER I 2019

12 August 2019

- ▶ Expertise
- ▶ Demonstrated Development Concept - Greenfield
- ▶ New Development Concept – Luxuria
- ▶ Assets and Projects Portfolio
- ▶ Semester I 2019 - Highlights
- ▶ Semester I 2019 – Financial Results
- ▶ Capital Market and Net Assets

EXPERTISE





Over **4,000**  
built  
dwellings



Over  
**10,000**  
inhabitants



Over  
**450,000**  
sq.m. built



Investments  
over  
**400 mEUR**



**Reach**  
national  
level



**16** residential  
compounds  
developed



Over **100**  
distinctions  
obtained



# SHORT HISTORY

**1991**

IMPACT is established, the first private real-estate company from the post-communist era, and the first company in the industry formed by public subscription.



**1995**

IMPACT launches on the Romanian market the concept of “residential compound” when starting the construction of the ALFA Compound in Bucharest (40 luxury dwellings).

**1996**

The company is listed on the Bucharest Stock Exchange, whereby IMPACT becomes the first representative of the real estate development and construction sector listed on the Stock Exchange.

**1997**

IMPACT starts the residential development in the Northern area of the Capital – 10 residential compounds of over 1,000 villas, to be completed by 2007.

**2002**

IMPACT starts the development of the Boreal Compound in Constanta, of 151 villas, completed in 2010.

**2004**

IMPACT starts the works at the compounds Roua Residence in Ploiesti (38 villas) and Blume in Oradea (16 villas).  
IMPACT starts the works at the first class A office building in the Baneasa – Pipera area, Construdava Business Center.

**2005**

IMPACT starts the construction of the Europa Neighbourhood in Oradea, of 298 villas, completed in 2008.



**2006**

The shares of the company are promoted to the 1st Category of the Stock Exchange.

**2007**

The company starts the largest residential project in District 1 of the Capital – GREENFIELD.

**2010**

IMPACT completes the first phase of the GREENFIELD project with an area of 10 ha and 680 apartments and villas.

**2015**

The shares of the company are promoted to the Premium category of the Bucharest Stock Exchange.

**2016**

IMPACT completes second phase of the GREENFIELD project – Salcamilor Ensemble, with an area of 7 ha and 35 buildings with 924 apartments. It commences the works for the third phase of the GREENFIELD project, Platanilor Ensemble, with an area of 10 ha and 39 buildings with 944 apartments.



**2018**

IMPACT initiates the project LUXURIA DOMENII RESIDENCE, a compound of 630 apartments.

# WHAT MAKES US TRUSTWORTHY?



## **Valuable Portfolio**

The developed compounds are located in top-rated areas, while the land stock is currently worth approx. EUR 133 million (EPRA value)



## **Full services**

Our clients are offered full solutions, from financing services and delivery of fully finished dwellings to interior design and management services.



## **Access to capital**

The company is listed on the BSE and has access to various financing options for its projects.



## **Solid expertise in the field**

28 years of expertise in the development of flagship real estate projects and the management thereof.



## **Highly qualified team**

Management team having comprehensive expertise and ISO9001, ISO14001 and OHSAS18001 certifications.







DEMONSTRATED DEVELOPMENT CONCEPT  
GREENFIELD

# INTERNALLY DEVELOPED SUCCESSFUL MODELS

## GREENFIELD RESIDENTIAL COMPOUND



### Unique location on the market

District 1, framed on two sides by 900 ha of woodland: Baneasa Forest and Tunari Forest.



### Facilities

**Current:** public transport, private school, parks and playgrounds, restaurant, medical centre and supermarket

**Future:** State school, kindergarten, buses, Greenfield Plaza community centre including SPA, pool, sports courts, restaurant, supermarket, bank.



### Easy access

The National Road DN1 and the Ring Road are just a few minutes away. The underground stations Washington and Paris on Line 6 connecting the current network to the Otopeni Airport shall be located near GREENFIELD.



### At present

Over 2,300 homes built on 300,000 sqm and over 4,500 inhabitants.



### Development 2007 - 2028

The largest residential project in District 1, with a total area of 600,000 sqm and over 7,000 dwellings planned.





# THE SMART CITY OF TOMORROW

High energy efficiency and considerable reduction of CO2 emissions.

Considering the impressive size of the project, with 10,000 apartments and 25-30,000 inhabitants, Greenfield qualifies for the largest green project in Europe.

