IMPACT DEVELOPER & CONTRACTOR SA

Individual and unaudited financial statements

as of September 30th 2018

prepared according to International Financial Reporting Standards

adopted by the European Union

Content:

Statement of Financial Position on September 30th 2018

	31-Dec-17	30-Sep-18
ASSETS		
Tangible non-current assets	8,684,244	8,737,111
Intangible non-current assets	144,339	80,517
Investment properties	193,342,626	193,058,571
Financial assets	56,190,196	56,190,196
Non-current receivables	4,948,961	34,343,317
Total non-current assets	***263,310,366***	***292,409,712***
Inventories	297,294,269	280,488,767
Trade and other receivables	25,489,047	*20,880,134*
Prepayments	90,403	79,639
Cash and cash equivalents	44,515,734	33,253,076
Total current assets	***367,389,453***	***334,701,616***
Total assets	***630,699,819***	***627,111,327***
Share capital	285,330,158	285,330,158
Capital premiums	69,487,043	69,487,043
Revaluation reserves	3,024,548	3,024,548
Other reserves	8,430,119	8,430,119
Result reported from previous year	14,002,677	66,309,380
Net profit for the period	52,306,703	1,588,256
Equity	(682,526)	(1,959,955)
Loss related to the issuing, redemption, payment, free transfer	(726,973)	(1,041,974)
Total shareholders' equity	***431,171,749***	***431,167,575***

Loans	132,900,915	135,993,824
Trade and other payables	1,028,434	1,468,879
Deferred taxes	21,210,395	21,210,395
Total long-term liabilities	***155,139,744***	***158,673,098***
Trade and other payables	15,811,049	*17,560,288*
Loans	28,253,125	19,704,410
Provisions for risk and charges	324,152	5,956
Total current liabilities	***44,388,326***	***37,270,654***
Total liabilities	***199,528,070***	***195,943,752***
Total equity and liabilities	***630,699,819***	***627,111,327***

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

Statement of the comprehensive result for the period 9 months on September 30th, 2018

	30-Sep-17	30-Sep-18
Revenues from sale of residential inventories	93,776,931	61,700,654
Book value of sold residential inventories	(62,535,780)	(32,946,725)
Profit/loss from sale of residential properties	***31,241,151***	***28,753,929***
Rental incomes	753,266	1,156,321
Incomes from operational costs recharged to tenants	5,908,030	2,644,353
Operating expenses related to rented/sold properties	(5,483,851)	(2,275,003)
Net income from recharged costs	***1,177,445***	***369,350***
Income from sale of investment properties	-	347,050
Book value of investment properties	-	(284,055)
Profit/loss from sale of investment properties	***0***	***62,995***
Revenues from services rendered	144,570	5,573
Raw materials and consumables used	(658,495)	(712,427)
Third party services	(5,037,777)	(7,326,727)
Employee benefits expenses	(6,785,574)	(8,451,735)
Other operating incomes	1,287,966	2,366,828
Other operating expenses	(3,782,937)	(6,179,794)
Other net administration on projects expenses	***(14,832,247)***	***(20,298,282)***
Profit earned before interest, taxation, depreciation and amortization (EBITDA)	***17,586,349***	***10,044,313***
Depreciation and amortization expenses	(565,762	(920,533)
Impairment of assets, other than investment properties	(337,410)	(250,792)
Depreciation and impairment charges recorded/reversals, other than related to investment properties	***(903,172)***	***(1,171,325)***

Net Profit / (loss) of fair value of investment properties	-	-
Profit earned before interest and taxation (EBIT)	***16,683,177***	***8,872,988***
Financing costs	(2,232,727)	(6,014,346)
Financial incomes	736,753	1,033,043
Foreign exchange differences	(542,287)	(162,810)
Other net financial items	(366,487)	(158,340)
Financial result	***(2,404,748)***	***(5,302,453)***
Gross profit (EBT)	***14,278,429***	***3,570,535***
Current income tax expenses	(800,000)	(1,982,279)
Profit (income) tax	***(800,000)***	***(1,982,279)***
Net Profit / (loss) for the period	***13,478,429***	***1,588,256***

