IMPACT DEVELOPER & CONTRACTOR SA

Consolidated (unaudited) preliminary information

December31st 2018

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Balance Sheet as of December 31th 2018

	31-Dec-17	31-Dec-18
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	8,916,883	4,964,945
Intangible assets	193,238	94,886
Investment property	193,342,626	217,113,323
Financial assets	(10)	(10)
Long term trade and other receivables	6,183,966	2,414,645
Total Non current Assets	***208,636,703***	***224,587,790***
CURRENT ASSETS		
Inventories	363,622,778	367,645,828
Trade and other receivables	5,599,489	22,887,482
Prepayments	145,223	1,647,792
Cash and cash equivalents	47,476,223	30,740,351
Total Current Assets	***416,843,712***	***422,921,452***
Total Assets	***625,480,414***	***647,509,242***
SHAREHOLDERS' EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	12,566,219	24,158,267
Loans and borrowings	30,152,062	6,386,356
Total Current liabilities	***42,718,281***	***30,544,623***
NON-CURRENT LIABILITIES		
Loans and borrowings	133,401,233	142,607,400
Trade and other payables	1,032,684	1,151,369
Deferred taxes	21,210,405	25,009,228

Total Non-current liabilities	***155,644,322***	***168,767,996***
TOTAL Liabilities	***198,362,602***	***199,312,619***
PROVISIONS		
Provisions for risk and charges	324,152	601,483
Total provisions	***324,152***	***601,483***
DEFERRED REVENUES		
Deferred revenues < 1 y	26,732	15,597
Total Deferred revenues	***26,732***	***15,597***
SHAREHOLDERS' EQUITY		
Share capital	285,330,158	285,330,158
Share premiums	69,487,043	69,487,043
Revaluation reserves	3,031,970	3,064,032
Other reserves	10,408,663	10,034,740
Retained earnings / (Accumulated losses)	8,820,995	62,600,926
Result for the year	51,097,599	20,827,792
Short-term own shares	(682,526)	(3,038,173)
Losses related to issue, redemption share capital and share premiums	(726,973)	(726,973)
Total shareholders 'equity	***426,766,928***	***447,579,543***
TOTAL Shareholders' Equity and Liabilities	***625,480,414***	***647,509,242***

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

Consolidated Profit & Loss result on December 31th 2018

	31-Dec-17	31-Dec-18
Revenue from real estate inventories	111,727,571	101,534,016
Costs of real estate inventories	(66,109,305)	(57,939,339)
Gross profit	***45,618,266***	***43,594,678***
Net rental income /recharge	706,251	3,083,457
General and administrative expenses	(22,035,533)	(18,867,686)
Marketing expenses	(1,861,247)	(1,776,215)
Other income/expenses, other	(6,661,467)	(5,206,509)
Depreciation and amortization	(800,842)	(895,274)
Total other income / expenses	**(30,652,837)**	**(23,662,227)**
Unrealised gains / (loss) on investment property	56,762,767	23,892,784
Adjusted operating profit before exceptional items and impairment of long term assets	***71,728,197***	***43,825,235***
Impairment of other long term assets	(5,403,924)	(5,769,561)
Other income expense (exceptional)	-	(4,142,864)
Operating profit	***66,324,273***	***33,912,810***
Finance costs, net	(5,419,352)	(5,506,077)
Profit before income tax	***60,904,921***	***28,406,733***
Income tax credit/(charge)	(9,807,322)	(7,578,941)
Profit for the period	***51,097,599***	***20,827,792***

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

Consolidated Cash Flow *on December 31st 2018*

	2017	2018
Cash flows from operating activities:		
Net Profit / (net loss) of the period	**51,911,379**	**20,827,792**
Adjustments for:		
Depreciation of tangible non-current assets	663,842	800,832
Amortization of intangible non-current assets	137,949	94,443
Impairment losses / (releases) on tangible assets, net	30,754	1,022,289
Losses from the disposal of tangible assets	-	3,404,630
Losses / (Gains) from impairment of inventories	6,246,952	8,409,534
Losses / (Gains) from impairment of trade receivables and other receivables	350,947	(2,257,480)
Cost of land donated	-	(296,574)
Net change in provisions for risks and charges	317,534	277,331
Changing the fair value of investment properties	(56,606,223)	(23,393,885)
Current and deferred tax cost / (income), net	9,807,312	7,585,254
	-	(62,995)
Financing costs	4,085,180	6,140,020
Interest income	(110,433)	(153,099)
Exchange rate differences	1,224,973	(43,505)
Operating cash flow before working capital changes	**17,246,396**	**22,354,587**
Changes in:		
Inventories	(74,181,953)	17,933,992
Trade receivables and other receivables	12,488,521	(25,622,781)
Trade liabilities and other liabilities	(13,124,706)	(9,899,857)
Cash generated from operations	**(57,571,742)**	**4,765,941**
Profit tax paid	(598,081)	(3,284,469)

Net cash from / (used in) operating activities	**(58,169,823)**	**1,481,472**
Cash flows from investment activities:		
Purchase of tangible assets	(4,499,341)	899,688
Proceeds from sale of investment properties	-	364,403
Proceeds from sale of tangible assets	840,495	62,916
Net cash from / (used in) investing activities	**(3,658,846)**	**1,327,007**
Cash flows from financing activities:		
Increase related to share capital and capital premiums	-	(2,355,647)
Receipts / (Payments) of dividends	(11,225,810)	
Reimbursements of loans	(59,638,470)	(25,939,111)
Proceeds from loans	164,732,213	14,223,839
Receipts / (Payments) of dividends		(20,070)
Interest received	-	153,099
Interest paid	(2,195,084)	(5,606,460)
Net cash from / (used in) financing activities	**91,672,849**	**(19,544,351)**
Net change in cash and in cash equivalents	**29,844,180**	**(16,735,872)**
Cash and cash equivalents on 1st of January	17,632,043	47,476,223
Cash and cash equivalents on 31st of December	**47,476,223**	**30,740,351**

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

Notes to the financial results

1. Reporting entity

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

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

The Company's consolidated financial statements for the year ended as at 31 December 2018 include the Company and its subsidiaries (hereinafter referred to jointly with the Company the "Group") and the Group's interest in associated entities and partnerships.

