IMPACT DEVELOPER & CONTRACTOR
RESULTS PRESENTATION 2018

MARCH 2019

CUPRINS

- Expertise
- Demonstrated Development Concept - Greenfield
- New Development Concept – Luxuria
- Assets and Projects Portfolio
- 2018 - Highlights
- 2018 – Financial Results
- Capital Market and Net Assets

EXPERTISE

EXPERTISE

- Over **10,000** inhabitants
- Over **4,000** dwellings built
- Investments exceeding **EUR 400 m**
- Over **450,000** sqm built
- **16** residential compounds developed
- Expansion at national level
- Over **100** distinctions obtained

27 years of leadership, innovation and excellence in real estate

Since its establishment in 1991, IMPACT ranked on the Romanian real estate market as an innovative company.

IMPACT is the first real estate developer after the communist era, established with 100% Romanian capital.

In 1996 the company was listed on the Bucharest Stock Exchange (“BSE”), whereby IMPACT has become the first representative of the real estate development and construction sector listed on the Stock Exchange.

In 2006 the shares of the company were promoted to Category I of the Stock Exchange and in 2015 to the Premium category.

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 888 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 160.6 million (EPRA value)

Access to capital

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

Highly qualified team

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

Full services

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

Solid expertise in the field

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

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.

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.

Development 2007 - 2028

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

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.

At present

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

INTERNALLY DEVELOPED SUCCESSFUL MODELS

GREENFIELD BANEASA RESIDENTIAL COMPOUND

The unique location, quiet environment and outstanding air quality - features that are usually found in mountain towns, at altitudes exceeding 1,000 m – are rendering Greenfield Residence as the ideal place for outdoor activities lovers, families with children and generally for people who are interested in a healthy lifestyle.

Greenfield encourages an active lifestyle and outdoor activities, enjoying the fresh air, which is why it often organizes community activities designed to bring people closer to nature, meant both for leisure and the natural environment protection.

Having planted over 2,000 trees until now and with an interest in continuing the designing of new green areas, the developer and the community have committed to make further endeavors to protect the environment and enhance the natural climate in the vicinity of Greenfield.

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 – Mogosoaia

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

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”.

ASSETS AND PROJECTS PORTFOLIO

LAND PLOTS AND COMPLETED APARTMENTS PORTFOLIO (INVENTORY AS AT DEC-18) WITH AN EPRA VALUE OF 160.6 mEUR

IMPACT Developer & Contractor

Apartments stock as at Dec-18

Project	Location	No. of rooms	Units	EPRA value (mRON)	EPRA value (mEUR)
Platanilor - P7.2 & P7.3	Greenfield (Bucharest)	2, 3, 4	216	67.1	14.4
Platanilor - P5 & P6	Greenfield (Bucharest)	2, 3, 4	190	59.7	12.8
Salcamilor	Greenfield (Bucharest)	3, 4	7	2.7	0.6
Old Greenfield	Greenfield (Bucharest)	2, 3, 4	3	0.9	0.2
Other	Constanta, Oradea, Voluntari	1, 4, 5	4	0.8	0.2
Total			**420**	**131.2**	**28.2**

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 Dec-18

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	38.2	211.8	45.4	253.2	54.3	295.9	63.5
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
Total		**88.4**	**406.8**	**87.2**	**617.7**	**132.4**	**660.4**	**141.6**

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 2018-2028 WITH AN ESTIMATED VALUE OF 960.8 mEUR (1/2)

Projects (Dec 2018 – 2028)	Nr. of Stages	Apart.	Project value (mEUR)
Greenfield Baneasa (Bucharest)	19	4,591	510.4
LUXURIA DOMENII (Bucharest)	3	630	108.6
Barbu Vacarescu (Bucharest)	4	898	170.7
Constanta (Constanta)	4	660	56.5
Ghencea (Bucharest)	7	1,437	114.6
Total	**37**	**8,216**	**960.8**

Observations

Greenfield Baneasa includes 192 apartments to be built in Phase 3, and to be completed in 2019

PROJECTS TO BE DEVELOPED DURING 2018-2028 WITH AN ESTIMATED VALUE OF 960.8 mEUR (2/2)