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

Statement of changes in equity on September 30th 2018

	Share capital	Capital premiums	Revaluation reserve	Other reserves	Result reported from prev. year	Total	Interest without control	Total equities
Balance on January 1st 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)		-	
Cancelation 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								
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)**	**(11,225,810)**	**-**	**(11,225,810)**
Balance on December 31st 2017	**285,330,158**	**68,760,070**	**3,024,548**	**8,430,119**	**66,309,380**	**431,854,275**		**431,854,275**

	Share capital		Capital premiums		Revaluation reserve		Other reserves		Result reported from prev. year		Total	Interests without control	Total equities
Balance on January 1st 2018	**285,330,158**		**68,760,070**		**3,024,548**		**8,430,119**		**66,309,380**		**431,854,275**	**-**	**431,854,275**
Total comprehensive result for the period													
Result for the period									1,588,256		1,588,256		1,588,256
Other comprehensive result items													
Revaluation reserves for the period													
Adjustments compared to the previous year													
Achievement of revaluation reserve related to sold assets													
Reclassifications													
Established legal reserves													
Cancelation of revaluation reserve related to depreciated assets													
Deferred tax assets related to revaluation reserve													
Total other comprehensive result items	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**
Total comprehensive result for the period	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**1,588,256**	**0**	**1,588,256**		**1,588,256**
Transactions with shares directly registered in equities													
Share capital increase													
Shareholders' equity											-1,959,955		-1,959,955
Subsidiaries transfers													
Acquisition of subsidiaries, without uncontrolled interests													
Subsidiaries merger movements													
Shares granted free of charge			-315,000								-315,000		-315,000
Distributed dividends											0		0
Total changes in held shares													
Total transactions with shareholders	**0**		**-315,000**		**0**		**0**		**0**		**-315,000**	**0**	**-2,274,955**
Balance on September 30th 2018	**285,330,158**	**0**	**68,445,070**	**0**	**3,024,548**	**0**	**8,430,119**	**0**	**67,897,636**	**0**	**433,127,531**	**0**	**431,167,576**

Chief Executive Officer
Bogdan Oslobeanu

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Giani Iulian Kacic

Statement of cash flows on September 30th 2018

	30-Sep-18
Cash flows from operating activities	
Net Profit / (loss) for the period	1,588,256
Adjustments for:	
Amortization of tangible non-current assets	537,323
Amortization of intangible non-current assets	70,491
Effect of conversion to IFRS	-
Provisions for tangible non-current assets, establishment/ (reversal), net	(805,277)
Net variation of provisions for risk and charges	(318,196)
Adjustments for the depreciation of financial non-current assets, establishment / (reversal), net	-
(Profit) / Loss from sale of titles held in affiliates	-
(Profit) / Loss from transfer of tangible non-current assets	822,351
Adjustments for depreciation of inventories, establishment/ (reversal), net	1,535,170
Adjustments for depreciation of receivables, establishment / (reversal), net	672,639
Differences from revaluation of investment properties, net	-
Current and deferred profit tax, expenses / (incomes)	1,982,279
Provisions for risk and charges	312,718
Interest expenses	7,372,767
Interest incomes	(1,033,043)
Net (Profit) / Loss from foreign exchange differences, not earned	162,810
Changes in working capital	**12,900,288**
Variations related to operational activities:	
Inventories decreases	15,270,332
Increases of trade and other receivables	(26,078,277)
Decreases of trade and other payables	1,578,642
Cash generated by operational activities	**(9,229,303)**
Interest paid	(7,157,025)
Donations	(696,810)
Paid profit tax	(2,109,169)
	(9,963,004)
Net cash from operational activities	**(6,292,020)**
Cash flows from investment activities	
Acquisitions of tangible non-current assets	(607,264)
Acquisition of intangible non-current assets	(6,669)
Proceeds from sale of investment properties	347,050
Interest collected	88,078
Proceeds from sale of tangible non-current assets	7,692
Net cash from investment activities	**(171,114)**
Cash flows from financing activities	
Increase / (Decrease) of share capital and capital premiums	1,277,429
Loss related to the issuing, redemption, payment, transfer free of charge	315,000
Loan reimbursements	10,545,998
Received loans	(4,784,045)
Net cash used in financing activities	**4,799,524**
Cash and cash equivalents at the beginning of the period	44,515,734
Net Increase/(Decrease) of cash and cash equivalents	**(11,262,658)**

Cash and cash equivalents at the end of the period	**33,253,076**

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

Notes to the financial statements

1. Reporting entity

The joint stock company IMPACT Developer & Contractor S.A. (the "Company") is a private 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 278 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 first 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 developing the company's business object, except for those involving the General Shareholders Assembly, as stipulated by the law.