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

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

Impact is a real estate trade group carrying out its business in the real estate development (promotion) sector, being the first 100% Romanian company acting in this sector on the Romanian market.

The main activities of IMPACT include the management and development of residential assemblies. The **deluxe villas** assemblies located in the Northern area of Bucharest, the **GreenField** residential complex in Bucharest and **Luxuria Domenii Residence** represent the main landmarks of these activities and support quality and services.

The company Impact Developer & Contractor was established in 1991 by public subscription.

As of 1996, the Company is listed on Bucharest Stock Exchange (BVB). In 2006, the Company's shares were promoted to 1st category of the Stock Exchange, becoming **the first** company in the real estate development and construction sector to achieve this. Since January 2015 the company shares are traded on **Premium** category according with the new local capital market segmentation.

On December 31st2018, the company has in progress residential developments in two cities in the country (Bucharest and Constanta), each project having different sizes and being in various stages of completion. IMPACT's activity is dominated by two major projects in Bucharest: **GREENFIELD residential complex** and **Luxuria Domenii Residence.**

In 2018, the construction of 12 buildings in Phase 7 was completed, comprising 276 apartments, and the works for other 192 apartments in 6 buildings in the same phase are continued. The completion of these 6 buildings shall occur in the second half of 2019.

IMPACT has completed the basic concept and launched the project **Luxuria Domenii Residence** designed for the premium segment, for which Impact Developer, via its branch Bergamot Developments S.R.L., has acquired in 2017 a plot of land with an area of 2.25 ha in Bucharest, in the Expozitiei-Domenii neighborhood.

The residential complex **Luxuria Domenii Residence** shall include 9 buildings with 630 apartments. The project was started in 2018 with a first phase of 3 buildings, the equivalent of 232 apartments. This phase of the project is financed 65% by Unicredit Bank (EUR 16,341,000), while the rest of 35% are an own investment of the IMPACT group.

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

2. Affiliates

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

b) ***Clearline Development and Management S.R.L.*** (formerly Lomb SA) is the project company through which IMPACT was to develop a residential project in Cluj-Napoca in partnership with the local authority. For investments made by Clearline Development & Management SRL in the development of the Lomb project in Cluj, the project company has a litigation amounting to 17,053,000 lei, plus legal interest, a file that is currently on trial with the Arges Court and it is currently carrying out the expertise (Urban Planning and Construction) as ordered in the case.

c) **Bergamot Developments S.R.L.,** a company within the Group, whose main business object is in real estate development, and starting 2018 shall develop a residential complex of approximately 52,262 sq. m. gross, namely 500 apartments on a land of approximately 16,776 sq. m., which is the first phase of the residential project Luxuria Domenii Residence. The total gross area including basements is approximately 74,852 sq. m., located in the Expozitiei-Domenii area.

d) **Bergamot Developments Phase II S.R.L.,** a company within the Group, whose main business object is in real estate development, about to develop phase B (130 apartments) of the residential project Luxuria Domenii Residence, with a gross area of 14,136 sq. m., built on a land of 5,769 sq. m. The total gross area including basements is approximately 20,100 sq. m., in the Expozitiei-Domenii area.

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

Transactions with affiliates

	Transaction value as of	**Balance as of**
	31-Dec-18	**31-Dec-18**
Sale of goods and services Subsidiaries		
Actual Invest House	24,806	19,636
Clearline Development and Management	6,924	1,184,762
Bergamot Developements	1,315,664	1,878,089
Bergamot Developments Phase II	5,587	341
Impact Finance	42,958	186
	1,395,939	**3,083,015**

	Transaction value as of 31-Dec-18	Balance as of 31-Dec-18
Purchase of goods and services		
Subsidiaries		
Actual Invest House	1,621,338	1,905.876
Clearline Development and Management	-	-
Bergamot Developements	-	-
Bergamot Developments Phase II	-	-
Impact Finance	2,250.00	450.00
	1,623,589	**1,906.326**

	Transaction value as of (RON) 31-Dec-18	Balance as of (RON) 31-Dec-18
Interest Income		
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management	-	-
Bergamot Developements	1,055,188	2,013,609
Bergamot Developments Phase II	615,652	615,727
Impact Finance	-	-
	1,670,841	**2,629,337**

	Gross value	Book value
Granted loans		
Subsidiaries		
Bergamot Developements	30,550,000	30,550,000
Bergamot Developments Phase II	16,163,000	16,163,000
Impact Finance	35,000	35,000
Clearline	0	15,000
	46,748,000	**46,763,000**

3. Events after

No subsequent events to be reported.

4. Auditors

By the decision of the General Meeting of Shareholders dated April 26th2018, the contract with the current external financial auditor of the Company, DELOITTE AUDIT SRL, was extended for a one-year mandate.

The consolidated preliminary information as of December 31st2018 **are not audited**.

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

IMPACT DEVELOPER & CONTRACTOR S.A.

PRELIMINARY INFORMATION (UNAUDITED) FINANCIAL RESULTS

DECEMBER 31, 2018

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(All amounts are expressed in RON, unless specified otherwise)

A. Balance Sheet as of December 31, 2018

	31-Dec-17	31-Dec-18
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	8,684,244	4,402,667
Intangible assets	144,339	66,702
Investment property	193,342,626	217,113,324
Financial assets	56,190,196	56,190,196
Long term trade and other receivables	4,948,961	51,806,670
Total Non current Assets	***263,310,366***	***329,579,559***
CURRENT ASSETS		
Inventories	297,294,269	265,852,874
Trade and other receivables	25,489,047	7,408,367
Prepayments	90,403	1,304,395
Cash and cash equivalents	44,515,734	26,908,803
Total Current Assets	***367,389,453***	***301,474,439***
Total Assets	***630,699,819***	***631,053,998***
SHAREHOLDERS' EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	15,784,317	11,809,111
Loans and borrowings	28,253,125	6,386,356
Total Current liabilities	***44,037,442***	***18,195,467***
NON-CURRENT LIABILITIES		
Loans and borrowings	132,900,915	136,500,063
Trade and other payables	1,028,434	1,151,369
Deferred taxes	21,210,395	25,009,228
Total Non-current liabilities	***155,139,744***	***162,660,660***
TOTAL Liabilities	***199,177,186***	***180,856,127***
SHAREHOLDERS' EQUITY		
Share capital	285,330,158	285,330,158
Share premiums	69,487,043	69,487,043
Revaluation reserves	3,024,548	3,064,032
Other reserves	8,430,119	9,640,021