## Priorities for future developments

- Green frontages
- Green rooftops
- Photovoltaic panels
- Energetic efficiency
- Water collection and treatment
- Responsible waste management





# NEW DEVELOPMENT CONCEPT LUXURIA



# LUXURIA – A STATE-OF-THE-ART EXCLUSIVE CONCEPT DEDICATED TO THE HIGH END MARKET SEGMENT



## Top-rated location

- District 1, the Northern area of Bucharest
- Macro-layout - between Kiseleff Boulevard and Ion Mihalache Boulevard
- Direct layout - between Expozitiei Boulevard and Aviator Popisteanu Street



## Easy access

- 5 minutes away from 1 Mai underground station
- 2 minutes to multiple public transport options
- Direct access to DN1 Ploiesti DN3/ Piata Victoriei/ Pod Grand - DN2/ Ring Road – Mogosoia



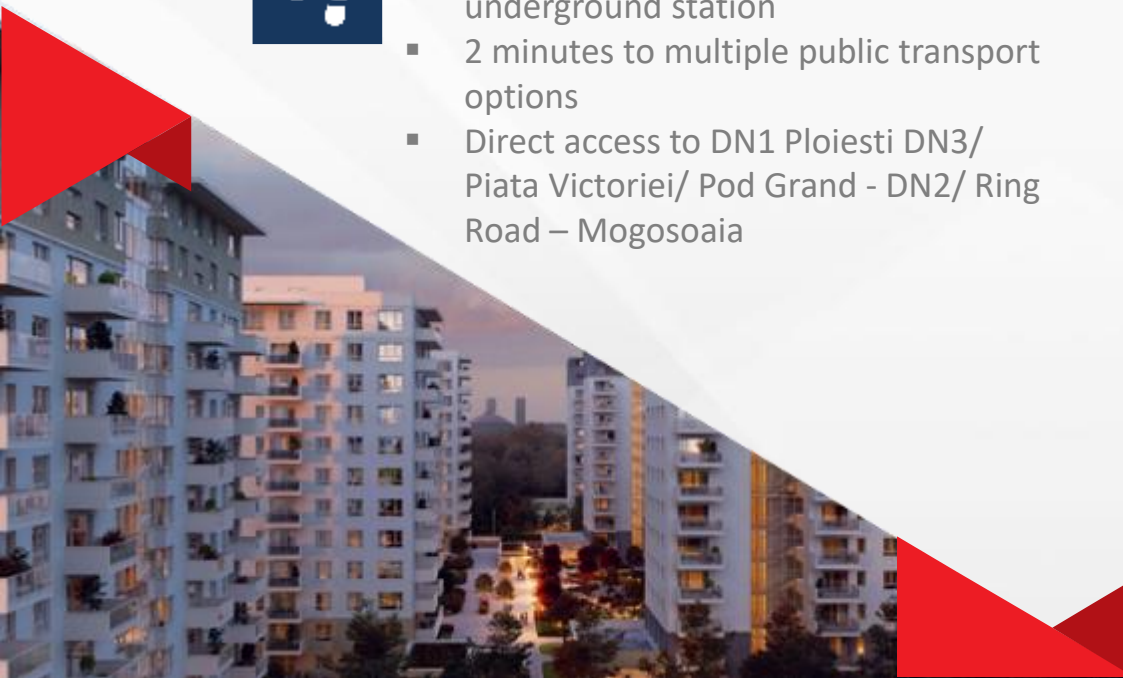
## Generalities

- Developed on an area of 22,500 sqm
- 630 apartments in 9 buildings, consisting of studios, 2-room, 3-room, 4-room and 5-room flats
- Premium and Duplex apartments
- Height GF+8, GF+11, GF+12
- Apartments with generous areas between 54 sqm and 245 sqm
- 720 parking places



## Area reputation

- The future pole of office buildings, after the Floreasca area.
- Operating – Unicredit, OCPI, Ubisoft, Tiriac Holding, World Trade Center, City Gate, CNC. Under development – Portland, GTC offices, the new headquarters of ING Bank, SAB Romania, Skanska Romania