2. Share capital

As of May 24th 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, 172-176 Sos. Bucuresti – Ploiesti, 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 September 30th 2018 is 277,866,574 lei.

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

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 the date of July 19th 2018, is as follows:

Shareholder	Ownership*)
Iaciu Gheorghe	56.05%
Andrici Adrian	15.67%
SWISS CAPITAL / SAI SWISS CAPITAL AM / FDI ACTIVE DINAMIC / APOSTOL SORIN	12.13%
Other individuals and legal entities	16.15%
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 the 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 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.

4. Financial assets

The company Impact holds investments in the following affiliates:

30- Sep-18

	Ownership title	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.

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 lei.

c) **Bergamot Developments S.R.L.,** a company within the Group, whose main business object is in real estate development, and starting this year 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 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.

5. Affiliates

Transactions with affiliates for the 3rd quarter / 2018 appear as follows:

Transactions value as of	Balance as of

	30-Sep-18	30-Sep-18
Sale of goods and services (Class 7)		
Subsidiaries		
Actual Invest House	22,444	66,866
Clearline Development and Management	5,654	52,709
Bergamot Developments	708,083	6,093,637
Bergamot Developments Phase II	4,188	893
Impact Finance	32,805	23,749
	773,174	**6,237,855**

	Transactions value as of	Balance as of
	30-Sep-18	**30-Sep-18**
Purchase of goods and services (class 6)		
Subsidiaries		
Actual Invest House	1,117,623.41	1,695,167.18
Clearline Development and Management	-	1,131,037.29
Bergamot Developments	-	-
Bergamot Developments Phase II	-	-
Impact Finance	-	-
	1,117,623	**2,826,204**

	Transactions value as of (RON)	Balance as of (RON)
	30-Sep-18	**30-Sep-18**
Interest incomes (766)		
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management		-
Bergamot Developments	592,944.83	1,551,365.83
Bergamot Developments Phase II	347,113.00	347,188.00
Impact Finance	-	-
	940,058	**1,898,554**

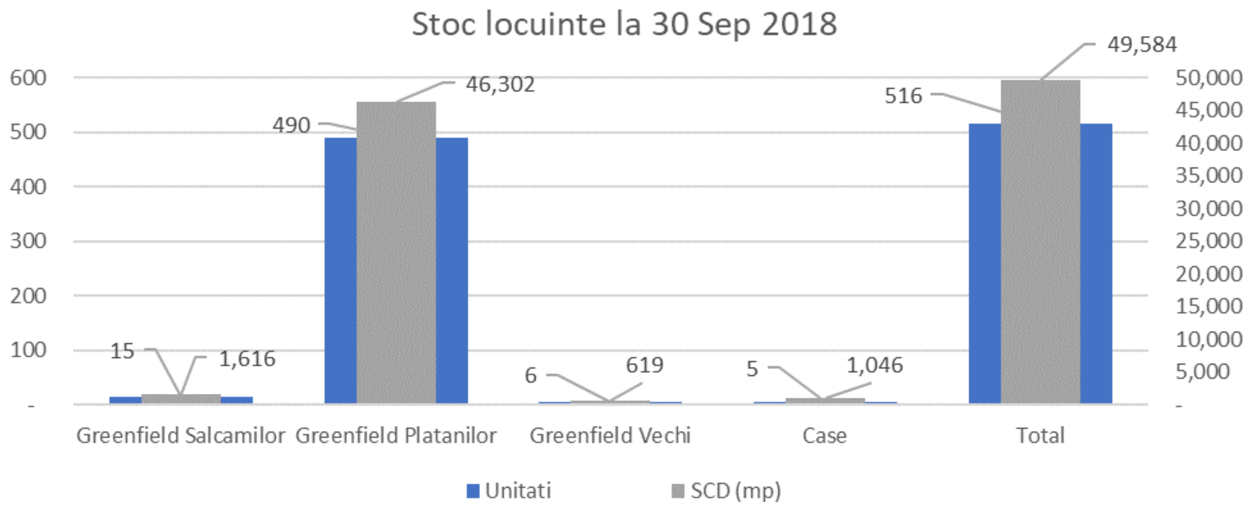
	Gross value	Book value
Granted loans		
Subsidiaries		
Bergamot Developments	16,710,000	16,710,000
Bergamot Developments Phase II	15,963,000	15,963,000
Impact Finance	35,000	35,000
	32,708,000	**32,708,000**