(All amounts are expressed in RON, unless specified otherwise)

Retained earnings / (Accumulated losses)	14,002,677	65,123,346
Result for the year	52,306,703	20,701,339
Short-term own shares	(682,526)	(3,038,174)
	(726,973)	(726,974)
Total shareholders 'equity	***431,171,749***	***449,580,791***
TOTAL Shareholders' Equity and Liabilities	***630,699,819***	***631,053,998***

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

(All amounts are expressed in RON, unless specified otherwise)

B. Profit & Loss for the year ended December 31, 2018

	31-Dec-17	**31-Dec-18**
Revenue from real estate inventories	109,725,611	101,531,638
Costs of real estate inventories	(66,109,484)	(56,560,070)
Gross profit	***43,616,127***	***44,971,568***
Net rental income /recharge	4,819,459	2,128,202
General and administrative expenses	(23,702,490)	(20,979,661)
Marketing expenses	(2,210,148)	(1,819,359)
Other income/expenses, other	(6,658,929)	(3,301,715)
Depreciation and amortization	(971,377)	(1,233,745)
Total other income / expenses	**(28,723,485)**	**(25,206,278)**
Unrealised gains on investment property	56,762,767	23,892,784
Adjusted operating profit before exceptional items and impairment of long term assets	***71,655,409***	***43,658,074***
Impairment of other long term assets	(5,077,335)	(5,009,471)
Other income/expense (exceptional)	-	(4,142,864)
Operating profit	***66,578,074***	***34,505,739***
Finance costs, net	(4,464,059)	(6,588,546)
Loss before income tax	***62,114,015***	***27,917,193***
Income tax charge	(9,807,312)	(7,215,854)
Profit for the period	***52,306,703***	***20,701,339***

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

(All amounts are expressed in RON, unless specified otherwise)

C. Changes in equity on December 31, 2018

	Share capital	Capital premiums	Revaluation reserve	Other reserves	Result reported from previous year	Total	Interest without control	Total equities
Balance on January 1, 2017	**285,330,158**	**84,175,480**	**3,137,863**	**5,418,842**	**12,714,221**	**390,776,564**	**-**	**390,776,564**
Total comprehensive result for the period								
Result for the period	-	-	-	-	52,306,703	52,306,703	-	52,306,703
Other comprehensive result items								
Revaluation reserves for the period	-	-	-	-	15,415,410	15,415,410	-	15,415,410
Adjustments compared to previous year								
Achievement of revaluation reserve related to sold assets								
Reclassifications	-	(15,415,410)	(113,315)	110,133		(15,418,592)	-	(15,418,592)
Established legal reserves				2,901,144	(2,901,144)		-	
Cancellation of revaluation reserve related to depreciated assets								
Deferred tax assets related to revaluation reserve								
Total other comprehensive result items	**-**	**(15,415,410)**	**(113,315)**	**3,011,277**	**12,514,266**	**(3,182)**	**-**	**(3,182)**
Total comprehensive result for the period	**-**	**(15,415,410)**	**(113,315)**	**3,011,277**	**64,820,969**	**52,303,521**	**-**	**52,303,521**
Transactions with shares directly registered in equities								
Share capital increase								
Shareholders' equity						(682.526)		(682.526)
Subsidiaries transfer								
Acquisition of subsidiaries, without uncontrolled interests								
Subsidiaries merger movements								
Distributed dividends	-	-	-	-	(11,225,810)	(11,225,810)	-	(11,225,810)
Total changes in held shares								
Total transactions with shareholders	**-**	**-**	**-**	**-**	**(11,225,810.00)**	**(11,908.336)**	**-**	**(11,908.336)**
Balance on December 31, 2017	**285,330,158.00**	**69,487,043.00**	**3,024,548.00**	**8,430,119.00**	**66,309,380.00**	**431,171.749**		**431.171.749**

(All amounts are expressed in RON, unless specified otherwise)

	Share capital	Capital premiums	Revaluation reserve	Other reserves	Result reported from previous year	Total	Interest without control	Total equities
Balance on January 1, 2018	**285,330,158**	**69,487,043**	**3,024,548**	**8,430,119**	**66,309,380**	**431,171.749**	**-**	**431,171.749**
Total comprehensive result for the period								
Result for the period					20.701.339	20.701.339		20.701.339
Other comprehensive result items								
Revaluation reserves for the period			63.352			63.352		63.352
Adjustments compared to the previous year								
Achievement of revaluation reserve related to sold assets								
Reclassifications			(23,868)	23,868		-		-
Established legal reserves				1,186.034	(1,186.034)			
Cancellation of revaluation reserve related to depreciated assets								
Deferred tax assets related to revaluation reserve								
Total other comprehensive result items	**0**	**0**	**39.485**	**1,209.902**	**(1,186.034)**	**-**		**-**
Total comprehensive result for the period	**0**	**0**	**39.485**	**1,209.902**	**19.515.305**	**20.764.692**		**20.764.692**
Transactions with shares directly registered in equities								
Share capital increase								
Shareholders' equity						(2.355.650)		(2.355.650)
Subsidiaries transfers								
Acquisition of subsidiaries, without uncontrolled interests								
Subsidiaries merger movements								
Shares granted free of charge								
Distributed dividends								
Total changes in held shares								
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**(2.355.650)**	**0**	**(2.355.650)**
Balance on December 31, 2018	**285,330,158**	**69,487,043**	**3,064.033**	**9,640.021**	**85.824.685**	**449.580.791**	**0**	**449.580.791**

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

(All amounts are expressed in RON, unless specified otherwise)