# NEW DEVELOPMENT CONCEPT - LUXURIA



Project Phases



# NEW DEVELOPMENT CONCEPT - LUXURIA



## FACILITIES IN THE COMPOUND

- Apartments with premium endowments
- Private natural park dedicated to residents, with an area of 1,600 sqm, provided with playgrounds and leisure areas
- Secure access to the compound
- Concierge - Reception – Lobby - Mail Room in the centrally located space
- Human-operated and controlled security system, having its own power station and monitoring servers
- Maintenance services and major utility repairs in both the communal and private areas, upon request
- Maintenance and cleaning services for the communal areas located outside/inside and waste collection
- Gym – facility with training and sport equipment and a SPA, located on the ground floor
- **The first residential compound in Bucharest in process of obtaining the BREEAM certification, being designed from the beginning to be included in the “A” energy class and as a “green building”**

# NEW DEVELOPMENT CONCEPT - LUXURIA



## Enhancing site ecology & Long term effect on biodiversity

- Use native and acclimatized tree
- Use soft landscaping
- A full biodiversity management plan
- Adopt horticultural practices
- Build bird boxes
- Minimize the use of external artificial lightning



## Energy Efficiency

- Energy monitoring
- Lighting control
- Low carbon design
- Efficient transportation system



## Sanatate & Well-Being

- Seek for visual comfort
- Indoor air quality
- Building thermal comfort
- Water quality management
- Acoustic performance buildings
- Relaxation private space



## Clean Transportation

- Encourage alternative transport
- Proximity to amenities
- Prohibited car access
- Underground parking places
- Easy access to public transportation

# BREEAM EXCELLENT PROJECT



# ASSETS AND PROJECTS PORTFOLIO

# LAND PLOTS AND COMPLETED APARTMENTS PORTFOLIO (INVENTORY AS AT JUN-19) WITH AN EPRA VALUE OF 150.6 mEUR

## Apartments stock as at Jun-19

Project	Location	No. of rooms	Units	EPRA value (mRON)	EPRA value (mEUR)
Greenfield I	Bucharest (Baneasa)	2, 3, 4	3	0.9	0.2
Greenfield II	Bucharest (Baneasa)	3, 4	2	0.8	0.2
Greenfield III	Bucharest (Baneasa)	2, 3, 4	250	79.1	17.0
Other	Constanta, Oradea, Voluntari	1, 4, 5	4	0.8	0.2
<b>Total</b>			<b>259</b>	<b>81.7</b>	<b>17.5</b>

## Observations

- ✓ EPRA value, for both apartments and land, represents the fair market value as at 31 Dec 2018 according to the revaluation performed by Colliers Valuation and Advisory

## Land plots as at Jun-19

Location	City	Surface (ha)	IFRS book value (mRON)	IFRS book value (mEUR)	EPRA value (mRON)	EPRA value (mEUR)	Investment value (mRON)	Investment value (mEUR)
Greenfield Baneasa	Bucharest	38.7	212.8	45.6	256.6	55.0	299.2	64.2
Luxuria Domenii	Bucharest (Expozitiei Blvd.)	2.4	51.0	10.9	133.8	28.7	133.8	28.7
Ghencea	Bucharest	25.9	71.3	15.3	86.9	18.6	86.9	18.6
Barbu Vacarescu	Bucharest	2.6	42.4	9.1	95.8	20.5	95.8	20.5
Zenit, Neptun, Boreal	Constanta	10.9	18.5	4.0	36.3	7.8	36.3	7.8
Other	Bucharest, Oradea	8.4	11.7	2.5	11.7	2.5	11.7	2.5
<b>Total</b>		<b>88.9</b>	<b>407.8</b>	<b>87.5</b>	<b>621.0</b>	<b>133.1</b>	<b>663.7</b>	<b>142.3</b>

The investment value differs from EPRA value only for Greenfield, where the land value was determined by using the residual technique of the income approach for the land related to 6 Phases of Greenfield already started or that are to be started in 2019/2020. Both investment and market value were estimated by Colliers (i.e. 166 EUR/sqm for the investment value vs. 142 EUR/sqm for the market value considered for EPRA).