Greenfield Baneasa	Project value (mEUR)	510.4
	Period	2018 - 2026
	Number of stages	19
	Project type	Rezidential
	Total area (sqm)	414,532
	Apartments (units)	4,591
	Parking places (units)	5,464

Barbu Vacarescu (Bucharest)	Project value (mEUR)	170.7
	Period	2020 - 2026
	Number of stages	4
	Project type	Rezidential
	Total area (sqm)	96,330
	Apartments (units)	898
	Parking places (units)	1,257

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

Constanta	Project value (mEUR)	56.5
	Period	2018 - 2024
	Number of stages	4
	Project type	Rezidential
	Total area (sqm)	58,554
	Apartments/Houses (ur	660
	Parking places (units)	640

Ghencea (Bucharest)	Project value (mEUR)	114.6
	Period	2020 - 2028
	Number of stages	7
	Project type	Rezidential
	Total area (sqm)	138,020
	Apartments/Houses (ur	1,437
	Parking places (units)	1,722

2018 – HIGHLIGHTS

2018 – HIGHLIGHTS

Portfolio

- The completion of 276 apartments (28,000 sqm) in Platanilor Ensemble of Greenfield
- Development continued for Phase 7.1 of Greenfield (192 apartments expected to be delivered in the second half of 2019)
- Development continued for Luxuria Phase A2 (232 apartments expected to be delivered in first half of 2020) and Luxuria Phase A1 (268 apartments expected to be delivered at the second half of 2020)

Financial Performance

- Pre-sale agreements and bookings for 48% of Phase A2 of the Luxuria Domenii Residence project (112 contracts), with an estimated value of 13.4 mEUR
- Financing secured for the construction of Phase A2 of Luxuria Domenii
- Gearing ratio under 38% (loans vs. equity)

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

2018 – FINANCIAL RESULTS

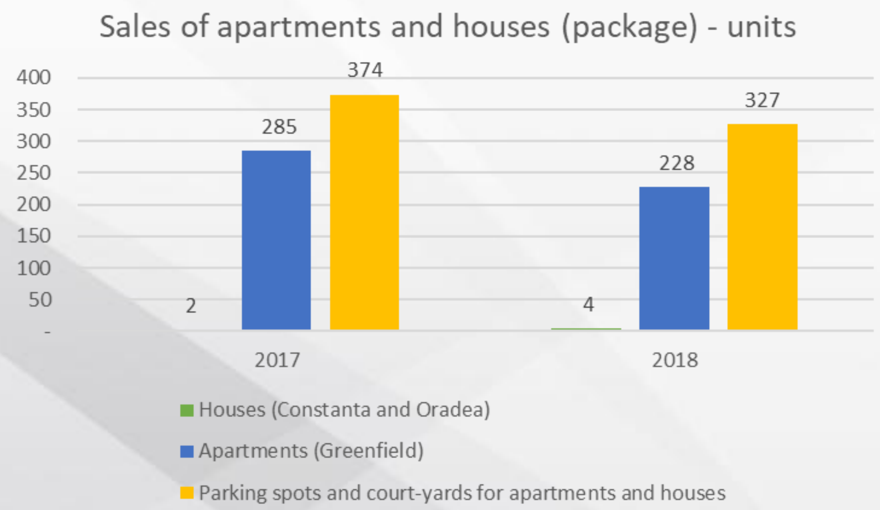
Sales of c. 102 mRON in 2018. Pre-sale agreements and reservations of 96 mRON as at 31 Dec 2018 (1/2)