D. Cash Flow December 31, 2018

Cash flows from operating activities:	**2017**	**2018**
Net Profit / (net loss) of the period	52,306,703	20,701,339
Adjustments for:		
Depreciation of tangible non-current assets	645,193	701,964
Amortization of intangible non-current assets	128,513	94,443
Impairment losses / (releases) on tangible assets, net	-	13,906,540
Losses from the provision for risks and charges	317,534	277,331
Losses from the disposal of tangible assets	1,900,713	1,291,085
Losses / (Gains) from impairment of inventories	6,454,675	(5,172,181)
Losses / (Gains) from impairment of trade receivables and other receivables	328,546	1,397,919
Losses releted to dispute litigation (Brooklin)		3,404,630
Cost of land donated		
Changing the fair value of investment properties	(56,606,223)	(23,393,885)
Current and deferred tax cost / (income), net	9,807,312	7,215,854
Net change in provisions for risks and charges		437,339
Financing costs	5,793,012	9,763,092
Interest income	847,901	(1,821,638)
Exchange rate differences	1,235,817	(47,216)
Operating cash flow before working capital changes	**23,159,696**	**28,756,614**
Changes in:		
Inventories	(20,935,806)	31,441,395
Trade receivables and other receivables	(46,355,788)	(30,687,831)
Trade liabilities and other liabilities	1,494,032	(17,490,042)
Cash generated from operations	**(65,797,562)**	**(16,736,478)**
Profit tax paid	(11,648,882)	(2,794,992)
Total	**(11,648,882)**	**(2,794,992)**

(All amounts are expressed in RON, unless specified otherwise)

Net cash from / (used in) operating activities	**(54,286,748)**	**9,225,144**
Cash flows from investment activities:		
Purchase of tangible assets	(5,855,948)	(943,231)
Purchase of non-tangible assets	(40,189)	(16,805)
		-
Proceeds from sale of investment properties		347,050
Proceeds from sale of tangible assets	669,853	52,871
Net cash from / (used in) investment activities	**(5,226,284)**	**(560,115)**
Cash flows from financing activities:		
Losses related to issue, redemption share capital and share premiums		2,355,648
Reimbursements of loans	(59,638,470)	(26,867,075)
Proceeds from loans	162,322,114	8,139,718
Receipts / (Payments) of dividends	(11,225,810)	(20,070)
Interest received		(117,090)
Interest paid	(4,861,249)	(9,763,092)
Net cash from / (used in) financing activities	**86,596,585**	**(26,271,961)**
Cash and cash equivalents on 1st of January	**17,432,160**	**44,515,734**
Net change in cash and in cash equivalents	**27,083,553**	**(17,606,931)**
Cash and cash equivalents on 31st of December	**44,515,713**	**26,908,803**

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

(All amounts are expressed in RON, unless specified otherwise)

E. Notes to the financial statements

1. Reporting entity

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

IMPACT's activity is dominated by a major project: the residential complex GREENFIELD RESIDENCE BANEASA in Bucharest.

In the 3rd quarter of 2018, 12 buildings were completed in phase 7, which means a number of 276 apartments in a mix of 3 and 4 rooms. At the same time, works on other 6 buildings are continued (192 apartments in a mix of 2 and 4 rooms) in the same development phase, whose completion is scheduled for the second semester of 2019.

Company's organization

The Board of Directors and the Chief Executive Officer are empowered to fulfil all necessary and useful acts for achieving the company's business object, except for those provided for by law for the General Meeting of Shareholders.

2. Share capital

As of May 24, 2018, the company Impact Developer & Contractor SA has moved its headquarters to the office building Willbrook Platinum Business & Convention Center, Bucharest.

The company's identification data are:

Name: IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center, Sos. Bucuresti – Ploiesti, Nr. 172-176, Building A, 1st floor, Bucharest, District 1, post code 015016
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Fully subscribed and paid up share capital: 277,866,574 RON
Registered with the Trade Registry's office seconded to the Bucharest Court under the No. J40/7228/2018, tax registration No. RO 1553483
Company's fully subscribed and paid up share capital on December 31, 2018 is 277,866,574 RON.

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

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

The consolidated synthetic structure of holders of financial instruments, which hold at least 10% of the share capital on December 31, 2018, was as follows:

Shareholder	Ownership*)
Iaciu Gheorghe	56.05%
Andrici Adrian	15.24%
SWISS CAPITAL / SAI SWISS CAPITAL AM / FDI ACTIVE DINAMIC / APOSTOL SORIN	12.28%
Other individuals and legal entities	16.43%
Total	**100.00%**

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

3. Company's management

Board of Directors

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

The Board of Directors consists of 5 members:

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

Company's Executive Management

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

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

IMPACT Developer & Contractor SA has recruited in the summer of 2018 a Chief Financial Officer with expertise of over 21 years in the financial and accounting sector, gained in multinational companies, in order to lead the financial department of the company, who shall fulfil his duties jointly with the Chief Executive Officer.

On January 4, 2019, the Board of Directors of the real estate development company Impact Developer & Contractor SA has made public the resignation of Mr. Gabriel Vasile from the position of Director of the Company. Mr. Gabriel Vasile was a proxy and acted jointly with the Chief Executive Officer.

The Board of Directors of IMPACT DEVELOPER & CONTRACTOR S.A. shall be convened as soon as possible in order to appoint a temporary member of the Board of Directors, until the next ordinary General Meeting of Shareholders, according to art. 1372 of the Company Law No. 31/1990.

(All amounts are expressed in RON, unless specified otherwise)

4. FINANCIAL ASSETS

	December 31, 2018	December 31, 2017
Financial assets available for sale		
Investments in affiliates	64,322,920	64,322,920
Depreciation of investments in affiliates	(8,132,724)	(8,132,724)
	56,190,196	**56,190,196**

5. The company holds investments in the following affiliates:

	December 31, 2018			
	Ownership	**Gross value**	**Depreciation**	**Book value**
Clearline Development and Management SRL	100.00%	22,420,000	(8,022,774)	14,397,226
Bergamot Developments SRL	99%	41,790,990	-	41,790,990
Actual Invest House SRL	6.23%	109,950	(109,950)	-
Bergamot Developments Phase II SRL	99%	990	-	990
Impact Finance & Developments SRL	99%	990	-	990
		64,322,920	**(8,132,724)**	**56,190,196**

The company Clearline Development and Management SRL holds the title over the rest of the investments, of 93.77%, in Actual Invest House SRL.