# PROJECTS TO BE DEVELOPED DURING 2020 - 2031 WITH AN ESTIMATED VALUE OF 973 mEUR (1/2)

## Projects (2020 - 2031)

	City	No. of stages	Dwellings	Project value (mEUR)
Greenfield Baneasa <i>(Greenfield IV &amp; V)</i>	Bucharest	18	4,399	495.3
Luxuria Domenii Residence	Bucharest	3	630	108.6
Luxuria Barbu Vacarescu	Bucharest	4	898	170.7
Boreal Towers	Constanta	4	660	53.5
Greenfield Timisoarei	Bucharest	7	1,437	145.0
<b>Total</b>		<b>36</b>	<b>8,024</b>	<b>973.1</b>

*Note: Greenfield Baneasa does not include the 192 apartments built for the last phase of Greenfield III that will be completed in Q3 2019*



# PROJECTS TO BE DEVELOPED DURING 2020 - 2031 WITH AN ESTIMATED VALUE OF 973 mEUR (2/2)

Greenfield Baneasa	Project value (mEUR)*	495.3
	Period	2020 - 2026
	Number of stages	18
	Project type	Mixt
	Total area (sqm)	401,146
	Apartments (units)	4,399
	Parking places (units)	5,272
	Greenfield Plaza (sqm)	17,200

\* For the residential part of the project

Luxuria Domenii Residence	Project value (mEUR)	108.6
	Period	2018 - 2021
	Number of stages	3
	Project type	Rezidential
	Total area (sqm)	66,499
	Apartments (units)	630
	Parking places (units)	720

Luxuria Barbu Vacarescu (Bucharest)	Project value (mEUR)	170.7
	Period	2022 - 2027
	Number of stages	4
	Project type	Rezidential
	Total area (sqm)	96,330
	Apartments (units)	898
	Parking places (units)	1,257

Boreal Towers (Constanta)	Project value (mEUR)	53.5
	Period	2019 - 2024
	Number of stages	4
	Project type	Rezidential
	Total area (sqm)	58,554
	Apartments & houses (units)	660
	Parking places (units)	640

Greenfield Timisoarei (Bucharest)	Project value (mEUR)*	145.0
	Period	2024 - 2031
	Number of stages	7
	Project type	Mixt
	Total area (sqm)	138,020
	Apartments/Houses (units)	1,437
	Parking places (units)	1,722
	Plaza Timisoarei (sqm)	8,200

\* For the residential part of the project

# SEMESTER I 2019 – HIGHLIGHTS

## SEMESTER I 2019 – HIGHLIGHTS



### Portfolio

- Development continued for the last phase of Greenfield III (192 apartments to be delivered in Q3 2019)
- Development continued for the first phase of Luxuria (232 apartments expected to be delivered in Q4 2019) and for the second phase of Luxuria (268 apartments expected to be delivered in Q3 2020)
- Continuing the process for obtaining the new Zonal Urban Plan (PUZ) for Greenfield IV (Teilor Assembly) and Greenfield V; Greenfield IV shall include Greenfield Plaza, a trade and leisure center
- Continuing the process for obtaining the PUZ for the residential projects to be developed in Constanta



### Financial Performance

- 79.5 mLEI in revenues and pre-sales of 144 mLEI as at June 30, 2019 expected to be translated into sales in 2019 and 2020
- EBITDA of 24.8 mLEI and Net profit of 16.5 mLEI
- Pre-sale agreements and bookings for 51% of the first phase of Luxuria (118 contracts), with an estimated value of 68.1 mLEI
- Pre-sale agreements and bookings for 13% of the second phase of Luxuria (36 contracts), with an estimated value of 20.7 mLEI



### Strategic Directions

- The development of the major residential projects from the portfolio, namely Greenfield and Luxuria Domenii Residence
- The extension of the residential projects development business to new regions in Romania – Iasi, Constanta, Timisoara