6. Inventories and investment properties

a) Apartments and houses

On September 30th 2018 the inventory includes a number of 516 apartments and houses fully completed, with a gross developed area of 49,584 sq. m. and a book value of 104.6 mil. Lei.

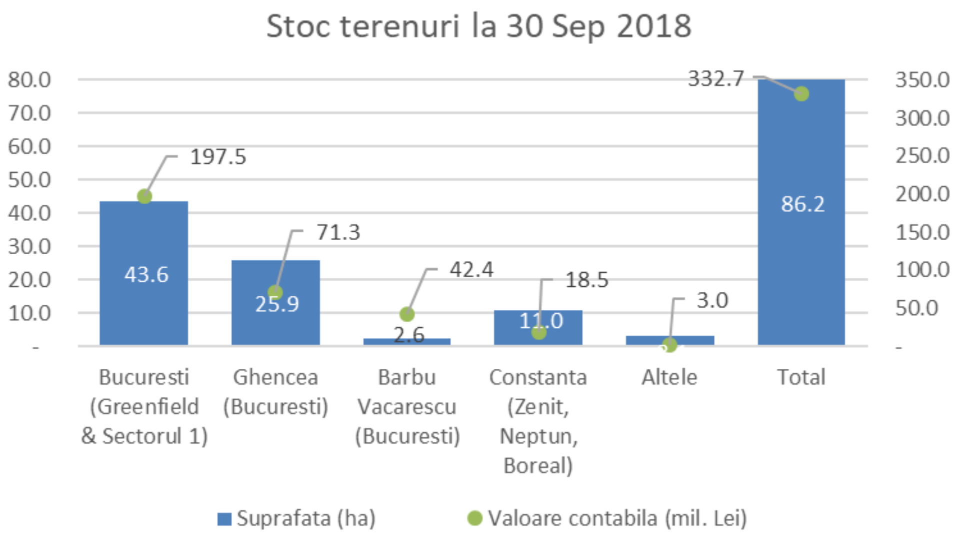
Detailed statement on houses and apartments inventories as of September 30th 2018 is the following:



Phases 7.2 and 7.3 of Platanilor Assembly – 12 buildings (276 apartments totaling 27,500 sq. m.), were completed in August 2018 and made available for sale in September this year.

b) Plots of land

At the end of the 3rd quarter of 2018, the inventory included around 86.2 ha of land with a book value of 332.7 mil. Lei, 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 as of 30.09.2018 appears as follows:

	Transactions value as of	Balance as of
	30-Sep-18	30-Sep-18
Ghencea (Rozelor and Crizantemelor)	396,896	6,438,706
Barbu Vacarescu	2,353,306	5,891,888
Greenfield	-43,228,803	15,117,989
Zenit Constanta	2,246,724	2,898,006
Greenfield Master Plan	1,731,060	3,831,652
Drumul Gornistul	17,999	17,999
Other	166,533	11,522,683
	-36,316,284	**45,718,923**

7. Cash and cash equivalents

	31-Dec-17	30-Sep-18
Current accounts	44,504,098	33,235,453
Cash	11,635	13,896
Advance for settlement	-	3,727
	44,515,734	**33,253,076**

8. Long and short-term loans

On September 30th 2018, the status of bank loans was the following:

Contract No.	Name	Currency	Maturity	Contract value (lei)	Balance 30.09.2018 (lei)	Short term (lei)	Long term (lei)
175/04.05.2017	Banca Transilvania-Lipscani Phase 7.3	RON	27-Feb-20	3,861,180	2,925,971	2,872,837	53,134
176/04.05.2017	Banca Transilvania-Lipscani Phase 7.3	RON	27-Feb-20	20,322,000	15,647,310	15,120,194	527,117
2093/28.07.2017	Piraeus Bank - N.Titulescu Phase	RON	28-Jul-20	15,850,000	14,502,086		14,502,086
2093/28.07.2017	Piraeus Bank - N.Titulescu Phase 7.1	RON	28-Jul-20	16,880,000	4,149,056		4,149,056
BA1562/23.09.2016	Libra Internet bank Phase 5	RON	23-Sep-20	35,000,000	4,526,900		4,526,900
Total				**91,913,180**	**41,751,324**	**17,993,030**	**23,758,293**