The company holds investments in the following affiliates:

a) **Actual Invest House S.R.L**, a company within the Group, provides management and maintenance services to the Company's residential development projects.

b) **Clearline Development and Management S.R.L.** (formerly Lomb SA) is the project company through which IMPACT was to develop a residential project in Cluj-Napoca in partnership with the local authority. For investments made by Clearline Development & Management SRL in the development of the Lomb project in Cluj, the project company has a litigation amounting to 17,053,000 lei, plus legal interest, a file that is currently on trial with the Arges Court and it is currently carrying out the expertise (Urban Planning and Construction) as ordered in the case. On 11.09.2017, by the Decision of the Board of Directors of Impact, the share capital of the company Clearline was increased by new contributions in cash, with the amount of 20,000 RON.

c) **Bergamot Developments S.R.L.,** a company within the Group, whose main business object is in real estate development, and starting 2018 it shall develop a residential complex of approximately 52,262 sq. m. gross, namely 500 apartments, on a land of approximately 16,776 sq. m., which is the first phase of the residential project Luxuria Domenii Residence. The total gross area including basements is approximately 74,852 sq. m., located in the Expozitiei-Domenii area.

d) **Bergamot Developments Phase II S.R.L.,** a company within the group, whose main business object is in real estate development, about to develop phase B (130 apartments) of the residential project

(All amounts are expressed in RON, unless specified otherwise)

Luxuria Domenii Residence, with a gross area of 14,136 sq. m., built on a land of 5,769 sq. m. The total gross area including basements is approximately 20,100 sq. m., in the Expozitiei-Domenii area.

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

6. AFFILIATES

Company's subsidiaries

The company's subsidiaries and the nature of their business are as follows:

	Registration country	Business nature	2018	2017
Clearline Development and Management SRL	Romania	Real estate development	✓	✓
Actual Invest House SRL	Romania	Real estate development	✓	✓
Bergamot Developments	Romania	Real estate development	✓	✓
Bergamot Developments Phase II	Romania	Real estate development	✓	✓
Impact Finance	Romania	Activities related to financial brokerage	✓	✓

Transactions with affiliates

Sale of goods and services	Transactions value for the year ended on December 31 2018	Transactions value for the year ended on December 31 2017	Balance on December 31 2018	Balance on December 31 2017
Subsidiaries				
Actual Invest House	24.806	297.335	19.636	40.441
Clearline Development and Management	6.924	8.985	1.184.764	45.936
Bergamot Developments	1.315.664	9.005.122	1.878.089	5.329.027
Bergamot Developments Phase II	5.587	3.416	341	1.442
Impact Finance	42.958	4.424	186	1.191
	1.395.939	**9.319.283**	**3.083.015**	**5.418.037**

Acquisition of goods and services	Transactions value for the year ended on December 31 2018	Transactions value for the year ended on December 31 2017	Balance on December 31 2018	Balance on December 31 2017
Subsidiaries				
Actual Invest House	1.621.339	5.383.489	1.905.876	1.801.115
Clearline Development and Management	-	-	-	699
Bergamot Developments	-	-	-	-
Bergamot Developments Phase II				
Impact Finance	2.250	-	450	-

(All amounts are expressed in RON, unless specified otherwise)

	Balance on December 31	
Granted loans	**2018**	**2017**
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management	15,000	-
Bergamot Developments	16,710,000	12,210,000
Bergamot Developments Phase II	15,963,000	6,000
Impact Finance	35,000	10,000
	46,763,000	**12,226,000**

Transactions with key management

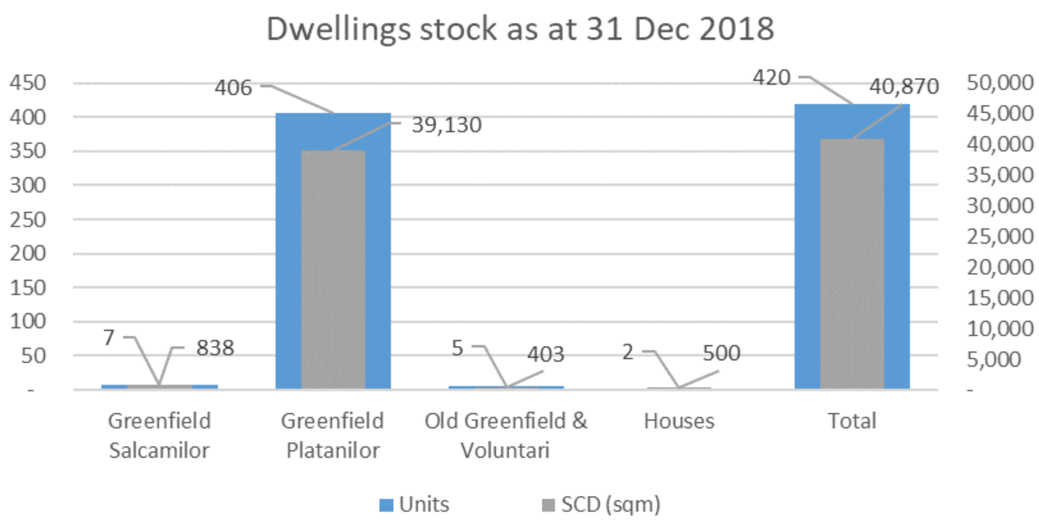
The remuneration granted to key management staff includes salaries and contributions (social and health contributions, unemployment and other similar contributions). The company's management is hired on a contractual basis.

7. Inventories and investment properties

a) Apartments and houses

On December 31, 2018 the inventory includes a number of 420 apartments and houses fully completed, with a gross built area of 40,870 sq. m. and a book value of 99.5 mil. RON.