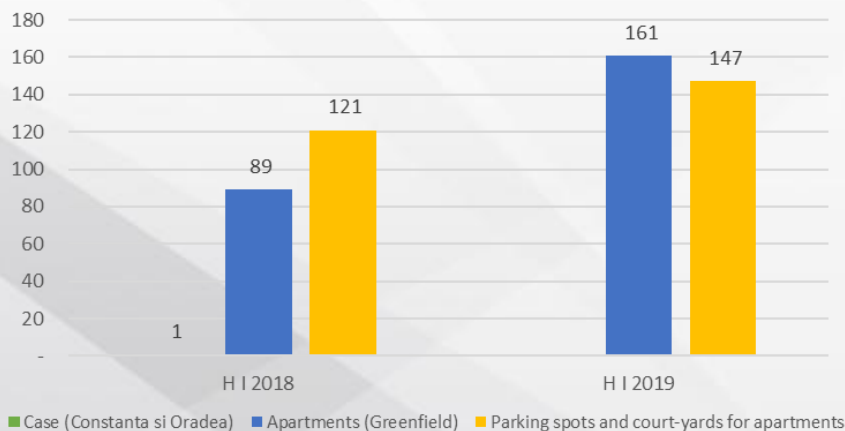
# SEMESTER I 2019 – FINANCIAL RESULTS

# Sales of 79.5 mLEI in H I 2019. Pre-sale agreements and reservations of 144 mLEI as at 30 Jun 2019 (1/2)

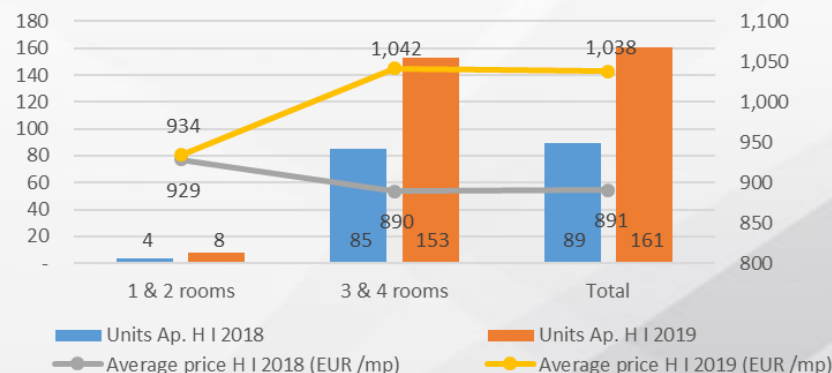
## Revenue from real estate inventories

LEI thousand	Consolidated		% of Total	
	H I 2019	H I 2018	H I 2019	H I 2018
Apartments (Greenfield)	74,735	37,289	33%	36%
Parking spots	2,667	3,342	1%	3%
Court-yards	1,834	407	0.8%	0.4%
<b>Sales of apartments (package)</b>	<b>79,237</b>	<b>41,039</b>	<b>35%</b>	<b>39%</b>
Sales of houses	-	282	0%	0%
Sale of other real estate properties	294	571	0%	1%
<b>Total revenues</b>	<b>79,531</b>	<b>41,892</b>	<b>36%</b>	<b>40%</b>
<b>Pre-sale agreements and reservations as at 30 June</b>				
Greenfield	55,227	57,669	25%	55%
Luxuria	88,720	5,301	40%	5%
<b>Total pre-sale agreements and reservations (package)</b>	<b>143,947</b>	<b>62,970</b>	<b>64%</b>	<b>60%</b>
<b>Total sales, pre-sale agreements and reservations</b>	<b>223,478</b>	<b>104,862</b>	<b>100%</b>	<b>100%</b>

Apartments and houses sales (package) - units



Apartments sales (Greenfield)

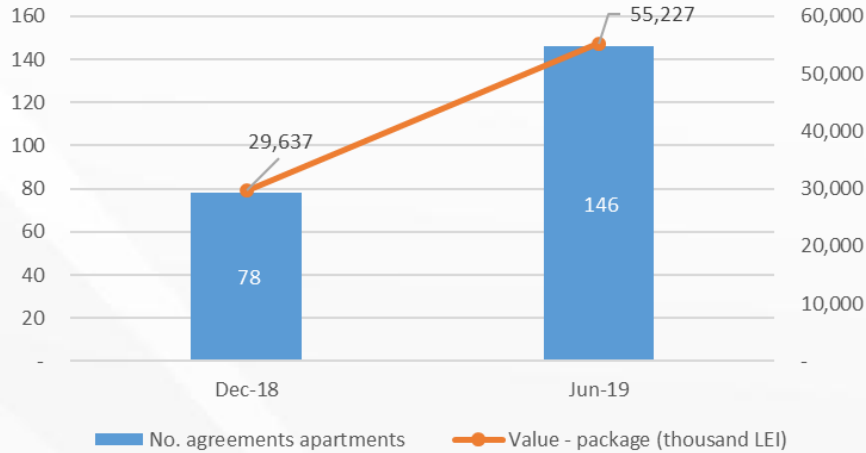


Note: The average selling price was calculated based on the built area for the apartments sold