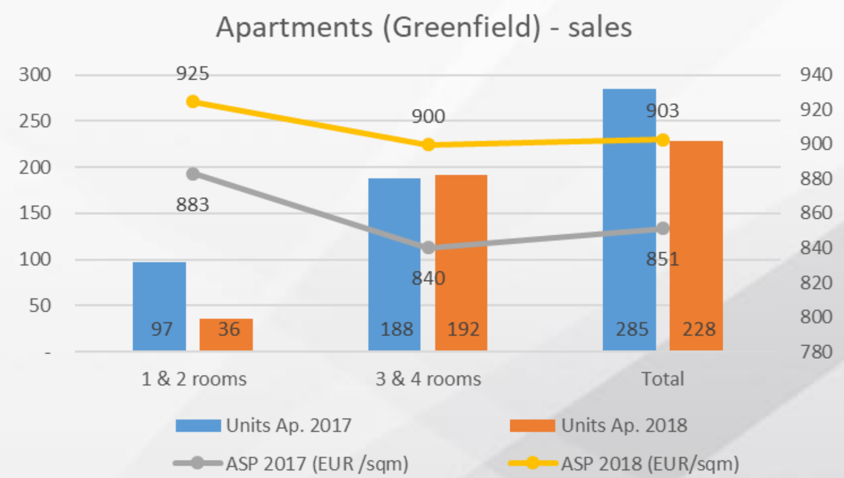
IMPACT Developer & Contractor

Revenue from real estate inventories

thousand RON	Consolidated 2017	Consolidated 2018	% of Total 2017	% of Total 2018
Apartments (Greenfield)	98,471	89,205	84%	45%
Houses (Constanta and Oradea)	561	1,483	0%	1%
Parking spots and court-yards for apartments	10,599	10,221	9%	5%
Court-yards for houses	145	187	0.1%	0.1%
Sales of apartments and houses (package)	**109,777**	**101,095**	**93%**	**51%**
Sale of other residential and real estate properties	1,027	484	1%	0%
Sale of merchandise	2,217	239	2%	0.1%
Annulments not related to the sales of the period	(1,142)	-	(1%)	0%
Total sales	**111,878**	**101,818**	**95%**	**51%**
Pre-sale agreements and reservations				
Greenfield	5,964	29,637	5%	15%
Luxuria	-	66,506	0%	34%
Total pre-sale agreements and reservations (package)	**5,964**	**96,143**	**5%**	**49%**
Total sales, pre-sale agreements and reservations	**117,843**	**197,961**	**100%**	**100%**

Note: The difference between ''Total sales'' presented in the table to the left and ''Revenues from real estate inventories presented'' in the P&L refer to the sale of a house for which the revenues were netted of in the ''Costs of real estate inventories'' line in the P&L.





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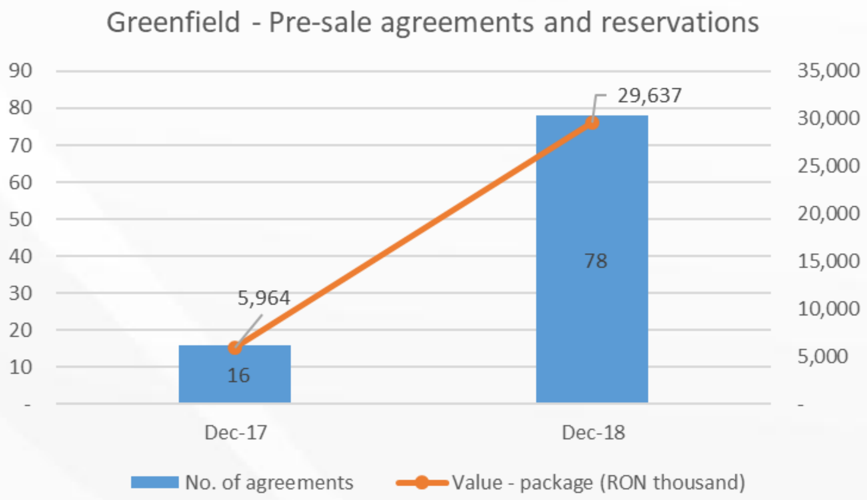
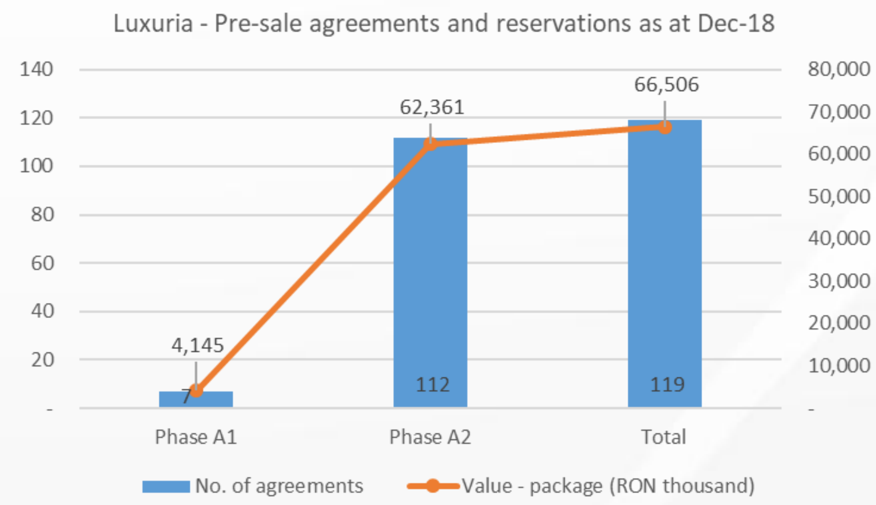