The detailed statement on houses and apartments inventories on December 31, 2018 is as follows:

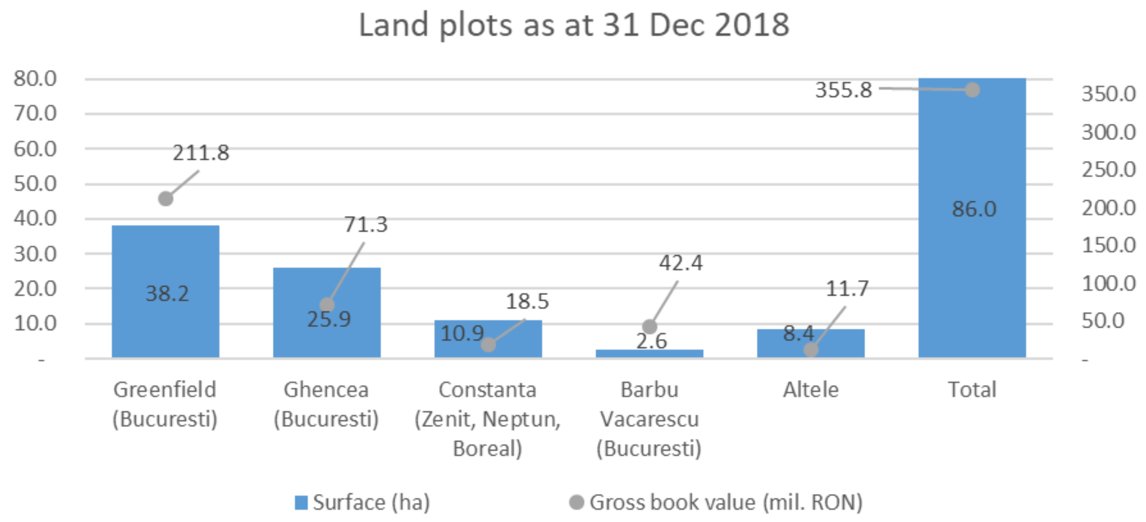


Phases 7.2 and 7.3 of Platanilor Assembly – 12 buildings (276 apartments totalling 28,000 sq. m.), were completed in August 2018 and made available for sale in September 2018.

b) Plots of land

(All amounts are expressed in RON, unless specified otherwise)

At the end of 2018, the inventory included around 86 ha of land with a gross book value of 355.8 mil. RON, intended for sale and the development of new projects.



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

The structure of products and works in progress on December 31, 2018 appears as follows:

	Transaction value on 31-Dec-18	Balance on 31-Dec-18
Ghencea (Rozelor and Crizantemelor)	349,815	6,391,626
Barbu Vacarescu	2,371,324	5,909,906
Zenit (Constanta)	2,362,572	3,013,854
Greenfield	(44,323,489)	14,023,303
Greenfield Master Plan	2,690,619	4,791,212
Drumul Gornistru	25,691	25,691
Drumul Trailoiu	49,621	49,621
Networks Phases 7	5,328,502	5,328,502
Others (Bucharest)	(127,836)	11,228,313
TOTAL	**(31,273,180)**	**50,762,027**

8. Cash and cash equivalents

	31-Dec-18	31-Dec-17
Current accounts	26,895,095	44,504,098
Cash	10,032	11,635
Advance for settlements	3,676	-
	26,908,803	**44,515,734**

9. Long and short term loans

On December 31, 2018, the status of the bank loans was the following:

Contract No.	Name	Currency	End date	Contract value	Balance on 30.12.2018	Short term	Long term
				(lei)	**(lei)**	**(lei)**	**(lei)**
175/04.05.2017	Banca Transilvania-Lipscani Phase 7.3	RON	27-Feb-20	3,861,180	1,998,007	0	1,998,007
176/04.05.2017	Banca Transilvania-Lipscani Phase 7.3	RON	27-Feb-20	20,322,000	10,684,807	4,663,900	6,020,907
2093/28.07.2017	Piraeus Bank -N.Titulescu Phase 7.2	RON	28-Jul-20	15,850,000	8,598,376	0	8,598,376
2093/28.07.2017	Piraeus Bank -N.Titulescu Phase 7.1	RON	28-Jul-20	16,880,000	7,504,730	0	7,504,730
BA1562/23.09.2016	Libra Internet bank Phase 5	RON	23-Sep-20	35,000,000	0,00	0	0
Total				**91,913,180**	**28,785,920**	**4,663,900**	**24,122,020**

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

In 2018 the company has the following ongoing bank loans:

a) Banca Transilvania: Contract No. 175/04.05.2017 and contract 176/04.05.2017 with maturity on 27.02.2020 for phase 7.3
b) Piraeus Bank: Contract No. 2093/28.07.2017 with maturity on 28.07.2020 for phases 7.2 and 7.1

Nr. Contract	Nume	Valuta	Data sfarsit	Valoare contract	Prime subscriere	Valoare neta	Sold dobanda 31.12.2018	Valoare neta 31.12.2018	Sold Dobanda 31.12.2018	Termen scurt	Termen lung
				EUR	EUR	EUR	EUR	Lei	Lei	Lei	Lei
Ctr. 05.07.2017	Credit Value Investments Sp. z o. o.	EUR	11.07.2021	12,000,000	192,000	11,808,000	343,233	55,966,799	1,600,804	1,600,804	55,966,799
Ctr. 29.11.2017	Bursa de Valori București S.A.	EUR	12.12.2022	12,525,000	377,138	12,147,863	25,651	58,415,348	119,631	119,631	58,415,348
Total				24,525,000	569,138	23,955,863	368,884	114,382,147	1,720,435	1,720,435	114,382,147

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

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

The bonds were issued further to an offer addressed to the Eligible Investors, as defined in the prospect from November 28, 2017 approved by ASF by the approval decision No. 1710 dated November 28, 2017, amended by the amendment dated December 8, 2017 approved by ASF by the approval decision No. 1766 dated December 8, 2017 and by the amendment dated December 13, approved by ASF by the approval decision No. 1816 dated December 13, 2017.

10. Provisions

On December 31, 2018 there are no significant changes in the structure of the established provisions, except for the provision for the execution of the general infrastructure for the Greenfield Residence Baneasa project, where according to the Master Plan for further fit-out of roads, access ways and future city networks, provisions have been set up amounting to 2,289,672 RON. The provision is established for the sold area.