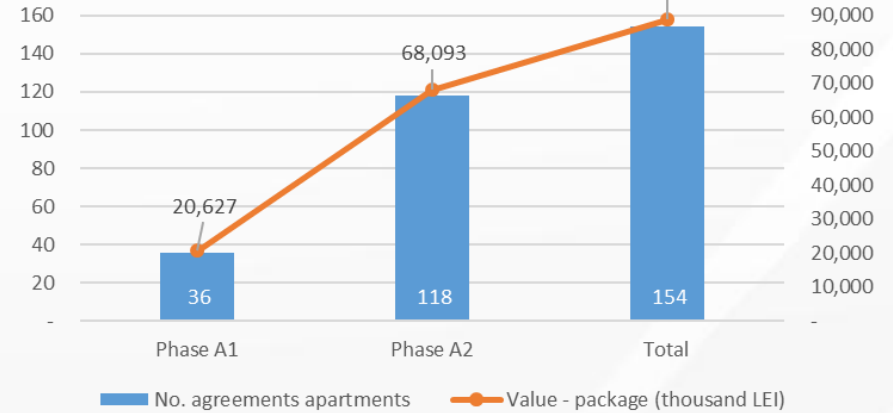
# Sales of 79.5 mLEI in H I 2019. Pre-sale agreements and reservations of 144 mLEI as at 30 Jun 2019 (2/2)



Greenfield - Pre-sale agreements and reservations



Luxuria - Pre-sale agreements and reservations as at 30 Jun 2019





# STATEMENT OF FINANCIAL PERFORMANCE (UNAUDITED)



## PROFIT AND LOSS ACCOUNT

LEI thousand	Consolidated	
	H I 2019	H I 2018
Revenue from real estate inventories	79,531	41,892
Costs of real estate inventories	(42,348)	(22,546)
<b>Gross profit</b>	<b>37,183</b>	<b>19,346</b>
Net rental income	(37)	708
General and administrative expenses	(8,769)	(6,646)
Marketing expenses	(2,153)	(4,033)
Other operating income/expenses	(1,476)	(3,029)
<b>Total other income / expenses</b>	<b>(12,435)</b>	<b>(13,000)</b>
<b>EBITDA</b>	<b>24,748</b>	<b>6,345</b>
Depreciation and amortization	(436)	(454)
Unrealised gains / (loss) on investment property	-	-
Impairment of assets	(294)	(644)
Other income/expense (exceptional)	-	-
<b>EBIT</b>	<b>24,017</b>	<b>5,247</b>
Finance costs, net	(3,312)	(3,418)
<b>Gross profit</b>	<b>20,706</b>	<b>1,829</b>
Income tax credit/(charge)	(4,229)	(1,769)
<b>Net profit</b>	<b>16,476</b>	<b>60</b>

## Observations

- Both the sales volumes and price for completed apartments had a positive impact in the revenues generated in H I 2019 compared to H I 2018. Revenues obtained in H I 2019 include the sale of 70 apartments in Greenfield to the Bucharest City Hall („PMB”), based on the participation of Impact to the public tender organized by PMB in 2018 for acquiring some residences for medical personnel from the institutions subordinated to the Bucharest Administration of Hospitals and Medical Services.
- On June 30, 2019, in addition to the registered sale agreements, there were also pre-sale agreements of 144 mLEI concluded, whose value is not reflected in revenues in H I 2019. These are expected to be translated into sales as follows:
  - Second half of 2019: c. 55.2 mLEI for pre-sales related to finalized apartments (Greenfield II and Greenfield III) and to 109 pre-sale agreements concluded for the last construction phase of Greenfield III - Platanilor Assembly (192 apartments in total);
  - First half of 2020: c. 68.1 mLEI for the first phase of Luxuria;
  - Second half of 2020: c. 20.6 mLEI for the second phase of Luxuria.

# STATEMENT OF FINANCIAL POSITION (UNAUDITED) (1/2)



## CURRENT AND FIXED ASSETS

LEI thousand	Consolidated	
	30-Jun-2019	31-Dec-2018
Property, plant and equipment	6,217	6,855
Intangible assets	4,175	95
Investment property	217,381	217,113
Financial assets	(0)	(0)
Long term trade and other receivables	1,371	1,178
<b>Total non-current assets</b>	<b>229,144</b>	<b>225,241</b>
Inventories	399,978	365,753
Trade and other receivables	63,717	25,817
Cash and cash equivalents	18,781	30,740
<b>Total current assets</b>	<b>482,476</b>	<b>422,310</b>
<b>Total assets</b>	<b>711,620</b>	<b>647,551</b>

## Observations

1. In H I 2019, Impact's land portfolio was not subject to any changes compared to December 31, 2018, except for the acquisition of a plot of land of 5,000 sq. m. in Baneasa – Aleea Teisani (Greenfield).
2. The 9% increase in inventories as at June 30, 2019 compared to December 31, 2018 is due to the construction works related to the first two phases of Luxuria and to the last phase of Greenfield III.
3. The significant increase in short-term trade and other receivables as on June 30, 2019 compared to December 31, 2018 is related to the PMB transaction. The due amounts were collected in July 2019.