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;
b) Piraeus Bank: Contract No. 2093/28.07.2017 with maturity on 28.07.2020;
c) Libra Internet Bank: Contract No. BA1562/23.09.2016 with maturity on 23.09.2020;

Contract No.	Name	Currency	Maturity	Contract value	Subscription premiums	Net value	Interest balance 30.09.2018	Net value 30.09.2018	Interest balance 30.09.2018	Short term	Long term
				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	161,753	55,964,400	754,369	754,369	55,964,400
Ctr. 29.11.2017	Bursa de Valori București S.A.	EUR	12.12.2022	12,525,000	377,138	12,147,863	59,194	58,412,843	957,010	957,010	58,412,843
Total				**24,525,000**	**569,138**	**23,955,863**	**220,947**	**114,377,243**	**1,711,380**	**1,711,380**	**114,377,243**

On July 10th 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 28th 2017 approved by ASF by the approval decision No. 1710 dated November 28th 2017, amended by the amendment dated December 8th 2017 approved by ASF by the approval decision No. 1766 dated December 8th 2017 and by the amendment dated December 13th approved by ASF by the approval decision No. 1816 dated December 13th 2017.

9. Provisions

On September 30th 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 1,074,494 lei. The provision is established for the sold area.

10. Operational revenues recorded on September 30th 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	30.09.2017	30.09.2018	Value	%
Operational revenues, whereof:	**101,870,763**	**68,220,779**	**(33,649,984)**	**-33%**
Revenues from sale of residential properties inventories	93,776,931	61,700,654	(32,076,277)	-34%
Revenues from rentals and utilities recharged to tenants	6,661,296	3,800,674	(2,860,622)	-43%
Revenues from sale of investment properties	0	347,050	347,050	n/a
Other operational revenues	1,432,536	2,372,401	939,865	66%

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 the first three quarters of 2018 sales reached a number of 137 properties (apartments and houses), 2 plots of land and 10 parking places totaling a gross area of 13,537 sq. m., 40% less compared to the previous year when the sales have reached a number of 247 properties (apartments and houses) and 29 parking places, totaling a gross area of 22,038 sq. m.

From the total sold dwellings, 39 apartments were sold from Salcamilor Assembly (Greenfield Baneasa) and 95 apartments from Platanilor Assembly (Greenfield Baneasa).

b) Sale of land plots

During the first 3 quarters of 2018, the sale of land with an area of 2,524 sq. m. was recorded.

c) Rentals

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

11. Operational expenses recorded as of September 30th 2018

Operational expenses have decreased by 31% compared to the similar period of 2017.

Indicators	30.09.2017	30.09.2018	Value	%
Operational expenses, whereof:	**(84,284,414)**	**(58,176,466)**	**26,107,948**	**-31%**
Book value of sold residential inventories	(62,535,780)	(32,946,725)	29,589,055	-47%
Operational costs related to sold and rented properties	(5,483,851)	(2,275,003)	3,208,848	-59%
Book value of investment properties	-	(284,055)	(284,055)	n/a
Raw materials and consumables expenses	(658,495)	(712,427)	(53,932)	8%
Third party services	(5,037,777)	(7,326,727)	(2,288,950)	45%
Employee benefits expenses	(6,785,574)	(8,451,735)	(1,666,161)	25%
Other operating expenses	(3,782,937)	(6,179,794)	(2,396,857)	63%

Position “Other operating expenses” includes the donation of lands with an area of 6,000 sq. m. in favor of 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.

The operational result (EBITDA) is 10,044,313 lei, influenced by the decrease of sales.

12. Financial revenues and expenses recorded in the 3rd quarter of 2018

The increase of the financial costs is due to the subscription of bonds attracted for financing 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.