(All amounts are expressed in RON, unless specified otherwise)

11. Operational revenues recorded on December 31, 2018

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

The structure of operational revenues is the following:

Indicators	31.12.2017	31.12.2018	Value	%
Operational revenues, whereof:	**119,495,471**	**110,300,632**	**(9,194,839)**	**-8%**
Revenues from sales of inventories of real estate properties	109,711,513	101,468,643	(8,242,870)	-8%
Revenues from rentals	1,123,430	1,541,843	418,413	37%
Revenues from recharged costs	6,781,232	3,794,720	(2,986,512)	-44%
Revenues from sales of investment properties	170,643	347,050	176,407	103%
Other operational revenues	1,708,653	3,148,376	1,439,723	84%

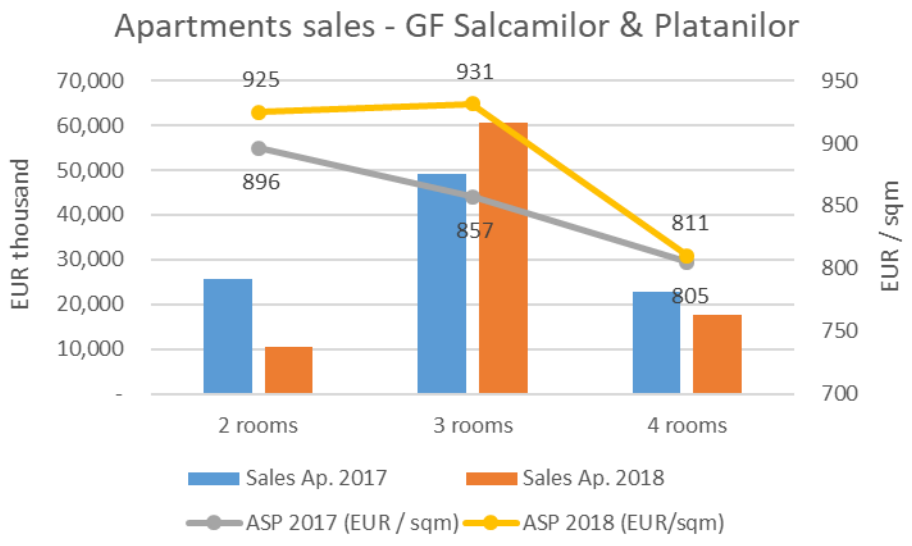
Dwelling sales from the Greenfield Residence Baneasa complex had in the 3rd quarter of 2018 an evolution influenced by seasonality and the current market conditions.

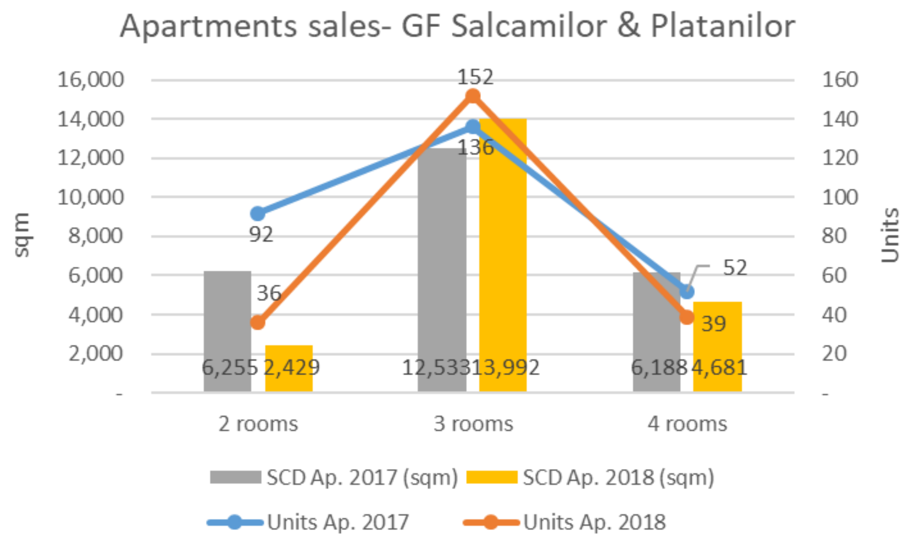
a) Sales of apartments and houses

In 2018, 232 properties (apartments and houses, plus ancillary parking lots), 14 plots of land and 9 parking places were sold, totalling a gross area of 21,988 sq. m., 19% less compared to the previous year, when the sales have reached a number of 287 properties (apartments and houses, plus the ancillary parking lots), 7 plots of land and 52 parking places, totalling a gross area of 25,741 sq. m.

The average unit value of the sales is 13% up according to the mix of units and achieved price, related to the development phases. Thus, the average sale value was 390,892 RON in 2018, while the average value for the same period of the previous year was 345,060 RON.

From the total number of dwellings sold in 2018, 46 apartments (4,843 sq. m.) were sold in Salcamilor Assembly (Greenfield Baneasa) and 181 apartments (16,259 sq. m.) in Platanilor Assembly (Greenfield Baneasa). In 2017, from the total number of sold dwellings, 115 apartments (10,803 sq. m.) were sold in Salcamilor Assembly and 165 apartments (14,173 sq. m.) were sold in Platanilor Assembly.





b) Sale of land plots

In 2018, the sale of land with an area of 3,676 sq. m. was recorded.

c) Rentals

The activity of apartment rental was no longer a priority for the Company during the past years. Most of the dwellings whose lease contracts were terminated in 2015, were sold and therefore, at the end of 2018, only 8 lease contracts are still active.

(All amounts are expressed in RON, unless specified otherwise)

12. Total expenses recorded on December 31, 2018

Indicators	31.12.2017	31.12.2018	Variation (value)	%
Total expenses, whereof:	**(104,572,521)**	**(93,126,295)**	**11,446,226**	**-11%**
Book value of sold real estate inventories	(66,109,484)	(56,560,070)	29,589,055	-14%
Operating expenses related to properties sold / rented	(3,264,092)	(3,215,798)	3,208,848	-1%
Expenses related to the transfer of investment properties	(156,545)	(284,055)	(284,055)	81%
Expenses for raw materials and consumables, other material expenses	(2,441,903)	(979,462)	(53,932)	-60%
Expenses for third party services	(13,956,190)	(9,884,029)	(2,288,950)	-29%
Employee benefits expenses	(10,276,725)	(11,935,529)	(1,666,161)	16%
Other operating expenses	(8,367,582)	(10,267,352)	(2,396,857)	23%

The total expenses are 11% down compared to 2017.