# STATEMENT OF FINANCIAL POSITION (UNAUDITED) (2/2)



## EQUITY AND LIABILITIES

LEI thousand	Consolidated	
	30-Jun-2019	31-Dec-2018
Share capital	285,330	285,330
Share premium	68,760	68,760
Revaluation reserves	3,064	3,071
Other reserves	1,121	3,462
Own shares	(7,093)	(3,038)
Retained earnings	83,778	68,394
Result for the period	16,476	20,828
<b>Equity</b>	<b>451,437</b>	<b>446,807</b>
Loans and borrowings	114,373	114,100
Trade and other payables	930	1,151
Deferred tax liability	25,009	25,823
<b>Total non-current liabilities</b>	<b>140,312</b>	<b>141,074</b>
Loans and borrowings	66,162	34,893
Trade and other payables	53,114	24,176
Provisions for risk and charges	595	601
<b>Total current liabilities</b>	<b>119,871</b>	<b>59,671</b>
<b>Total liabilities</b>	<b>260,183</b>	<b>200,745</b>
<b>Total equity and liabilities</b>	<b>711,620</b>	<b>647,552</b>
<i>Leverage ratio (Total Debt vs. Assets)</i>	37%	31%
<i>Leverage ratio (Total Loans vs. Assets)</i>	25%	23%
<i>Gearing ratio (loans vs. equity)</i>	40%	33%
<i>Gearing ratio (loans vs. EPRA NAV)</i>	25%	21%

## Observations

1. Loans from bonds of approx. 114 mRON with maturity date in 2020 and 2022 (Credit Value Investment and BVB).
2. In H I 2019, the Company has contracted and used a working capital credit facility of 12 mLEI from Libra Internet Bank. Also, the investment loan granted by UniCredit Bank for the financing of the first phase of Luxuria was utilised as the construction works were performed.



# CAPITAL MARKET AND NET ASSETS

# CAPITAL MARKET AND NET ASSETS

- The shares of Impact Developer & Contractor SA (“IMP”) are listed in the Premium Category of the Bucharest Stock Exchange (BVB)
- The transfer of securities is not restricted
- The voting rights are not restricted
- Equal voting rights for all shareholders

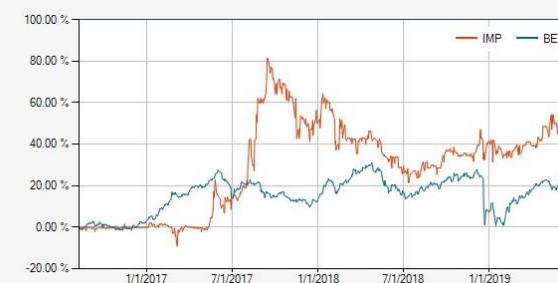
METRICS	31-Dec-17	31-Dec-18	30-Jun-19
Price per share (RON)	1.05	0.99	1.15
Number of shares (Impact Developer & Contractor)	277,866,574	277,866,574	277,866,574
Market capitalization (RON)	291,759,903	275,087,908	319,546,560
<b>IFRS (consolidated)</b>			
Net profit (LEI)	51,098,000	20,828,000	16,476,497
Net asset value ("NAV")	427,450,000	446,807,255	451,437,143
Profit per share (LEI)	0.18	0.07	0.06
NAV/Share (LEI)	1.54	1.61	1.62
<b>EPRA* (consolidated)</b>			
Net asset value ("NAV")	599,972,909	720,021,200	714,123,139
NAV/Share (LEI)	2.16	2.59	2.57

\*European Public Real Estate Association

## Evolution of Impact share price (“IMP”) Aug 2016 – Jun 2019



## Relative evolution of IMP vs. BET Index Aug 2016 – Jun 2019



# CONTACT

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