STATEMENT OF FINANCIAL PERFORMANCE

PROFIT AND LOSS ACCOUNT

	Individual		Consolidated		
thousand RON	2017	2018	2017	2018	
Revenue from real estate inventories	109,712	101,469	111,708	101,534	1
Costs of real estate inventories	(66,109)	(60,207)	(66,109)	(61,484)	2
Gross margin	**43,603**	**41,262**	**45,599**	**40,050**	
Net rental income /recharge	3,517	1,978	706	3,083	
General and administrative expenses	(22,386)	(20,300)	(22,187)	(18,416)	
Marketing expenses	(2,210)	(1,819)	(1,861)	(1,776)	
Other income/expenses, other	(6,659)	(3,302)	(6,491)	(5,207)	
Depreciation and amortization	(971)	(796)	(801)	(895)	
Total other income / expenses	**(28,709)**	**(24,239)**	**(30,634)**	**(23,211)**	
Unrealised gains / (loss) on investment property	56,763	23,394	56,763	23,394	
Adjusted operating profit before exceptional items and impairment of long term assets	**71,657**	**40,417**	**71,728**	**40,233**	
Impairment of other long term assets	(5,077)	(2,208)	(5,404)	(2,207)	
Other income expense (exceptional)	-	(3,676)	-	(3,676)	3
Operating profit	**66,580**	**34,533**	**66,324**	**34,350**	
Finance costs, net	(4,464)	(7,258)	(5,419)	(5,943)	
Profit before income tax	**62,116**	**27,275**	**60,905**	**28,407**	
Income tax credit/(charge)	(9,807)	(7,287)	(9,807)	(7,579)	
Net profit	**52,309**	**19,988**	**51,098**	**20,828**	

Observations

1. The sales volumes generated by the completed apartments has decreased as a result of the changes occurred in the sales mix in favor of the apartments to be delivered in 2019 and 2020. On December 31, 2018, in addition to the registered sale agreements, there were also pre-sale agreements of 96 mRON concluded, whose value is not reflected in revenues in 2018.
2. In 2018, the revenues structure shifted in favor of sales for apartments with 3 and 4 rooms as compared with 2017 when sales for apartments with 1 and 2 rooms had a higher share in total revenues. The stock for apartments with 1 and 2 rooms will be replenished in Q3 2019 when the apartments for the Phase 7.1 of Greenfield will be delivered.
3. The results are influenced by one-off costs, such as the net effect of the amiable settlement of the dispute between Impact and Brooklyn Property Management (3.4 mRON – loss)

STATEMENT OF FINANCIAL POSITION (1/2)

CURRENT AND FIXED ASSETS

	Individual		Consolidated		
thousand RON	Dec 2017	Dec 2018	Dec 2017	Dec 2018	
Tangible assets	8,684	5,629	8,917	6,855	
Intangible assets	144	67	193	95	
Investment properties	193,343	217,113	193,343	217,113	1
Financial assets	56,190	56,190	-	-	
Long term trade and other receivables	4,949	19,043	6,184	1,178	
Total non-current assets	**263,310**	**298,042**	**208,637**	**225,241**	
Inventories	297,294	264,627	363,623	365,753	
Trade and other receivables	26,262	41,244	7,241	25,817	
Cash and cash equivalents	44,516	26,676	47,476	30,740	
Total current assets	**368,072**	**332,547**	**418,340**	**422,310**	
Total assets	**631,382**	**630,589**	**626,977**	**647,551**	