	30-Sep-17	30-Sep-18	Variation	%

Financing costs	(2,232,727)	(6,014,346)	(3,781,619)	169%
Financial revenues	736,753	1,033,043	296,290	40%
Foreign exchange differences	(542,287)	(162,810)	379,477	-70%
Other net financial items	(366,487)	(158,340)	208,147	-57%
Financial result	***(2,404,748)***	***(5,302,453)***	***(2,897,705)***	***120%***

13. Strategic directions and activity guidelines of IMPACT in 2018

The Company's activity in the period January - September 2018 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 center **Greenfield Plaza**, with a total area of 10,400 sq. m., to include a SPA center, 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 neighborhood, whose basic concept was completed during the entire year 2017.

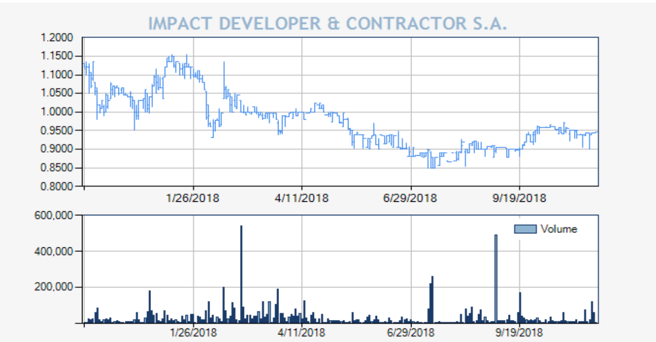
The works were initiated in the first semester of 2018, and in the end, the residential complex shall comprise 9 buildings of 630 apartments.

14. 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 September 2018 is 263,973,245 Lei.

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

Evolution of IMPACT shares price



On September 30th 2018, the BET index has recorded an increase of 6.8% compared to the same period of the previous year,
while the IMP shares have recorded a decrease of 20% (1.19 lei/share on 30.09.2017 compared to 0.95 lei/share on 30.09.2018).

15. Performance indicators

Economic and financial indicators – evolution:

Indicators	31-Dec-16	30-Sep-17	31-Dec-17	30-Sep-18
Return on Assets	6.11%	2.45%	8.28%	0.25%
Return on Equity	7.58%	3.44%	12.13%	0.37%
Indebtedness rate (Debts vs Assets)	19.37%	28.7%	31.64%	31.25%
Indebtedness rate (Equity vs Assets)	80.63%	71.32%	68.36%	68.75%
Indebtedness rate (Loans vs Equity)	14.65%	28.88%	37.38%	35.61%
Current liquidity	6.39	7.97	8.29	8.98
Immediate liquidity	0.67	1.86	1.59	1.45

Indicators	31-Dec-16	30-Sep-17	31-Dec-17	30-Sep-18
Price per share	0.7	1.19	1.05	0.95
No. of shares	277,866,574	277,866,574	277,866,574	277,866,574
Stock exchange capitalization (RON)	194,506,602	330,661,223	291,759,903	263,973,245
Exchange rate	4.5411	4.5991	4.6597	4.6637
Stock exchange capitalization (EUR)	42,832,486	71,896,941	62,613,452	56,601,678
Book net assets (RON)	390,776,564	391,763,350	431,171,749	431,167,576
Book net assets (EUR)	86,053,283	85,182,612	92,532,083	92,451,825
Result (RON)	29,610,137	13,478,429	52,306,703	1,588,256
Result (EUR)	6,593,511	2,931,495	11,282,966	341,465
Gain per share (RON)	0.107	0.049	0.188	0.006
Gain per share (EUR)	0.024	0.011	0.041	0.001
NAV/Share (RON)	1.406	1.410	1.552	1.552
NAV/Share (EUR)	0.31	0.31	0.33	0.33
Premium/discount compared to net book assets	-50%	-16%	-32%	-39%

EPRA[1] Net Book Assets:

Description	31-Dec-17	30-Sep-18
IFRS Net Book Assets	**431,171,749**	**431,167,575**

Number of shares	**277,866,574**	**277,866,574**
IFRS Net Book Assets/Share	***1.55***	***1.55***
EPRA Net Book Assets	**585,525,077**	**585,520,903**
EPRA Net Book Assets/Share	***2.11***	***2.11***

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 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.

16. Auditors

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

The financial statements as of September 30th 2018 **are not audited.**

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