Total expenses includes the donation of lands with an area of 6,000 sq. m. in favour of the Bucharest Municipality.

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

In November 2018, Impact Developer & Contractor SA has concluded with Brooklyn Property Management SRL a transaction agreement, whereby they have agreed by mutual arrangements to finally and irrevocably settle the outstanding balances that were subject to litigation during the past years. Based on this transaction, the company Impact Developer & Contractor has recorded non-deductible expenses amounting to 8,429,535 RON, representing the cancellation of the receivables balance left after the compensation by recording it as expenses.

The operational result is 34.505.739 RON, influenced by the sales decrease.

13. Financial revenues and expenses recorded in 2018

The increase of the financial costs is due to the bonds issued to attracted financing for the ongoing projects.

The increase of financial revenues is due to the loans granted by the parent company Impact Developer & Contractor S.A. to its branch Bergamot Developments S.R.L. in order to finance the development of the residential assembly Luxuria Domenii Residence, located in Bucharest, in the Expozitiei-Domenii area.

	31.12.2017	31.12.2018	Variation	%
Financing costs	(3,636,799)	(8,216,613)	(4,579,814)	126%
Financial revenues	847,901	1,821,638	296,290	115%
Foreign exchange differences	(1,228,127)	47,216	379,477	n.a.
Other net financial items	(447,034)	(240,787)	208,147	n.a.
Financial result	**(4,464,059)**	**(6,588,546)**	**(2,897,705)**	**48%**

14. Strategic directions and activity guidelines of IMPACT in 2018

In 2018, the activity of the Company was focused on the development of major residential projects from its portfolio:

a) Greenfield Residence Baneasa

Platanilor Assembly – In 2017 the construction works for 12 buildings (276 apartments) were started, which were completed in the third quarter of 2018, while the works for the last 6 buildings (192 apartments) were started during the first semester of 2018, to be delivered in the second half of 2019.

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

b) *Luxuria Domenii Residence*

A luxury residential project launched in 2017, for which Impact, via its subsidiary Bergamot Developments S.R.L., has acquired in 2017 a plot of land with an area of 2.25 ha located in Bucharest, in the Expozitiei-Domenii neighbourhood, whose basic concept was completed during the entire year 2017.

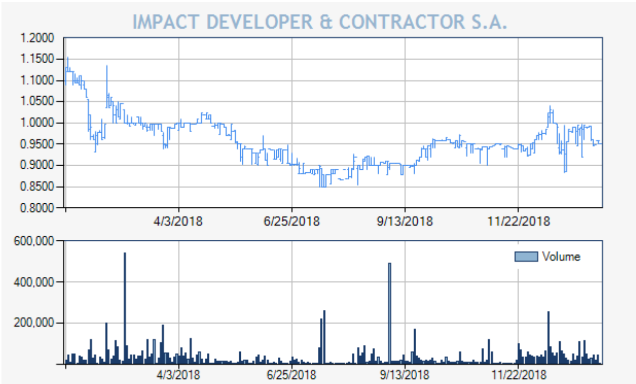
The works were initiated in the first semester of 2018, and in the end, the residential complex shall comprise 9 buildings of 630 apartments.

c) Capital Market

IMPACT DEVELOPER & CONTRACTOR SA is listed at the Bucharest Stock Exchange (BVB) since 1996. Starting 2006, its shares are quoted in the 1st category of BVB, and since January 2015 the IMPACT shares, amounting to 277,866,574 are traded in the Premium category, according to the new BVB segmentation. The company's stock exchange capitalization at the end of December 2018 is 275.087.908 RON.

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

Evolution of IMPACT share price



In 2018, IMP shares have recorded a decrease of 5.7%, while the BET index has recorded a decrease of 4.8% for the same period.

(All amounts are expressed in RON, unless specified otherwise)

d)Performance indicators

Economic and financial indicators – evolution:

Indicators	31-Dec-16	31-Dec-17	31-Dec-18
Return on Assets	6.11%	8.29%	3.28%
Return on Equity	7.58%	12.13%	4.60%
Indebtedness rate (Debts v Assets)	19.37%	31.6%	28.76%
Indebtedness rate (Equity v Assets)	80.63%	68.36%	71.24%
Indebtedness rate (Loans v Equity)	14.65%	37.38%	31.78%
Current cash holdings	6.39	8.28	21.31
Immediate cash holdings	0.67	1.58	2.52

Indicator	31-Dec-16	31-Dec-17	31-Dec-18
Price per share	0.70	1.05	0.99
No. of shares	277,866,574	277,866,574	277,866,574
Stock Exchange capitalization (RON)	194,506,602	291,759,903	275,087,908
Foreign exchange (RON/EUR)	4.5411	4.6597	4.6639
Stock Exchange capitalization (EUR)	42,832,486	62,613,452	58,982,377
Net book assets (RON)	390,776,564	431,171,749	449,580,791
Net book assets (EUR)	86,053,283	92,532,083	96,395,890
Net profit (RON)	29,610,138	52,306,703	20,701,339
Net profit (EUR)	6,520,477	11,225,337	4,438,633
Profit per share (RON)	0.107	0.188	0.075
Profit per share (EUR)	0.023	0.040	0.016
NAV/Share (RON)	1.406	1.552	1.618
NAV/Share (EUR)	0.310	0.333	0.347
Premium/discount compared to net book assets	*(50%)*	(32%)	(39%)

EPRA[1] Net Book Assets:

Description	31-Dec-17	31-Dec-18
IFRS Net Book Assets	**431,171,749**	**449,580,791**
Number of shares	**277,866,574**	**277,866,574**
IFRS Net book Assets/Shares	***1.55***	***1.62***
EPRA Net Book Assets	**585,525,077**	**634,732,665**
EPRA Net Book Assets/Share	***2.11***	***2.28***

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

Adjustments take into consideration the revaluation of assets and plots of land available for sale at their net achievable value.

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

e) Auditors

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

The preliminary individual financial results as on December 31, 2018 **are not audited.**

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