Observations

1. Appreciation of land value as at 31 Dec 2018 of c. 23.4 mRON

STATEMENT OF FINANCIAL POSITION (2/2)

EQUITY AND LIABILITIES

	Individual		Consolidated	
thousand RON	Dec 2017	Dec 2018	Dec 2017	Dec 2018
Share capital	285,330	285,330	285,330	285,330
Share capital premiums	68,760	68,760	68,760	68,760
Revaluation reserves	3,025	3,064	3,032	3,072
Other reserves	8,430	730	10,409	3,462
Result for the previous year	66,309	94,020	59,919	89,222
Own shares	-	(3,038)	-	(3,038)
Equity	**431,854**	**448,866**	**427,450**	**446,808**
Loans and borrowings	132,901	114,100	133,401	114,100
Trade and other debts	1,029	1,151	1,033	1,151
Deferred tax	21,210	25,009	22,024	25,823
Total long-term liabilities	**155,140**	**140,260**	**156,458**	**141,074**
Loans and borrowings	28,253	28,786	30,152	34,894
Trade and other debts	15,811	12,076	12,593	24,174
Provisions for risks and charges	324	601	324	601
Total current liabilities	**44,388**	**41,463**	**43,069**	**59,669**
Total liabilities	**199,528**	**181,723**	**199,527**	**200,743**
Total equity and liabilities	**631,382**	**630,589**	**626,977**	**647,551**
Gearing ratio (loans vs. equity)	*37%*	*32%*	*38%*	*33%*
Leverage ratio (Total Debt vs. Assets)	*32%*	*29%*	*32%*	*31%*
Leverage ratio (Total Loans vs. Assets)	*26%*	*23%*	*26%*	*23%*

1
2

Observations

1. Gearing ratio under 38% (loans vs. equity)
2. Loans from bonds of approx. 114 mRON with maturity date in 2020 and 2022 (Credit Value Investment and BVB)

CAPITAL MARKET AND NET ASSETS

CAPITAL MARKET AND NET ASSETS

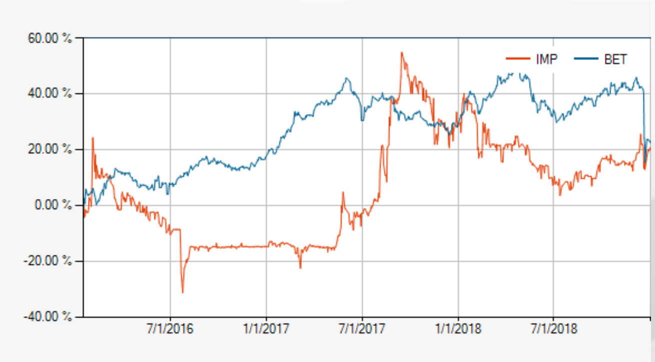
- The shares of Impact Developer & Contractor SA (“IMP”) are listed in the Premium Category of the Bucharest Stock Exchange (BVB)
- The transfer of securities is not restricted
- The voting rights are not restricted
- Equal voting rights for all shareholders

METRICS	31-Dec-17	31-Dec-18
Price per share (RON)	1.05	0.99
Number of shares (Impact Developer & Contractor)	277,866,574	277,866,574
Market capitalization (RON)	291,759,903	275,087,908
IFRS (consolidated)		
Net profit (LEI)	51,098,000	20,828,000
Net asset value ("NAV")	427,450,000	446,808,000
Profit per share (LEI)	0.18	0.07
NAV/Share (LEI)	1.54	1.61
EPRA* (consolidated)		
Net asset value ("NAV")	599,972,909	720,021,945
NAV/Share (LEI)	2.16	2.59

**European Public Real Estate Association*

Evolution of Impact share price (“IMP”) 2016 – 2018

Relative evolution of IMP vs. BET Index 2016 – 2018



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